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Strengthening Regulatory Enforcement and Legal Accountability in BOS Fund Governance in Indonesia: A Socio-Legal Study

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Abstract
The governance of School Operational Assistance (Bantuan Operasional Sekolah/BOS) funds in Indonesia is an important area of public financial law, particularly in relation to legal accountability, regulatory compliance, and enforcement of state education financing policies. Although BOS funds are regulated under a comprehensive legal framework based on the principles of legality, transparency, accountability, and auditability, there remains a persistent gap between normative legal provisions and their implementation at the school level, especially within Islamic schools. This study adopts a socio-legal research design combining doctrinal legal analysis and empirical financial documentation analysis to examine how BOS fund governance is operationalized in practice. The analysis focuses on key financial documents, including School Activity and Budget Plans (RKAS), cashbooks, receipts, and expenditure records, as primary instruments of accountability and legal evidence. The findings show that financial documentation plays a central role in BOS governance; however, its consistency, standardization, and evidentiary reliability vary significantly across institutions, which weakens audit effectiveness and regulatory enforcement. The study further identifies a governance gap between legal design and administrative implementation, where compliance tends to be procedural rather than substantive. It concludes that strengthening BOS governance requires not only regulatory refinement but also standardized documentation systems and improved enforcement capacity within public financial governance. This study contributes to socio-legal scholarship by positioning financial documentation as a key mechanism linking legal norms and administrative accountability in decentralized education finance systems.

Keywords:
BOS funds, legal accountability, regulatory enforcement, socio-legal analysis, financial documentation

1. Introduction
The governance of public education financing constitutes a critical domain of public financial law and administrative accountability, particularly within decentralized education systems where state resources must be managed under binding legal and regulatory frameworks. In Indonesia, the School Operational Assistance (Bantuan Operasional Sekolah/BOS) program

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represents a legally mandated fiscal instrument designed to ensure equitable access to education and improve service quality, including in Islamic schools (madrasahs). As public funds, BOS financing is governed by core principles of legality, accountability, transparency, efficiency, and auditability under national public financial management laws. Despite this strong normative foundation, empirical evidence suggests persistent gaps between regulatory design and implementation at the institutional level. In this context, financial documentation—such as receipts, invoices, cashbooks, and budget realization reports—functions not only as administrative records but also as potential legal evidence within public accountability and audit mechanisms (Harahap et al., 2023; Lubis et al., 2024; Rizka et al., 2025).

From a doctrinal and institutional legal perspective, public financial accountability is not merely a managerial obligation but a legally enforceable requirement embedded in administrative and state finance law. However, the effectiveness of such accountability depends heavily on enforcement capacity, institutional compliance culture, and the reliability of financial documentation systems. Weak documentation integrity and inconsistent verification mechanisms often reduce the enforceability of legal norms, thereby creating a structural gap between normative regulation and actual governance practice. In decentralized education systems, this gap becomes more pronounced due to variations in institutional capacity and administrative discipline, resulting in uneven compliance outcomes across schools (Zhang et al., 2026; Jing & Zhang, 2026; Wibowo, 2025).

Recent empirical and comparative governance studies indicate that BOS fund governance challenges are not merely technical or administrative issues but reflect broader patterns of regulatory enforcement failure and structural accountability deficits. Cases of misappropriation, incomplete reporting, delayed audits, and weak sanctioning mechanisms suggest that governance failures are systemic rather than incidental. Strength of enforcement institutions and regulatory credibility is widely recognized as a key determinant of public trust and governance effectiveness (Aziz et al., 2026; Yao et al., 2026). In this regard, financial documentation should be understood as part of a legal evidentiary chain that connects administrative action, audit processes, and potential legal enforcement, rather than merely as bureaucratic paperwork.

In addition, the increasing integration of digital governance systems and emerging technologies such as artificial intelligence and blockchain has further transformed the landscape of public financial management. Digital platforms such as ARKAS and SIPLAH are designed to improve transparency, traceability, and efficiency in BOS fund management. However, global studies indicate that technological adoption alone does not guarantee governance effectiveness without institutional readiness and regulatory alignment (Goyal et al., 2026; Gunarathna et al., 2025; Goldsmith & Yang, 2026; Özsavaş & Özsavaş, 2026; Yao et al., 2026). This highlights the need to integrate technological governance perspectives with doctrinal legal analysis to fully understand accountability dynamics in education financing systems.

Based on these gaps, the research questions of this study are formulated as follows: (1) How is the legal governance structure of BOS fund management operationalized within Islamic schools in Indonesia? (2) How does financial documentation function as a legal instrument of

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accountability in BOS fund governance? (3) How do internal control mechanisms and digital governance systems influence compliance and enforcement effectiveness in BOS fund management? Accordingly, the objectives of this study are to analyze the legal governance framework of BOS funds, examine the evidentiary function of financial documentation in accountability systems, and evaluate the interaction between internal control mechanisms and digital governance in strengthening regulatory compliance.

This study contributes to the literature in three main ways. First, it introduces a socio-legal documentation-based accountability model, positioning financial documentation not only as administrative output but as a central legal instrument of enforcement and governance. Second, it strengthens the integration between public financial law, regulatory enforcement theory, and empirical governance studies by demonstrating how legal norms are operationalized through documentation systems at the school level. Third, it provides policy-relevant insights by highlighting the necessity of standardized documentation systems, stronger internal control enforcement, and full integration of digital financial platforms to reduce governance fragmentation. These contributions extend prior studies by Harahap et al. (2023), Lubis et al. (2024), and Rahayu et al. (2025), while also responding to recent governance challenges identified in comparative regulatory literature (Aziz et al., 2026; Zhang et al., 2026; Wibowo, 2025).

2. Literature Review

The literature on public financial governance consistently positions accountability, transparency, and regulatory compliance as the core pillars of effective public fund management, particularly in education financing systems such as the School Operational Assistance (BOS) program. However, recent scholarship increasingly shifts beyond procedural compliance toward a more complex understanding of accountability as a trust-based and evidence-driven governance system. Aziz et al. (2026) emphasize that stakeholder trust in regulatory governance is significantly strengthened when transparency is institutionalized through verifiable documentation and robust audit mechanisms. In parallel, Goldsmith and Yang (2026) argue that modern accountability is shaped by structured oversight systems in which documentation functions as both a control mechanism and a decision-making instrument. Complementing this view, Özsavaş and Özsavaş (2026) highlight that governance capacity in public administration depends on the integration of regulatory compliance with digital accountability infrastructures. Taken together, these studies indicate that accountability in BOS governance is no longer purely normative, but materially constructed through documentation systems and institutional enforcement capacity.

From a legal doctrinal perspective, BOS fund governance is embedded within Indonesia's public financial law framework, which establishes binding principles of legality, accountability, transparency, efficiency, and auditability. The governance of state financial resources is regulated under Law No. 17 of 2003 on State Finance, Law No. 1 of 2004 on State Treasury, and Law No. 15 of 2004 on State Financial Audit, which collectively form the constitutional architecture of public financial accountability. In addition, Law No. 20 of 2003 on the National Education System reinforces the state's obligation to ensure equitable education financing through instruments such as BOS. Importantly, anti-corruption enforcement under Law No. 31

JUSTITIA NOVA
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of 1999 jo. Law No. 20 of 2001 further strengthens the legal consequences of financial mismanagement, positioning BOS governance within a criminally enforceable public finance regime. This doctrinal structure demonstrates that BOS funds are not merely administrative subsidies but legally controlled state financial instruments subject to strict accountability obligations.

At the regulatory implementation level, BOS governance is operationalized through ministerial regulations that translate statutory principles into technical administrative procedures. The most recent framework, Minister of Education Regulation No. 8 of 2025 on BOS Technical Guidelines (later replaced by Permendikdasmen No. 8 of 2026), regulates allocation mechanisms, expenditure categories, reporting standards, and monitoring systems. This regulatory evolution reflects the dynamic nature of administrative law in education finance, where governance instruments continuously adapt to institutional and technological developments. Within this structure, financial documentation—including RKAS, receipts, invoices, cashbooks, and expenditure reports—serves a dual function: administrative compliance tools and legal evidentiary instruments in audit processes. Bokor (2025) emphasizes that effective public financial governance requires alignment between regulatory design and operational accountability mechanisms, while empirical studies by Harahap et al. (2023), Lubis et al. (2024), and Rizka et al. (2025) confirm that documentation quality directly determines transparency and audit reliability in BOS implementation.

A growing body of literature highlights the increasing role of digital governance in transforming public financial accountability. Digital platforms such as ARKAS and SIPLAH represent institutional efforts to standardize financial reporting, improve traceability, and reduce administrative discretion. Goyal et al. (2026) argue that digital and AI-based governance systems enhance transparency and efficiency, although their effectiveness depends on institutional readiness. Similarly, Gunarathna et al. (2025) demonstrate that blockchain-based systems strengthen data integrity by ensuring immutable financial records. Lockwood and Devenish (2024) and Naus et al. (2026) further highlight that governance transitions increasingly rely on digital infrastructures and cross-sector coordination. Yao et al. (2026) add that regulatory governance quality improves when digital systems are aligned with institutional frameworks and performance accountability mechanisms. Nevertheless, in BOS governance, digital adoption remains uneven, producing a hybrid system in which manual and digital documentation coexist, often generating inconsistencies in financial reporting.

In addition to digital governance, the literature on internal control systems provides a crucial analytical lens for understanding BOS accountability failures. Strang (2018) and Johnstone (2020) emphasize that internal control effectiveness depends on structured financial systems, segregation of duties, and institutional discipline. Jing and Zhang (2026) further argue that accountability mechanisms evolve through regulatory reinforcement and institutional learning processes, while Zhang et al. (2026) highlight that internal control effectiveness is shaped by institutional and cultural compliance factors. Zhao et al. (2026) also demonstrate that weak enforcement environments encourage informal practices that undermine governance integrity. In the BOS context, these insights are highly relevant because school-level financial governance

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is heavily dependent on human resource capacity, administrative discipline, and institutional oversight mechanisms, which vary significantly across schools.

Finally, the broader governance transition literature frames BOS fund management as part of a systemic shift in public administration toward hybrid regulatory-digital governance systems. Kundurpi et al. (2021) and Roy-Basu et al. (2020) emphasize that effective governance transitions require adaptive institutional arrangements capable of bridging policy design and implementation. Sayogo and Pardo (2013) highlight that transparency and data integrity are critical enablers of accountability in public systems, while Lockwood and Devenish (2024) stress the importance of institutional context in determining governance effectiveness. Synthesizing these perspectives, BOS governance can be understood as a multi-layered system combining legal regulation, documentation-based accountability, digital governance, and institutional control mechanisms. However, a critical research gap remains: existing studies have not sufficiently integrated financial documentation as a socio-legal evidentiary system within the enforcement structure of BOS governance, particularly in Islamic school contexts. This study addresses this gap by developing a documentation-centered socio-legal framework of BOS fund accountability that links legal norms, administrative practices, and enforcement mechanisms in a unified analytical model.

3. Methodology

This study adopts a qualitative socio-legal research design to examine the legal governance and accountability of School Operational Assistance (BOS) fund management in Islamic schools, with a particular focus on financial documentation as a site of regulatory compliance and legal enforcement. The socio-legal approach is selected because BOS governance operates within a dual structure consisting of (1) a formal legal framework regulating public financial management and education financing, and (2) an empirical implementation layer manifested in school-level administrative and financial practices. This duality frequently produces a compliance gap between normative legal requirements and actual governance behavior in decentralized education systems. Therefore, this study integrates doctrinal legal analysis and empirical document analysis to examine how legal norms are operationalized through financial documentation systems and how such documentation functions as an accountability mechanism within public education finance governance (Wibowo, 2025; Rahayu et al., 2025; Masyhar et al., 2026).

The doctrinal legal framework is constructed from Indonesia's public financial law system, including Law No. 17 of 2003 on State Finance, Law No. 1 of 2004 on State Treasury, Law No. 15 of 2004 on State Financial Audit, Law No. 20 of 2003 on National Education System, and Law No. 31 of 1999 jo. Law No. 20 of 2001 on Corruption Eradication. These legal instruments establish the normative principles of legality, accountability, transparency, efficiency, and auditability in public fund governance. At the regulatory level, the study analyzes Ministerial Regulations on BOS/BOSP Technical Guidelines, including Permendikbudristek No. 63 of 2022 and its subsequent updates, as well as Permendikdasmen No. 8 of 2026, which replaced Permendikbudristek No. 8 of 2025. These regulations function as operational legal standards governing planning, budgeting, disbursement, reporting, and monitoring mechanisms. Within this framework, financial documentation is conceptualized as a legally relevant instrument that connects administrative action with auditability and enforcement processes in public financial governance.

Empirical data consist of BOS fund financial documentation collected from Islamic schools, particularly related to operational expenditures such as examination printing services. The documents include School Activity and Budget Plans (RKAS), cashbooks, general ledgers, tax registers, receipts, invoices, procurement records, and transaction logs. These materials are treated not only as administrative records but as legal artifacts that serve as evidentiary instruments in audit and potential enforcement procedures. Supporting data are derived from institutional reports and policy documents to contextualize implementation practices within regulatory governance structures. Data analysis is conducted using a three-stage framework: doctrinal compliance analysis, document triangulation, and institutional legal evaluation. This includes assessing the roles of the principal as budget authority, treasurer as financial manager, and administrative staff as documentation custodians, thereby positioning internal control as a legally embedded governance mechanism (Strang, 2018; Johnstone, 2020; Zhang et al., 2026). Through this methodological design, the study constructs a socio-legal documentation-based accountability model that explains how legal norms are translated into financial documentation practices and how such practices mediate regulatory compliance and governance performance in Islamic school financial management systems.

4. Results and Discussion

4.1. Legal Structure of BOS Fund Governance and Administrative Compliance

The governance of School Operational Assistance (BOS) funds is formally regulated within a comprehensive legal framework that positions BOS as a public financial instrument subject to strict principles of legality, accountability, transparency, efficiency, and auditability. In the Indonesian context, BOS fund management is primarily governed by national public finance laws and education financing regulations, including sectoral policy instruments issued by the Ministry of Education. These regulatory frameworks establish that BOS funds are not discretionary school resources, but state funds that must be managed in accordance with binding legal norms, including structured planning, controlled disbursement, documented execution, and systematic reporting. A key regulatory reinforcement is provided by Peraturan Menteri Pendidikan Dasar dan Menengah Nomor 8 Tahun 2025 tentang Petunjuk Teknis Pengelolaan Dana Bantuan Operasional Satuan Pendidikan, which explicitly regulates the entire BOS lifecycle, including beneficiary eligibility, allocation formulas, fund disbursement mechanisms, permissible expenditures, financial management procedures, and monitoring and evaluation systems. Although this regulation was later replaced by the subsequent 2026 ministerial regulation, its legal relevance remains significant as it represents the formal codification of technical accountability standards during the observed period of governance practices analyzed in this study. Within this legal architecture, BOS governance is designed as a compliance-based system where every financial action must be traceable through formal documentation, thereby transforming administrative behavior into legally accountable conduct.

At the operational level, the legal framework is translated into administrative compliance instruments that structure financial behavior at the school level. Schools are required to implement planning mechanisms such as the School Activity and Budget Plan (Rencana

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Kegiatan dan Anggaran Sekolah/RKAS), which functions as the primary legal budgeting instrument authorizing BOS fund utilization. This planning instrument is legally binding in the sense that all expenditures must correspond to approved budget lines, thereby establishing a direct relationship between normative authorization and financial execution. In addition, schools must maintain a series of standardized financial records, including cashbooks, tax registers, expenditure journals, and procurement logs, which serve as continuous legal evidence of fund movement. Each transaction must be supported by valid financial documentation such as receipts, invoices, and supporting administrative evidence, which collectively function as audit instruments and legal proof of expenditure legitimacy. The empirical analysis of financial documentation in Islamic schools reveals a mixed pattern of compliance. Some institutions demonstrate strong adherence to documentation standards, characterized by complete RKAS alignment, systematic bookkeeping, and verifiable receipts. However, other institutions show significant inconsistencies, including incomplete documentation trails, delayed recording of transactions, and discrepancies between planned budgets and realized expenditures. These variations indicate that while the legal framework is normatively comprehensive, its practical implementation is highly dependent on institutional capacity, administrative discipline, and governance culture at the school level. The following table summarizes the alignment between BOS legal requirements and empirical documentation practices observed in the study context:

Table 4.1. Legal Requirements vs Empirical Compliance in BOS Financial Documentation

Legal Requirement (Normative Framework)	Required Instrument	Empirical Condition	Compliance Issue
Budget authorization	RKAS (School Budget Plan)	Partially aligned in several schools	Budget–realization mismatch
Transaction accountability	Receipts & invoices	Incomplete in some cases	Weak evidentiary traceability
Financial recording	Cashbook & journals	Not consistently updated	Delayed bookkeeping
Tax compliance	Tax registers	Generally available but irregular	Administrative inconsistency
Audit readiness	Full documentation package	Varies significantly	Uneven audit preparedness

Source: Author's own elaboration based on BOS financial documentation (RKAS, cashbooks, receipts, invoices) and Indonesian public financial law framework.

These findings reinforce the argument that legal compliance in BOS governance is not merely a function of regulatory existence but depends heavily on the institutional capacity to operationalize legal norms into standardized administrative behavior. In line with Aziz et al. (2026), regulatory governance effectiveness is strongly influenced by institutional trust and implementation capacity, which determine whether legal frameworks are transformed into practical compliance systems. Similarly, Bokor (2025) emphasizes that legal governance in public finance requires not only normative clarity but also procedural consistency supported by reliable documentation systems. In the BOS context, documentation functions as a legal instrument of accountability, meaning that financial records are not merely administrative artifacts but constitute legally significant evidence in audit and enforcement processes. However, the observed inconsistencies indicate a structural gap between legal design and field implementation, suggesting that BOS governance still operates within a semi-formal

JUSTITIA NOVA
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e-ISSN: 3109-3469
Vol. 2, No. 1, June 2026
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compliance environment where legal norms are partially internalized but not uniformly enforced. This condition highlights the necessity of strengthening institutional governance mechanisms, improving administrative capacity, and standardizing documentation systems to ensure that BOS fund management fully reflects the principles of public financial law and legal accountability.

4.2. Financial Documentation as an Instrument of Accountability

Financial documentation constitutes the core operational instrument through which accountability in School Operational Assistance (BOS) fund management is constructed, verified, and enforced at the school level. Within the legal governance framework, documentation functions not only as administrative evidence but also as a legally relevant artifact that ensures traceability, auditability, and compliance with public financial regulations. Instruments such as receipts, invoices, cashbooks, tax registers, procurement records, and School Activity and Budget Plans (Rencana Kegiatan dan Anggaran Sekolah/RKAS) form an integrated documentation ecosystem that links planning, execution, and reporting stages of BOS fund utilization. In normative terms, these documents operationalize core principles of public financial law—particularly legality, transparency, accountability, efficiency, and legal certainty—by converting financial transactions into verifiable records subject to audit scrutiny. This aligns with governance scholarship emphasizing that accountability in public finance increasingly depends on documentation integrity, standardized reporting systems, and reliable audit trails as fundamental elements of regulatory compliance (Strang, 2018; Harahap et al., 2023; Lubis et al., 2024; Rizka et al., 2025; Zhang et al., 2026). In this sense, financial documentation should be understood as a legal infrastructure of accountability rather than a mere administrative requirement.

However, empirical findings from the analyzed BOS governance cases reveal significant inconsistencies in the implementation and quality of financial documentation across Islamic schools. In several institutions, receipts lack detailed transaction descriptions, supporting invoices are incomplete or not systematically archived, and cashbook records are updated irregularly, undermining chronological traceability of financial flows. Furthermore, discrepancies between RKAS (budget planning documents) and realized expenditures indicate that documentation is often treated as a post-facto administrative requirement rather than a real-time governance control mechanism embedded in financial decision-making processes. These weaknesses reduce the evidentiary strength of financial records, weaken internal control systems, and limit the effectiveness of external audits conducted by supervisory authorities. The following table summarizes the dominant documentation issues identified across cases:

Table 4.2. Key Documentation Weaknesses in BOS Fund Governance

Documentation Component	Ideal Legal Function	Observed Condition	Governance Implication
RKAS	Budget authorization instrument	Partial alignment with actual spending	Planning–execution gap
Receipts & invoices	Legal proof of transactions	Incomplete or non-standardized	Weak evidentiary validity
Cashbook	Chronological financial record	Irregular updates	Reduced traceability

JUSTITIA NOVA
Indonesian Journal of Modern Law
e-ISSN: 3109-3469
Vol. 2, No. 1, June 2026
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Documentation Component	Ideal Legal Function	Observed Condition	Governance Implication
Procurement records	Transparency of expenditure	Fragmented documentation	Weak procurement accountability
Tax registers	Fiscal compliance evidence	Inconsistently maintained	Administrative non-uniformity

Source: Authors' own analysis based on BOS financial documentation collected from Islamic schools in Indonesia.

These empirical weaknesses reflect a structural gap between normative legal design and practical administrative implementation, particularly in decentralized education governance systems where institutional capacity varies significantly. Such conditions indicate that documentation-based accountability is highly sensitive to administrative discipline and organizational governance culture at the school level. In this regard, the findings are consistent with Johnstone (2020) and Jing and Zhang (2026), who argue that the effectiveness of internal control and governance systems is largely determined by institutional capacity, compliance behavior, and organizational learning processes. Similarly, Rohman (2025) and Strang (2018) emphasize that weaknesses in financial documentation directly undermine accountability mechanisms and increase vulnerability to audit irregularities in public fund management systems. From a broader governance perspective, these findings confirm that documentation is not neutral but constitutive of accountability itself, meaning that the quality of financial records directly determines the strength of legal enforcement and oversight effectiveness.

From a legal governance standpoint, financial documentation serves as the critical interface between regulatory norms and their implementation in practice. BOS regulations establish binding obligations regarding transparency, reporting accuracy, and financial accountability; however, these legal principles only become enforceable when translated into complete, consistent, and standardized documentation practices. Without reliable financial records, legal compliance remains formalistic rather than substantive, weakening the capacity of regulatory institutions to enforce accountability mechanisms effectively. This reinforces the argument that BOS governance operates as a document-centered legal system, in which financial documentation functions as both evidence of compliance and a mechanism of legal control. In line with Bokor (2025) and Aziz et al. (2026), the effectiveness of regulatory governance depends not only on the existence of legal norms but also on the institutional capacity to implement documentation-based accountability systems. Furthermore, emerging governance literature highlights that digitalization—through systems such as integrated financial reporting platforms—can strengthen documentation reliability and reduce informational asymmetry, thereby enhancing legal compliance and audit effectiveness in decentralized public financial systems.

4.3. Digital Governance and the Transformation of BOS Financial Management

Digital governance has become a pivotal transformative force in the management of School Operational Assistance (BOS) funds, marking a structural shift from manual, document-heavy administration toward integrated, system-based accountability. In the Indonesian education finance context, particularly within Islamic schools, the implementation of digital platforms such as ARKAS and SIPLAH represents an institutional attempt to operationalize transparency, efficiency, and traceability through technology-mediated governance systems. These platforms

JUSTITIA NOVA
Indonesian Journal of Modern Law
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Vol. 2, No. 1, June 2026
https://doi.org/10.5281/zenodo.20561027

integrate key financial processes—budget planning, procurement, expenditure recording, and reporting—into a unified digital ecosystem that reduces administrative fragmentation and enhances the visibility of financial flows. From a legal governance perspective, this transformation reflects a broader evolution in public financial management, where accountability is increasingly enforced through digital audit trails and system-generated evidence rather than solely through manually prepared documents. This development aligns with contemporary governance literature emphasizing that digital infrastructures play a central role in strengthening regulatory compliance, limiting discretionary practices, and improving transparency in public sector financial systems (Goyal et al., 2026; Yao et al., 2026). In this sense, digital governance does not merely support administrative efficiency but also reconfigures the legal architecture of accountability itself by embedding compliance mechanisms directly into financial systems.

Empirical evidence from this study indicates that schools utilizing digital financial management systems generally demonstrate higher levels of documentation consistency, traceability, and audit readiness compared to those relying predominantly on manual bookkeeping practices. Digital systems significantly reduce the risk of document loss, minimize duplication errors, and standardize reporting formats in accordance with regulatory requirements. Moreover, system-based recording enables real-time monitoring of transactions, which strengthens internal control mechanisms and enhances supervisory oversight by relevant authorities. This technological integration also improves the speed and accuracy of financial verification during audit processes, thereby increasing the reliability of accountability mechanisms. However, the implementation of digital governance remains uneven across institutions. Variations in infrastructure availability, internet connectivity, digital literacy, and administrative capacity significantly influence the effectiveness of system adoption at the school level. As a result, the digital transformation of BOS governance is characterized by institutional asymmetry, where some schools operate fully within digital compliance systems while others maintain partial or minimal integration. These findings are consistent with Özsavaş and Özsavaş (2026) and Goyal et al. (2026), who argue that the effectiveness of digital governance is highly dependent on institutional readiness and organizational capacity rather than technological availability alone.

The literature further reinforces the argument that digital governance systems can substantially enhance financial accountability when properly institutionalized within regulatory frameworks. Gunarathna et al. (2025) demonstrate that blockchain-enabled financial systems improve transparency, traceability, and data integrity by creating immutable transaction records that are resistant to manipulation. Similarly, Yao et al. (2026) highlight that regulatory governance quality improves when digital technologies are aligned with institutional policies, compliance structures, and performance evaluation mechanisms. In the context of BOS fund management, these insights suggest that platforms such as ARKAS and SIPLAH have strong potential to function as legal accountability infrastructures, provided they are fully integrated into school governance systems and supported by adequate administrative capacity. In such conditions, digital documentation becomes not only an operational tool but also a legally significant instrument that strengthens enforceability and audit reliability in public financial governance.
Despite these advantages, the study finds that the transition toward digital governance in BOS financial management remains partial and uneven, resulting in a hybrid governance system that

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combines both manual and digital documentation practices. In many schools, physical records such as printed receipts, manual cashbooks, and offline archives are still maintained alongside digital entries recorded in ARKAS or SIPLAH. This dual-system arrangement creates potential inconsistencies between electronic and manual records, particularly when updates are not synchronized in real time. Such discrepancies introduce governance risks related to data validity, audit confusion, and reduced reliability of financial reporting outcomes. From a legal perspective, this hybrid condition indicates that the digital transformation of BOS governance is still in a transitional phase, where technological adoption has not yet fully replaced traditional administrative practices. Therefore, while digital governance represents a significant advancement in strengthening BOS accountability, its effectiveness ultimately depends on the harmonization of legal frameworks, institutional readiness, capacity building, and the full integration of digital systems into standardized financial governance procedures.

4.4. Internal Control Mechanisms and Institutional Capacity

Internal control mechanisms constitute a core pillar of legal governance in the management of School Operational Assistance (BOS) funds, functioning as the internal enforcement structure that ensures compliance with regulatory frameworks, financial discipline, and accountability standards. Within Islamic schools, internal control is operationalized through the distribution of roles among school principals, treasurers, and administrative staff, who collectively manage planning, execution, recording, and reporting of BOS funds. A well-structured internal control system is characterized by segregation of duties, authorization hierarchies, and systematic verification processes, which collectively reduce the risk of financial mismanagement and enhance auditability. From a legal governance perspective, such mechanisms operationalize the principles of public financial accountability embedded in regulatory frameworks, transforming abstract legal norms into enforceable institutional practices. This aligns with governance scholarship emphasizing that accountability systems require both structural design and institutional trust to function effectively in practice (Aziz et al., 2026; Strang, 2018; Lubis et al., 2024; Harahap et al., 2023; Rizka et al., 2025).

However, empirical findings indicate that the effectiveness of internal control mechanisms in BOS fund governance is significantly constrained by variations in institutional capacity and human resource quality. In several Islamic schools, financial administration is handled by personnel without formal training in accounting, auditing, or public financial management, resulting in weaknesses in bookkeeping accuracy, reporting consistency, and documentation reliability. In addition, limited staffing resources in smaller schools often lead to role concentration, where one individual performs multiple financial functions, thereby weakening segregation of duties and increasing the risk of procedural errors. These conditions result in internal control systems functioning more as reactive administrative tools rather than preventive governance mechanisms. Such structural weaknesses also create gaps between regulatory expectations and field-level implementation, particularly in decentralized education systems where institutional capacity is uneven. These findings are consistent with literature emphasizing that internal control effectiveness depends on both institutional design and organizational capability, including cultural and behavioral compliance factors (Johnstone, 2020; Zhang et al., 2026; Rohman, 2025; Jing & Zhang, 2026; Zhao et al., 2026).

JUSTITIA NOVA
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From a broader governance and regulatory perspective, internal control systems are increasingly influenced by technological and institutional transformation processes in public administration. Studies show that regulatory governance effectiveness is strengthened when internal control structures are supported by data-driven systems, digital oversight tools, and AI-assisted monitoring mechanisms. Goldsmith and Yang (2026) emphasize that accountability in modern governance is increasingly mediated by digital systems that reduce discretionary errors and enhance transparency. Similarly, Özsavaş and Özsavaş (2026) highlight that AI governance capacity significantly determines the effectiveness of public administration systems in ensuring compliance and oversight quality. In parallel, Goyal et al. (2026) argue that GenAI adoption in public administration can improve governance efficiency, although institutional readiness remains a critical barrier. These insights suggest that internal control systems in BOS governance are gradually shifting toward hybrid models that integrate human oversight with digital compliance tools, thereby strengthening legal enforceability and reducing informational asymmetry in financial management systems.

In addition, technological governance literature further reinforces the importance of integrating internal control systems with digital infrastructures. Gunarathna et al. (2025) demonstrate that blockchain-based systems enhance transparency, traceability, and data integrity through immutable financial records, thereby strengthening audit mechanisms. Yao et al. (2026) similarly argue that regulatory governance quality improves when digital systems are aligned with institutional frameworks and ESG-oriented performance standards. From a transition governance perspective, Lockwood and Devenish (2024) and Naus et al. (2026) emphasize that institutional transformation requires adaptive governance structures capable of managing cross-sectoral coordination and systemic change. These perspectives collectively indicate that internal control systems in BOS fund governance must evolve beyond traditional administrative supervision toward integrated governance systems that combine legal compliance, institutional capacity, and digital accountability mechanisms.

Finally, from a legal governance standpoint, BOS internal control mechanisms cannot be separated from the regulatory architecture that defines public financial accountability. While legal frameworks provide normative standards for transparency, efficiency, and auditability, their enforcement depends on the effectiveness of internal institutional systems that operationalize these norms. In this regard, internal control functions as the "implementation arm" of legal governance, ensuring that regulatory principles are translated into measurable administrative actions. However, as highlighted by Sayogo and Pardo (2013) and Roy-Basu et al. (2020), governance effectiveness ultimately depends on data accessibility, adaptive institutional arrangements, and co-management structures that support accountability across multiple levels of administration. Therefore, strengthening BOS governance requires not only regulatory enforcement but also capacity-building, professionalization of school financial managers, and integration of digital governance tools to ensure that internal control systems function as a robust legal accountability mechanism within public education finance systems.

4.5. Governance Gaps and Implications for Legal Reform

The governance of School Operational Assistance (BOS) funds is normatively structured within a comprehensive legal framework that emphasizes accountability, transparency, efficiency, and

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Vol. 2, No. 1, June 2026
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legal certainty as fundamental principles of public financial management. In the Indonesian context, these principles are operationalized through national education financing regulations and technical guidelines that regulate planning, budgeting, disbursement, expenditure, and reporting mechanisms. The regulatory design positions BOS funds as legally bound public financial resources that must be managed under strict compliance standards, ensuring that every transaction is traceable, auditable, and legally verifiable. From a doctrinal perspective, such regulatory architecture reflects the state's obligation to ensure proper fiduciary management of public funds in decentralized education systems. However, despite the formal robustness of the legal framework, the empirical findings of this study indicate a persistent gap between normative regulation and administrative implementation at the school level, particularly within Islamic educational institutions. This gap reflects a classic problem in regulatory governance where legal norms are well-established but weakly enforced in practice due to institutional fragmentation and uneven administrative capacity (Aziz et al., 2026; Bokor, 2025; Yao et al., 2026).

At the implementation level, three structural governance gaps emerge as critical constraints in BOS fund management. First, documentation inconsistency remains a persistent issue, where financial records such as receipts, invoices, and RKAS documents are not uniformly standardized or systematically archived across schools. Second, uneven digital governance adoption continues to create disparities in financial reporting quality, particularly in institutions that lack adequate technological infrastructure or digital literacy to fully utilize platforms such as ARKAS and SIPLAH. Third, weak internal control enforcement is evident in unclear segregation of duties, limited supervisory mechanisms, and insufficient compliance monitoring at the institutional level. These governance deficiencies collectively weaken the legal enforceability of BOS regulations, as financial accountability becomes procedurally formalistic rather than substantively compliant. In legal terms, this condition indicates a partial implementation of administrative law principles, where regulatory obligations exist but are not fully realized through consistent administrative conduct (Goyal et al., 2026; Gunarathna et al., 2025; Goldsmith & Yang, 2026; Strang, 2018; Zhang et al., 2026).

From a legal governance and public accountability perspective, these gaps demonstrate that BOS fund management is not merely an administrative issue but a structural legal compliance problem. The absence of standardized documentation practices undermines the evidentiary function of financial records, thereby weakening audit trails and reducing the legal defensibility of financial transactions. Similarly, limited integration of digital governance systems restricts the state's ability to ensure real-time oversight and enforce regulatory compliance through data-driven mechanisms. Internal control weaknesses further indicate a failure in institutionalizing legal accountability within school governance structures, where compliance depends more on individual discretion than on enforceable procedural norms. These findings align with governance scholarship emphasizing that accountability in public financial systems is contingent upon the integration of legal frameworks, institutional capacity, and technological infrastructure (Harahap et al., 2023; Lubis et al., 2024; Rizka et al., 2025; Rohman, 2025; Özsavaş & Özsavaş, 2026; Sayogo & Pardo, 2013; Roy-Basu et al., 2020; Jing & Zhang, 2026).

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The implications of these governance gaps point to the necessity of legal and institutional reform that goes beyond procedural adjustments and addresses the structural foundations of BOS fund governance. First, there is a need for regulatory standardization of financial documentation, including legally binding formats for receipts, invoices, and reporting templates to ensure uniform compliance and audit readiness across all schools. Second, digital governance integration must be elevated from policy recommendation to legal requirement, supported by enforceable obligations for the use of standardized financial management systems and reinforced through capacity-building programs. Third, internal control mechanisms must be legally institutionalized through clearer delegation of authority, mandatory segregation of financial duties, and strengthened audit supervision structures at both school and regional levels. These reforms should be understood as part of a broader administrative law modernization agenda that seeks to bridge the gap between normative legal design and empirical governance practice (Kundurpi et al., 2021; Lockwood & Devenish, 2024; Naus et al., 2026; Bokor, 2025; Yao et al., 2026).

In conclusion, BOS fund governance in Islamic schools reflects a hybrid regulatory system in which legal norms, administrative practices, and digital transformation interact but are not yet fully integrated into a coherent compliance framework. While the legal structure is formally strong, its effectiveness is constrained by documentation fragmentation, uneven technological adoption, and weak internal control enforcement. These conditions indicate that the central challenge is not the absence of regulation, but the deficit in legal operationalization at the institutional level. Therefore, strengthening BOS accountability requires a multi-layered reform strategy that integrates legal standardization, digital enforcement mechanisms, and institutional capacity development. Only through such an integrated legal-institutional approach can BOS governance fully achieve its intended objectives of transparency, accountability, and lawful management of public education funds (Aziz et al., 2026; Goyal et al., 2026; Yao et al., 2026).

5. Conclusion

This study examined systemic legal accountability failure in School Operational Assistance (BOS) fund governance in Islamic schools in Indonesia using a socio-legal approach centered on financial documentation analysis. The study addressed three interrelated objectives: (1) evaluating the legal governance structure of BOS funds within Indonesia's public financial law framework, (2) analyzing financial documentation as a legal instrument of accountability and evidentiary control, and (3) assessing the effectiveness of digital governance and internal control mechanisms in ensuring regulatory compliance. The findings confirm that BOS fund governance is normatively structured under a comprehensive legal regime emphasizing legality, accountability, transparency, efficiency, and auditability. However, empirical evidence reveals a persistent systemic gap between legal design and field-level implementation, indicating that regulatory compliance is strongly mediated by institutional capacity, administrative discipline, and governance culture at the school level.

Regarding the second and third objectives, the study demonstrates that financial documentation—including RKAS, cashbooks, receipts, invoices, and procurement records—functions as the primary legal infrastructure of accountability in BOS fund governance. These documents serve as evidentiary instruments that enable auditability, traceability, and legal

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verification of public fund utilization. However, recurring inconsistencies in documentation standardization, completeness, and temporal accuracy weaken their legal reliability and reduce the effectiveness of audit and enforcement mechanisms. In addition, while digital governance systems such as ARKAS and SIPLAH enhance transparency, consistency, and data traceability, their implementation remains uneven due to disparities in digital literacy, infrastructure readiness, and administrative capacity. Similarly, internal control mechanisms vary significantly across institutions, particularly in the segregation of duties, supervision intensity, and compliance enforcement, thereby contributing to fragmented accountability structures. These findings confirm that BOS governance operates within a hybrid and partially formalized compliance system in which legal accountability is highly dependent on documentation quality and institutional capability.

This study contributes to the literature in three main ways. First, it advances a socio-legal perspective by conceptualizing financial documentation as a core legal instrument of accountability rather than a purely administrative artifact in public education finance governance. Second, it strengthens theoretical integration between public financial law, administrative governance, and documentation-based enforcement, showing that legal compliance is materially constructed through institutional documentation practices and control mechanisms. Third, it provides policy implications by emphasizing the need for standardized financial documentation systems, stronger internal control enforcement, and mandatory integration of digital financial governance platforms to enhance audit reliability and legal certainty. Despite these contributions, the study is limited by its qualitative design and case-specific focus, which may restrict broader generalization. Future research should employ mixed-method and comparative approaches across regions to further validate and extend the findings on systemic legal accountability failures in BOS fund governance.

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