MILRev
Metro Islamic Law Review
Scientific Islamic Law Journal Of Sharia Faculty

MILRev : Metro Islamic Law Review
ISSN: 2986-528X
Vol. 4 No. 2 July-December 2025, Pages 1237-1257

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Doi: 10.32332/milrev.v4i2.11076

Dates:
Received 23 June, 2025
Revised 02 September, 2025
Accepted 08 October, 2025
Published 24 October, 2025

Regional Legislative Oversight of Fiscal Policy in Contemporary Islamic Economic Law

Abstract: This study examined the effectiveness of regional legislative oversight of fiscal policy following the revision of the Regional Finance Law, employing an analytical framework grounded in contemporary Islamic Economic Law. The research focuses on evaluating the extent to which the oversight function of the Regional House of Representatives (DPRD) contributes to promoting transparency, accountability, and justice in regional financial management. To this end, a qualitative-descriptive approach was employed, drawing on document analysis, in-depth interviews with legislative members and regional finance officials, as well as focus group discussions with experts in Islamic law and economics. The findings show that although the DPRD formally holds significant authority to monitor fiscal policy, the practical exercise of this oversight remains limited by weak institutional capacity and inconsistent integrity among actors. Political interests often dominate decision-making, fiscal literacy among legislators is uneven, and inter-institutional coordination is frequently inadequate. Nevertheless, the revised Regional Finance Law creates opportunities to strengthen budget transparency, improve accountability mechanisms, and broaden public participation in financial governance. From the perspective of contemporary Islamic Economic Law, fiscal oversight is not merely an administrative or technical duty but a moral trust (amānah) entrusted to leaders and representatives. Such oversight must therefore be directed toward realizing the higher objectives of public welfare (maṣlaḥah), fairness, and social justice. The study's academic contribution lies in integrating juridical analysis of regional fiscal regulation with Islamic ethical principles, offering a normative-evaluative framework for advancing more equitable, participatory, and sustainable fiscal governance at the regional level.

Keywords: Accountability, Amānah, Benefit, Fiscal, Transparency.

INTRODUCTION

Regional financial management is a vital aspect of equitable and sustainable economic development. In the context of regional autonomy, the success of government administration is primarily determined by how local governments design, manage, and supervise fiscal policies in a transparent and accountable manner. One of the essential elements in the system is the role of the regional legislature (DPRD) as a supervisory institution, ensuring that the regional budget is used in the public interest and in accordance with the principles of good governance. However, such supervision often faces various structural and political challenges that hinder its effectiveness.[1] Regulatory changes, particularly following the revision of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, have significant implications for the role and mechanism of legislative supervision. This revision aims to enhance fiscal efficiency, broaden regional revenue sources, and promote accountability in public funds. However, there are still doubts about the extent to which the DPRD can effectively utilize its new authority to supervise, given its weak technical capacity and institutional independence.[2]

Several previous studies have highlighted the problems of local legislative oversight. For example, research by Ivan Ramadhan et al. (2021) indicates that limited information and executive dominance in budget planning tend to render the supervisory role of the DPRD symbolic.[3] Meanwhile, Dito Arief Nurakhmadi (2024) emphasised low public

[1] Indah Purnama Sari dan Memen Kustiawan, "Pengaruh Partisipasi Masyarakat, Politik Penganggaran dan Prioritas Plafon Anggaran (PPA) Terhadap Penyusunan Anggaran Belanja Daerah," *Jurnal ASET (Akuntansi Riset)* 5, no. 1 (2013): 1, https://doi.org/10.17509/jaset.v5i1.9093.

[2] I. Dewa Gde Nanda Narotama dan I. Ketut Sujana, "Partisipasi Penganggaran, Asimetri Informasi, Budaya Organisasi, Komitmen Organisasi Dan Senjangan Anggaran," *E-Jurnal Akuntansi* 30, no. 12 (2020): 3010–27, https://doi.org/10.24843/EJA.2020.v30.i12.p02.

[3] Ivan Ramadhan dkk., "Pengerauh Pengetahuan Anggaran Anggota Dewan Terhadap Pengawasan Keuangan Daerah (APBD) Dengan Partisipasi Masyarakat dan Akuntabilitas Publik Sebagai Variabel Pemoderasi (Study Empiris Pada Dprd Provinsi Jambi)," *JAKU (Jurnal Akuntansi & Keuangan Unja) (E-Journal)* 6, no. 2 (2021): 2, https://doi.org/10.22437/jaku.v6i2.14237.

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participation in the budgeting process as a factor that hinders fiscal transparency.[4] Although both studies highlight important issues, the approach is limited to administrative and normative analysis alone. The main gap identified in these studies is the lack of research linking the effectiveness of local legislative oversight of fiscal policy with values in contemporary Islamic economic law. The Islamic approach offers a robust normative framework for trust, justice, and social responsibility in public financial governance. The integration of this perspective is essential, given that Islamic ethical values can enhance the moral dimension in the context of fiscal supervision, particularly in areas with a strong socio-religious foundation. In this context, this study offers novelty in integrating positive legal analysis (revision of the Regional Finance Law) with the principles of Islamic Economic Law as an evaluative framework for the effectiveness of legislative supervision. This approach not only examines the legalistic and technocratic aspects of budget oversight but also emphasizes the ethical and spiritual dimensions underlying the practice of managing public funds. Thus, this research can enrich the discourse on fiscal governance that is both efficient and morally meaningful.

In addition, the importance of a contemporary Islamic approach aligns with the growing emphasis on ethics and justice in the public economic system. In Islamic Economic Law, the supervision of public property is viewed as part of the collective responsibility to safeguard benefits (maslahah) and prevent harm (mafsadah). By examining legislative oversight through this lens, it is hoped that a new understanding of how sharia principles can be translated into modern fiscal policy will emerge. This research also has practical relevance for strengthening the institutional capacity of the DPRD and policymakers, particularly in designing supervisory instruments that are more responsive, participatory, and grounded in ethics. The results of this study are expected to provide input for the development of regional fiscal supervision guidelines that align with Islamic values and the principles of good governance, thereby strengthening both vertical and horizontal

[4] Dito Arief Nurakhmadi dkk., “Optimalisasi Partisipasi Masyarakat Dalam Penganggaran : Strategi Dan Rekomendasi Kebijakan,” *Peradaban Journal of Law and Society* 3, no. 1 (2024): 1, https://doi.org/10.59001/pjls.v3i1.173.

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accountability between the government and the community. Based on this description, the main question in this study is: To what extent can the effectiveness of regional legislative supervision of fiscal policies after the revision of the Regional Finance Law be improved through the integration of contemporary Islamic Economic Law values? This question will be addressed through an in-depth analysis of supervisory practices in several regions, in conjunction with relevant sharia principles, to provide a more integrated and beneficial fiscal supervision model.

METHOD

This study employs a descriptive qualitative approach[5] to analyze the effectiveness of regional legislative supervision of fiscal policy following the revision of the Regional Finance Law[6], framed within the analytical perspective of contemporary Islamic Economic Law. This method was chosen because it enables exploration of fiscal policy dynamics not only from the normative-regulatory dimension but also through the lens of Islamic ethics, which emphasizes justice, trust, and public benefit. Data were collected through the examination of recent regulations, budget implementation reports, and DPRD meeting minutes, complemented by in-depth interviews with legislators, regional financial management officials, and academic experts in governance law and Islamic economics. Additionally, focus group discussions were conducted to capture collective perspectives and validate preliminary findings. The data were analyzed using thematic analysis, which involved identifying patterns, categorizing issues, interpreting contexts, and integrating insights with key principles of Islamic Economic Law, such as ḥisbah, maṣlaḥah, and moral accountability. The validity of the findings was ensured through source and method triangulation, as well as member checking with key informants. Through this approach, the study aims to provide both conceptual and practical mapping of the DPRD's strategic role

[5] Burhan Bungin, *Analisis Data Penelitian Kualitatif* (PT Raja Grafindo Persada, 2003).
[6] Juliandre Lombo Lombo dan Rungarun Boonsayan, "Contemporary Reflections on Abuse of Authority in the Coastal Wall Project within the Framework of Sharia Economic Law," *NUSANTARA: Journal Of Law Studies* 4, no. 01 (2025): 12–22, https://doi.org/10.5281/zenodo.17349677.

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in fostering fiscal governance that is fair, participatory, and aligned with contemporary Islamic values.

RESULTS AND DISCUSSION

Revision of the Regional Finance Law and Its Implications for the Supervisory Function of the DPRD

Fiscal policy reform between the central and regional governments has regained momentum with the passage of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (HKPD Law). This law replaces several previous regulations, including Law No. 33 of 2004 and several provisions in Law No. 23 of 2014. The primary objective of this revision is to establish a fair, efficient, and sustainable fiscal system that enhances the quality of regional spending and improves financial governance, which has been deemed suboptimal.[7] One of the critical aspects that has also undergone a shift in this law is the role of the Regional People's Representative Council (DPRD), particularly in its supervisory function over regional financial management. The revision gives a new colour to the institutional relationship between the DPRD and regional heads. In local democracy, the DPRD has a strategic role in controlling and balancing the regional executive's power, primarily through legislation, budgeting, and supervision.[8] However, some people consider the position of the DPRD as a supervisor under the HKPD Law to be ambiguous. On the one hand, there is an expansion of access to financial information and dialogue space in budget planning. On the other hand, the DPRD's supervision mechanism for budget implementation tends to be limited through more technocratic and centralised schemes. This is reflected in the strengthening of the Ministry of Finance's role in determining the allocation of Transfers to the Regions and

[7] Turidi Susanto dkk., "Pengawasan Legislatif Dalam Penyelenggaraan Pemerintahan Daerah Di Kota Tangerang Provinsi Banten," *Jurnal Kajian Pemerintah: Journal of Government, Social and Politics* 11, no. 1 (2025): 89–97, https://doi.org/10.25299/jkp.2025.vol11(1).21466.

[8] M. Fadhil Royhan dkk., "Strategi Kebijakan Keuangan Dan Fiskal Untuk Meningkatkan Kesejahteraan Masyarakat," *Moneter : Jurnal Ekonomi Dan Keuangan* 3, no. 1 (2025): 1, https://doi.org/10.61132/moneter.v3i1.1220.

supervising the implementation of the Regional Revenue and Expenditure Budget (APBD).[9]

Institutionally, the HKPD Law encourages regions to be more fiscally disciplined, but the DPRD's discretion in formulating budget policies is more limited. Some of the DPRD's authority in discussing and approving the budget is transferred to general regulation through technical guidelines from the centre. This raises questions about the extent to which the supervisory function of the DPRD remains relevant and practical in the context of increasingly standardised regional autonomy.[10] Another impact of this revision is the increasing role of information technology in the regional financial planning and reporting process. The integrated financial information system developed by the Ministry of Finance strengthens data-based supervision, but simultaneously reduces the room for political manoeuvre for the DPRD in evaluating local government programs and activities contextually. The original substantive supervision is now shifting towards administrative and technical supervision.

Nevertheless, the DPRD still has a gap in the strategic role of the supervisory function, especially in terms of the right to interpellate, submit questions, and express opinions. The DPRD also plays a role in absorbing the community's aspirations and channeling them into the preparation of the Regional Government Work Plan (RKPD) and KUA-PPAS. This is where it is essential to strengthen the institutional capacity of the DPRD to carry out data-based, accountable, and responsive supervision that meets local needs.[11] Thus, revising the HKPD Law presents challenges and opportunities for the DPRD to update its supervisory paradigm. Instead of only acting as a "filter" of the budget, the DPRD must be a critical partner based on results, performance, and accountability. Increasing human resources capacity, optimising the role of DPRD fittings, and synergy

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[9] Hardiman Mustakim dkk., "Efektivitas Fungsi Pengawasan Dewan Perwakilan Rakyat Daerah Dalam Pelaksanaan Pengawasan Anggaran Pendapatan Dan Belanja Daerah," *Journal of Lex Generalis (JLG)* 3, no. 2 (2022): 2.

[10] Rafika Sari, "Dampak Kebijakan Desentralisasi Fiskal Pada Daerah Tertinggal di Indonesia," *Jurnal Ekonomi dan Kebijakan Publik* 5, no. 1 (2014): 1, https://doi.org/10.22212/jekp.v5i1.146.

[11] Bambang Juanda dan Dedy Heriwibowo, "Konsolidasi Desentralisasi Fiskal Melalui Reformasi Kebijakan Belanja Daerah Berkualitas," *Jurnal Ekonomi dan Kebijakan Publik* 7, no. 1 (2016): 1, https://doi.org/10.22212/jekp.v7i1.419.

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with the Financial Audit Agency (BPK) and the Inspectorate are key in accelerating the legislative supervision function in the new era of regional finance. The following is a comparison table of the supervisory functions of the DPRD before and after the enactment of Law Number 1 of 2022:

Table 1: Comparison of the Supervisory Functions of the DPRD Before and After Law Number 1 of 2022

Aspects of Supervision	Before Law No. 1/2022 (Law No. 33/2004 & Law No. 23/2014)	After Law No. 1/2022 (HKPD Law)
Scope	Relatively broad, covering the process of planning, ratification, and evaluating the budget	Focused on performance evaluation and accountability, with certain technical limitations
Authority	The DPRD has discretion in the discussion of the RAPBD	Technical guidelines from the central government control the authority of the DPRD
Mechanism	Through the session and the formation of a special committee or commission	More based on central-regional integrated information systems
Orientation	Political and substantive (aspirative)	Technical and performance-based budgeting
Challenge	Vulnerable to political conflict between the DPRD and regional heads	The limited flexibility of the DPRD in influencing budget priorities

Sumber: Author's Interpretation

Table 1 compares the supervisory functions of the DPRD before and after the enactment of Law Number 1 of 2022 concerning Financial Relations between the Central and Regional Governments. Before the HKPD Law, the scope of supervision by the DPRD was relatively broad, encompassing planning and budget evaluation, with more flexible authorities and political and substantive mechanisms. After the HKPD Law came into effect, the supervisory function of the DPRD became more limited and technical, where central guidelines controlled the authority of the DPRD in determining the direction of budget policy. The supervisory mechanism also shifts to an integrated and performance-based financial information system, which, although more accountable, actually reduces the flexibility and representative role of the DPRD in advocating for the community's aspirations.

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Dynamics of DPRD Supervision Practices in Regional Fiscal Management

At the normative level, the DPRD supervises the implementation of regional financial management as stipulated in Law No. 23 of 2014 concerning the Regional Government and Law No. 1 of 2022 concerning Financial Relations between the Central and Regional Governments. However, implementing the supervisory function often does not run optimally. This discussion aims to reveal the factual dynamics in the field, particularly regarding the obstacles faced by the DPRD in fulfilling its supervisory function over regional fiscal management.[12] Based on data from interviews with several members of the DPRD and regional experts, it was found that a gap exists between the normative authority held by the DPRD and its actual implementation in the field. A resource person from Commission C, with the initials *US*, stated, "As a rule, we have the right to evaluate the budget, but in practice we are often only told the final figures, with no room to dissect the spending component."[13]

This statement indicates that data disclosure and access to budget documents remain the primary issues limiting oversight. Structural barriers are also a significant factor. For example, the limited human resources in the DPRD Secretariat and the lack of experts who can analyse financial statements in depth have caused a weak evaluation quality. Another speaker, an expert staff member with the initials *RM*, said, "Most DPRD members do not have a financial or economic background, so when entering technical discussions, dominance remains in the hands of the TAPD (Regional Government Budget Team)."[14] This creates a capacity imbalance between the legislature and the executive. Politically, transactional practices in budget discussions also hinder the supervisory function.

In some cases, the budget discussion process has become a vehicle for political compromise, obscuring transparency and accountability.[15] A former member of the DPRD

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[12] Bawon Nul Hakim, "Fungsi Pengawasan Dewan Perwakilan Rakyat Daerah Terhadap Pelaksanaan Anggaran Pendapatan dan Belanja Daerah," *CERMIN: Jurnal Penelitian* 3, no. 2 (2019): 97–109, https://doi.org/10.36841/cermin_unars.v3i2.457.

[13] Muhamaad Nasrudin, "Personal Interview," 2024.

[14] Joko Susilo, "Personal Interview," 2024.

[15] Sevianti Sevianti dkk., "Tinjauan Kebijakan Fiskal dan Pertumbuhan Ekonomi," *Jurnal Intelek Insan Cendikia* 2, no. 2 (2025): 2.

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with the initials *FH* revealed, "It is no secret that there are certain deals when discussing the budget. That sometimes makes our supervision dull."[16] This situation illustrates that practical political interests often overshadow the substantive role of supervision.[17] From a technical perspective, limited access to the regional financial information system presents an obstacle. Although the central government has encouraged integration through the SIPD (Regional Government Information System) application, not all DPRD members have an account or the necessary expertise to access and independently interpret budget data. This makes the DPRD very dependent on executive explanations, which can be selective.

However, there are also positive initiatives in some areas. In one of the districts, the DPRD established a budget performance monitoring team that collaborated with local academics to evaluate the effectiveness of public spending. A resource person from the DPRD secretariat, with the initials *YD*, stated, "We are aware of our weaknesses in the technical aspect, so we are collaborating with local universities to help study the budget."[18] This step shows that cross-institutional synergy can solve the internal limitations of the DPRD.[19] To clarify the gap between regulation and practice, the following table is presented that summarises the comparison between the normative authority of the DPRD in fiscal supervision and actual implementation in the field based on the findings of the interviews:

Table 2: Gap between Normative Authority and Actual Practice of DPRD Supervision

Aspects of Supervision	Normative Authority of the DPRD	Actual Field Practice

[16] Amran Efendi, "Personal Interview," 2024.

[17] George Stenlly Tjaane dan Tuerah A. M. R. Gosal Alfon Kimbal, "Pengawasan Dewan Perwakilan Rakyat Daerah Pada Pengelolaan Anggaran Pendapatan dan Belanja Daerah Kabupaten Halmahera Barat (Analisis Fungsi Pengawasan DPRD Kabupaten Halamahera Barat Periode 2014-2019 Terhadap Pengelolaan APBD Tahun 2018)," *POLITICO: Jurnal Ilmu Politik* 8, no. 2 (2019): 2, https://ejournal.unsrat.ac.id/v3/index.php/politico/article/view/31283.

[18] Taufiq Hidayat, "Personal Interview," 2024.

[19] Idris Setiawan dkk., "Pengawasan Dprd Kota Semarang Terhadap Penggunaan Anggaran Daerah Semarang Oleh Pemerintah Daerah Kota Semarang," *Hukum Dan Masyarakat Madani* 5, no. 3 (2015): 3, https://doi.org/10.26623/humani.v5i3.1437.

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Access Budget Information	Have full rights to the RAPBD documents and budget realisation	Access is limited, and often only summarised data is provided by TAPD
Program Evaluation Authority	Can evaluate the effectiveness and efficiency of local government work programs	Evaluation is often a formality and typically involves minimal follow-up or recommendations.
Budget Analysis Capacity	Supported by experts and supporting equipment at the DPRD secretariat	Lack of technical support and competent human resources in financial analysis
Political Independence	It should be free from executive influence and party interests	Supervision is often co-opted by political compromise or factional pressure
Technology Utilisation	Can access digital-based financial information systems such as SIPD	Not all members have the account, skills, or training to access the system

Sumber: Author's Interpretation

Table 2 illustrates the fundamental gap between the normative authority of the DPRD in regional fiscal supervision and the actual practices that occur in the field. Normatively, the DPRD has full rights to access budget information, the authority to evaluate programs, technical support from experts, political independence, and access to fiscal information technology such as SIPD. However, in practice, the DPRD often receives limited data, program evaluations are carried out formally without follow-up, there is a lack of technical capacity due to limited human resources, and supervision is vulnerable to political compromise. In addition, not all DPRD members can utilise the digital system due to limited training and access. This gap underscores the need to strengthen the supervisory function of the DPRD, providing more concrete structural, technical, and ethical support to ensure that supervision is not only procedural but also substantive and impactful.

Regional Fiscal Governance: Contemporary Islamic Economic Law Perspective

Islamic Economic Law is oriented towards microtransaction rules and provides a normative framework for public financial governance, including regional fiscal governance. Principles such as hisbah (moral supervision), amānah (public responsibility), maslahah (public welfare), and 'is (distributive justice) become the ethical foundation that directs regional financial management not only to obey procedures, but also to favour social justice.[20] These values are very relevant as an evaluative benchmark for the supervisory function carried out by the DPRD. In the context of hisbah, Islam teaches that the function of supervision of the people's property is fardhu kifayah, which public authorities must carry out. Hisbah is not only repressive but also preventive, encouraging openness and social control over the running of the public budget.[21] DPRD, sebagai wakil rakyat, secara normatif mengemban misi hisbah ini. Namun dalam praktiknya, sebagaimana tercermin dari beberapa hasil studi dan laporan lapangan, peran ini seringkali lemah akibat rendahnya transparansi data serta tekanan politik lokal.

Nilai amanah menuntut integritas dan kesadaran spiritual dalam mengelola sumber daya publik.[22] Hukum Islam Kontemporer, sebagaimana ditegaskan oleh Yusuf al-Qaradawi dalam Fiqh al-Zakah dan Monzer Kahf dalam kerangka Islamic Public Finance, menempatkan amanah sebagai prinsip utama dalam governance fiskal.[23] In regional financial supervision, this means that every member of the DPRD is obliged to maintain integrity, not abuse authority, and ensure that public funds are allocated for the benefit of the wider community, not for the political interests of factions or individuals.[24]

The principle of maslahah, or the public benefit, has undergone development in contemporary fiqh discourse. Scholars such as Jasser Auda, within the framework of Maqashid al-Shariah al-Hadithah, have emphasised that maslahah must now include economic sustainability, social justice, and the empowerment of marginalised groups.[25]

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[20] Rizal Fahlefi, "Implementasi Maṣlaḥah dalam Kegiatan Ekonomi Syariah," *JURIS (Jurnal Ilmiah Syariah)* 14, no. 2 (2016): 225–33, https://doi.org/10.31958/juris.v14i2.310.

[21] Muhammad Al ikhwan Bintarto dkk., "Penerapan Fungsi Dan Peran Al-Hisbah Dalam Pengawasan Di Baitul Maal Wa Tamwil," *Jurnal Masharif Al-Syariah: Jurnal Ekonomi dan Perbankan Syariah* 6, no. 3 (2021): 3, https://doi.org/10.30651/jms.v6i3.9800.

[22] Muhammad Sulhan dkk., "Financial Behavior Dynamics of MSME Actors: A Contemporary Islamic Financial Management Study on Literacy, Attitude, Intention, Personality, and Legal Aspects," *MILRev: Metro Islamic Law Review* 4, no. 1 (2025): 1, https://doi.org/10.32332/milrev.v4i1.10075.

[23] Muhamad Sulaeman, "Islamic Public Finance Analysis: A Scholarly Review Of Islamic Legal Perspectives," *IQTISHOD: Jurnal Pemikiran Dan Hukum Ekonomi Syariah* 3, no. 1 (2024): 28–44, https://doi.org/10.69768/ji.v3i1.45.

[24] Kanit Sangsubhan dan M. Chatib Basri, "Global Financial Crisis and ASEAN: Fiscal Policy Response in the Case of Thailand and Indonesia," *Asian Economic Policy Review* 7, no. 2 (2012): 248–69, https://doi.org/10.1111/j.1748-3131.2012.01241.x.

[25] Achmad Fageh, "Contextualization of Maslahah Jasser Auda's Thought in Islamic Economy," *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)* 4, no. 1 (2021): 1, https://doi.org/10.31538/iijse.v4i1.1344.

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DPRD supervision should ideally ensure that regional spending is not only absorbed but also effective in overcoming poverty, improving basic services, and promoting inclusive development. Otherwise, the regional budget has failed to meet the maqashid.[26] Distributive justice in Islamic Economic Law also has structural implications. He demanded equal allocation and rejected all wealth concentration among certain elites.[27] In a contemporary perspective, the DPRD must ensure that the APBD is not used to finance elitist projects that do not touch the grassroots community. This concept is closely tied to the principle of al-'adl al-ijtimā'i (social justice).

Contemporary Islamic law also introduces an institutional approach to fiscal governance, emphasising the importance of fair, participatory, and accountable governance as part of the Islamic economic system.[28] In this case, the DPRD, as a legislative institution, has a central role in ensuring public participation in the budget process and strengthening the public accountability mechanism. In the Indonesian context, where democracy and decentralisation are part of the constitutional system, contemporary Islamic law provides a dynamic space for interpretation. The DPRD's supervision of regional fiscal policy is not only seen as a political mandate, but also as part of Sharia responsibility. Thus, supervision ethics should not be separated from the orientation of sharia maqashid based on the benefit, justice, and protection of public rights (ḥifẓ al-māl wa al-nafs). By placing the perspective of contemporary Islamic Economic Law as an evaluative foundation, regional fiscal governance can be directed to fulfil administrative obligations and create social justice and community welfare. The supervisory function of the DPRD must be built on the principles of values and professionalism to respond to structural challenges and ensure that public financial management aligns with the goals of sharia in the state's life.

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[26] Sukamto Sukamto, "Kontektualisasi Institusi Hisbah dalam Perekonomian Indonesia Praspektif Maqashid Syariah," *MALIA: Jurnal Ekonomi Islam* 7, no. 1 (2015): 1, https://doi.org/10.35891/ml.v7i1.371.

[27] Intan Retno Edy, "Analisis Pengaruh Keadilan Distributif Kompensasi Dan Keadilan Prosedural Kompensasi Terhadap Kinerja Yang Dimediasi Oleh Kepuasan Kerja Pada Karyawan Di Rsud Kraton Kabupaten Pekalongan," *JBTI : Jurnal Bisnis : Teori Dan Implementasi* 4, no. 1 (2013): 1, https://doi.org/10.18196/jbti.v4i1.2439.

[28] Ziyadatus Shofiyah dan Muhammad Faishol, "Korelasi Aksioma Etika Islam Dengan Perilaku Ekonomi Islam: Perspektif Syed Nawab Haider Naqvi," *At-Tasharruf "Jurnal Kajian Ekonomi Dan Bisnis Syariah"* 6, no. 1 (2024): 14–26, https://doi.org/10.32528/at.v6i1.1632.

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Islamic Economic Law-Based Legislation Supervision Model: Conceptual and Practical Recommendations

To conclude this discussion, a conceptual model is needed to bridge the gap between positive legal norms and ethical values in Islamic Economic Law, especially in the legislative supervision of regional fiscal governance. This model is designed to provide a normative framework and practical guidance, enabling the supervisory function of the DPRD to become more meaningful, transformative, and fair.[29] In this case, national laws, regulations, and Sharia principles must be integrated synergistically and contextually.

Conceptually, fiscal supervision based on Islamic Economic Law places three main principles as foundations: hisbah (moral control), maslahah (public benefit), and 'is (distribution justice).[30] This model is designed to enable the DPRD not only to function as an administrative supervisor but also to serve as a guardian of ethical and moral values in public spending. Therefore, budget evaluation must include indicators of social justice, impartiality for vulnerable groups, and the effectiveness of programs in improving community welfare. The first recommendation was addressed to the DPRD, specifically the need to prepare Islamic Value-Based Budget Supervision Guidelines that include evaluation indicators based on Sharia maqashid. These include aspects of protecting the fundamental rights of the community (ḥifẓ al-nafs), economic empowerment (ḥifẓ al-māl), and equitable distribution. In addition, the DPRD needs to strengthen its institutional capacity by providing regular training related to fiscal analysis from an Islamic ethics and public financial governance perspective. This is important so that DPRD members understand the procedure and have moral sensitivity when assessing fiscal policy.

To local governments, recommendations focus on information disclosure and public participation. Local governments must establish a transparent system that enables

[29] Iman Jalaludin Rifa'i dkk., "Optimalisasi Fungsi Pengawasan DPRD Kabupaten Kuningan dalam Mewujudkan Pemerintahan Yang Baik (Good Governance)," *Jurnal Hukum Mimbar Justitia* 10, no. 2 (2024): 2, https://doi.org/10.35194/jhmj.v10i2.4867.

[30] Muhammad Fachrurrazy dan Dirah Nurmila Siliwadi, "Regulasi dan Pengawasan Fintech Di Indonesia : Persfektif Hukum Ekonomi Syariah," *AL-Syakhshiyyah Jurnal Hukum Keluarga Islam dan Kemanusiaan* 2, no. 2 (2020): 2, https://doi.org/10.35673/as-hki.v2i2.928.

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the DPRD and the public to access budget documents openly, accurately, and in a timely manner. This principle of transparency is part of the responsibility of trust in Islam, which obliges the ruler not to hide information related to public property. Local governments are also expected to involve the DPRD in consultative forums from the budget planning stage, rather than just at the approval stage.[31] Academics and educational institutions need to strengthen the study of Islamic economic law in the context of regional financial governance. The Islamic economics curriculum needs to be expanded to include studies on good governance, public financial management, and legislative oversight from the perspective of maqashid. Academics can also play a strategic role as a critical partner in DPRD through collaborative research, data provision, and assistance in value-based policy analysis. This role serves as a bridge between theory and practice in improving fiscal supervision.

The supervision model offered can be operationalised in the form of three supervision layers: ethical-moral, participatory-transparent, and performance-based data. The ethical layer emphasises integrity and trust; the participatory layer encourages public and civil society involvement; and the data-driven layer guarantees objective and measurable decision-making. Combining these three elements creates a system of supervision that is both legally and morally valid.[32] As an applicable example, the DPRD can form a Sharia-Based Maqashid Budget Evaluation Team (TEAMS) involving elements of the legislature, academics, and Islamic community organisations. This team compiles annual budget supervision reports that strike a balance between budget compliance and social benefits. This reporting can also be used to improve regional fiscal policies in the following year and as an indicator of the DPRD's performance in its supervisory function.

By adopting this model of legislative supervision based on Islamic Economic Law, it is hoped that regional fiscal governance will not only prioritize administrative compliance

[31] Moh Fitra Febriana dan Setia Mulyawan, "Kebijakan Fiskal Dalam Perspektif Ekonomi Islam Serta Relevansinya Di Negara Indonesia," *Jurnal Nuansa : Publikasi Ilmu Manajemen Dan Ekonomi Syariah* 2, no. 2 (2024): 2, https://doi.org/10.61132/nuansa.v2i2.885.

[32] Ihda Aini, "Kebijakan Fiskal dalam Ekonomi Islam," *Al-Qisthu: Jurnal Kajian Ilmu-Ilmu Hukum* 17, no. 2 (2019), https://doi.org/10.32694/qst.v17i2.798.

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but also be rooted in spiritual values, social justice, and the welfare of the people.[33] This integration is a constructive middle ground between the country's legal framework and inclusive Islamic ethics.[34] Amidst the complexity of local fiscal and political challenges, this model can serve as a moral compass and a technocratic guide for fair, moral, and sustainable regional financial supervision.[35] The following is a table of the scheme of the legislative supervision model based on Islamic Economic Law in three main layers:

Table 3: Islamic Economic Law-Based Legislation Supervision Model

Surveillance Layer	Key Characteristics	Principles of Islamic Economic Law	Practical Implementation
1. Ethics-Moral	Emphasising integrity, honesty, and trust in the supervisory function	*Amānah, Hisbah*	Islamic ethics training for DPRD members, supervisory code of ethics, and public integrity declaration
2. Participatory-Transparent	Encourage community involvement and public information disclosure.	*Maslahah, Shura, Tashaffu' al-Mas'uliyyah*	Open publication of the budget, DPRD-community consultative forum, and supervision based on public aspirations
3. Data-Based Performance	Oversight based on program achievement, spending effectiveness, and budget distribution	*'Is, Maslahah, Tahqiq al-Maqashid.*	Establishment of Maqashid-Based Budget Evaluation Team (TEAMS), regional fiscal performance dashboard, social and thematic audits

Sumber: Author's Interpretation

Table 3 presents a model of legislative oversight based on Islamic Economic Law, which consists of three main layers: ethical and moral, participatory and transparent, and data-based performance. The ethical-moral layer emphasises the importance of integrity and trust in DPRD members as public financial supervisors, following the principles of hisbah and trust. The participatory and transparent layer encourages information disclosure and community involvement in the supervision process, aligning with maslahah and shura

[33] Azka Muharam, "Integration Of Sharia Economics in the Global Financial System," *Journal of Global Innovation* 1, no. 1 (November 15, 2023): 6–13, https://doi.org/10.58344/jig.v1i1.2.

[34] Zayyaan Muzakkii Maahir dkk., "Efektivitas Pengawasan Syariah Dalam Menjamin Kepatuhan Bank Syariah," *Maslahah : Jurnal Manajemen Dan Ekonomi Syariah* 2, no. 3 (2024): 3, https://doi.org/10.59059/maslahah.v2i3.1521.

[35] Bachtiyar Asrofi Muchlis and Amin Wahyudi, "Fiscal and Budgetary Policy in Islamic Economics," *Masharif Al-Syariah Journal: Journal of Sharia Economics and Banking* 8, no. 4 (November 28, 2023), https://doi.org/10.30651/jms.v8i4.20721.

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principles. Meanwhile, the data-driven performance layer emphasises oversight of the effectiveness and distribution of regional budgets based on the principles of 'is and tahqiq al-maqashid. These three layers complement each other to form a system of legislative oversight that is socially just, morally strong, and technically measurable.

CONCLUSION

This study concludes that the effectiveness of regional legislative supervision of fiscal policy has faced significant challenges following the revision of the Regional Finance Law, as outlined in Law Number 1 of 2022. The revision introduced structural and normative changes that reduced the discretion of the DPRD in oversight while reinforcing the dominance of a technocratic approach in budget governance. Although the DPRD formally retains supervisory authority, practices on the ground reveal gaps caused by structural, political, and technical constraints, including limited access to data, low analytical capacity, and the influence of political compromises. From the perspective of Islamic Economic Law, legislative oversight should be understood not only as an administrative mechanism but also as a moral mandate that requires accountability, distributive justice, and a focus on the public good. Principles such as ḥisbah, amānah, maṣlaḥah, and ʿadl provide a relevant ethical framework for evaluating the quality of DPRD supervision. As a conceptual and practical contribution, this study proposes a three-layer model of supervision—ethical-moral, participatory-transparent, and performance-based—to strengthen fair, accountable, and sustainable legislative functions in regional fiscal governance. Further research is recommended to apply quantitative approaches for objectively measuring the impact of supervision on fiscal performance and to conduct comparative studies across different regions.

ACKNOWLEDGMENTS

The researcher sincerely expresses gratitude to the Rector of Universitas Muslim Nusantara Al-Washliyah, Indonesia, and to all academic community members for their support and the opportunities provided throughout the research process. The university's open academic environment, constructive guidance, and moral and institutional support from various parties have been crucial to the smooth progress and completion of this study. It is hoped that the results of this research will make a meaningful contribution, not only as an academic endeavor but also as a genuine contribution to the development of knowledge in Islamic economic law and regional fiscal policy. Thank you for all the encouragement, attention, and inspiration given.

AUTHOR CONTRIBUTIONS

Dani Sintara conceptualised the research design, led the data analysis, and coordinated the writing process. Ahmad Rusly Purba contributed to the analysis of the legal and regulatory framework and participated in the drafting and critical revision of the manuscript. Sitta Saraya was responsible for collecting and synthesising field data, including interviews and supporting documents, and provided substantial input in the discussion section. Abd Ulrahman Raad Nouri offered theoretical insights from the perspective of Islamic economic law and contributed to the final refinement of the manuscript. All authors have read and approved the final version of the paper and agreed to be accountable for all aspects of the work.

CONFLICT OF INTEREST

The authors declare no conflicts of interest, financial or otherwise, that could have influenced any part of this study. This research was conducted independently and objectively, with a commitment to uphold academic integrity and ethical standards.

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