The Absence of Fair Price Assessment Standards for Creative Services in Village Fund Procurement: An Analysis from a State Financial Accountability Perspective

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ABSTRACT

This study analyzes the accountability gaps in the assessment of fair prices for creative services in Village Fund procurement from a public sector accounting perspective. The background of this research rests on the case of Amsal Christi Sitepu, a videographer in Karo Regency, North Sumatra, who was charged with corruption because creative service components such as ideas, editing, and dubbing were assessed at zero rupiah by the auditor, even though all village heads expressed satisfaction and the work had been completed in accordance with the contract. This study employs a qualitative approach with a single case study design. Data were collected through documentation studies of court documents, laws and regulations, the transcript of the Special Public Hearing Meeting (RDPU) of Commission III of the House of Representatives of the Republic of Indonesia (DPR RI), and verified media coverage, which were then analyzed using document content analysis and regulatory analysis. The findings reveal three systemic accountability gaps: the absence of technical specifications for creative service components in procurement contracts, the inappropriateness of the state loss assessment method for intangible components, and the absence of recording standards for non-physical service expenditures in village financial accountability reports. This study recommends the drafting of technical guidelines for creative service price assessment by LKPP, a revision of Permendagri Number 20 of 2018, and the development of value-based audit standards for government creative services.

KEYWORDS state financial accountability, creative services, Village Fund procurement, value for money, accountability gaps

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1. INTRODUCTION

The creative economy sector has now become one of the important pillars of the Indonesian economy. The Central Statistics Agency (BPS) recorded that in 2024, the value of the Gross Domestic Product (GDP) of the creative economy at current prices reached IDR 1,611.2 trillion, or contributed 7.28 percent to the national GDP, with growth of 6.57 percent, which was above the national economic growth rate of 5.03 percent (BPS, 2025). From an employment perspective, this sector also absorbed approximately 27.40 million workers in 2025, equivalent to 18.70 percent of the total national workforce (BPS, 2025). These data indicate that creative economy actors such as videographers, graphic designers, animators, and content producers already hold an important position in national development, including in various village government programs funded through the Village Fund.

In the practice of good governance of state finances, every government expenditure should be carried out based on the principles of accountability and value for money. This means that public spending needs to be conducted economically, efficiently, and effectively (Mardiasmo, 2018). Government procurement of goods and services, regulated under Presidential Regulation Number 16 of 2018 and updated through Presidential Regulation Number 12 of 2021, also emphasizes that all uses of the state budget must be accounted for in a transparent and accountable manner. Under existing regulations, the fair price assessment process is mandatory before a contract is signed, as stipulated in LKPP Regulation Number 12 of 2021 on Guidelines for the Implementation of Government Goods/Services Procurement through Providers. Therefore, every expenditure component in a government project, including creative services such as concept development, editing, and dubbing, ideally has a clear and accountable basis for price assessment.

In practice, however, the implementation of these regulations still leaves many unresolved issues. This is evident in the case of Amsal Christi Sitepu, a videographer from Karo Regency, North Sumatra, who undertook a village profile video project through the Village Fund at a value of IDR 30 million per project in 2020. The cost breakdown submitted included pre-production stages such as concept/ideas, spot montage, and script writing, equipment usage, and finishing stages such as cutting, editing, dubbing, and hard copy. However, in the audit results that subsequently became the basis for the indictment, components such as concept/ideas, editing, and dubbing were assessed at zero rupiah, leading to a claim that the state had suffered a loss of IDR 202,161,980 (IDN Times, 2026). Amsal was subsequently designated as a suspect in November 2025, prosecuted for two years in prison, and was detained for more than 130 days (Periskop, 2026). This case attracted national attention. Commission III of the DPR RI even held a special Public Hearing Meeting (RDPU) on 30 March 2026, while the Coordinating Minister for Community Empowerment Muhaimin Iskandar described the assessment of the cost of ideas as zero rupiah as a serious and dangerous error (Kompas.id, 2026). On 1 April 2026, the Medan District Court ultimately acquitted Amsal on the grounds that no element of unlawful conduct was found, since the contract contained only a nominal agreement without detailed technical specifications (Kompas.id, 2026).

The acquittal brought relief to the creative industry, but from a public sector accounting perspective it leaves issues that remain unresolved. The judges did not invalidate the auditor's calculation on procedural grounds, but rather because there was no established standard regulating how to assess intangible service components in government contracts (Kompas.id, 2026). This situation indicates that the potential for similar problems could arise for many other creative workers in the future. LKPP Regulation Number 5 of 2021 on Guidelines for Excluded Goods/Services Procurement has acknowledged that works of art, culture, and the creative industry may use special procurement mechanisms. However, the regulation has not yet technically explained how creative services are assessed and accounted for in government financial reports (LKPP Regulation No. 5 of 2021).

Based on these conditions, a research gap emerges that forms the basis of this study. Most previous research on Village Fund accountability has focused on the management of physical budgets such as infrastructure construction and goods procurement (Garung & Ga, 2020; Maina et al., 2022;

Setyaningrum et al., 2024). Meanwhile, discussion of creative service expenditures as an object of government accounting research remains very limited. Analysis of the Amsal Sitepu case that has developed in the public sphere has also been mostly discussed from the perspective of criminal law and public policy, rather than from an accounting perspective. Yet the central problem in that case relates to how the procurement system, fair price assessment, and the government's financial accountability mechanism have not been able to accommodate the intangible nature of creative services, which do not have definite market price standards. Mais (2026), in his research on the implementation of accrual-based accounting in the public sector, also explains that there are still various systemic obstacles in the application of government accounting standards, particularly at the implementing level. These findings are relevant to explaining why the problem of assessing creative services in government procurement has not yet been comprehensively resolved.

2. LITERATURE REVIEW

2.1 State Financial Accountability

Accountability is one of the most important concepts in the management of public sector finances. Mardiasmo (2018) explains that public accountability is the obligation of those who receive a mandate to provide accountability, submit reports, and disclose information related to all activities that are their responsibility to the parties that granted the mandate and have the right to demand such accountability. Mardiasmo (2018) also divides public accountability into two main dimensions, namely vertical accountability and horizontal accountability. Vertical accountability relates to accountability to higher authorities, while horizontal accountability relates to accountability to the wider public. In addition, accountability also encompasses four important aspects: accountability for honesty and law, process accountability, program accountability, and policy accountability.

To realize this accountability, the government has built a state financial management system regulated in a tiered manner through various regulations. Law Number 17 of 2003 on State Finance affirms that state financial management must be carried out in an orderly manner, in accordance with laws and regulations, efficiently, economically, effectively, transparently, and responsibly while still paying attention to a sense of justice and propriety. Furthermore, Law Number 15 of 2004 on the Examination of the Management and Accountability of State Finances grants authority to the Supreme Audit Board (BPK) to conduct examinations of the management and accountability of state finances. Halim and Kusufi (2018) also state that regional financial accounting is one of the main instruments in creating transparency and accountability in the management of public finances, particularly at the regional government level.

2.2 Government Accounting Standards (GAS)

Government Accounting Standards (GAS) constitute the main guidelines for the preparation and presentation of government financial reports. Government Regulation Number 71 of 2010 on Government Accounting Standards mandates the full implementation of accrual-based GAS as a replacement for the cash-towards-accrual GAS previously regulated under Government Regulation Number 24 of 2005. The implementation of accrual-based GAS has been mandatory for all regional governments since the 2015 fiscal year (Government Regulation No. 71 of 2010). The accrual-based system was implemented to improve the quality of government financial information because the recognition of revenue and expenditure better reflects actual economic conditions, rather than being based solely on cash inflows and outflows.

Mais (2026), in his research on the implementation of accrual-based accounting in the PPKD and SKPD systems, found that although the regulations already mandate the application of accrual-based GAS, there are still various systemic obstacles in practice, particularly regarding the conformity of adjusting journals with applicable standards. This finding is important for understanding why technical gaps remain in the assessment of government expenditure components, including creative services, even though the regulatory framework is already in place.

2.3 Government Procurement of Goods and Services

Government procurement of goods and services is one of the main mechanisms for the use of the state budget. Presidential Regulation Number 16 of 2018 on Government Procurement of Goods/Services, subsequently updated through Presidential Regulation Number 12 of 2021, establishes several basic procurement principles, namely efficient, effective, transparent, open, competitive, fair, and accountable. Under these regulations, service procurement is divided into several categories such as consulting services, construction services, and other services. However, to date there is no specific category that truly accommodates the intangible nature of creative services, which do not have definite market price standards.

Table 1. Summary of Regulations Related to Village Fund Creative Service Procurement

No.	Regulation	Main Provisions	Limitations Regarding Creative Services
1	Law No. 17 of 2003 on State Finance	State financial management must be conducted in an orderly, efficient, economical, effective, transparent, and accountable manner.	Does not specifically regulate the mechanism for assessing intangible expenditure components.
2	Law No. 6 of 2014 on Villages	Legal basis for Village Fund management; emphasizes the principles of transparency, accountability, and participation.	Does not contain specific provisions on the procurement of creative services.
3	Perpres No. 16 of 2018 jo. Perpres No. 12 of 2021 on Government Procurement of Goods/Services	Basic procurement principles: efficient, effective, transparent, open, competitive, fair, and accountable.	Does not yet have a specific category that accommodates intangible creative services.
4	Permendagri No. 20 of 2018 on Village Financial Management	General format for village expenditure accountability.	Does not contain specific rules on the recording and verification of intangible creative services.
5	LKPP Regulation No. 12 of 2019 on Guidelines for the Preparation of Goods/Services Procurement Procedures in Villages	Village-level procurement procedures that are simpler while still prioritizing accountability.	Does not yet provide technical guidance on the valuation of intangible services such as creative ideas, editing, and dubbing.
6	LKPP Regulation No. 5 of 2021 on Guidelines for Excluded Goods/Services Procurement	Acknowledges that works of art, culture, and the creative industry may use special procurement mechanisms.	Does not yet provide technical guidance on price fairness assessment, recording, and accountability of intangible components.
7	LKPP Regulation No. 12 of 2021 on Guidelines for the Implementation of Government Goods/Services Procurement Through Providers	Requires price fairness assessment before the contract is signed.	The available assessment methods are more suitable for physical goods/services with clear market price references.

8	PP No. 71 of 2010 on Government Accounting Standards	Requires the implementation of accrual-based GAS for all regional governments since 2015.	Does not yet contain specific accounting standards for the recognition and measurement of intangible creative service expenditures.

LKPP Regulation Number 5 of 2021 on Guidelines for Excluded Goods/Services Procurement does state that works of art, culture, and the creative industry are included in the types of procurement that may be carried out following commonly used business practices. Nevertheless, the regulation does not yet provide technical guidance on how to assess the fair price of creative services such as concepts, editing, and dubbing, including how they are recorded in procurement documents and government financial reports. Kadiyono, Hardjomuljadi, and Sami'an (2025) explain that the principle of accountability in procurement demands a clear and standardized basis for assessing each expenditure component. Therefore, the absence of specific standards can open legal loopholes while also creating accountability problems for all parties involved.

2.4 Village Fund Management

The Village Fund is a fund sourced from the State Revenue and Expenditure Budget (APBN) allocated to villages as regulated under Law Number 6 of 2014 on Villages. Village financial management is carried out based on the principles of transparency, accountability, and participation, and is implemented in an orderly and budget-disciplined manner in accordance with the Regulation of the Minister of Home Affairs Number 20 of 2018 on Village Financial Management. Meanwhile, procurement of goods and services at the village level is specifically regulated through LKPP Regulation Number 12 of 2019 on Guidelines for the Preparation of Goods/Services Procurement Procedures in Villages, which emphasizes simplified procedures while still prioritizing accountability and transparency.

Setyaningrum, Dewi, and Kusuma (2024) found in their research that accountability, transparency, and community participation have a significant influence on the quality of Village Fund management in realizing good governance. Maina et al. (2022) also showed that weak accountability in Village Fund management is associated with the poor quality of budget accountability at the village level. These findings indicate that accountability issues in Village Fund management not only relate to administrative compliance, but also concern the quality of the systems and standards used by implementing actors in the field, including standards for assessing the fair price of non-physical services such as creative services.

2.5 The Value for Money Concept

Value for Money (VfM) is a concept in public sector management based on three main elements, namely economy, efficiency, and effectiveness, commonly known as the 3E concept (Mardiasmo, 2018). The economic aspect relates to how to obtain inputs of a certain quality and quantity at the best possible price. Efficiency relates to the ability to produce maximum output with minimal input use. Meanwhile, effectiveness relates to the degree of success of a program in achieving its predetermined targets (Mardiasmo, 2018). The measurement of value for money aims to enhance the accountability of public sector institutions while simultaneously improving government performance (Mardiasmo, 2018).

In the procurement of creative services, the application of the VfM concept faces fairly complex challenges. Determining the "best price" becomes difficult because creative ideas do not have definite market price standards. Measuring output is also not straightforward because the results of a branding concept or village profile video depend greatly on the quality of creativity and the impact generated. Wahyuni (2025), in her research on the application of e-purchasing to achieve VfM in government procurement, concluded that the successful application of the principles of economy, efficiency, and effectiveness is greatly influenced by the availability of clear standards and performance indicators from the planning stage. This condition has not yet been fully available in the procurement of creative services using Village Funds. Choiri and Hadi (2025) also found that the effectiveness and accountability of procurement are greatly influenced by regulatory clarity and the systems used. Therefore, the absence of creative service assessment standards constitutes a structural obstacle in realizing value for money in government spending in this sector.

2.6 Public Sector Auditing and State Loss Assessment

Public sector auditing is one form of external oversight of state financial accountability. Law Number 15 of 2006 on the Supreme Audit Board (BPK) grants the BPK authority to conduct independent examinations of the management and accountability of state finances. In government procurement practice, auditors such as BPK and BPKP typically use price fairness assessment methods to detect potential state losses. These methods are generally carried out by comparing the procurement price with available market prices or official prices.

Problems begin to emerge when the same approach is applied to creative services that, by their nature, do not have standard market prices as a basis for comparison. The Amsal Sitepu case is a fairly clear example, where components such as concept/ideas, editing, and dubbing were assessed at zero rupiah by the auditor because there was no standard reference available for use (IDN Times, 2026). In its ruling, the Medan District Court subsequently set aside the auditor's calculation on the grounds that the value of creative work derives from the overall process and cannot be measured solely on the basis of physical components (Kompas.id, 2026). Kadiyono, Hardjomuljadi, and Sami'an (2025) explain that without clear assessment standards, both procurement officials and service providers will find themselves equally legally vulnerable. Such conditions are clearly inconsistent with the principle of accountability in government procurement of goods and services.

2.7 Creative Services as an Object of State Expenditure

Creative services encompass various types of work that rely on ideas, creativity, and intangible capabilities, such as graphic design, videography, animation, content writing, and media production. In the context of state expenditure, creative services have different characteristics because their value is determined not only by raw materials or number of working hours, but is also influenced by the quality of ideas and the results of execution, which are difficult to standardize. The Coordinating Minister for Community Empowerment Muhaimin Iskandar stated that the creative process is not something that can be considered free simply because it is difficult to measure with the naked eye. He also emphasized that the conventional approach to assessing creative works could have an impact on 27.4 million creative economy workers in Indonesia (Kompas.id, 2026).

To date, there are no regulations or accounting standards that specifically govern the mechanism for assessing fair prices, recording, and accounting for creative services in government procurement. This is precisely the research gap in this study, namely examining the issue of creative services in government procurement from a public sector accounting perspective, rather than solely from a legal or communication perspective.

2.8 Conceptual Framework

Based on the literature review presented above, this study uses two main concepts as analytical lenses in analyzing the case of Village Fund creative service procurement. First, the concept of public accountability developed by Mardiasmo (2018) is used to identify gaps in the dimension of process accountability, namely how the procedures for task execution should be supported by adequate accounting information and administrative procedures. This concept serves as the main framework for assessing whether the contract mechanisms, recording, and accountability of Village Fund creative service procurement meet the established standards. Second, the concept of value for money (VfM) is used to analyze how the dimensions of economy, efficiency, and effectiveness in creative service procurement cannot be fulfilled if adequate price assessment standards for intangible components are not available. These two concepts are operationalized together to construct a gap analysis between applicable accountability standards and the reality of creative service assessment in the field, thereby generating propositions that can be further developed in the broader context of government procurement.

3. METHOD

This study employs a qualitative approach with a descriptive case study design, chosen because it aims to gain an in-depth understanding of complex and contextual phenomena that cannot be reduced to statistical figures (Creswell & Poth, 2018), with the object of research being the case of the procurement of creative services for village profile video production from the Village Fund in Karo Regency, North Sumatra, as reflected in the criminal case of Amsal Christi Sitepu, who was acquitted by the Medan District Court on 1 April 2026. The case study design was selected in accordance with Yin (2018), who states that this strategy is appropriate for answering "how" and "why" questions about contemporary events over which the researcher has no control, with the goal being not statistical generalization but rather analytical generalization to develop broader theoretical propositions. All data sources in this study are secondary in nature, consisting of: (1) factual information from court proceedings contained in verified mass media coverage that can be cross-confirmed with information available through the Case Search Information System (SIPP) of the Medan District Court (sipp.pn-medankota.go.id), covering information on the indictment letter, the prosecutor's demands, and the considerations of the judge's ruling; (2) relevant laws and regulations; (3) the transcript of the RDPU of Commission III of the DPR RI dated 30 March 2026; and (4) relevant academic literature. Data collection was carried out through documentation studies and library research, where Creswell and Poth (2018) affirm that documents are a highly valuable data source in qualitative research because they are authentic and non-reactive to the presence of the researcher. Data analysis employed document content analysis combined with regulatory analysis, carried out through four interactive and continuous stages until data saturation (Moleong, 2021), namely: data reduction, data presentation in the form of a comparison matrix between regulations and practices, gap analysis between applicable accountability standards and the reality of creative service assessment in the field, and conclusion drawing verified using the concepts of public accountability and value for money (Mardiasmo, 2018). Data validity is ensured through source triangulation by cross-referencing information from court documents, regulations, DPR transcripts, and media coverage (Sugiyono, 2019), as well as the principle of auditability through transparent and traceable documentation of the process (Moleong, 2021).

4. DISCUSSION

4.1 Case Overview

The case that serves as the object of analysis in this study began with a project to produce profile videos for 20 villages in Karo Regency, North Sumatra, during the period 2020–2022. Amsal Christi Sitepu, as Director of CV Promiseland, offered a video production proposal to a number of village heads in the sub-districts of Tiganderket, Tigabinanga, Tigapanah, and Namanteran, at a project value of IDR 30 million per village, sourced from the Village Fund (Kompas.id, 2026). The proposal contained 12 cost components divided into several stages, ranging from pre-production such as concept or idea, script writing, and stock footage, then equipment rental costs such as a DSLR camera, DJI Phantom 3 Pro drone, and clip-on microphone, through to production personnel and the finishing stage including cutting, editing, dubbing, and hard copy (IDN Times, 2026). All village heads approved the proposal and the project proceeded as agreed. Payment was made based on the contract that had been established, and tax obligations were also fulfilled. During the trial, the village heads who appeared as witnesses stated that they were satisfied with the resulting videos and had never raised any objections during the course of the project (Kompas.id, 2026).

Table 2. Chronology of the Amsal Christi Sitepu Case (2020–2026)

No.	Period	Event
1	2020–2022	Amsal Christi Sitepu, as Director of CV Promiseland, undertook a village profile video production project for 20 villages in Karo Regency, North Sumatra, at a value of IDR 30 million per village, funded by the Village Fund.
2	2020–2022	All village heads approved the proposal, the project was completed in accordance with the contract, tax obligations were fulfilled, and the village heads expressed satisfaction with the work results.
3	2022–2025	The Karo Regency Inspectorate conducted an audit related to the development of another corruption case by the Karo District Attorney's Office. The auditor concluded that the reasonable cost was only IDR 24.1 million per video; components such as concept/idea, editing, cutting, and dubbing were assessed at IDR 0.
4	November 2025	Amsal was designated as a suspect and detained for more than 130 days. He was prosecuted for 2 years in prison, a fine of IDR 50 million, and replacement money of IDR 202,161,980 under the Anti-Corruption Law.
5	30 March 2026	Commission III of the House of Representatives (DPR RI) held a special Public Hearing Meeting (RDPU). It was concluded that creative work such as ideas, editing, and dubbing does not have a standard price benchmark and therefore cannot be directly regarded as a mark-up.
6	1 April 2026	Chief Judge Mohammad Yusafrihardi Girsang acquitted Amsal of all charges, as no element of unlawful conduct was proven. All of Amsal's rights and dignity were restored.
7	Post-Verdict	The Attorney General's Office of the Republic of Indonesia examined the Head of the Karo District Attorney's Office and three prosecutors who handled the case.

Problems began to emerge when the Karo Regency Inspectorate conducted an audit related to the development of another corruption case by the Karo District Attorney's Office. Based on the results of that audit, the auditor concluded that the reasonable cost for one video was only IDR 24.1 million, not IDR 30 million as stated in Amsal's proposal (Tribun Bengkulu, 2026). The difference in value was then multiplied by 20 villages, resulting in a state loss claim of IDR 202,161,980. The crux of the problem in this case lies in the auditor's assessment method, which regarded several creative service components such as concept or idea, editing, cutting, and dubbing as having no value and therefore calculated them at IDR 0 (Periskop, 2026). In November 2025, Amsal was designated as a suspect and prosecuted for two years in prison, a fine of IDR 50 million, and the obligation to pay replacement money of IDR 202 million under Article 2 Paragraph (1) jo. Article 18 of Law Number 31 of 1999 as amended by Law Number 20 of 2001 on the Eradication of Corruption (Tribun Bengkulu, 2026). This case subsequently attracted national attention to the extent that Commission III of the DPR RI held a Public Hearing Meeting on 30 March 2026. In that forum it was concluded that creative work such as ideas, editing, and dubbing does not have a standard price benchmark and therefore cannot be directly regarded as a form of mark-up (IDN Times, 2026). Finally, on 1 April 2026, Chief Judge Mohammad Yusafrihardi Girsang ruled that Amsal was not legally and convincingly proven to have committed the criminal act of corruption, whether in the primary or subsidiary charges, and restored all his rights and dignity (Tribun Bengkulu, 2026).

Table 3. Details of the Disputed Village Profile Video Cost Components

No.	Stage	Cost Component	Auditor's Assessment Status	Auditor's Value
1	Pre-production	Concept/Idea	Assessed at IDR 0 (eliminated)	IDR 0
2	Pre-production	Script Writing	Assessed at IDR 0 (eliminated)	IDR 0

3	Pre-production	Spot Montage	Assessed at IDR 0 (eliminated)	IDR 0
4	Production	DSLR Camera Rental	Recognized as reasonable	—
5	Production	DJI Phantom 3 Pro Drone Rental	Recognized as reasonable	—
6	Production	Clip-on Microphone Rental	Recognized as reasonable	—
7	Production	Production Personnel	Recognized as reasonable	—
8	Finishing	Cutting	Assessed at IDR 0 (eliminated)	IDR 0
9	Finishing	Editing	Assessed at IDR 0 (eliminated)	IDR 0
10	Finishing	Dubbing	Assessed at IDR 0 (eliminated)	IDR 0
11	Finishing	Hard Copy	Recognized as reasonable	—
12	—	Other Components	Recognized as reasonable	—

4.2 Analysis of the Creative Service Price Assessment Mechanism in Village Fund Procurement

From a public sector accounting perspective, the core problem in this case lies in the mechanism for establishing the Owner's Estimate (HPS) and the method for assessing the fair price of creative services in Village Fund procurement. Presidential Regulation Number 16 of 2018 jo. Presidential Regulation Number 12 of 2021 on Government Procurement of Goods/Services actually stipulates that every procurement must be based on a fair and accountable price assessment. However, at the village level, the procurement mechanism has been simplified through LKPP Regulation Number 12 of 2019 on Guidelines for the Preparation of Goods/Services Procurement Procedures in Villages. That regulation places greater emphasis on the principles of efficiency and simplicity, but does not yet provide technical guidance on the assessment of intangible services such as creative ideas, editing, and dubbing.

In this case, the contract between CV Promiseland and the village government only stated an agreed value of IDR 30 million per village without a detailed and binding technical specification (Kompas.id, 2026). This kind of situation is actually quite common in creative service procurement because the nature of the work tends to be flexible and it is difficult to establish truly standardized technical specifications. LKPP Regulation Number 5 of 2021 on Guidelines for Excluded Goods/Services Procurement does acknowledge that works of art, culture, and the creative industry may be excluded from conventional procurement mechanisms. However, the regulation does not yet explain in detail how intangible service components are recorded, assessed, and accounted for. This regulatory vacuum ultimately creates a grey area in the Village Fund procurement accountability system, because auditors and service providers use different perspectives when assessing the same work components. Wahyuni (2025) explains that the principle of value for money in procurement can only be achieved if, from the planning stage, clear and measurable standards and performance indicators are already available. This condition was not yet evident in this case.

4.3 Accountability Gaps Identified

The results of the analysis of this case reveal three systemic accountability gaps in the procurement of creative services using the Village Fund. First, there is a gap in the aspect of process accountability. Mardiasmo (2018) explains that process accountability relates to the obligation to ensure that task execution procedures are supported by adequate accounting information and administrative procedures. In this case, the work contract did not contain sufficiently detailed technical specifications for each work component. As a result, the auditor lacked a strong administrative basis for assessing the fairness of each creative service component. Because they were difficult to verify physically, several components were ultimately assessed at IDR 0 by the auditor.

Table 4. Matrix of Three Accountability Gaps in Creative Service Procurement Under the Village Fund

Gap	Accountability Dimension	Conditions That Should Exist	Conditions That Occurred in the Case	Impact
Gap 1: Process Accountability	Process accountability (Mardiasmo, 2018): the procedure for task execution must be supported by adequate accounting information and administrative procedures.	The procurement contract includes detailed technical specifications for each creative service component, including deliverables, working methods, and measurable performance indicators.	The contract only states a total agreed value of IDR 30 million per village without binding technical specifications for the pre-production or finishing components.	The auditor lacks an administrative basis to verify the fairness of intangible components; components that cannot be physically verified are directly assessed at IDR 0.
Gap 2: State Loss Assessment Method	The economy dimension in value for money (Mardiasmo, 2018): obtaining inputs of a certain quality and quantity at the best possible price.	The state loss assessment method uses an approach appropriate to the nature of intangible services, such as value-based assessment or creative industry market price surveys.	The auditor applied an elimination approach to intangible components (ideas, editing, cutting, dubbing), assessing those components at IDR 0 because no standard price reference was available.	The calculation of state losses becomes inaccurate; the creative value already received and acknowledged by all village heads is completely removed from the calculation.
Gap 3: Standard for Intangible Expenditure Accountability	Financial accountability: the accountability report must accurately and verifiably reflect all expenditure components.	The Village Fund accountability format has a specific mechanism for recording, verifying, and documenting intangible creative services.	Permendagri No. 20 of 2018 does not yet contain specific rules on the recording and verification of intangible services; village apparatus lack adequate guidance.	Creative service expenditure accountability lacks clear standards, creating the potential for similar problems across all villages that use Village Funds for non-physical services.

Second, there is a gap in the state loss assessment system. The Karo Regency Inspectorate auditor calculated the state loss by comparing the contract value of IDR 30 million with the cost that the auditor considered reasonable at IDR 24.1 million. The difference of IDR 5.9 million per village was then claimed as a state loss (Tribun Bengkulu, 2026). From an accounting perspective, this approach has weaknesses because the assessment of creative service prices cannot be equated with the assessment of physical goods or construction services that have national price standards. In the concept of value for money, Mardiasmo (2018) explains that the economic dimension relates to how to obtain inputs of a certain quality and quantity at the best possible price. However, in creative services, the concept of "best price" is subjective and is greatly influenced by the service provider's reputation, the difficulty level of the project, and the value of the work received by the client.

Third, there is a gap in the standards for recording intangible components in the Village Fund accountability reports. The Regulation of the Minister of Home Affairs Number 20 of 2018 on Village Financial Management does regulate the general format for village expenditure accountability, but does not yet have specific rules on the recording and verification of intangible creative services. Mais (2026), in his study on the implementation of accrual-based accounting in the public sector, explains that one of the main obstacles to the implementation of government accounting standards is the absence of operational technical guidance at the implementing level. This situation is clearly visible in this case, as the village apparatus lacked sufficient guidance for assessing and verifying the fairness of the creative service costs paid.

4.4 Implications for State Financial Accountability

The acquittal delivered by the panel of judges on 1 April 2026 constitutes an important precedent in state financial management, particularly in the procurement of creative services. However, the verdict also shows that the state financial system is not yet prepared to deal with the characteristics of creative service expenditure. The judges' consideration that the work specifications were not included in the contract and therefore the state loss audit could not serve as a basis (Kompas.id, 2026) indicates that the central problem in this case actually lies in systemic weaknesses, rather than solely in the individual errors of the service provider. This means that even though Amsal was acquitted, the same gap can still occur for many other creative workers who collaborate with village governments in various regions across Indonesia.

From a value for money perspective, this case shows that the economy dimension in creative service procurement cannot be assessed solely through a nominal price comparison. The assessment must also take into account the overall benefits or total value generated for the village community, including the promotional benefits for village potential through digital media (Mardiasmo, 2018). Choiri and Hadi (2025) also explain that the effectiveness and accountability of procurement are greatly influenced by regulatory clarity and the systems used. This helps to explain why the case could escalate into a criminal matter even though all village heads expressed satisfaction with the work results and there were no substantive objections to the projects carried out. Following the acquittal, the Attorney General's Office of the Republic of Indonesia even examined the Head of the Karo District Attorney's Office and three prosecutors who handled the case (Kompas.id, 2026). This situation shows that the problems that arose were not only related to the auditor's assessment, but also concern the oversight system, which does not yet have an adequate framework for handling government creative service procurement.

In practical terms, this case demonstrates the need for the development of special standards in the government procurement system that can be adapted to the characteristics of creative services. Such standards need to cover several aspects: technical guidelines for determining the Owner's Estimate (HPS) for creative services that take into account intangible components; a standard contract format that requires a clearer description of creative work; audit guidelines that do not directly eliminate the value of intangible components; and a revision of the Village Fund accountability format to accommodate non-physical services. Kadiyono, Hardjomuljadi, and Sami'an (2025) affirm that without clear assessment standards, both procurement officials and service providers will equally find themselves in a legally vulnerable position. Such conditions are contrary to the principle of accountability in government procurement of goods and services and can have a detrimental impact on the development of the national creative industry, which absorbs 27.4 million workers and contributes 7.28 percent to the national GDP (BPS, 2025).

5. CONCLUSION

5.1 Conclusion

This study aims to analyze the accountability gaps in the assessment of fair prices for creative services in Village Fund procurement through a case study of the Amsal Christi Sitepu case. Based on the results of the analysis in Chapter IV, there are three main conclusions that directly answer the research problem formulation.

First, the current mechanism for assessing the fair price of creative services in Village Fund procurement still lacks adequate standards. LKPP Regulation Number 12 of 2019 on Guidelines for the Preparation of Goods/Services Procurement Procedures in Villages only regulates procurement procedures in general and does not yet provide technical guidance for assessing intangible service components such as creative ideas, editing, and dubbing. Although LKPP Regulation Number 5 of 2021 has acknowledged creative industry services as a procurement category that can be excluded from conventional mechanisms, the regulation has not yet been supplemented with operational price assessment instruments. This situation ultimately creates a grey area that can be detrimental to service providers as well as village governments.

Second, this study identified three systemic accountability gaps in the procurement of creative services using the Village Fund. The first gap lies in the aspect of process accountability, namely the absence of a contractual obligation to include detailed technical specifications for creative service components in procurement documents (Mardiasmo, 2018). The second gap lies in the state loss assessment system, where auditors applied an elimination approach to intangible components by assessing those components at IDR 0 because no other assessment method appropriate to the characteristics of creative services was available (Kadiyono, Hardjomuljadi, & Sami'an, 2025). The third gap exists in the standards for recording and accounting for intangible service expenditures in village financial reports, which have not been explicitly regulated in the Regulation of the Minister of Home Affairs Number 20 of 2018 on Village Financial Management.

Third, the system of accountability for creative service expenditures in government procurement requires structural reform covering four main aspects. These aspects include technical guidelines for determining the Owner's Estimate (HPS) for creative services, a standard contract format that includes descriptions of intangible components, audit guidelines that do not use an elimination approach for intangible components, and a revised Village Fund accountability format that can accommodate non-physical services. If these four aspects are not promptly addressed, the same gap will continue to arise and potentially threaten the 27.4 million Indonesian creative economy workers who collaborate with the government (BPS, 2025).

Theoretically, this study contributes to the development of the concept of public sector accountability by advancing the proposition that a state financial accountability system designed for physical goods and service expenditures will structurally produce gaps when applied to intangible service expenditures. This proposition can be operationalized as a "three-gap accountability framework for intangible services," encompassing the process accountability gap (absence of contract technical specifications), the state loss assessment method gap (elimination approach to intangible components), and the non-physical expenditure accountability standards gap. This framework is not only applicable to Village Fund creative service procurement cases, but has the potential to be tested and developed for other types of government intangible expenditures, such as the procurement of consulting services, training, and digital services at various levels of government.

5.2 Recommendations

Based on the research conclusions, several recommendations can be offered to the relevant parties. For the Government Goods/Services Procurement Policy Agency (LKPP), it is recommended to draft technical guidelines for the assessment of fair prices for creative services as a supplement to

LKPP Regulation Number 5 of 2021. These guidelines need to contain an intangible component assessment methodology that can be used operationally by auditors and procurement officials at the village level. For the Ministry of Home Affairs, it is recommended to revise the Regulation of the Minister of Home Affairs Number 20 of 2018 or to issue its derivative technical guidance that specifically regulates the mechanism for recording and accounting for creative service expenditures in the Village Revenue and Expenditure Budget (APBDes). For the Financial and Development Supervisory Agency (BPKP), it is recommended to develop special audit standards for creative services that do not rely solely on physical price comparisons, but also employ a value-based assessment approach that takes into account the overall benefits for the community. In addition, village governments are also recommended to ensure that every creative service procurement contract contains a clear and detailed description of the work as a form of protection for both parties as well as a stronger basis for accountability (Wahyuni, 2025; Choiri & Hadi, 2025).

5.3 Research Limitations

This study has several limitations that need to be openly acknowledged. First, this study uses a single case study approach that focuses only on one case in one regency. Therefore, the research findings cannot be statistically generalized to all Village Fund creative service procurement cases across Indonesia. The generalization in this study is analytical generalization, that is, to strengthen or develop relevant theoretical propositions rather than to represent the entire population of cases (Yin, 2018). Second, this study relies entirely on secondary data in the form of public documents, media coverage, and regulations, without conducting direct interviews with the parties involved, such as auditors, prosecutors, judges, or service providers. This condition means that the picture obtained may not yet fully capture the on-the-ground dynamics. Third, the court documents available through the SIPP of the Medan District Court may not yet contain all the technical facts of the trial in their entirety, so the research analysis is also limited to data that can be publicly accessed.

These limitations open opportunities for future research to develop broader studies. Follow-up research could employ a multiple case study approach by comparing several similar cases in various regions, or conduct in-depth interviews with government auditors and creative industry practitioners to obtain a more comprehensive perspective on accountability gaps in government creative service procurement.

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