



SILVER WINNER
PRIA AWARD
2021

GUARDING THE FUTURE THROUGH FORESIGHT

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BPK Unveils 4 Scenarios for Indonesia for the Next 5 Years

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BPK Reveals 14,501 Issues Amounting to Rp8.37Trillion

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BPK Experiences Significant Progress within Two Years



Closing the 2021, the Audit Board of the Republic of Indonesia (BPK) has made a significant contribution to Indonesia. It is manifested in a form of the first Strategic Foresight Opinion book entitled "Rebuilding Indonesia from Covid-19: Scenarios, Opportunities and Challenges of a Resilient Government", which was launched on Thursday, October 21, 2021.

Through this book, BPK conveys various possibilities that can occur in the next five years (2021-2026) in four scenarios. It was compiled by using the scenario planning method and the data collected from the results of BPK's audits and domestic, regional and global trends.

Through the foresight opinion, BPK seeks to uncover risks in the next five years related to various aspects due to the Covid-19 pandemic. It is expected that it will help the government to anticipate and mitigate the risks.

It is a historic milestone for BPK, as with the realization of the foresight opinion, BPK becomes the 11th state audit institution in the world and the 2nd in Asia to carrying out the role of foresight.

There are several goals and benefits BPK wants to achieve through its foresight role. For instance, it can help build the trust of state officials in making policies and strategies in managing the state finance.

BPK can provide alternative policy options that can be taken by the government, so that synergy and cooperation among institutions can be realized to together build the nation.

In addition, the role of foresight also facilitates policy-making in situations of high uncertainty by identifying the long-term impact of the policies taken. This role is also used in the evaluation and audit of the implementation of government policies or programs.

This edition also presents the government's response to the role of foresight carried out by BPK. Such responses are coming from Ministry of Education, Culture, Research and Technology and Ministry of Health.

To complete the report, the editor also presents the interviews with BPK Regional Office in Gorontalo and Yogyakarta related to the foresight role.

This edition also presents reports on activities of the cooperation between BPK and several SAIs including ANAO, SAO Lao and ACH Russia. There is also a report regarding activities of BPK Vice Chairman Agus Joko Pramono at the 5th Meeting of the International Organization of Supreme Audit Institutions Working Group on Big Data Audit (INTOSAI WGBD).

In the international arena, BPK is successfully elected as the Vice-Chair of the UN Panel of External Auditors for a term of office from December 2021 to December 2022. The decision was taken through the agreement of all panel members on the second day of the "Sixty-first (2021) Regular Session of the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency".

This event was held physically at the UN Headquarters in New York, the United States of America from December 6 to 7, 2021. The election of BPK was decided in the "Election of Chair and Vice-Chair of the Panel for 2022" agenda. The BPK delegates was led by Vice Chairman Agus Joko Pramono. Enjoy. ●

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GUARDING THE NATION'S FUTURE THROUGH FORESIGHT

Through its foresight role, BPK connects variables to assist the community and decision makers in choosing alternative futures with existing scenarios.



■ Chairman of BPK Agung Firman Sampurna in the BPK Executive Foresight Workshop.

The Audit Board of the Republic of Indonesia (BPK) continues to increase its role in overseeing state finances. Currently, BPK is optimizing its role of foresight by providing an overview of alternative future options.

One of BPK's concrete manifestations to strengthen this role is by drafting a BPK Foresight opinion book entitled *Indonesia Remade by Covid-19: Scenarios, Opportunities, and Challenges of a Resilient Government* using a scenario planning methodology.

Chairman of BPK Agung Firman Sampurna says through the foresight opinion, BPK reveals the risks in the next five years related to various aspects due to the Covid-19 pandemic. It is expected to be able to help the government in anticipating and mitigating these risks.

"Foresight is expected to provide an overview of the future by highlighting the long-term implications of decisions or policies taken by the government, so as to prevent a crisis from occurring," BPK Chairman said at the Foresight Executive Workshop held at the BPK Auditorium, Tuesday (21/9).

He explains that the preparation of the BPK Foresight was an effort to actualize the two principles contained in the INTOSAI 12 Principles on the Value and Benefits of SAls- Making a Difference to the Lives of Citizens. The first principle is "Demonstrating ongoing relevance to citizens, parliament and other stakeholders", while the second principle is "Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector".

"By providing independent insight and guidance on future scenarios, BPK can increase its benefits by helping the government see hidden risks to prevent a crisis from occurring. With the realization of BPK's Foresight opinion for the first time, BPK fulfills its historical destiny as the 11th Supreme Audit Institution (SAI) in the

world and the 2nd in Asia to carry out the foresight role," Chairman said.

BPK Vice Chairman Agus Joko Pramono on another occasion explains that there are three roles that an SAI must carry out, based on the INTOSAI Accountability Organization Maturity Model. The three roles are oversight, insight and foresight roles.

"The three roles or maturity models are not stages or levels, but positioning that must be carried out simultaneously," he said at the Anti-Corruption Workshop conducted at the BPK Head Office, Tuesday (14/9).

For its oversight role, he says, BPK is trying to increase the effectiveness of financial supervision through audits. As for the insight role, BPK with its capacity provides an in-depth insight into public policy.

In terms of foresight role, BPK provides an overview of future alternative options for both the community and decision makers to take.

"It means that we carry out insight and oversight and equip ourselves with the role of foresight," Vice Chairman said.

He adds that in the context of foresight, BPK seeks to broaden horizons by connecting variables to assist the community and decision makers in choosing alternative futures with existing scenarios. "This is being developed by BPK," he said.

BPK Vice Chairman further reveals that strengthening the role of foresight is one of BPK's strategic initiatives of the 2020-2024 Strategic Plan, one of which is realized through the drafting of the BPK Foresight book.



■ BPK Executive Foresight Workshop.



By providing independent insight and guidance on future scenarios, BPK can increase its benefits by helping the government see hidden risks to prevent a crisis from occurring. With the realization of BPK's Foresight opinion for the first time, BPK fulfills its historical destiny as the 11th Supreme Audit Institution (SAI) in the world and the 2nd in Asia to carry out the foresight role.



■ BPK Vice Chairman, Agus Joko Pramono



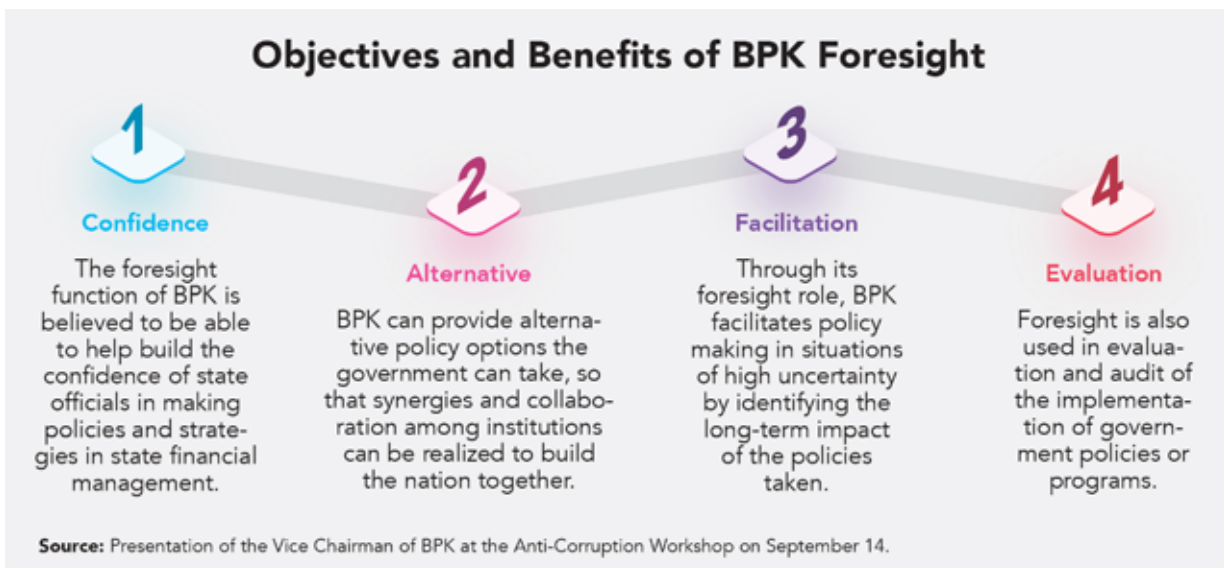
According to him, there are several goals and benefits BPK wants to achieve through the foresight role. The foresight function is believed to be able to help build the confidence of state officials in making policies and strategies in managing state finances.

Through its foresight role, BPK can provide alternative policy options the government can take, so that synergy and collaboration among institutions can be realized to build the nation together.

In addition, the foresight role facilitates policy making in situations of high uncertainty by identifying the long-term impact of the policies taken.

Foresight is also used in evaluation and audit of the implementation of government policies or programs. "So, if there are certain things whose theory or substance is not valid in the context of decision making, we will then convey them to the government to review," he said.

BPK Vice Chairman says that the role of foresight has also been carried out by many other country's SAIs emphasizing the need to conduct experiments, innovations and foresight capacity development. "BPK also cooperates with other SAIs to exchange knowledge among regional and international SAIs. BPK also plays a very active role in the international world. In fact, BPK has initiated the ASEANSAI, an association of Supreme Audit Institutions in ASEAN countries," he said. ●



BPK UNVEILS 4 SCENARIOS FOR INDONESIA FOR THE NEXT 5 YEARS

Lack of financial support and basic services covered by the National Health Insurance (JKN) scheme contributed to the collapse of the national health system.

The Audit Board of the Republic of Indonesia (BPK) conveyed various possibilities that could occur in the next five years (2021-2026) in four scenarios. It was compiled using the scenario planning method and data sourced from the results of the BPK audit, domestic, regional, and global trends. "BPK is working closely with Deloitte and 20 experts, practitioners and academics in the fields of health, economics, finance, sociology, politics, education, the environment, and technology. In addition, it also involves the leaders of relevant ministries and institutions as well as heads of local governments, stakeholders, and other policy implementers," said Chairman of BPK, Agung Firman Sampurna, at the launch of the first strategic foresight opinion book entitled "Rebuilding Indonesia from Covid-19: Scenarios, Opportunities, and Challenges of the Firm Government" and BPK's strategic foresight website on Thursday (21/10).



The four scenarios that BPK successfully developed were, first, Sailing to Conquer the Ocean. This is the best-case scenario, when the government's response to the crisis becomes more effective and the severity of the pandemic subsides. Indonesia's success in dealing with the pandemic crisis is a reference for other countries. With effective policies, Indonesia has managed to achieve pre-pandemic economic growth rates with improved prices and demand for primary commodities in international markets as well as monetary stability and fiscal sustainability.

The second scenario, Wading in the Storm. This scenario describes conditions when the government's response to the crisis becomes more effective in the midst of a worsening pandemic. The government has succeeded in carrying out massive reforms to the health system in the midst of a worsening pandemic. Society adapts to a new social life marked by social restrictions.

The third scenario, he said, was scattered by the ocean. This is a worst-case scenario that describes a future full of risks and dangers. The government's response to the crisis has been less effective and the severity of the pandemic has worsened. The lack of financial support and basic services covered by the National Health Insurance (JKN) scheme contributed to the collapse of the national health system. The government is under pressure to provide pandemic assistance programs which have resulted in increased debt and budget deficits as well as socioeconomic vulnerabilities.

The fourth scenario, Abandoned by the Receding Beach. This scenario is marked by the easing of the pandemic but the government's response to the crisis is less effective. The health sector is still under pressure to provide adequate public services due to the financial burden and the influx of neglected patients in hospitals.

The government's plans for economic



■ Chairman of BPK Agung Firman Sampurna

recovery and short-term employment strategies have not been effective. This condition resulted in much lower economic growth than during the pre-pandemic period.

"The scenario presented in BPK's foresight is not a prediction about the future.



BPK is working closely with Deloitte and 20 experts, practitioners and academics in the fields of health, economics, finance, sociology, politics, education, the environment, and technology. In addition, it also involves the leaders of relevant ministries and institutions as well as heads of local governments, stakeholders, and other policy implementers.

But a means to look back at various assumptions about the future. So that we do not get carried away with expectations and we can see more clearly the readiness to face the future," said the Chairman of the BPK.

Agung also hopes that BPK's efforts can inspire the central and local governments to start implementing strategic foresight to anticipate future uncertainties. The public and decision makers can monitor indicators or signposts that are useful for identifying scenarios that are becoming reality through BPK's strategic foresight website.

Moreover, he also conveyed five themes in the scenario that in the viewpoint of BPK the government needed to anticipate. The five themes are health reform, tax reform and fiscal sustainability, government vision and leadership, digital transformation and data governance, and the quality of human resources.

"These themes need to get the government's attention because they will also determine Indonesia's success in dealing with the Covid-19 pandemic and the possibility of pandemics, disasters, and global crises in the future," Agung said.





The scenario presented in BPK's foresight is not a prediction about the future. But a means to look back at various assumptions about the future. So that we do not get carried away with expectations and we can see more clearly the readiness to face the future.

Agung explained that in carrying out its audit duties, BPK has levels called the Pyramid of SAI's Maturity Role. In carrying out audits on the management and responsibility of state finances, BPK has three important roles in realizing quality and useful state financial governance to achieve state goals.

The role of oversight and insight is manifested in the tasks of financial audits, performance audits, and audits with specific objectives, as well as providing opinions to the government. While the role of foresight is carried out to assist the community and decision makers in choosing alternative future policies.

The preparation of this foresight makes BPK the second Supreme Audit Institution in Asia after South Korea and the first in Southeast Asia to have foresight capabilities.

Agung added that this foresight document was prepared through an intense process and synergy with stakeholders. Prior to its official launch, the book "Rebuilding Indonesia from Covid-19: Scenarios, Opportunities, and Challenges for a Strong Government" was presented to Indonesian President Joko Widodo on October 15, 2021 at the State Palace. ●

The BPK's Role has levels called the Pyramid of SAI's Maturity Role. In carrying out audits on the management and responsibility of state finances, BPK has 3 important roles in realizing quality and useful state financial governance to achieve state goals.



- The oversight role is carried out to ensure that government entities carry out good governance of state finances and comply with the provisions of laws and regulations. This role has been carried out by BPK through financial audits, performance audit, and audit with specific purposes.
- The role of insight is carried out by exploring public policies to provide opinions. For example, regarding programs, policies and operations that are performing well and suggest best practices to achieve important outcomes for the country and society. This role has been carried out by providing BPK's viewpoint. Finally, at the beginning of this year BPK gave an viewpoint to the government on the National Health Insurance Program (JKN) and Papua Special Autonomy.
- The role of foresight is carried out by providing an overview to the government, community, and other stakeholders on the expected future. This role has never been performed before. ●

MINISTER OF EDUCATION, CULTURE, RESEARCH AND TECHNOLOGY: BPK'S FORESIGHT ASSISTS THE GOVERNMENT IN DEVELOPING FUTURE STRATEGIES

Each scenario in BPK's Foresight provides a picture of Indonesia's future in eight sectors, including the education sector.



■ Nadiem Makarim

Minister of Education, Culture, Research and Technology (Mendikbudristek), Nadiem Makarim, appreciated the actions taken by the Audit Board of the Republic of Indonesia (BPK) for carrying out the role of foresight. According to Nadiem, BPK's first foresight initiative can assist the government in developing future policies.

Last October, BPK published its first Strategic Foresight Opinion which was

written in a book entitled "Rebuilding Indonesia in Post COVID-19: Scenarios, Opportunities and Challenges of a Resilient Government". In this foresight topic, BPK conveyed various possibilities that might occur in the next five years (2021-2026) in four scenarios.

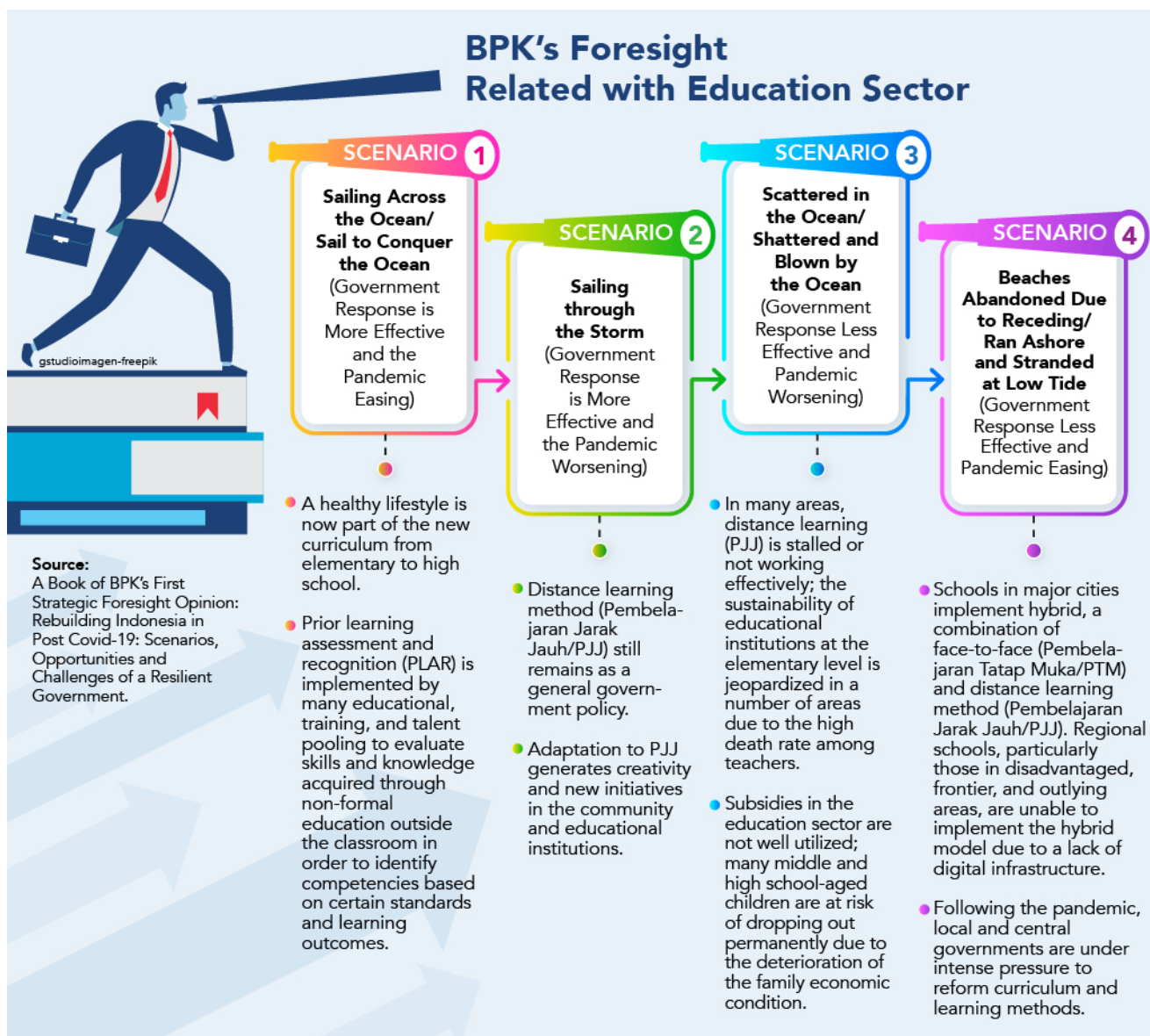
Each scenario provides a picture of Indonesia's future in eight sectors, including the education sector. The eight sectors are health, economic, financial, social, political, education, environmental and technology.

The development of foresight is conducted by using summary data from BPK audit results, BPK opinions, domestic, regional, and global trends, as well as input from experts in related fields that describe the future possibilities.

BPK now holds the positions as the world's 12th Supreme Audit Institution (SAI) and the 2nd SAI in Asia that has capacity in performing foresight. According to Nadiem, the realization of BPK's first foresight was a remarkable achievement for BPK that could serve as a model for other countries. "This accomplishment will be a huge step forward for financial audit institution, especially in today's challenging and constrained environment. We appreciate BPK's

initiative to conduct foresight to provide input to government, particularly regarding state finance management," Nadiem told *Warta Pemeriksa* in early November.

Nadiem assessed that BPK's foresight could help unravel the problems that are currently and will be faced by Indonesia. Moreover, said Nadiem, if foresight be synergized with the hindsight bias phenomenon approach and the increasing of integrity, independence, honesty, objectivity, and legal certainty, it will achieve more comprehensive solution to existing challenges, support government programs and policies related to pandemic recovery efforts, and the development of strategies for mitigating future disaster conditions.





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Foresight will provide input to the government in designing and ratifying policies, as well as evaluating their implementation.

"Foresight will provide input to the government in designing and ratifying policies, as well as evaluating their implementation," Nadiem explained.

Nadiem hopes that BPK's foresight approach will result in a more strategic and effective risk mitigation strategy in Indonesia's efforts to recover from pandemic and continue the development. "Furthermore, we hope that BPK's role in foresight will provide input and recommendations to the Ministry of Education, Culture, Research, and Technology regarding strengthening financial governance in order to improve ministry services and the realization of Independent Learning (Merdeka Belajar)," Nadiem said.

So far, according to Nadiem, Kemendikbudristek can feel BPK's foresight in the collaboration that exists between Kemendikbudristek and partners. With BPK's foresight, there is a common point of view in carrying out professional duties, which helps the collaboration process run smoothly.

"Moreover, BPK has provided input for improvement and recommendations to Kemendikbudristek on issues ranging from financial management and State Property to improving the performance of ministry services."

According to Nadiem, BPK should encourage the government to use a foresight approach to analyze complex issues when developing strategic plans and policies for the future. He also hopes that BPK can continue to be a source of rationality and objectivity in carrying out foresight.

In terms of governance at Kemendikbudristek, Nadiem ensures that his ministry uses risk management to prevent corruption through a variety of initiatives. Some of these initiatives include expanding the role of the Internal Control System (SPI) in work units and increasing the number of work units designated by the Ministry of State Apparatus Utilization and Bureaucratic Reform as Integrity Zones for Corruption Free Areas and Clean Serving Bureaucratic Areas (ZI WBK WBBM).

Furthermore, Nadiem said that Kemendikbudristek strengthens the role of the Inspectorate General as an internal auditor with a focus on prevention systems through monitoring of priority program assistance and the development of digital anti-corruption applications. "It is also supported with the implementation of various socialization and technical guidance initiatives through collaboration with relevant institutions," he added. ●

BPK'S FORESIGHT IS NEEDED AMID THE UNCERTAINTY DUE TO THE PANDEMIC

Minister of Health, Budi Gunadi Sadikin, hopes that BPK to be consistent in carrying out its foresight role.

Minister of Health, Budi Gunadi Sadikin, conveyed a number of expectations for the Audit Board of the Republic of Indonesia (BPK) which has carried out the role of foresight for the state. The Minister of Health said that foresight from BPK is needed to help the government dealing with the COVID-19 pandemic situation which was still full of uncertainty. BPK is also expected to be consistent in carrying out its foresight role.

Last October, BPK launched its first Strategic Foresight entitled: *Rebuilding Indonesia from Covid-19: Scenarios, Opportunities, and Challenges for a Strong Government*. In the foresight, BPK presents four scenarios that are likely to occur in the future, specifically until 2026. Each scenario provides an overview of what is likely to happen in eight sectors. One of them is the health sector. The Minister of Health said the foresight approach can be used to analyze complex issues for strategic planning and future-oriented policy making. BPK's Foresight will also facilitate policy making in situations of high uncertainty by identifying trends, opportunities and challenges in various fields, as well as exploring various developments to formulate future strategies.

"It is equally important to identify the long-term impacts and the policies taken. Foresight will provide input for the government in designing and ratifying policies, including evaluating their implementation," said the Minister of Health to *Warta Pemriksa*, mid-November.

The Minister of Health hopes that the role of foresight carried out by BPK can produce a more strategic and effective development strategy. "Especially in our efforts to rise from the pandemic and continue the Government's Vision (Onward Indonesia Cabinet) which is 'The Realization of an Advanced Indonesia that is Sovereign, Independent, and Personal, Based on Mutual Coope-

ration'. Because of its medium-term nature, with this foresight, BPK can further advance its role in development with various scenarios that have been prepared," said Minister of Health, Budi. The Minister of Health also hopes that BPK will consistently carry out the role of foresight so that it can provide assurance, suggestions for improvement, opinions, considerations and future views related to the handling of Covid-19 and Indonesia's direction in the future. The Minister of Health is optimistic that the BPK's foresight capability will help the government and the public to deal with the uncertainty of the development of the pandemic situation and its impact on society.

"BPK's Foresight produces a long-term perspective study that contains mapping of various conditions that may occur in the future and post-pandemic, as well as other crisis situations that may occur in the future," said the Minister of Health.

Therefore, the Minister of Health appreciated BPK for officially carrying out the role of foresight. Moreover, BPK is the eleventh Supreme Audit Institution (SAI) in the world and the second in Asia to be able to carry out foresight. He considered that the realization of BPK's foresight during the Covid-19 pandemic was an extraordinary achievement for BPK which could be a good practice for other countries.

In preparing foresight, data analysis plays an important role to map future uncertainties. The data used are summary of BPK audit results, BPK viewpoints, also domestic, regional, and global trends. BPK also gathers input from experts in the fields of economics, finance, health, sociology, politics, education, the environment, and technology to create scenario stories that describe the possibilities that will occur in the future. Related to this, the Minister of Health stated that the use of valid data and appropriate analysis will make scenario planning more mature and strong as the basis for program implementation.



■ Minister of Health, Budi Gunadi Sadikin



BPK's Foresight produces a long-term perspective study that contains mapping of various conditions that may occur in the future and post-pandemic, as well as other crisis situations that may occur in the future.

Collaboration

Regarding the role of BPK as an auditing agency, the Minister of Health admitted that he felt there was a good collaboration with BPK in an effort to encourage transparency and accountability in the management and responsibility of state finances. Therefore, the Minister of Health hopes that collaboration will be continued in maintaining the Ministry of Health's Financial Statements with Unqualified Opinions (WTP) through BPK's professional auditors in maintaining integrity and realizing improvements in governance.

"So far, he said, BPK has provided input for improvement and recommendations to the Ministry of Health, which are not only limited to the management of state finances and property, but are also related to improving the performance of the Ministry's services," said the Minister of Health.

Regarding the pandemic handling, the Minis-

ter of Health stated that the scenario for handling health disasters along with the capacity of human resources, logistics, facilities and infrastructure as well as finance, had been mitigated in the 2015-2019 Ministry of Health Strategic Plan and continued in the 2020-2024 Strategic Plan. The Minister of Health stated that the Ministry of Health had completed all policies for managing the Covid-19 pandemic properly, especially those relating to accountability, regarding the accuracy of budget use.

Minister of Health explained that Ministry of Health is indeed entrusted with a large budget that should be absorbed maximally, effectively, and efficiently. "The pentahelix collaboration is very important in the application of foresight. The Ministry of Health always coordinates with cross-sectoral or other relevant parties such as all ministries/agencies, communities, community/religious leaders, the private sector and the media as well as the task force/KPCPEN. ●

BPK REVEALS 14,501 ISSUES AMOUNTING TO RP8.37 TRILLION

The most common issues found is non-compliance with the provisions of law.



■ Submission of IHPS I of 2021 to the leadership of the Indonesian House of Representatives (DPR) in Jakarta.

The Audit Board of the Republic of Indonesia (BPK) has completed the Summary of Semester Audit Reports (IHPS) I of 2021. The document contains 8,483 audit findings which cover 14,501 issues worth Rp8.37 trillion revealed during BPK audits in the first semester of 2021.

BPK Chairman Agung Firman Sampurna stated that the most common issue found is non-compliance with statutory provisions, which reached 7,512 issues or 52 percent. The second most common is weaknesses in internal control system with 6,617 problems (46 percent). The rest (372 issues or 2 percent) issues due to uneconomical, inefficiency, and ineffectiveness amounting to Rp113.13 billion.

“From the 7,512 problems of non-compliance, 4,774 issues worth Rp8.26 trillion are non-compliance problems that can result in state losses (3,104 issues worth Rp1.94 trillion), potential losses (612 issues worth Rp776.45 billion), and revenue loss

(1,058 issues worth Rp5.55 trillion),” explained BPK Chairman during the submission of IHPS I of 2021 to the leadership of the Indonesian House of Representatives (DPR) in Jakarta, Tuesday (7/12).

On various issues disclosed by BPK, audited entities have followed up by submitting assets or depositing them to the state/regional/company treasury during the audit process, with a total of Rp967.08 billion (11.7 percent). 68 percent or Rp656.46 billion of it is deposits from central government entities, State-Owned Enterprises (BUMN), and other entities.

Further, BPK Chairman told that in general IHPS I of 2021 contains 128 financial audit reports at the central government, namely 1 Central Government Financial Report (LKPP) for 2020, 85 Financial Reports of State Ministries/Institutions (LKKL) of 2022, and 1 State General Treasurer Financial Report (LKBUN) of 2022. To support the audit of LKPP 2020, BPK also audited 11 financial reports of the Budgeting/Goods Management Accounting Unit (UAKPA/B) at the



From the 7,512 problems of non-compliance, 4,774 issues worth Rp8.26 trillion are non-compliance problems that can result in state losses (3.104 issues worth Rp1.94 trillion), potential losses (612 issues worth Rp776.45 billion), and revenue loss (1,058 issues worth Rp5.55 trillion).

Budget Section (BA) BUN at relevant ministries/agencies, without giving any opinions. Additionally, BPK audited 30 Financial Statements of Foreign Loans and Grants (LKPHLN) for 2020.

“It is important for us to emphasize that especially in the last three years, BPK has worked hard to encourage the realization of effective, accountable, and transparent state financial management in accordance with statutory provisions, best international practices, particularly in relation to the Sustainable Development Goals/SDGs target 16.6, which is to develop effective, accountable and transparent institutions at all levels,” explained BPK Chairman.

He highlighted that in Semester I of 2020, BPK also audited 30 financial reports of foreign loans and grants (PHLN), which were 11 from the Asian Development Bank (ADB), 4 from the World Bank, 11 from International Bank for Reconstruction and Development (IBRD), 3 from International Fund for Agricultural Development (IFAD), and 1 from Global Financing Facility (GFF). The results of the mentioned audit show that all foreign loans and grants were generally managed with good accountability.

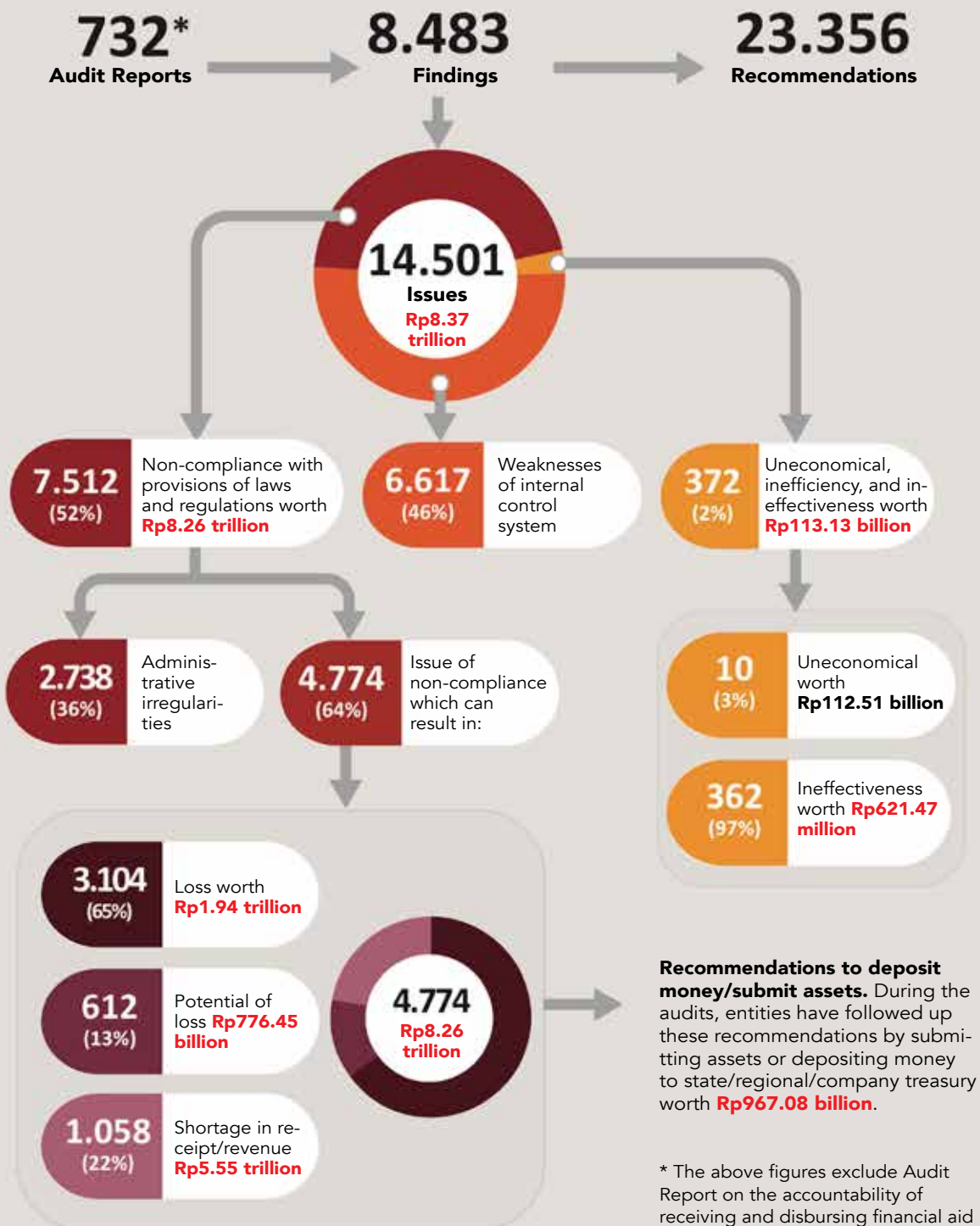


■ Agung Firman Sampurna

With regard to performance audits, BPK conducted 39 audits of 4 objects at the central government, 34 objects at local government, and 1 object at SOE. A significant audit which showed a significant result include, among others, audit on the effectiveness of the management of motor vehicle type test registration services for FY 2019 to Semester I of 2020, carried out at the Directorate General of Land Transportation of the Ministry of Transportation and other relevant ministries. The audit concluded that the Directorate General of Land Transportation had not been able to ensure that all motor vehicles had registered for the test type. This is indicated by the fact that there are still problems such as not yet obtaining data on vehicle production and sales reported by the Brand Holding Agents as the basis for calculating PNB SRUT.

While for special purpose audits, BPK conducted 20 audits of 1 object at central government, 1 object at local government, and 18 objects at SOEs and other agencies. One of the most significant audits was the management of subsidies/public service obligations (KPP) on 13 objects related to subsidies in energy, fertilizer, credit interest, and public transportation have met a number of criteria. However, there are a number of problems that need special attention, including PT PLN (Persero) which has not conducted a comprehensive evaluation of cost efficiency, and does not recognize and take into account the non-Cost of Supply (BPP) of electricity in submitting subsidies to the government.

BPK AUDIT RESULTS FOR SEMESTER 1 OF 2021



PC-PEN Audit

IHPS I of 2021 also contains BPK's audit result on Covid-19 Handling and National Economic Recovery (PC-PEN) program. Similarly to what was done in semester II of 2020, the audit was carried out using a risk-based comprehensive audit which combines objectives of the three types of audits (financial, performance, special purpose) by taking into account the audit universe of state finance.

As BPK Chairman elaborated, in semester II of 2020, BPK conducted two types of audit on the handling of PC-PEN: performance audit and special purpose audit. Whereas in semester I of 2021, BPK oversaw the PC-PEN program through financial audits at the central and local government levels.

"The audit is a manifestation of BPK's commitment to ensure that the PC-PEN program is carried out in a transparent, accountable, regulatory, economical, efficient, and effective manner," he remarked.

The audit reveals issues of PC-PEN, some of which were included in the audit result of LKPP 2020 submitted to DPR at the Plenary Session on 22 June 2021. These issues were generally consolidated and did not affect the fairness of the financial report presentation.

However, other issues significantly affected the fairness of the financial report presentation at the Ministry of Social Affairs. The first issue being social assistance not supported with proof of reasonable price from provider and adequate explanations as well as evidence for the distribution of the Social Assistance Program for the Family Hope Program (PKH).

Another issue is the presentation of non-tax receivables to Beneficiary Families (KPM) of Social Assistance PKH with the status of Prosperous Family Cards not being distributed, KPM not making transactions, and not supported by the reconciliation process between data by name, by address, and KPN bank statement data. ●

Role of Foresight

During the submission of IHPS I of 2021 to DPR, BPK Chairman also conveyed the role of foresight now being carried out by BPK.

He said that BPK has been carrying out the role of oversight and insight by conducting audits and providing significant recommendations to improve the governance and accountability of state finances.

Currently, he continued, BPK also plays the role of foresight to provide viewpoints to the government, legislature, and the public on future challenges and opportunities in the country, as well as various long-term policies in facing risks and uncertain future before it emerges into a crisis.

BPK Chairman stressed that BPK as a Supreme Audit Institution does not only have an oversight role by conducting various audits on the accountability of state finance and an insight role by giving viewpoints related to comprehensive public policy improvements, but also a foresight role in providing

choices to the government, public, and other stakeholders on the expected future.

For this reason, in October 2021, BPK completed the preparation of its viewpoints in the first Strategic Foresight on the scenario of Indonesia in 2026 entitled "Rebuilding Indonesia from Covid-19: Scenarios, Opportunities, and Challenges for a Resilient Government". This foresight was submitted to President Joko Widodo on 15 October 2021 and was released to all stakeholders on 21 October 2021.

With the completion of the foresight book, BPK becomes the first Supreme Audit Institution (SAI) in Southeast Asia, the second SAI in Asia after South Korea, and the twelfth SAI in the world to have achieved the role and capacity of foresight. "We believe we all have the same commitment, that is for the state money to be used responsibly and managed transparently for the realization of the country's goals," BPK Chairman remarked. ●

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BPK'S FORESIGHT CAN SUPPORT REGIONAL DEVELOPMENT

BPK also needs to have infrastructure that supports foresight preparation.

In accordance with the Supreme Audit Institution (SAI) Maturity Model, the Audit Board of the Republic of Indonesia (BPK) seeks to realize its highest role, namely carrying out foresight. Director General of Audit (Tortama) V BPK Akhsanul Khaq said, currently BPK has carried out its routine role in conducting oversight through financial audit, performance audit, and audit with a specific purpose (PDTT). In addition, BPK also carries out the role of insight by providing a recommendation to entities so that the implementation of state financial management does not deviate from planning.

"Then, at this time we are heading for the highest level, called foresight," said Akhsanul to *Warta Pemeriksa*, Wednesday (29/9).

BPK published its first foresight document with the title of "Indonesia Remade by Covid-19: Scenarios, Opportunities, and Challenges for Resilient Government".

Akhsanul said, foresight means to give a view on something that hasn't happened yet. In realizing this role, BPK seeks to summarize various existing data and then develop scenario planning for phenomena that will emerge within the next few years.

Previously, BPK had carried out audit related to the Covid-19 Handling and National Economic Recovery (PC-PEN) program through a universal audit approach. Currently, audit related to the handling of Covid-19 are still

ongoing, one of which is regarding the vaccination program. BPK then analyzes and provides alternative policies to the government in the future with all the consequences.

"This is expected to provide input to the government so that the handling of Covid-19 can be more effective in the future," he said.

Akhsanul considered that, BPK's steps in issuing foresight could continue to be developed, including supporting regional development. According to Akhsanul, BPK can be involved in providing foresight in the process of designing a program or policy that has a significant impact. Currently, the Directorate General of Audit (AKN) V BPK is conducting a thematic audit related to fiscal independence and licensing process in the regions. Akhsanul mentioned that, these are two things that can become the themes of BPK's foresight.

He illustrated, regarding the issue of fiscal independence, BPK can make scenario of planning and projections in the next five years. Akhsanul believes that regional entities also welcome BPK's foresight. With the foresight, the local government and all stakeholders can realize early on the consequences related to fiscal independence in the region. "If the budget deficit persists, for example, in the next five years, what are the consequences? What policy alternatives can be taken? It means, they are very open with this foresight," said Akhsanul.



■ Akhsanul Khaq



In the future, BPK needs to continue to increase the capacity of human resources to be able to have a vision related to improvements in the future. BPK also needs to have infrastructure that supports the preparation of foresights. This is because BPK needs to carry out simulations related to the foresight.

Akhsanul added, in the preparation of foresight, an important element that needs to be presented is the determination of a strategic subject. He believes that all AKN at BPK have excellent themes that are suitable for foresight.

In addition, said Akhsanul, careful vision is needed in the preparation of foresight. This is because the foresight is not published for present time but for the future.

Big data analysis also plays an important role. Akhsanul conveyed that, in compiling a scenario, complete data support is needed. He gave an example, regarding the handling of Covid-19, data on case handling or financial data on the implementation of the program is needed. The data will be further processed and analyzed so that it can produce scenario planning. He said that the data was very big because it involved programs implemented throughout Indonesia worth trillions of rupiah. With big data analysis, BPK can determine strategic topics based on the results of the processed data.

Further, BPK must also strengthen inter-institutional collaboration. He said, there are a number of parties who are well-established in having knowledge related to foresight, such as the National Development Planning Agency (Bappenas).

"Through building our networking, our foresight will eventually become accountable and provide benefits to stakeholders," said Akhsanul.

In the future, Akhsanul said, BPK needs to continue to increase the capacity of human resources to be able to have a vision related to improvements in the future. BPK also needs to have infrastructure that supports the preparation of foresights. This is because BPK needs to carry out simulations related to the foresight.

Furthermore, in the future, there should be a standard mechanism for implementing foresight at BPK. This is to provide a basis for all work units (satker) at BPK in carrying out foresight and to provide quality results. Akhsanul hopes that in the future there will be more foresight that can be issued by BPK. "This really opens up a new horizon for BPK, so that in the future it can provide something more to stakeholders," said Akhsanul. ●

BPK REPRESENTATIVE OFFICE OF GORONTALO IS READY TO INTERNALIZE THE SPIRIT OF FORESIGHT

The most important thing in foresight is the ability to capture current phenomena and describe scenarios that will occur in the future.



■ Dwi Sabardiana

Head of BPK's Gorontalo Representative Office, Dwi Sabardiana, assessed that the presence of foresight could increase the value of BPK in the public. Dwi said that the presence of BPK in the future will depend on the products that can be produced for the community and stakeholders.

"The role of foresight is not only a sign of BPK's maturity as an audit board, but also of how BPK provides future value to the public," Dwi told *Warta Pemeriksa* on Friday (8/10).

Dwi stated that as part of its oversight role, BPK would evaluate the account-

ability of regional financial management. Then it would expand in the role of BPK's insight in the form of recommendations based on audit results.

"Then, the foresight will talk about the future. It will provide choices for the community in the future," he said.

Dwi stated that the role of oversight in the fight against corruption, as well as the role of insight, remains critical. The existence of a foresight strategy, on the other hand, may allow BPK to provide a scenario for solving problems for the community before the problem occurs. "This means that BPK is taking a proactive approach to solve the nation's problems," he explained.



The role of foresight is not only a sign of BPK's maturity as an audit board, but also of how BPK provides future value to the public.

To support this, Dwi believes that the foresight process should be internalized in every audit at each BPK representative office. Dwi also attempted to internalize the spirit of foresight through regular audits at the BPK Representative Office of Gorontalo.

According to Dwi, the most important thing in foresight is the ability to capture current phenomena and describe future scenarios.

Dwi stated that if BPK is still collaborating with a number of other institutions in preparing foresight, in the future, BPK must be able to prepare it by itself. Therefore, strengthening BPK internally is required to make BPK staffs understand the function of foresight.

Dwi believes that the implementation of BPK's foresight can be scaled down to the regional level. BPK Representative Office of Gorontalo is currently planning an audit in the first semester of 2022. The audit is expected to provide recommendations that will allow public in such areas to improve their well-being.

Dwi stated that there is still a group of people who are unable to improve their standard of living due to a lack of facilities and infrastructure. "Because of these constraints, their living costs are high, and their crop production is less competitive," Dwi explained.

According to Dwi, with infrastructure improvements and increasing access to the area, local communities can develop tourist villages. Furthermore, produce from the area can be sold at market-competitive prices.

"The audits performed are regular audits, but we are attempting to increase their foresight." "We hope this can serve as a microscale foresight model," he said.

According to Dwi, this is an example

of BPK's efforts to understand the needs of the community. His team is also attempting to design an audit to support this with an audit strategy that is not typical. "This is because the problem involves not only local governments, but also vertical agencies at the center," Dwi explained.

BPK seeks to bridge and provide solutions to the congestion of the bureaucracy because there are obstacles from the central and regional elements that cannot penetrate each other. BPK also makes an effort to contribute to the provision of solutions so that the community can enjoy a higher standard of living.

This conditions, according to Dwi, are also a good way to instill a sense of foresight in all BPK personnel, particularly those in Gorontalo. Dwi emphasized that foresight is BPK's effort to provide the community with a better way of life.

"We can incorporate it into regular audits." Fellow auditors must also keep in mind that the end goal is an audit that adds value to the community," he said. ●



STRENGTHENING FORESIGHT WITH BIG DATA

According to Jariyatna, to get to the level of foresight, adequate competence is indeed needed.

The publication of the first foresight is considered to be a reflection of the various things which have been and will be done by the Audit Board of the Republic of Indonesia (BPK). Foresight entitled "Indonesia Remade by Covid-19: Scenarios, Opportunities, and Challenges for Resilient Government" is very important for both BPK's internal and external stakeholders.

Head of BPK Regional Office in Special Region of Yogyakarta (DIY) Province Jariyatna stated that the foresight publication shows the direction where BPK is heading in the future. "This is necessary so we can realize the foresight role," he said to *Warta Pemeriksa* on Friday (8/10).

Externally, the foresight role with add on BPK's roles in nation development. BPK's foresight will provide a number of

future scenarios to be considered.

The use of technology plays a very important role in supporting the success of foresight. As Jariyatna mentioned, data analysis is a very strong method in providing understanding to auditors regarding current conditions.

"Big data is certainly not the ultimate solution, but it can provide red flags on indications of significant problems to auditors," said Jariyatna.

He said that the biggest benefiter of big data is auditor. The IT Bureau and R&D Department support the acquisition and processing of data to support the achievement of audit objectives. "Auditors can identify problems, data available, data form: structured or unstructured, and data owners. IT people can then assist in obtaining and processing the data," Jariyatna explained.



■ Jariyatna

By using big data, BPK's foresight will be supported by a strong argument because it is based on a large comprehensive amount of data. "We need a large amount of data to analyze future trends and can consider various factors or interrelationships between events," he stated.

Jariyatna admitted that foresight is a new task in BPK. However, BPK is heading towards the highest point in the maturity pyramid of Supreme Audit Institution (SAI). In fact, BPK regional offices are also trying to instill foresight in each of their audits.

"What we are currently doing is to make an effect on increasing transparency and accountability through our audits," he remarked.

He stated that one of the things being done at this time is pursuing the completion of the follow-up to the recommendations of audit results. When he started leading BPK Regional Office in DIY Province last year, the follow-up rate in DIY was only around 80 percent. Currently, the rate has reached 90 percent, he mentioned.

"Before heading up to foresight, the regional offices are pursuing and strengthening the lower layers in audit first," Jariyatna told. Every month, he continuously monitors the follow-up rate, hoping for progress. He also chairs virtual meetings with regional inspectors or regional secretaries. By holding these meetings, follow-ups can progress faster, and entities get to understand what BPK means in its recommendations.

BPK Regional Office in DIY Province also strives to provide insight. As an example, in the first semester of 2021, the audit team under his purview carried out a performance audit on tourism development. During the audit, a significant issue related to the implementation of Law Number 13/2012 concerning the Privileges of the Special Region of Yogyakarta and its derivatives was found.



Big data is certainly not the ultimate solution, but it can provide red flags on indications of significant problems to auditors.

In his explanation, there are 18 strategic spaces for cultural heritage in DIY. All land layouts at the strategic spaces are under the authority of the sultanate (kesultanan) and duchy (kadipaten). Both authorities must make a spatial plan and the local government must facilitate it.

"That has not been done until now, creating a risk of overlapping development," he retorted.

BPK Regional Office in DIY also tried to provide insight and invited all related parties to discuss about this issue. According to Jariyatna, there needs to be an agreed development masterplan to serve as a guideline for the local/regional government to execute programs or activities. "So we can avoid overlapping plans and realizations in the strategic space area."

Still according to Jariyatna, to get to the level of foresight, adequate competence is indeed needed. It also requires a stellar understanding of the problem and a large amount of data.

BPK Regional Office in DIY continues to absorb the foresight spirit and provide more benefits to audited entities, he emphasized. An interesting foresight theme is the use of special funds in DIY. He assessed, the funds are very significant with an annual budget of IDR1.3 trillion.

"We are moving in that direction so Regional Government of DIY has a more comprehensive plan on the use of these funds," he ended. ●

BPK FINDS OVERPAYMENT OF HEALTH WORKERS' INCENTIVES

The Minister of Health ensures that Ministry will not withdraw the overpayment of health workers' incentives.



■ Ketua BPK, Agung Firman Sampurna



The Audit Board of the Republic of Indonesia (BPK) found that there was an overpayment of incentives for health workers (Nakes). The overpayment occurred between January and August 2021 due to a technical error during the withdrawal of the health worker incentive proposal database from the application managed by the Health Workers' Development and Empowerment Agency (PPSDM).

"There has been a duplication of data on incentive recipients and this data is used as the basis for paying health workers incentives, resulting in overpayments for 8,961 health workers," said Chairman



There has been a duplication of data on incentive recipients and this data is used as the basis for paying health workers incentives, resulting in overpayments for 8,961 health workers.

of BPK, Agung Firman Sampurna, at a press conference in Jakarta, Monday (1/11).

Agung said, as a result of this, there was an overpayment of incentives worth Rp178,000 to Rp50,000,000 per health worker. From this audit, BPK has invited related officials of the Ministry of Health to attend the discussion of recommendations and action plans on October 19, 2021. The Health PPSDM Agency has compensated for the payment of each health worker for the period from January 1, 2021 to August 19, 2021. BPK also recommends the Minister of Health through The Health PPSDM Agency to process the remaining overpayment of the existing health workers' incentives as of September 2021.

The Health PPSDM Agency manages the payment of the health worker incentives at the Covid-19 health facilities, which are funded by State Budget (APBN) funds through the budget (DIPA) of the Health PPSDM Agency. This includes incentives for PIDI participants or internship programs. For Covid-19 health facilities funded by the Local Government Budget/APBD (Local Hospital and Public Health Center), the source of incentive funds for Covid-19 health worker is carried out by each local government, not through the budget of the Ministry of Health.

This BPK audit results are part of an audit of the management of Indonesia's foreign loans Emergency Response to Covid-19 2020-2021 at the Ministry of Health. The purpose of this audit is to provide an assessment of the compliance of programs/activities in achieving the Disbursement Linked Indicator (DLI)/Disbursement Linked Result (DLR) of Indonesia's foreign loans Emergency Response to Covid-19 from 2020 to 2021.

On the same occasion, Minister of Health, Budi Gunadi Sadikin, ensured that he would not



■ Agung Firman Sampurna (right) and Budi Gunadi Sadikin

withdraw the overpayment of the health worker incentives. The Minister of Health said that he would implement a compensation system for the excess.

"The decision we took after discussions with BPK, we will not withdraw it (the health worker incentive) but provide compensation from the incentive. Because it's a pity for them if the incentive is withdrawn from them" said Budi.

Budi said he would prepare a mechanism to solve the problem. He expects that with the findings of BPK, the governance in providing health workers incentives will be better in the future.

"Through this audit, in the future we will know how to fix what is lacking in data cleansing that leads to data duplication" he said.

Budi said that the health workers do not need to worry about this issue. He also hopes that health workers can continue to work optimally in serving the community during this pandemic. ●



BPK receives an award
from the Government of Indonesia
for its Unqualified Opinion on the 2020 Financial Report.

The award was given during
the 2021 National Working Meeting on
Government Accounting and Financial Reporting
hosted by the Ministry of Finance, Republic of Indonesia.



VARIOUS PROBLEMS FOUND IN HEALTH WORKERS' INCENTIVES

In previous audits, BPK has revealed various problems, ranging from the health workers' incentive funds deposited in the regional governments' treasuries to late payments.

The Audit Board of the Republic of Indonesia (BPK) has revealed a problem regarding the overpayment of incentives for health workers based on the audit of the management of foreign loans of Indonesia Emergency Response to Covid-19 Year 2020-2021. Yet, it is not the only problem found related to the health workers' incentives.

Previously, BPK has disclosed various problems, ranging from health workers' incentive funds deposited in the regional governments' treasuries to late payments. The problem was found during the thematic audit conducted in the second semester of 2020 regarding the handling of the Covid-19 pandemic and national economic recovery, which had been included in the Summary of the Second Semester Audit Results (IHPS II) Year 2020. Based on the audit results, it was acknowledged that the realization of transfers to regions and the village funds designated as the incentive for regional health workers were still deposited in the regional general treasury account (RKUD). As of October 31, 2020, the value reached IDR 1.05 trillion.

Other findings were that there were 31 regional governments that did not pay the incentives in a timely manner amounting up to IDR 155.65 billion, and that there were 43 regional governments that paid the incentives not in the right amount, which amounted up to IDR 6.31 billion.

These problems resulted in health workers that could not properly get their rights, the possible wastes and the indication of regional losses. Thus, BPK recommended governors/regents/mayors to comply the incentive payment with relevant regulations and settle the overpayment.



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The BPK also found four regional governments that had not well arrange evidences of the payment of the incentive, including the epidemiological investigation forms that had not been prepared according to the date stated in assignment letters and statements of duties (SPMT). In addition, the incentive payment documents were not completed with verification results, SPMT and statement of absolute responsibility (SPTJM). These problems resulted in the unaccountable spending on health workers' incentives.

Meanwhile, regarding the efforts of the Ministry of Health to fulfill the need to add the numbers of health workers and medical equipment, BPK assessed them as insufficient. It is caused by the lack of the data as a whole and the inability of the Ministry of Health to meet the shortage of health workers to handle Covid-19 in all parts of Indonesia through the Volunteered Health Workers Program, the Nusantara Sehat Program and the Internship Doctor Program (PIDI). In the meantime, the Ministry of Health had not yet carried out monitoring and evaluation on the matter. ●

I-SPHERE PROGRAM TARGET ACHIEVEMENTS NOT YET BEEN OPTIMAL

Funded by World Bank loan, I-SPHERE is a program aiming at strengthening the performance of the primary health care system in Indonesia.

In the second semester of 2020, the Audit Board of the Republic of Indonesia (BPK) had completed the audit report on the compliance of foreign loans for the Indonesia-Supporting Primary Health Care Reform/Indonesia Supporting Primary and Referral Health Care Reform (I-SPHERE) program. It includes an assessment of the achievement of the DLI (Disbursement Link Indicator) and the use of foreign loan for the I-SPHERE program year 2019 at the Ministry of Health and other relevant agencies in Jakarta.

The BPK reveals 7 findings containing 13 problems. One of these findings is the efforts to achieve DLI targets in 2019 that were not optimal. As we may be aware that the I-SPHERE funded by the World Bank is a program aiming at strengthening the performance of the primary health care system in Indonesia. The total loan of the I-SPHERE program is USD 150 million, which began in mid-2018 and will end on April 30, 2024.

The I-SPHERE modality uses the Program for Result (PforR) financing instrument whose one of the characteristics is that the loan disbursement is based on program achievements as stated in the DLI, and not on inputs (expenditures). The loan received based on the achievement of the DLI will be used for the construction of vertical hospitals in Maluku, East Nusa Tenggara and Papua as well as other activities. There are 10 DLIs having been agreed upon with detailed targets to be achieved each year.

As stated in the Summary of the Second Semester Audit Results (IHPS II) Year 2020, the BPK's audit concludes that the achievement of the DLI and the use of the loan for the I-SPHERE program year 2019 had been carried out accor-

ding to criterias with the exception on several matters. There are some significant problems found, one of which is that the Ministry of Health had not been optimal in achieving the DLI target in 2019. There are 3 DLI for the 2018 target and 4 DLI for the 2019 target with a total DLI target value of USD 14 million, which has not yet been achieved.

There are at least four problems causing the findings. First, the trial of the M-Health application to achieve the 2019 DLI 2 target had not been carried out due to obstacles in granting access to Personal Identification Number (NIK) authorized by the Directorate General of Population and Civil Registration of the Ministry of Home Affairs. Second, policy changes related to KAFKTP (First Level Health Facility Accreditation Commission) for the achievement of DLI 5 had not yet been completed.



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Third, the preparation of the training module had not been completed and the assistance activities for achieving DLI 6 were late. Fourth, the guidelines for the allocation of non-physical special allocation funds (DAK) for the health sector and performance-based basic data for the achievement of DLI 9 had not been completed. All of these problems have resulted in the I-SPHERE loan disbursement that cannot be achieved for DLI 2, 5, 6 and 9 in order to finance the construction of vertical hospitals. BPK recommends that the Minister of Health, through the Secretary General, to instruct the Head of the Planning and Budgeting Bureau of the Ministry of Health as the Head of the Program Coordinating Unit (PCU) to be more optimally supervise and control the activities to achieve the DLI I-SPHERE. In addition, BPK also recommends that there should be an increased coordination with the World Bank in agreeing on indicators used as a measurement tool for achieving DLI.

The Head of the Planning and Budgeting Bureau of the Ministry of Health states that he could accept the findings disclosed in the audit report and would make a number of efforts to optimize the achievement of DLI targets. Some of these efforts, among others, the PCU together with the person in charge of DLI will prioritize the completion of pending activities in the remaining time of 2020.

Another significant finding is that the planning and implementation of the construction of vertical Technical Implementation Unit (UPT) hospital in eastern Indonesia were not optimal. The audit results show that the proposed disbursement of the initial deposit of USD 37.50 million for the construction of the vertical UPT hospital in eastern Indonesia was not supported by adequate planning and had not been fully budgeted in the Fiscal Year of 2019. The construction of the vertical hospital East Nusa Tenggara and Papua were also delayed because of the incomplete land processing. Apart from that, on June 30, 2020, there is still a balance of the I-SPHERE loan that had been disbursed, but has not been used for the construction of vertical hospitals in East Nusa Tenggara and Papua, amounting to USD 33.22 million. This condition affected the achievement of the objectives of the I-SPHERE program in terms of fulfilling facilities, infrastructures and human resources for the construction of vertical hospitals in the three provinces. The government is then burdened with costs and loan interests of USD 1.94 million.

In this regard, the BPK recommends the Minister of Health through the Director General of Health Services to instruct the Director of Health Facilities to optimally coordinate planning, implementation, monitoring and evaluation of the work plan for vertical hospital construction, health equipment, facilities and infrastructure. ●

BPK's Seven Findings in the Audit of Foreign Loans for the I-SPHERE Program

- 1 The accountability of self-managing program to assisting the health management to achieve the DLI Target 6 Year 2019 did not comply with applicable regulations.
- 2 Planning and implementation of vertical hospital construction in eastern Indonesia were not optimal.
- 3 The procurement of the Secretariat of the I-SPHERE Program Organizing Team in Indonesia Fiscal Year 2019 had not followed the Presidential Regulation Number 16 Year 2018.
- 4 The administration of land as the grants for constructing the vertical hospitals in East Nusa Tenggara and Papua had not been completed.
- 5 The administration of fixed assets from the procurement of the I-SPHERE program at the Directorate of Health Service Facilities did not comply with applicable regulations.
- 6 The Ministry of Health's efforts to achieve the DLI Targets in 2019 had not yet been optimal.
- 7 The official signing the payment order (PPSPM) had not carried out his duties properly regarding the testing of bills and payment orders.

Source: IHPS II 2020, the Audit Report of Foreign Loans for the I-SPHERE Program.

THE RESULTS OF BPK'S AUDIT HELP THE GOVERNMENT SAVE IDR1.85 TRILLION IN SUBSIDY EXPENDITURES



Aryadi Safutra

The audit of the management of subsidies reveals 115 findings containing 181 problems.

In the first semester of 2021, BPK conducted a special-purposed audit of the management of subsidy expenditures in operators receiving the subsidies. The audit of the management of subsidies/Public Service Obligations (KPP) was carried out on 13 audit objects in 14 entities comprising of eight state-owned enterprises in the form of limited liability companies, five subsidiaries and one private limited company.

The BPK had examined the calculation of the 2020 subsidy/KPP and revealed a negative subsidy correction of IDR1.85 trillion and a positive correction of IDR 3.06 billion. Thus, BPK has helped save state expenditures of IDR1.85 trillion by reducing the value of subsidies that must be paid by the government. The amount of subsidies that must be paid by the government in 2020 will then be smaller, from

IDR168.16 trillion to IDR166.31 trillion.

"The result of BPK's audit concludes that the management of subsidy/KPP has been carried out accordingly with exceptions of several problems found in 13 audit objects," BPK revealed in the Audit Results Summary of the First Semester of 2021.

BPK finds that PT PLN, a state-owned electricity company, had not conducted a thorough evaluation of cost efficiency and did not recognize and did not take into account the non-Cost of Supply (BPP) of the electricity when requesting subsidy to the government. As a result, there was a subsidy overpayment of IDR847.89 billion. BPK thus recommends the directors of PT PLN to be more careful in calculating the value of the electricity subsidy and improve monitoring and evaluation for cost efficiency.

PT PLN has not updated the Electricity Power Supply Business Plan (RUPTL) year 2021-2030 based on the previous period evaluation and it has not been ratified by the Ministry of Energy and Mineral Resources. PT PLN is still using the 2019-2028 RUPTL. In addition, PT PLN has not carefully calculated the demand forecast that there is a significant deviation between assumption and realization of the RUPTL.

These problems result in the inefficient basic costs of the electricity supply. BPK recommends directors of PT PLN to coordinate with the Ministry of Energy and Mineral Resources to speed up preparation and ratification of the 2021–2030 RUPTL and be more careful in calculating demand forecasts by taking into account deviations between assumption and realization of economic growth and electricity sales of the previous year.

In 2020, the government has paid the fuel compensation fund for the shortfall in receipt of retail selling prices for certain types of fuel oil (JBT), i.e., diesel oil of PT Pertamina and PT AKR Corporindo year 2017 and 2018 amounting to IDR44.99 trillion and IDR659.46 billion respectively. Within the compensation fund, there is Motor Vehicle Fuel Tax (PBBKB) received by PT Pertamina and PT AKR Corporindo as much as IDR1.96 trillion and IDR28.67 billion respectively, but has not been transferred to the government as there has not yet been a policy or mechanism for depositing the PBBKB contained in the fuel compensation fund. As a result, there are excess revenues in PT Pertamina and PT AKR Corporindo.

Directors of PT Pertamina and PT AKR Corporindo are also asked to coordinate with the Minister of Finance regarding policies and/or mechanisms for depositing the PBBKB.

The administration of LPG 3 kg cylinders distributed by PT Pertamina's distributors is also not in order. The sub-distributors did not record the sale of 33,891 kg in total in the logbook as they did not fill out the logbook of 2.56 million kg according to the real conditions.

As a result, the distribution of LPG 3 kg cylinders is invalid, amounting to IDR15.70



The result of BPK's audit concludes that the management of subsidy/KPP has been carried out accordingly with exceptions of several problems found in 13 audit objects.

billion and has the potential to not be right on target. The Board of Directors of PT Pertamina is recommended to correct the distribution volume of 2.59 million kg with a subsidy value of IDR15.70 billion from the 2020 subsidy calculation.

The Sales and Purchase Agreement Letter (SPJB) between PT Pupuk Iskandar Muda (PIM) and the distributor that is valid from January to September 2020 did not include a clause for imposing a fine for late fertilizer collection by the distributor in the producer's warehouse. Since October 2020, this clause had been included in the SPJB, but distributors that are late in taking fertilizer from October to December 2020 had not been subject to fine. As a result, PT PIM loses potential revenue, in addition to a shortfall in revenues amounting to IDR306.51 million.

BPK recommends directors of PT PIM to withdraw the fines of IDR306.51 million and deposit it into the company's treasury and coordinate with PT Pupuk Indonesia (Persero) (PT PI) regarding the regulation of fines for late collection of fertilizer by distributors and the calculation of the tariff.

The bagging of urea fertilizer and Nitrogen Phosphate Potassium (NPK) carried out by the Product Handling and Distribution Center (DC) Division of PT Pupuk Kaltim (PKT) is not adequate, that there are still wide deviations in the packaging of urea and NPK fertilizers.

The state or farmers are disadvantaged as they potentially overpay the fertilizers caused by the deviations. Directors of PT PKT need to conduct a study to modify the conveyor design by adding a weighing device or make improvements by increasing the quality control of subsidized fertilizer packaging.

BPK also reveals that general administration

costs (adum) according to the cost allocation guidelines should be allocated to product cost of goods sold (HPP) based on the allocation of sales value (turnover). However, the guidelines also stipulate that interest costs for Working Capital Loans (KMK) are allocated in two stages, namely based on subsidized and non-subsidized receivables and based on turnover.

The use of receivables as the basis for cost allocation for the calculation of HPP at PT Pupuk Sriwidjaya Palembang (PSP), PT Petrokimia Gresik (PKG), PT PKT and PT Pupuk Kujang (PK) is not appropriate because KMK interest costs are part of the adum fee. In addition, PT PSP's use of turnover as the basis for allocation of adum and sales costs does not take into account sales of products other than the main product.

These problems resulted in the incorrect calculation of HPP of the subsidized fertilizers. BPK recommends directors of PT PSP, PT PKG, PT PKT and PT PK to coordinate with PT PI (Persero) to improve the allocation guidelines and the mechanism for charging KMK interest costs on the HPP of subsidized fertilizers. In addition, directors of PT PSP should allocate adum and sales costs based on the sales value of all products, not just the main product.

The tariffs guidelines setting up by the government have not regulated the imposition of the cost for maintaining infrastructures of state assets not funded by the government and the Cost of Post-Employment Benefits (Pensions) at PT Kereta Api Indonesia (KAI).

As a result, the Public Service Obligations (PSO) passenger fare is burdened by the state-owned railway infrastructure maintenance. The government also bears a higher PSO costs and there is a potential of uncollected company's costs in the PSO calculation to fulfill the rights of active and retired employees.

The problem also resulted in a significant difference between the value of the management assertion submitted to the Ministry of Transportation at the end of the year and the contract.

BPK recommends directors of PT KAI to be more intensive in coordinating with the Director of Traffic and Railway Transportation and the Director of Railway Infrastructure of the Ministry of

Transportation related to the revised Regulation of the Minister of Transportation Number PM 17 Year 2018 in terms of the cost of maintaining state-owned railway infrastructure not funded by the state budget and the cost of maintaining railway infrastructure owned by PT KAI charged to the calculation of train fares.

BPK also recommends to instruct the Corporate Deputy Director of Revenue and Cost Consolidation to prepare a concept of cost components related to post-employment benefits/pensions and propose to directors of PT KAI as a material to be coordinated with the Directorate General of Railways of the Ministry of Transportation.

PT Pelni uses the calculation of the Basic Unit of Load Unit (SDUM) to calculate the production of domestic sea passenger transportation services. One SDUM is equivalent to one economy passenger. The audit results show that the SDUM calculation is inadequate, partly because there are branches that still make manifests manually even though they are not allowed. The PSO and Subsidy Management Division is not careful enough in entering the amount of cargo into the SDUM calculation.

As a result, the SDUM value used to calculate the PSO compensation value for economy class sea transportation in 2020 is inaccurate. BPK recommends directors of PT Pelni to integrate the administrative application system on the ship with the cargo application for recording and verifying the amount of cargo and excess baggage transported by ships in a cross table.

In addition, Bank Rakyat Indonesia (BRI) had collected and received additional interest subsidies for People's Business Credit (KUR) but had not distributed it to eligible debtors, which amounts up to IDR138.81 billion. It had also collected and received additional KUR interest subsidies for debtors not entitled that amounts up to IDR49.56 billion.

As a result, BRI has the potential to bear reputational risk for the unfulfilled rights of debtors in the form of an additional KUR interest subsidy of IDR138.81 billion and the government has the potential to bear the overpayment of an additional KUR interest subsidy of IDR49.56 billion.



During the audit process, the related entities had followed up BPK's recommendations by depositing to the state/company treasuries that amounted up to IDR72.81 billion.

BPK recommends BRI directors to instruct the Head of the Micro Business Development Division to coordinate and reconcile with relevant agencies in the government in order to distribute additional KUR interest subsidies of IDR138,81 billion to eligible debtors and deposit IDR49.56 billion of the overpayment of the interest subsidy to the state treasury.

There is also the use of Subsidized Home Ownership Credit (KPR) that is not in accordance with the provisions, for instance, the house that is unoccupied, rented out and the ownership that is transferred to another party. It causes the potential for an excess of subsidized mortgages (interest difference subsidies/margin difference subsidies) for 1,005 unoccupied houses, 12 units for rented houses, 4 houses whose ownerships have been transferred to other parties, and 25 houses occupied by other people and 1 house that has been converted in its use.

BPK recommends BTN directors to instruct the Subsidized Mortgage Division Head and Shariah Division Head to coordinate with the Ministry of Public Works and Housing (PUPR) to follow up audit results of the Internal Audit Division and determine the settlement in accordance with regulations and a statement signed by the respective subsidized mortgage debtors.

BPK also reveals a number of problems related to the Covid-19 Handling and National Economic Recovery (PC-PEN) program. PT PNM allocated interest/margin subsidies to finance the group-based ultra-micro through the activity of Fostering the Economic to Prosperous Family (Mekaar) and finance the Micro and Small Enterprises (UMK) through the activity of the Micro Capital Service Unit (ULaMM). The audit results show that in 2020, there were distributions of

interest/margin subsidies that were not in accordance with applicable regulations due to the dead and unidentified customers.

There were also customers who received advanced financing with a time lag from the closing of the initial financing as it is not taken into account in the submission of the data. As a result, there was an overpayment of IDR66.79 billion and the funds could not be further utilized by the government.

BPK recommends directors of PT PNM to deposit the overpayment of IDR66.79 billion to the state treasury and instruct related divisions to improve coordination in submitting data changes related to interest/margin subsidies.

PT Pegadaian, on the other hand, reported that it had distributed interest/margin subsidies in 2020 that amounted to IDR108.56 billion. However, as of December 31, 2020, there were IDR23.67 billion that were still deposited in the counterpart account and had not been utilized by customers. After that, on March 31, 2021, there was still a remaining deposit of IDR6.50 billion. It was caused by the weakness of the subsidy payment system used at PT Pegadaian, which cannot perform automatic debits to customer installments with current status.

It resulted in the realization of the distribution of interest/margin subsidies at PT Pegadaian that is not optimal and does not reflect the actual conditions.

The Board of Directors of PT Pegadaian is recommended to speed up the process of distributing subsidies that are still deposited in the counterpart accounts and have not been utilized by customers as to report the progress to the Ministry of State-Owned Enterprises.

All in all, the audit results of the management of subsidies/KPP reveals 115 findings containing 181 problems. These problems include 107 weaknesses in the internal control systems, 66 non-compliance problems worth IDR2.23 trillion, and 8 3E problems worth IDR104.45 billion. During the audit process, the related entities had followed up BPK's recommendations by depositing to the state/company treasuries that amounted up to IDR72.81 billion. ●

BPK AUDIT REVEALED EXCESS CHARGES ON COST RECOVERY WITH TOTAL OF RP994.51 BILLION

The cost of preparing unutilized FEED amounted to US\$45.57 million cannot be charged as operational costs and it is included in cost recovery calculation.

In the first semester of 2021, the Audit Board of the Republic of Indonesia (BPK) has completed an audit report (LHP) on the implementation of projects, supply chains, and the head office costs charging in 2018 Berau, Muturi, and Wiriagar Work Areas (WK) at the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) and the Cooperation Contract Contractor (KKKS) BP Berau Ltd. The scope of the audit includes the implementation of major projects during 2018, the implementation of an active, significant, and material supply chain for the procurement of goods and services to operating costs in 2018, and BP Berau Ltd KKKS head office's costs which were charged to operating costs in 2018.





BPK found that the procurement of Oil Country Tubular Goods (OCTG) pipes amounting to USD 16.96 million could not be charged as cost recovery. This is because the justification for direct appointment of mandatory category goods submitted by KKKS BP Berau Ltd to SKK Migas does not match the actual conditions.

In performing exploration and exploitation activities, KKKS carry out capital expenditure projects that have been approved by SKK Migas and have an active status. To support the implementation of these projects as well as routine activities, KKKS have supply chain activities. Supply chain is an activity to support routine production operations, including the supply of materials, well intervention equipment, drilling support, well maintenance, operation facility maintenance, boat rental, heavy equipment rental, fuel supply, chemical supply for wells and other facilities, construction general civil service, field security, vehicle rental, logistics/warehousing/port facilities, support workers, and other field support.

Quoted from the Summary of Semester Audit Reports (IHPS) I 2021, the results of BPK audit concluded that the projects, supply chain, and head office charging costs in 2018 had been carried out according to the criteria with exceptions. The significant problem found was that the government had not received an additional share of the state for the excess cost recovery charges of Rp26.02 million and US\$68.60 million or a total of Rp994.51 billion. This cost stems from the Dual Front End Engineering Design (FEED) contract that does not comply with the provisions of the Work Procedure Guidelines (PTK) Number 007 Revision Number 2 Year 2011 concerning KKKS Supply Chain Management Guidelines and the

realization of the target has not been achieved. This resulted in the cost of preparing the unutilized FEED amounted to US\$45.57 million could not be charged as operational costs as it was taken included in the cost recovery calculation.

BPK recommended the Regional President of KKKS BP Berau Ltd to correct the operation cost value of the Berau, Muturi and Wiriagar WKS by 45.57 million US dollars less and calculate the additional share of the state.

Further, BPK found that the procurement of Oil Country Tubular Goods (OCTG) pipes amounting to USD 16.96 million could not be charged as cost recovery. This is because the justification for direct appointment of mandatory category goods submitted by KKKS BP Berau Ltd to SKK Migas does not match the actual conditions. This resulted in an overcharged of BP Berau Ltd's PSC operating costs of 16.96 million US dollars.

BPK recommended the Regional President of KKKS BP Berau Ltd to correct the operating costs of the Berau, Muturi, and Wiriagar WKS by US\$16.96 million less and calculate the additional share of the state.

Overall, the audit results of the project implementation and the oil and gas supply chain revealed eight findings containing 11 problems. These problems include three internal control system weaknesses and eight non-compliances with total of Rp994.51 billion. ●

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EXPLORING BPK'S FORESIGHT

The possibilities that can occur in Indonesia in the next five years are outlined in four scenarios.

BPK has completed its first foresight themed "Rebuilding Indonesia from Covid-19: Scenarios, Opportunities and Challenges for a Strong Government". To *Warta Pemeriksa*, Director General of Planning, Evaluation and Development of State Financial Audit (Kaditama Revbang PKN), Bernardus Dwita Pradana, explained in detail about the substance and methodology for preparing BPK's foresight which was launched last October. Dwita explained, BPK's Strategic Foresight which has been stated in a book was compiled using a scenario planning approach. BPK's Foresight provides an overview of the possibilities that can occur in Indonesia for a period of five years, namely in 2021-2026 due to the Covid-19 pandemic.

The possibilities that can occur in the next five years are outlined in four scenarios.

The first scenario is "Sailing Conquering the Ocean". The second scenario, "Wandering in the Storm". Third, "Dispersed Blown by the Ocean". While the fourth scenario is "Abandoned by the Receding

of the Beach". The four scenarios are four quadrants formed from two fundamental uncertainties, namely the severity of the pandemic and the government's response to crisis conditions using endpoint analysis. "The severity of pandemic could ease or worsen. Meanwhile, the government's response to crisis conditions could be more effective or less effective," said Dwita, at the end of November.

He explained that in each scenario, things that might happen in the future were described in eight sectors, namely Health, Economy, Finance, Social, Politics, Education, Environment, and Technology. Comprehension about conditions, implications, opportunities, challenges, and risks in each scenario is very important information for all stakeholders to formulate the best policies to deal with high uncertainty in the future.

BPK's Foresight also contains indicators and

signposts to find out which scenario Indonesia is in at a certain time. Then, in order to measure the level of government response, two indicators are used, namely the government effectiveness index and the Covid-19 stringency index. Meanwhile, to measure the severity of the pandemic, the two indicators used are the daily Covid-19 case rate and the Covid-19 death rate. "We all want Indonesia to always be in the best scenario, which is described in the scenario of 'Sailing Conquering the Ocean'. To achieve that, we need to continuously evaluate ourselves, where are we now in order to be able to formulate the right strategies and policies, so that we can achieve the ideal scenario. The development of indicators and signposts is useful for identifying scenarios that are becoming reality," said Dwita. The man who started his career at BPK since 1990, added that the last part of the Foresight book is BPK's viewpoints regarding the themes that need to be anticipated, which are five important themes that appear in each scenario and their implications. The five themes are health reform, tax reform and fiscal sustainability,

government vision and leadership, digital transformation and data governance, and the quality of human resources. "So it can be said that whatever the conditions that occur in the future, these five things are things that the government must pay attention to. The five important themes are BPK viewpoints that the government needs to pay attention to, so that it can become a strong and sustainable government in recovering the nation from the Covid-19 pandemic and facing possible future crises," he said.

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Increase the role of SAI

Dwita said, BPK's first foresight is a starting point for BPK to fulfill the mandate of the 2020-2024 BPK Strategic Plan, where BPK is expected to increase the level of its role by providing foresight to help the community and decision makers choose the right policies in dealing with various



Foresight is different from forecasting which can be done mathematically.

future possibilities. Foresight facilitates policy making in situations of high uncertainty through identification of trends, opportunities and challenges in various fields, exploration of various developments to formulate future strategies.

Furthermore, foresight helps identify the long-term impact of the policies taken. Thus, this foresight provides a great opportunity as well as a challenge for BPK to increase its role in development.

BPK also contributes to the handling of the pandemic through carrying out audits. BPK has audited the handling of Covid-19 pandemic and the national economic recovery (PC-PEN). BPK also provides various significant recommendations to the government to improve the quality of PC-PEN program governance.

"BPK audit has helped the government fix various existing problems. BPK has contributed to the successful handling of Covid-19 by the government through the three roles of oversight, insight, and foresight," he said.

Dwita said that the results of BPK's audit of PC-PEN provided accurate, independent, and objective information on the actual situation that occurred, particularly in relation to how the government, both central and local, was managing its finances, both from the positive side, also the weaknesses that still occurring. However, the results of the audit cannot yet describe the challenges that the government, society and all of us may face in the future. Without foresight, we might be content to see the current trend of improving conditions, where the economy is starting to grow and the number of Covid-19 patients starts to decline. According to Dwita, BPK realizes that the world is currently in a situation full of uncertainty which is often described as a state full of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) and TUNA (Turbulent, Uncertain, Novel, Ambiguous) or what is currently being discussed, namely BANI (Brittle, Anxious, Nonlinear and Incomprehensible). In a situation like this, said Dwita, the role of foresight becomes very important because it can facilitate quality policy making in a situation full of uncertainty.

"BPK's Foresight is able to provide a complete picture to the government and the public about the potential opportunities, challenges and risks that may occur in the next five years. BPK encourages the central and local governments to internalize Strategic Foresight in policy formulation," said Dwita.

Through foresight, said Dwita, BPK can remind the government to be prepared to survive, even



■ B. Dwita Pradana

to win in whatever conditions that will occur in the future. "With this foresight role, BPK wishes to continue to increase its added value for nation development through improving state financial governance. In addition, BPK also wants to set an example for other institutions regarding the importance of foresight to help us prepare for a challenging future," said Dwita.

Dwita explained that in preparing the foresight, BPK studied the foresight produced by various international institutions such as SAIs from other countries, OECD, World Bank, INTOSAI, European Court of Audit, and others. In the process, BPK involved 20 experts, practitioners, and academics from various fields, in collaboration with Deloitte, as well as Heads of relevant Ministries and Agencies, and Head of Local Governments as policy makers and executors.

He added, BPK also studied the results of foresight from several SAIs, such as the SAI of United States of America, SAI of Canada, SAI of Netherlands, and SAI of United Kingdom. To increase BPK's capacity in preparing foresight, BPK held discussions with SAI of United States of America (USA) - Government Accountability Office (GAO) - Center for Strategic Foresight, which has experience in conducting foresight.

Discussions were held to find out which method was used, who carried it out, who was involved, and how to communicate the foresight to the government and parliament. Discussions were also carried out on organizational aspects that handle foresight as input for BPK's organizational development. "In the future, BPK will share more experiences with SAIs from other countries that have applied foresight," said Dwita.

Preparation of Scenario Planning

Dwita explained that the preparation of foresight uses the scenario planning method and data sourced from the results of the BPK's audit, BPK's viewpoints, also domestic, regional, and global trends. In implementing this methodology, BPK collaborates with Deloitte Southeast Asia and 20 experts in the fields of health, economics, finance, sociology, politics, education, environment, and technology.

In preparing the foresight, BPK also invites the heads of relevant ministries and agencies as well as heads of local governments as stakeholders and policy executors. This is done to find out the obstacles and challenges faced, as well as the strategies implemented in dealing with the Covid-19 pandemic, so that BPK has a comprehensive understanding of all stakeholders.

The following is the scenario planning process:

a. Determination of focal questions.

This is the initial question that will serve as a corridor to ensure the relevance of the whole discussion to realize scenario planning. Focal questions can be related to things that are complex at the country level or international interactions, but can also be simpler, for example related to the industrial sector. This process is usually obtained from the results of brainstorming and discussions with scenario planning experts. The focal question in the preparation of BPK's foresight is "What is the condition of Indonesia five years after Covid-19 (2021-2026)?"

b. Identify the driving forces.

At this stage, BPK identifies factors that influence events, such as technological developments, environmental conditions, or geopolitical conflicts from various sources, both in global and national contexts. In the context of Indonesia, the results of BPK's audit are also a source for the identification of the driving forces. The determination process is usually assisted by experts in various fields of expertise. Organizations that have adopted scenario planning capabilities usually have a comprehensive database that is kept up to date with the latest developments in the list of driving forces. The identification process resulted in 1,350 driving forces which were then narrowed down to 139 driving forces.

c. Determine critical uncertainties.

At this stage, BPK determines the driving forces that have high uncertainty (critically uncertain) and are likely to greatly determine the direction of future developments (unusually impactful). This process requires expert discussion, so a shortlisting of the driving forces is carried out. After that, a simplification was made based on the similarity of characteristics and those characteristics turned into critical uncertainties, and narrowed down to fewer fundamental uncertainties so that they are more manageable as axes in the scenario framework. In this stage, from 139 driving forces, 26 critical uncertainties were selected. Furthermore, from the 26 critical uncertainties, it was narrowed down to 5 fundamental uncertainties.

d. Making scenario framework.

The next stage is to create a scenario framework, which is a possible scenario framework based on the scope and objectives that have been determined. The preparation of fundamental uncertainties into axes (both positive and negative) in the scenario framework is usually carried out through FGDs with sectoral experts. Usually the framework is set without too many axes so that possible scenarios formed are not too complex, thus it guides the reader to focus on the most significant scenarios. In the preparation of BPK's foresight, of the 5 fundamental uncertainties, 2 axes are set to form four quadrants.

e. Preparation of scenario stories.

Scenario stories are explanations in narrative form for each scenario that is likely to occur in the future. Making this story will make it easier for readers to capture the essence of the message from every possibility, so that they can formulate anticipatory steps, preventing bad conditions from happening. The process usually results from discussions with experts and is validated through the results of brainstorming and parallel benchmarking.

f. Compilation of a list of implications and options.

The next stage is to develop and prepare the most appropriate recommendation options. Its process usually involves experts by building models based on data to develop action plans for each scenario. This process is very relevant for BPK where as a branch of state power that has an audit role mandate, it can remind the government and the Parliament in the check and balance function so that the "governance ship" continues to lead to the achievement of state goals.

g. Preparation of indicators and signposts.

This last stage is the visualization of the scenario to be a guide for the reader regarding the movement of reality towards a certain scenario quadrant. In addition, to make it easier to understand which scenario is happening based on the facts found in the next space and time.





It needs a joint commitment

According to Dwita, to make foresight that has been launched by BPK to have maximum benefits, a joint commitment is needed to carry it out. From an internal perspective, foresight must be a shared passion and need at BPK. For this reason, commitment and support from all parties within BPK is needed to realize this role. "At BPK, this commitment has been stated in the strategic plan and has become one of the strategic initiatives, so that the role of foresight has become the goal of the BPK organization," he said.

Meanwhile external supports come from the government and experts. BPK needs support from the government in the form of a commitment to jointly understand the various challenges of the future.

Therefore, BPK encourages the central government and local governments to internalize Strategic Foresight in policy formulation to anticipate future obstacles and challenges.

The other support comes from external experts. He emphasized that foresight is different from forecasting which can be done mathematically. Foresight is an ability obtained by experts who have been in the field of expertise for a long time. This expertise can be in the form of foresight techniques or expertise related to subject matter foresight. BPK needs to identify and collaborate with these experts, so that they are able to produce quality foresight. "It should be underlined that communication, inclusiveness, synergy

are very important so that the role of foresight can be carried out properly." Dwita added, big data plays an important role in foresight. Although expert opinion is the dominant portion, foresight requires an adequate and comprehensive understanding of current conditions. Therefore, BPK's Audit Reports, follow-up, national and global trends, media coverage, become a source of data to understand current conditions and past trends.

To be able to produce useful information, big data analytics (BDA) is needed. Without BDA, it would take more time and effort to gain a comprehensive understanding of the current state of affairs. "We are grateful that BPK is one of the few SAIs that has carried out foresight. Hopefully this can be an encouragement for other SAIs to start thinking about the direction of their capacity development towards the foresight role," said Dwita.

Dwita added, learning from past experiences is obtained through oversight and insight roles, meanwhile learning from the future is obtained through Strategic Foresight. In the book about Strategic Foresight, it is emphasized that now is a good opportunity for the government to develop and synergize the National Risk Management Framework. This can strengthen the governance, risk, and compliance needed to become a strong and sustainable nation so that it can prepare for the worst possibility of the Covid-19 pandemic which has not ended and the global crisis in the future. ●



It should be underlined that communication, inclusiveness, synergy are very important so that the role of foresight can be carried out properly.

THE IMPORTANCE OF KNOWLEDGE MANAGEMENT IMPLEMENTATION

Knowledge management is a structured and systematic effort in developing and utilizing knowledge as an organizational intellectual asset.

With the increasing scope and complexity of the audits carried out by the Audit Board of the Republic of Indonesia, the implementation of knowledge management has become crucial. Moreover, the current stakeholders are increasingly critical of BPK audit results.

This was revealed by BPK's Competency Development Analyst, Risfayanti in the Live webinar of Research and Development Community entitled "Employees Readiness to Implement Knowledge Management", at the end of November. Risfayanti explained, based on some literature, knowledge management is a process to identify, distribute, record, evaluate, share and retrieve documents, databases, policies, procedures and expertise, and experience that have not been identified or have not been taken from the owner of the knowledge.

According to her, BPK has defined what knowledge management is. "BPK



defines that knowledge management is an effort to acquire, store, process and retrieve, use and disseminate, as well as evaluate and improve knowledge effectively within an organization," he said.

More concretely, knowledge management is also a structured and systematic effort in developing and using knowledge as an organizational intellectual asset. The aim is to assist the decision-making process for improving organizational performance.

There are several activities included in BPK's knowledge management. Some of these activities include peer assists, after action reviews, retrospect, community of practice, knowledge-based interviews, KTF (knowledge dissemination activities), coaching, mentoring, training and blogging.

"Peer assist is like inviting or persuading friends, colleagues who already have knowledge to share their experiences with others, or learning before doing," she said.

"Meanwhile, the after-action review is an approach that is carried out after work, so that it can be a guideline or be replicated in similar activities in the future," she continued.

Risfayanti explained that there are



ijeab-freepik



■ Risfayanti



With knowledge management, it is hoped that it will not just disappear once the employee is transferred.

several main things or activities that are the reasons for the importance of implementing knowledge management at BPK. One of them is employee transfer, in which every few months a shift is made. "For employees who have been transferred, it could be that the employee has the knowledge that the work unit really needs. With knowledge management, it is hoped that it will not just disappear once the employee is transferred," she said. Meanwhile, for employees who enter a specific work unit, with good knowledge management, they can more easily adapt to their new work unit.

Next, said Risfayanti, that there are employees who resign or retire from BPK. Yet at the same time, BPK

employees need the knowledge and valuable assets from those employees who retire.

"With knowledge management, knowledge and valuable assets are not lost when employee retires," she said. The next important reason for implementing knowledge management in BPK is the need to improve the quality of performance and decision making.

In addition, it is mitigating the risk of loss of knowledge, mitigating the risk of repeating the same work, and mitigating the risk of errors in the execution of work. "Then there is also the need for standardization of HR competencies and the need to increase productivity and create innovation," she said. ●



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BPK DELIVERS THE PROGRESS OF ITS PROJECT AT THE 18TH INTOSAI WGEA STEERING COMMITTEE MEETING

BPK Board Member IV, Isma Yatun, delivered the progress on the preparation of guidance on sustainable transport.

The Audit Board of the Republic of Indonesia (BPK). BPK as a member of the steering committee (SC), attended the 18th INTOSAI Working Group on Environmental Auditing (WGEA) which was held virtually on 20-24 September 2021. The meeting was attended by around 50 SC WGEA members.

The SC meeting aimed to update the WGEA program, progress of regional organization activities, and report on the status of secretariat activities such as surveys, audit collections, and greenlines newsletters.

At this meeting, BPK delivered an update on the Working Package 4 on the development of guidelines for sustainable transportation led by SAI China and Thailand. In addition to that, BPK also reported the progress of Working Package 6 project, which is about implementing training on auditing SDGs (Sustainable Development Goals).

On Wednesday (22/9), BPK, represented by Board Member IV Isma Yatun, delivered

the progress of the development of sustainable transportation guidelines. This second draft has been sent to the WGEA Secretariat for additional input from SC members.

BPK Board Member IV explained several important points in her presentation, including objectives, key milestones, and the outline of the document. In addition, on that occasion, she invited WGEA SC member countries to attend a side event at the UN Conference on Sustainable Transport, which will be hosted by BPK in October 2021.

The session continued with a more detailed presentation of the audit guidance's content in each chapter. Narunat Inkonglad from SAI Thailand provided an explanation for Chapter 1.

The second chapter was presented by the representative of BPK, Erwansyah Nasrul Fuad (Deputy Director of Audit IV.B.1), while the Chapter 3 and 4 were explained by Zhang Hongwei from SAI China. BPK explained in Chapter 2 on the government's response to achieving sustainable transportation.





■ Isma Yatun

In its presentation, BPK presented some topic covering international agreements and policies/programs related to sustainable transportation. The agreements explained some matters which are (1) approach on avoid-shift-improve, (2) transportation strategic plan and funding, (3) public transport development, (4) transportation demand management, (5) clean fuels and green vehicles, (6) smart cities, and (7) transit-oriented development. BPK also explained on the key players and their roles in managing sustainable transport.

Meanwhile, on Thursday (23/9), BPK was represented by Director General of BPK Training Institute on State Finance Audit (Badiklat PKN) Ida Sundari, reported the progress of Working Package 6, SDGs audit training. The training took place from August 2 to 13, 2021.

At the end of the presentation, the Bali Training Centre was also introduced as an international training center that is ready to facilitate the implementation of international training, including WGEA training in the future. In addition to presenting the descriptions of the two projects mentioned above, BPK is also trusted to be a moderator in workshop related to future strategy.

By being actively involved in the WGEA meeting, BPK had the opportunity to share knowledge related to sustainable transport. Furthermore, BPK has more opportunities to learn about plastic waste, particularly in relation to SDGs achievement and sustainable transportation. ●



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■ Ida Sundari



■ Erwansyah Nasrul Fuad

BPK VICE CHAIRMAN INTRODUCES BIG DATA USAGE IN BPK AT INTOSAI WGBD MEETING

10 SAIs gave presentations about quality control in the context of big data auditing as main theme of meeting.



■ Agus Joko Pramono



Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono gave an introductory speech before BPK's presentation at the 5th Meeting of the International Organization of Supreme Audit Institution Working Group on Big Data Audit (INTOSAI WGBD). The presentation was related to BPK's role in taking the lead in Research Project on Auditing Technology Innovation.

At the meeting taking place virtually on Wednesday, 29 September 2021, BPK Vice Chairman served as the Head of Delegation from BPK. He remarked that the result of the research project showed that the use of big data in most Supreme Audit Institutions (SAIs) was still limited to the introductory phase of implementing big data analytics. However, several SAIs have used big data to make audits more efficient and effective.

BPK's presentation was then continued by Deputy Director of IT specialized in Audit Support and Performance Management Pingky Dezar Zulkarnain. At the end of the presentation, he provided a recommendation derived from the research project, which is to design a big data governance framework needed to help SAI take advantage of big data.

BPK's role in leading the research project on auditing technology innovation demonstrated INTOSAI WGBD's trust in BPK in the field of big data. Through experience sharing session, BPK also gained knowledge and best practices from other SAIs in unitizing big data in their audits.





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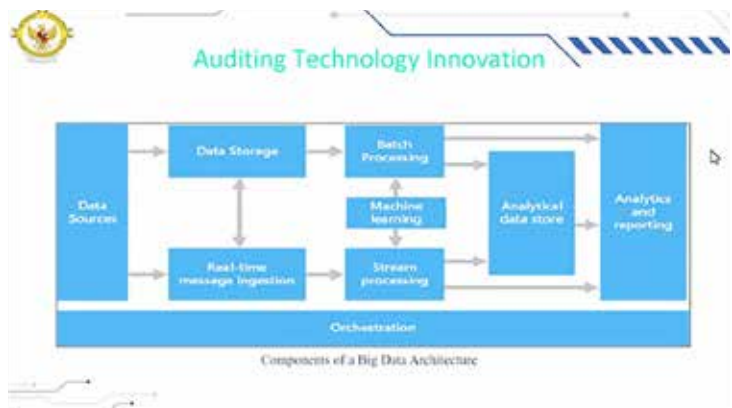
■ Pingky Dezar Zulkarnain

These shared knowledge and experience can further enhance BPK's capabilities, and equip BPK in being a pioneer in using big data for audits in both national and international communities.

BPK delegation attending the meeting consisted of Director of Information Technology Pranoto, Director of Human Resource and International Cooperation Selvia Vivi Devianti, Deputy Director of IT Operations Novis Pramantayabudi, and Deputy Director of International Cooperation Kusuma Ayu Rusnasanti.

Attended by a total of 95 participants, the meeting was opened by SAI China as Chair and SAI United States as Vice Chair of INTO-SAI WGBD.

In the experience sharing session, 10 SAIs gave presentations about quality control in the context of big data auditing as the main theme of the meeting. SAI Estonia presented



about data quality lesson learnt from Covid-19 monitoring project. The presentation can be a reference for other SAIs in utilizing big data in Covid-19 audit.

Meanwhile, the representative from African Organization of English-speaking SAI (AFRO-SAI-E) shared their experience titled "AFRO-SAI-E's Development for Making SAIs More Data Driven". This presentation provides an overview on the development of big data usage in auditing by SAIs in the African region. ●



VICE CHAIRMAN EXPLAINS BPK'S ROLE IN PREPARING VNR



In 2018 and 2019, BPK audited the readiness and the implementation of SDGs, the results of which were used by the Government of Indonesia in preparing the 2019 Voluntary National Review (VNR).



■ Agus Joko Pramono

Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono was once again invited to be a panelist in the 5th South-East Asia Multi-Stakeholder Forum on the Implementation of Sustainable Development. The forum was held virtually by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) from September 28 to 30 and on November 3, 2021.

This time, the topic being raised is "Building Back Better from Covid-19 while Advancing the Full Implementation of the 2030 Agenda for Sustainable Development". Vice Chairman participated in session 4 part 1: Interview with 2021 VNR Countries: How Different Stakeholders Approached VNR.

On the occasion, he explained about BPK's role in the preparation of the VNR. In 2018 and 2019, BPK audited the readiness and the implementation of the Sustainable Development Goals (SDGs), the results of which were used by the Government of Indonesia in preparing the 2019 VNR.

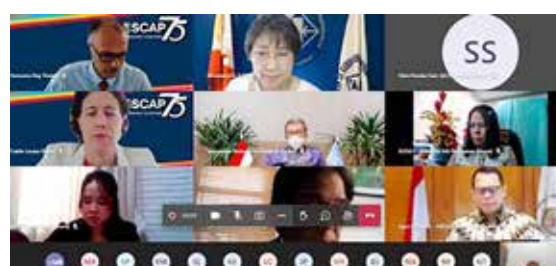
The BPK then reviewed the 2021 VNR document, aiming at assessing the alignment of the 2021 VNR with the 2017 and 2019 VNR. It also took into account the results of audits of SDGs

and the due process according to the Handbook for the Preparation of VNR 2021 Edition.

"In the meantime, the challenge faced by BPK in conducting the review is to validate the data in a short period of time. In the near future, BPK will again review the Indonesia VNR document drafted by the government," Vice Chairman explained.

The session 4 part 1 also presented panelists representing various stakeholders, such as Ministry of National Development Planning of Indonesia, Ministry of Foreign Affairs of Lao PDR, Malaysian Parliament and Thai private sectors.

BPK Vice Chairman was accompanied by Secretary General Bahtiar Arif, Director General of Planning, Evaluation and Development Bernardus Dwita Pradana, Director of Public Relations and International Cooperation Bureau Selvia Vivi Devianti and Deputy Director of the International Cooperation Division Kusuma Ayu Rusnasanti. ●





BPK AND ANAO SHARE EXPERIENCE OF AUDIT ON THE IMPLEMENTATION OF E-GOVERNMENT

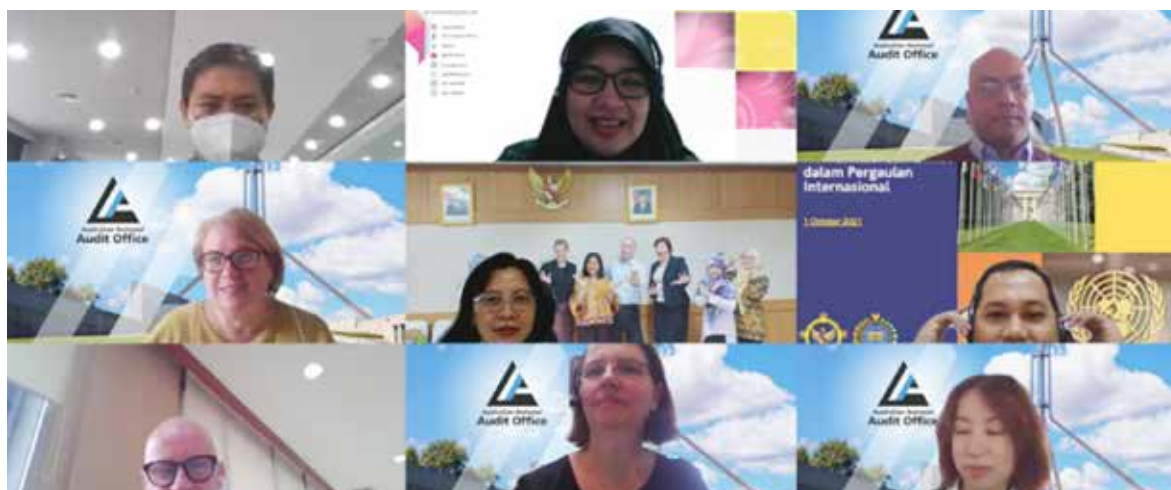
The development of technology and the massive use of information technology has changed the way we work and interact.

The Audit Board of the Republic of Indonesia (BPK) and the Australian National Audit Office (ANAO) again held virtual information technology knowledge sharing session III, Tuesday (5/10). This time, the theme is about “The Role of The SAI in Auditing the Implementation of E-Government”. This is a continuation of the previous program carried out in May and June 2021 as the implementation of bilateral cooperation between the two SAIs in 2021.

The purpose of the discussion is to share knowledge, lessons, and experiences. This is related to the approach and results of the audit by BPK and ANAO in their role in providing guarantees to the parliament on the government's cyber resilience. The focus of the discussion is on auditing the implementation of systems that support the digital transformation of government and the implementation e-government initiatives of the two countries. The discussion also includes the challenges faced in conducting the audit as well as lessons learned that can be taken as a reference for future audits.



The knowledge sharing activity was moderated by ANAO's Senior Advisor for BPK, Kristian Gage. To officially open the discussion, both Director of Public Relations and International Cooperation of BPK, Selvia Vivi Devianti and Executive Director of System Assurance and Data Analysis Branch (SADA) ANAO, Lesa Craswell delivered their remarks.





In her speech, Selvia Vivi said that Indonesia had started the development of e-government in 2003 through Presidential Instruction No. 3 of 2003. After almost 20 years, the implementation of e-government in Indonesia still faces many challenges to become a reliable system and can be implemented by the government at the central and regions. Given the importance of the issue, he said, in 2018 BPK conducted a performance audit on the effectiveness of the planning for the electronic-based government system (SPBE) of the Ministry of Communication and Information (Kemenkominfo) and the Ministry of Empowerment of State Apparatus and Bureaucratic Reform (Kemenpan RB).

Meanwhile, Lesa Craswell explained that the development of technology and the massive use of information technology have changed the way we work and interact. Human Dependency on IT systems is getting higher. Public demands for good, fast, safe, and transparent services are increasing. Therefore, digital transformation is an important and strategic step to answer these needs. Not only in the private sector, but also in the public sector.

In an effort to increase the effectiveness of public services, one thing to do is the implementation of e-government. ANAO and BPK as financial audit institutions have the same role to continue to handle changes in these public sector entities. Lesa added that ANAO has conducted a series of audits with a focus on digital transformation, strategic management, and cybersecurity operations starting in 2015. The first presentation from BPK was delivered by the Performance Audit Team Leader on e-Government Policies in 2018, Cipto Nugroho. Meanwhile, the second presentation from ANAO was delivered by Acting Executive Director, Systems Assurance and Data Analysis Branch (SADA), Xiaoyan Lu, and Senior Director, Systems Assurance and Data Analysis Branch, ANAO, Edwin Apoderado.

In his presentation, Cipto conveyed the results of the 2018 audit, including an overview of

e-government implemented by the central government of Indonesia. He also explained about BPK's audit process for e-government and significant findings along with recommendations given by the team related to these findings.

According to Cipto, the audit aims to assess the effectiveness of e-government planning. The scope includes strategic planning plans, coordination policies, resource policies, and target achievement in planning with the two entities audited, namely Kemenpan RB and Kemenkominfo.

Meanwhile, Xiaoyan and Edwin from ANAO delivered several topics. First, e-government and the transformation carried out by The Australian Public Service. He also explained several milestones in the transformation of public services in Australia which began in 2010. Then, the establishment of the Digital Transformation Agency in 2015, continued preparation of the Digital Transformation Agenda in 2016, and the Establishment of Cyber Security Unit in 2017.

Second, the e-government audit conducted by ANAO and the audit findings. Currently, there are 84 high cost IT projects under the Australian Government which are the focus of the ANAO audit because they have enormous, vital, and very strategic value. There are at least 7 examples of e-government audits that ANAO has conducted. The audit included cybersecurity audits, records management in health, myGov Digital Services, costs and benefits of the reinventing the Australian Tax Office (ATO) program, administration of medicare electronic claiming arrangements, shared services, and IT outages at the ATO. Third, a case study in the implementation of the audit of the e-Census program. Fourth is an audit of other e-government audit that have been carried out by ANAO and the lessons learned.

As a follow-up of this discussion, the next session of IT knowledge sharing will be held with the theme of developing enterprise resource planning (ERP) in the context of digital transformation which will be held at the end of 2021. ●

BPK CONDUCT TRAINING ON SDGS AUDIT FOR INTERNATIONAL AUDITORS

International training for SDGs auditing is not the first and will not be the last. BPK intends to hold the training in the first semester of 2022.

The Audit Board of the Republic of Indonesia (BPK) is one of the supreme audit institutions (SAI) that has conducted audits related to the SDGs (SDGs). The INTOSAI Working Group on Environmental Auditing (WGEA) also trusted BPK to share its experience in auditing SDGs with other SAIs.

BPK fulfilled the mandate given by INTO-SAI WGEA by hosting "A Virtual International Training on SDGs: Climate Action" on August 2-13, 2021. SAIs from Philippines, Thailand, Myanmar, India, Uganda, Zambia, Fiji, and Maldives participated in international training.

The training activities were divided into two sessions. The first session of the training took place on August 2-5, 2021, with all participants studying the material that had been uploaded to the BPK Learning Management System Platform by self-learning. The second session was online class training, which will take place from August 6 to 13, 2021.

Acting Director General of BPK Training Institute on State Finance Audit (Badiklat PKN), Ida Sundari said that the training was part of BPK's commitment as a member of INTOSAI WGEA and project leader of Work Package 6. BPK has been entrusted to organize the training considering to our experiences in conducting audits related to the SDGs. Thus, can share our experience with other SAIs," Ida told *Warta Pemeriksa* at the end of September.

Ida explained that the topic of climate action was chosen as the training theme because one of BPK's audits was related to climate. The climate audit experience of BPK was shared with the training participants.

The SDGs training covers various information. Ida explained that BPK thoroughly introduced the SDGs to the participants. Furthermore, there are materials related to IDI's SDG



■ Ida Sundari

Audit Model (ISAM), which is an audit method or set of principles for auditing SDGs.

BPK collaborated with SAI USA to hold the training. SAI USA shared its experiences in conducting climate finance audits.

The training on SDGs audit provided by BPK was beneficial to the participants. According to Ida's observations, the SAI representatives who attended the training were less familiar with the SDGs audit. "Thus, it is expected that BPK's experience is very valuable for SAIs who participate," she said.

Ida stated that this International training for SDGs auditing is not the first and will not be the last. BPK intends to hold the similar training in the first semester of 2022. BPK has also submitted the plan to the WGEA steering committee meeting on September 20-24, 2021.

"This plan has been welcomed positively. They expressed strong interest and hoped that the training could be held offline," Ida explained. ●

SAO LAO - BPK SHARES EXPERIENCES IN MANAGING THE INVOLVEMENT OF PUBLIC ACCOUNTING FIRMS

The use of Public Accounting Firms is in line with the BPK Strategic Plan, focusing on improving its role in providing insights and foresights to stakeholders.

The State Audit Organization (SAO) of Lao proposes the Audit Board of the Republic of Indonesia (BPK) to share knowledge and experiences related to the management of Public Accounting Firms (KAP). It is then manifested in a discussion entitled "Involving Public Accounting Firms in the State Financial Audit" held virtually on Friday, October 22, 2021.

SAO Lao proposes the discussion to BPK in order to broaden its horizons due to its ongoing revision of the national audit law. The resource persons representing BPK are Director of Audit Evaluation and Reporting, Yuan Candra Djaisin, and Deputy Director of Financial Audit Evaluation and Reporting, Endah Suwarni.

Participants from SAO Lao include Head of Bilateral Cooperation Division, Kousim Chanthapanya, and staff of the Bilateral Cooperation Division, Maneela Saphangthong. The discussion is also attended by BPK's officials and other employees of Directorate of Audit Evaluation and Reporting and Bureau of Public Relations and International Cooperation as facilitators of the program.

Starting the presentation, Yuan Candra Djaisin conveys an overview of the management of Public Accounting Firms auditing for and on behalf of the BPK. He presents among others the framework of the state financial audit system in Indonesia, including the package of laws on state finance and other regulations.

He also explains the issuance of BPK Regulation Number 1 Year 2008 concerning the use of auditors and/or experts from outside of the BPK and BPK Regulation Number 1 Year 2016 concerning requirements for public accountants at Public Accounting Firms auditing the state finance. These two regulations are the basis for the involvement of Public Accounting Firms in auditing for and on behalf of the BPK. In addition, the registration of Public Accounting Firms and the audits conducted are also discussed.

On the same occasion, Endah Suwarni explains about the BPK's mandate. According to Law Number 15 Year 2004, it is stated that the BPK can assign auditors from outside the institution to conduct audits if they have limited auditors. These external auditors can come from Public Accounting Firms or the government.





■ Yuan Candra Djaisin

In addition, she says, the use of Public Accounting Firms is also in line with the BPK's Strategic Plan focusing on improving its role in providing insights and foresights to stakeholders. The increasing number of public entities and the limited number of auditors are also the reasons for the increasing use of Public Accounting Firms.

She says that Public Accounting Firms auditing for and on behalf of the BPK must be registered by the BPK, as has also been regulated by BPK Regulation Number 1 Year 2008 and BPK Regulation Number 1 Year 2016.

Public Accounting Firms must meet administrative and technical requirements and have to be competent in the field of state finance. The registered Public Accounting Firms database is managed through the Public Accounting Firms Information System (SIKAP) at www.sikap.bpk.go.id developed and used since 2012.

In 2021, the application is developed to accommodate the online registration and updating process. In the future, it will be integrated with the database of other ministries/institutions to support the Indonesia's Single Data system.

On the discussion, Kousim Chanthapanya asks about the planning process of the use of Public Accounting Firms, differences in Public Accounting Firms' registration at BPK and Ministry of Finance and opportunities for

foreign auditors/Public Accounting Firms to conduct audits for and on behalf of the BPK. Answering the questions, the resource person mentions that the planning process is carried out by the Directorate of Audit Evaluation and Reporting.

The Secretary General will then issue an Annual Work Plan that includes, among others, audits to be carried out by Public Accounting Firms. The document will serve as the guidance for working units that will use Public Accounting Firms' services.

The difference in Public Accounting Firms registration in BPK and Ministry of Finance is that the Ministry has the authority as regulator and supervisor of the financial profession, one of which is the public accountant. Public accountants are allowed to provide services to private sectors if they have the permit from the Ministry of Finance.

On the other hand, Public Accounting Firms registration in the BPK is intended to provide permission to public accountants or Public Accounting Firms to audit public sectors. Related to auditors from foreign accounting firms, usually affiliated to Public Accounting Firms in Indonesia, as long as the auditors have met the requirements set out by the Ministry of Finance and the BPK, they can conduct audits for and on behalf of the BPK.

Kousim Chanthapanya also asks about the selection of the entities to be audited by Public Accounting Firms. It is explained that Public Accounting Firms conduct financial audits of low-risk profile entities. It includes those previously gaining unqualified opinion, having no indication of fraud and no relation to state security, and so on.

It is intended to maintain the quality of the results of BPK's audits, considering that Public Accounting Firms have not yet been familiar with public sector accounting standards. Prior to conducting the audits, Public Accounting Firms are equipped with trainings to understand public sector accounting standards and State Financial Audit Standards (SPKN) used by the BPK. ●

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BPK AND ACH RUSSIA HELD A 2021 BILATERAL SEMINAR

The bilateral seminar aims at sharing knowledge and experiences, especially regarding the management of international cooperation and the implementation of external audits carried out by the two Supreme Audit Institutions (SAIs) in international organizations.



The Audit Board of the Republic of Indonesia (BPK) and the Account Chamber of the Russian Federation (ACH) hold a virtual bilateral seminar Year 2021, Thursday (10/14). Two main topics being discussed are Managing International Relations and International Institutions and External Audits by SAIs.

It is part of the implementation of the bilateral cooperation between the two institutions, which has been started since the signing of the Memorandum of Understanding (MoU) in 2007 and has been renewed in 2019. The bilateral seminar aims at sharing knowledge and experiences, especially regarding the management of international cooperation and the implementation of external audits conduc-

ted by the two Supreme Audit Institutions (SAIs) in international organizations, specifically those organizations under the United Nations (UN).

The ACH Russia delegates are led by the Director of the Department for International and Regional Cooperation, Timur Makhmutov, who is accompanied by the Director of the Department for Financial Audit, Elena Boytsova. Related officials from the Department for International and Regional Cooperation and the Department for Financial Audit are also present on the meeting.

On the other hand, the BPK's delegates are led by the Director of Public Relations and International Cooperation Bureau, Selvia Vivi Devianti, who is accompanied by officials and other employees of the International Cooperation Division. The Deputy in





Charge for BPK's External Audits, Yudi Rahman Budiman, technical controller and BPK's external audit team leaders are also attending the meeting.

In her speech, Selvia Vivi expresses her appreciation for the commitment and consistency of the ACH Russia as BPK's partner in developing human and organizational capacities. She explains that BPK and ACH have a long history of relationship.

Not only through bilateral cooperation, the relationship is also proven through audit organizations such as ASOSAI and INTOSAI. "The two SAIs have actively participated in various working groups in ASOSAI and INTOSAI, including several activities organized by ACH within the framework of the INTOSAI," she said.

Selvia explains that the topics of the discussion on the seminar are relevant for the participants as it discusses daily works of managing international cooperation. In addition, the discussion is also important for the two institutions as both are involved in the audits of UN international institutions such as the International Maritime Organization

(IMO), the International Atomic Energy Agency (IAEA) and the United Nations Industrial Development Organization (UNIDO).

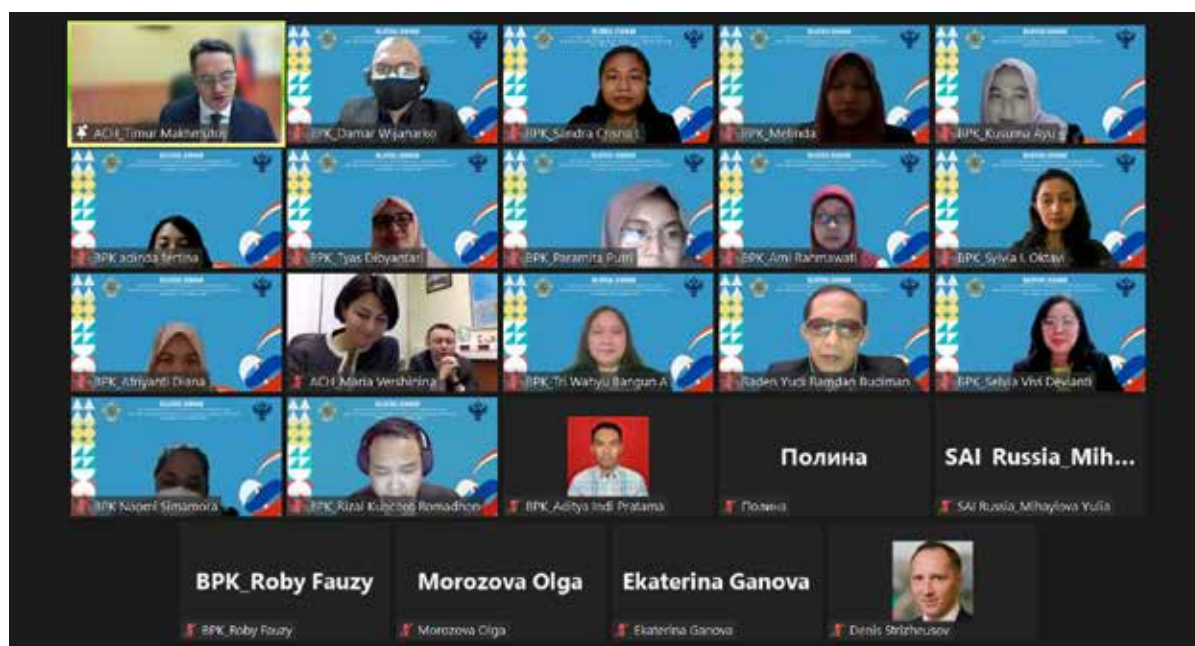
"This knowledge and experience sharing forum is expected to provide enlightenment and generate fresh new ideas to improve the quality of the management of international cooperation and the implementation of audits in UN organizations," she said.

Timur Makhmutov also expresses his appreciation and gratitude to BPK for hosting the bilateral seminar. He encourages the improvement of existing cooperation considering that the two organizations have the same experiences and knowledge in various matters, especially in managing international cooperation and conducting audits of UN organizations.

"Both institutions also have the willingness to continue developing themselves into reliable audit institutions having an impact on the country and the international community," he said.

The discussion is divided into two sessions. The first entitled Managing International Relations is moderated by the Deputy Director of the International Cooperation Division, Kusuma Ayu Rusnasanti. The speakers of the session are Selvia Vivi Devianti and Timur Makhmutov.

Selvia Vivi presents an overview of the BPK International Cooperation Division, starting from duties and responsibilities, organizational structure, scope of work, activities and coordination with BPK's Regional Offices throughout Indonesia. The overview also includes strategies for mana-



ging international cooperation, current international cooperation activities, challenges and solutions, lessons learned in managing the ASEANSAL organization, and analysis of BPK's International Cooperation activities.

Timur Makhmutov presents several topics, among others, current state of international cooperation, scope of work, ACH's international cooperation strategies, programs and activities. He explains that ACH currently has 70 cooperation agreements and MoUs with SAIs of other countries and organizations as well as 85 agreements with regional audit institution (RAI) and municipalities audit institution (MAI) throughout Russia.

Timur Makhmutov also presents ACH's strategy in increasing human resource capacity, while exposing its international cooperation activities as the Chairman of INTOSAI as well as various new breakthroughs made in an effort to increase the role of the institution in increasing capacity and capability of SAIs. It is done through the INTOSAI University, audit knowledge repository and the 1st INTOSAI International Scientific and Practical Conference.

The lessons learned in managing international cooperation and the ACH's plans in the future related to international cooperation activities are also discussed on the session.

The second session entitled International Institutions and External Audit by SAIs is moderated by the Technical Controller of BPK's External Audit Team of the IMO, Nanik Rahayu. Speakers of the session are the ACH's Director of the Department for Financial Audit, Elena Boytsova, and Deputy Director of the Department for Financial Audit, Dennis Strizheusov. The BPK is represented by the Deputy in Charge of the external audit, Yudi Rahman Budiman.

Yudi Ramdan presents BPK's involvement in the audits of international organizations, the roles of BPK and other SAIs in international forums, BPK's business processes in its involvement in various assignments and audits of international organizations including various capacity and knowledge development programs developed related to international auditing standards and best practices, audit methodology and documentation developed based on the experiences as IAEA and IMO external auditors, and quality control developed based on International Standard on Quality Control 1 (ISQC 1).

The session continues with the presentation from Elena Boytsova and Dennis Strizheusov related to the interconnection of SAIs in carrying



out audits of UN international institutions, the cooperation among SAIs especially in succession and task handover procedures from one SAI to the other, differences in audit methods and competencies, as well as the cooperation with Public Accounting Firms to increase the capacity of SAI auditors.

They also present the topic of professional standards, which include the improvement of skills and competencies of auditors, among others, language skills, knowledge on International Public Sector Accounting Standards (IPSAS), International Auditing Standards (ISA) and SAP applications.

The international practices are being discussed, including the ACH's experiences as the Chairman of the INTOSAI and various collaborations conducted with SAIs of other countries. Last but not least, they discuss about audit documentation and quality control.

As the follow up of the meeting, a bilateral seminar will again be held in 2022, which topics and time are subject to discuss by both institutions. ●

BPK PROVIDES INPUTS ON BUDGET CONSOLIDATION AT THE UN

BPK has conducted a survey of several external auditors of the UN entities. The results show that there are variations in the nature of the budget and the management choices that can affect budget compilation policies.



Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono conveys the need to improve the implementation of budget consolidation accounting policies in the United Nations (UN) system. Budget consolidation is a unique practice in the UN system. However, only few UN entities that have adopted it.

The study of this issue adheres to IPSAS 24 concerning the Presentation of Budget Information in Financial Statements and IPSAS 35 concerning Consolidated Financial Statements. The question of budget consolidation arises when an entity has a basic budget difference between the budget approved by the controlling entity and by the controlled entity.

Agus mentions the matter when attending the “Sixty-first (2021) Regular Session of the Panel of External Auditors of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency”. The activity was physically held at the UN Headquarters in New York, the United States of America on Monday, December 6.

It is an annual meeting of members of the UN Panel of External Auditors. This year, the meeting is conducted in a hybrid from December 6 to 7, 2021.

Agus explains that BPK had conducted a survey of several external auditors of the UN entities. The results show that there are variations in the nature of the budget and management choices that can affect budget compilation policies.

"The variation can be seen in the difference of budget bases between the controlling entity and the controlled entity as well as in the budget basis and the relationship among entities in the consolidated reporting framework," he said.

Regarding these problems, he continues, BPK proposes an exchange of ideas between external auditors regarding the general practice of budget consolidation as required by IPSAS in the UN system. This discussion includes whether budget management itself has an impact on budget recompilation reports and requirements for consolidated financial statements.

Considerations in determining the required disclosures in the budget report will be a necessary reference for the desired transparency. This discussion is expected to help broaden the perspective of the auditors in providing added value to reports' users.

The results of the discussion can then be communicated to the UN IPSAS Task Force to initiate awareness on how IPSAS 24 and IPSAS 35 are implemented in the UN system. Furthermore, the views of the UN IPSAS Task Force on this issue are expected to create a uniform approach and basis for carrying out budget compilations under a consolidated reporting framework for auditing in all UN organizations.

Apart from BPK, 12 other leaders of external auditors of UN agencies participate in the meeting. Countries attending the meeting include Chile, France, Germany, India, Italy, the Philippines and Tanzania. Other leaders of



Supreme Audit Institutions (SAIs) taking part in the virtual panel include Britain, Canada, Switzerland, China and Russia.

BPK Chairman, Agung Firman Sampurna, attends the meeting virtually. BPK's delegates physically present are Secretary General Baktiar Arif and Director of Public Relations and International Cooperation Bureau Selvia Vivi Devianti. ●



BPK IS ELECTED AS VICE CHAIR OF THE UN PANEL OF EXTERNAL AUDITORS

SAI Chile was elected as chair replacing SAI India which previously had been chairing for the period 2020 and 2021.



The Audit Board of the Republic of Indonesia (BPK) was elected as Vice-Chair of the UN Panel of External Auditors for the period of December 2021 until December 2022. The decision was taken by agreement of all panel members on the second day of the "Sixty-first (2021) Regular Session of the Panel of External Auditors of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency". This event was physically held at the United Nations (UN) Headquarters, in New York, United States of America on 6-7 December 2021. The selection of BPK as Vice Chair was decided in the "Election of Chair and Vice-Chair of the Panel for 2022" agenda. BPK delegation in the meeting was led by Vice Chairman of BPK, Agus Joko Pramono.

Meanwhile, SAI of Chile, which previously served as vice-chair in 2020 and 2021, was elected as the Chair. SAI Chile replaced SAI India, which previously had been chairing for the period 2020 and 2021.

Based on the "Rules of Procedure of the UN

Panel of External Auditors", the official panel consists of a chair and a vice-chair elected by the members at the end of each regular session to serve until the end of the next regular session.

Unlike other Chairmanship elections, the UN Panel of External Auditors' Chair and Vice Chair are elected based on the suggestions from members. Members do not nominate themselves for election.

Meanwhile, the duties of the vice-chair are, first, to organize/lead a meeting if the chair is unable to attend. Second, representing the panel before the board, committee, executive reading, and others according to the chair's request.

Third, perform the function of the chair if the chair ceases to be a member of the panel. In relation to this new task, BPK will carry out full coordination with SAI of Chile and other panel members. The election of BPK as vice chair of the UN Panel of External Auditor attest the role and contribution of BPK in the international world. Especially in the field of audit. ●

BPK VICE CHAIRMAN DISCUSSES ROLE ENHANCEMENT OF EXTERNAL AUDITOR

BPK hopes that this involvement would be a part of BPK's contribution in increasing global transparency and accountability, especially within the UN.

Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono held a meeting with the United Nations (UN) Controller Chandramouli Ramanathan on Monday (6/12). It was part of a series of meetings under the UN Panel of External Auditor held at the UN Headquarters in New York,

United States on 6-7 December 2021.

To start off, Agus explained about BPK's involvement as the external auditor for several international organizations, such as International Anti-Corruption Academy (IACA) for 2015-2017 and 2019-2021, International Atomic Energy Agency (IAEA) for 2016-2021, and International Maritime Organisation (IMO) pada 2020-2023.

Through this involvement, BPK hopes to contribute to global transparency and accountability, especially in the UN.

Agus also conveyed his appreciation to Chandramouli Ramanathan who at the UN Panel stated the importance in involving external auditors in the development process of International Public Sector Accounting Standards/IPSAS.

In that regard, Agus suggested the need to provide a common platform for UN External Audit, IPSAS Board, and UN IPSAS Task Force. In particular on implementation and interpretation of IPSAS in UN bodies.

Agus hoped BPK as part of external auditor community of international bodies could be part of the interacting process with IPSAS Board and UN IPSAS Task Force.

Ending the meeting, Ramanathan welcome further communication with BPK as an external auditor to enhance the quality of financial management and reporting in UN agencies.

AS the head of delegation, Agus was accompanied by BPK Secretary General Bahtiar Arif and BPK Director General of Planning, Evaluation and Development B Dwita Pradana. Also present were Director of Public Relations and International Cooperation Selvia Vivi Devianti and Deputy Director for IAEA Audit R. Yudi Ramdan, as well as Executive Secretary United Nations Independent Audit Advisory Committee (UN IAAC) Moses Namuwamya. ●



BPK RI received an award as a Professional and Modern Audit Institution (Political and Government Category) in the GATRA AWARDS 2021, which was held by Gatra Media Group, on Wednesday, December 1, 2021.

This award reflects the appreciation given by GATRA Media Group to State Institutions, Private Organizations, and Individuals or Groups who have inspired the community with positive contributions in the form of ideas, innovations and programs achieved in recent times in their fight to improve Indonesia by empowering the nation's works.



BPK APPOINTS TWO ACADEMICS AS MEMBERS OF MKKE

MKKE is an organizational tool which has the responsibility to process allegations of code of ethics violations committed by BPK Members or auditors.



Chairman of the Audit Board of the Republic of Indonesia (BPK) Agung Firman Sampurna guided the oath-taking ceremony of BPK Code of Ethics Honorary Council (MKKE) from the Academic Element at BPK Head Office on Wednesday (13/10). The oath-taking ceremony was carried out based on BPK Decree Number 10/K/I-XIII.2/10/2021 and Number 11/K/I-XIII.2/10/2021 concerning the Appointment of BPK MKKE Members from Academic Element for period 2021-2024.

The solemn oath was taken virtually. It was attended and witnessed by BPK Leaders. The oath taken to serve as BPK MKKE Members were of Prof. Dr. Rusmin, MBA and Prof. Dr. Lindawati Gani, SE, MBA, MM, Ak., CA, FCMA, CGMA, FCPA (Aust). Lindawati Gani is

replacing Indriyanto Seno Adji whose tenure has ended.

With that oath, the new formation for BPK MKKE Members consists of Achsanul Qosasi (Chairman of MKKE) and Hendra Susanto from BPK element, Mardiasmo from professional element, as well as Rusmin and Lindawati Gani from Academics element.

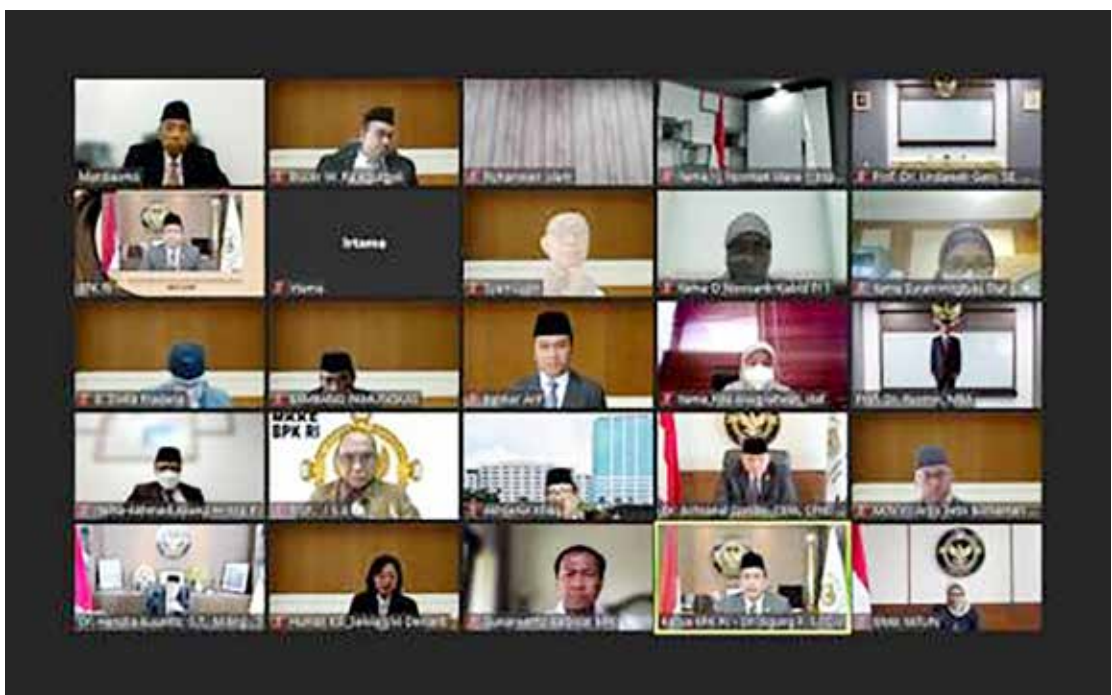
The oath was then followed by the signing of minutes of BPK MKKE Members oath ceremony. Virtually attending the oath were BPK Vice Chairman Agus Joko Pramono, BPK Board Member I Hendra Susanto, BPK Board Member II Pius Lustrilanang, BPK Board Member III Achsanul Qosasi, BPK Board Member IV Isma Yatun, BPK Board Member V Bahrullah Akbar, BPK Board Member VI Harry Azhar Azis, and BPK Board Member VII Daniel Lumban Tobing.



MKKE is an organization tool which has the responsibility to process allegations of code of ethics violations committed by BPK Members or auditors. BPK does not hesitate to impose sanctions to BPK personal should the MKKE investigation has proven the violation of code of ethics.

MKKE Chairman Achsanul Qosasi in an interview with *Warta Pemeriksa* stated that BPK is very serious, even proactive, in following up various violations through MKKE. Should the alleged personnel was proven to violate the code of ethics creating negatively impacting the dignity, honor and credibility of BPK, BPK will not hesitate to take strong punishment such as permanent dismissal. "Moreover, if it negatively impact the nation," Achsanul remarked.

For this reason, according to the mandate stipulated in Article 30 of Law Number 15 of 2006 regarding the Audit Board of the Republic of Indonesia, BPK Honorary Council of Code of Ethics was established with a fairly independent membership structure, which consists of elements from BPK Board Members, professional accountant/auditor, and academics. To support the enforcement of code of ethics, BPK has a whistleblowing system (WBS) accessible by anyone who wishes to anonymously submit any complaints or violation allegations of BPK code of ethics. ●



BPK CHAIRMAN INVITES THE PUBLIC RELATIONS OF MINISTRIES AND GOVERNMENT AGENCIES (K/L) TO STUDY FORESIGHT



■ Agung Firman Sampurna

In facing of high uncertainty and extraordinary risks in the future, policymakers must devise methods for anticipating future situations and conditions.

The Audit Board of the Republic of Indonesia (BPK) socialized the strategic foresight which was launched on October 21 to officials of public relations of ministries/agencies (K/L) through the forum of the Public Relations Coordinating Board (Bakohumas). In the event which was held on November 19, BPK Chairman Agung Firman Sampurna invited the K/L public relations officials to explore the substance of BPK's strategic foresight.

BPK's first strategic foresight, as is well known, was titled "Rebuilding Indonesia in Post COVID-19: Scenarios, Opportunities and Challenges of a Resilient Government." BPK became the first Supreme Audit Institution (SAI) in Southeast Asia, the second in Asia after South Korea, and the 12th in the world to achieve the role and capacity of foresight with the launch of foresight.

BPK hopes that the strategic foresight that has been developed will raise awareness and prompt action by the government, the community, and other stakeholders.



■ Bahtiar Arif

BPK Chairman explained that BPK's foresight was prepared using a scenario planning approach, with the goal of assisting stakeholders in seeing various possibilities that could occur over the next five years (2021-2026).

BPK was successful in formulating two fundamental uncertainties as axes in scenario planning through an intensive and interactive process. The fundamental uncertainties are "The Government's Response to the Covid-19 Pandemic

Crisis" and "The Pandemic's Severity," which combine to form four future scenarios.

Each scenario provides a picture of Indonesia's future in 2026 in eight sectors: health, economic, financial, social, political, education, environment, and technology. Based on the prepared scenarios and implications, the results of the identification of opportunities, challenges, and risks in each scenario are presented, which the government must consider in order to develop appropriate risk-mitigation strategies and policies.

BPK Chairman said that, in order to make the completed strategic foresight can be used effectively, an appropriate communication strategy was required. "Through this Bakohumas forum, we hope that public relations working units, both at the BPK and ministries/agencies, can go deeper to understand the substance of the foresight, which can then be further internalized into strategic planning with the support of research and development units in each ministry and institution." It was stated by Chairman of BPK when opening the Bakohumas Thematic Forum with the theme "The Role of BPK Foresight in Improving Synergy and Collaboration with Stakeholders".

At the time, BPK Chairman emphasized the significance of Bakohumas forum. In the midst of a health crisis caused by the Covid-19 pandemic, which has erupted into an economic and social crisis, the sustainability and resilience of government administration, development, and community services face enormous challenges.



"BPK hopes that the strategic foresight that has been developed will raise awareness and prompt action by the government, the community, and other stakeholders," said BPK Chairman.

BPK Chairman reminded the audience at the beginning of his speech, that the Covid-19 pandemic had brought Indonesia into the VUCA era (volatility, uncertainty, complexity, ambiguity), which was now transitioning into the BANI era (brittle, anxious, non-linear, incomprehensible). This is due to the fact that no country is prepared and can predict when the pandemic will end and how much of an impact it will have.

In the face of high uncertainty and extraordinary risks in the future, policymakers must devise methods for anticipating future situations and conditions. This method is known as foresight (or strategic foresight), and scenario planning or scenario building is one approach to its preparation.

In simple terms, foresight is a description of a number of future possibilities that will occur and is developed to identify risks and potential opportunities in the future.

He added that Strategic Foresight has been widely applied in government policy making in developed countries. Foresight and forward-looking approaches are used to analyze complex issues with a long-term spectrum in the context of strategic planning and future-oriented policy making, which are often filled with uncertainty.

Foresight was created to help policymakers make decisions in high-uncertainty situations by identifying trends, opportunities, and challenges in a variety of fields. The next step is to investigate various developments in order to develop future strategies, as well as to identify



■ Selvia Vivi Devianti



■ B. Dwita Pradana



■ Kunta Wibawa Dasa Nugraha



■ Hasyim Gautama

the long-term consequences of the policies implemented.

This forum presented BPK Director General of Audit Planning, Evaluation and Development, B. Dwita Pradana, Secretary General of the Ministry of Health, Kunta Wibawa Dasa Nugraha, and Director of Governance and Public Communication Partnerships of the Ministry of Communication and Information Technology, Hasyim Gautama as the resource persons. This forum was moderated by BPK Director of Public Relations and International Cooperation, Selvia Vivi Devianti.

This forum was attended by participants consisting of officials from the public relations working units in 100 agencies including ministries, secretariat of state institutions, government agencies at the ministry level, non-ministerial government agencies, and universities within the central government.

This event was also attended by public relations officials from BPK Headquarter Office and BPK Regional Offices. BPK Bakohumas Thematic Forum's is intended to improve the quality of BPK's institutional relations with stakeholders. Furthermore, it is expected to increase BPK stakeholders' understanding and support for the role of BPK's Foresight in dealing with Covid-19. ●



Warta Pemeriksa Magazine March 2020 Edition
received an award as

THE SILVER WINNER
of PR Indonesia Awards 2021

for the Category of Institutional
Sub-Category of Printed Media



BPK EXPERIENCES SIGNIFICANT PROGRESS WITHIN TWO YEARS

During the pandemic, BPK is able to pass and even upgrade audit techniques. Thus, all mandatory audits are always well and timely completed.



The Audit Board of the Republic of Indonesia (BPK) has made significant progress never imagined before within these last two years. The culmination is the international recognition of its competence.

"It is recorded in the history that currently, BPK is the only SAI holding two audit positions at the same time in the United Nations," Chairman Agung Firman Sampurna said in the 2021 BPK Working Meeting on December 17, 2021.

In addition, he says, Vice Chairman Agus Joko Pramono is also appointed as Vice Chairman of the UN Internal Audit, the United Nations Independence Advisor Committee. Through a team led by him, BPK also serves as the Vice Chair of the 2022 UN Panel of External Auditor. "This year, BPK also leads the SAI 20 as a G20 engagement group," he said.



He adds that as a sign of gratitude for these achievements, BPK is obliged to do what is best for the nation. It can be achieved by increasing institutional capacity and individual competence.

In the opening of the working meeting themed "Together Stepping for a Resilient BPK and Advanced Indonesia", Agung also mentions huge challenges when facing the Covid-19 pandemic, including industries that are under great pressure and businesses that are closed.

It means, he says, that the Covid-19 pandemic has escalated from a health crisis into economic and social crisis. However, at the same time, the pandemic has also encouraged people to be more creative, agile, adaptive and tougher than before. During this period, BPK became more resilient and developed.

In fact, Agung says, during the pandemic, BPK is able to pass and even upgrade its audit techniques. Thus, all mandatory audits are always well and timely completed.

"During the pandemic, BPK won 12 national awards, namely achieving the first rank in the BKN Award, the first best of JDIH Member in the category of State Institution, Informative Public Agency Award, and others," he said.

At the international level, BPK is not only present as a participant or event organizer, but also as a driving force within the institutional scope of ASEANSAI, ASOSAI, INTOSAI and the United Nations.

At the same time, BPK also carries out organi-



■ Agung Firman Sampurna

“ It is recorded in the history that currently, BPK is the only SAI holding two audit positions at the same time in the United Nations.

zational innovations, such as fulfilling the roles of SAI, oversight, insight and foresight, according to the 2020-2024 Strategic Plan. BPK also issues its opinion in the form of strategic foresight entitled "Rebuilding Indonesia from Covid-19". Through this book, BPK conveys four future scenarios after the Covid-19 pandemic.

"Strategic foresight has been submitted to President Joko Widodo on October 15, 2021 and released to all stakeholders on October 21,



■ Isma Yatun



■ Achsanul Qosasi

2021. BPK is the first country in Southeast Asia to having achieved an SAI's foresight capacity," Agung said.

In the meantime, BPK is also in the process of establishing a Public Service Agency (BLU). It is a financial management unit for non-tax revenues (PNBP) obtained by the BPK mainly coming from audit services of the international organizations.

"Along with the increase of international audits, the ongoing process at the Ministry of Administrative and Bureaucratic Reform and the Ministry of Finance must be guarded until it is functional in 2022," he said.

Agung says that BLU is not an additional

working unit. It is a method for managing finances to be more flexible. The audit is still carried out by related audit units.

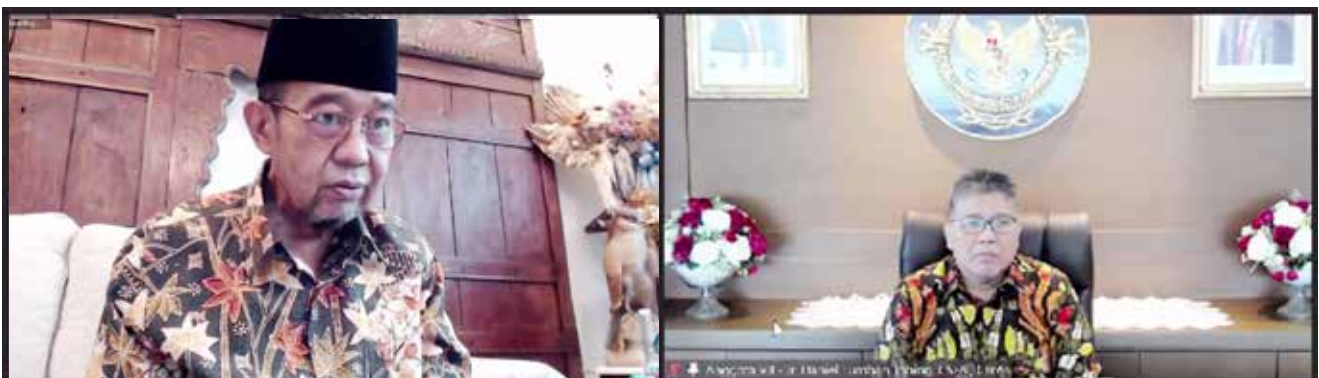
BPK Chairman adds that the theme of the working meeting is in line with BPK's policy in increasing synergy and collaboration in auditing and organizational governance through two perspectives at once, inward looking (for resilient BPK) and outward looking (for advanced Indonesia).

"Thus, the presence of BPK will be increasingly beneficial and provide added values while remain relevant to constitutional mandate and expectations of the stakeholders," he said.

Agung says that the theme is expected to ignite the spirit of BPK employees in exploring lessons learned from the achievements and performance of 2021 in order to determine prior activities in 2022. It is also expected to be able to harmonize and equalize perceptions on strategic issues and problems, including strengthening annual and performance planning through resources and institutional optimization.

On the occasion, Agung says that in order to respond to new challenges and hopes, BPK must create new environment and way of working, which are more adaptive. For this reason, he emphasizes that synergy and collaboration should be developed, taking into account the three aspects of change management, knowledge management and risk management. These aspects must become unified concept and model in BPK organizational management in the future.

Agung hopes that the participants can use the momentum as an encouragement to strengthen the 2022 work plan, continuing to give the best in carrying out duties, authorities and roles of BPK as an SAI.



■ Harry Azhar Azis

■ Daniel Lumban Tobing

"All in the roles of oversight, insight and foresight, and as a state institution maintaining transparency and accountability. In turn, the state financial management can then realize the national objectives," he said.

Closing his briefing, Agusung advises BPK employees to be committed to continuously strengthening the management system at the BPK in order to maintain and improve institutional resilience.

"What is the direction of strengthening the management system? A modern mana-

gement system that is based on meritocracy, transparency, accountability and performance orientation, while always strives to develop breakthroughs and innovations to improve quality and benefit of the management, particularly the management of the state finance. For a better BPK, for a better Indonesia," he concluded.

The 2021 BPK Working Meeting is conducted in two days and attended by senior and mid-level officials both at the Head Office and Regional Offices. ●

The Best Year of BPK



■ Agus Joko Pramono

Vice Chairman Agus Joko Pramono adds that it is the best year based on BPK's reports and achievements. As presented by the Chairman, it proves that the cooperation carried out in the past and present periods has been paid off. "We should maintain and even have to welcome a better BPK," he said.

He also explains that the theme of "Together Stepping for a Resilient BPK and an Advanced Indonesia" implies that BPK is part of the Republic of Indonesia. Therefore, we must together achieve national objectives as set out by the predecessors as stipulated in the Constitution. He also reminds that the working meeting is a means of reflection and evaluation of the performance achievements. It is also a means to strengthen and agree upon audit and institutional activity plans as the implementation of the 2020-2024 Strategic Plan.

"This working meeting is also a means of strengthening commitment, synergy, collaboration and

togetherness to face 2022," he said.

One thing that he thinks of as important is the world that is currently entering the era of digitalization. Those who do not digitalize will be left behind.

The reason, Agus says, is that all parts of the country and society have now been digitally transformed. "The essence of digital transformation is to eliminate space and time. So if we work using a laptop but still work sequentially, we have not transformed digitally," he said.

This digital transformation can make BPK employees work anytime and anywhere, without distinguishing space and time. However, what more important is the right model of transformation, which leads to e-government and digital government in Indonesia. "So that we don't lose momentum, in this working meeting it is also necessary to understand that BPK has established an enterprise architecture," he said.

The digital transformation also encourages BPK to use big data and artificial intelligence. The Director General of Audit II, he says, has done things to collect and formulate forms of data that could be used in auditing.

"Actually, auditing is simple. When we use the nine audit methods, seven of them can be replaced by machines. What cannot be replaced is the analytical methods such as interviewing and personal analysis," he said.

Agus explains that the 2020-2024 Strategic Plan provides a room for BPK to massive, flexible and innovative changes. "Nowadays, you no longer need to think of whether or not technical and operational guidelines are static documents," he said. ●



VICE CHAIRMAN OF BPK ATTENDS OPENING CEREMONY OF G20 INDONESIA PRESIDENCY

By holding the G20 Presidency, Indonesia hopes to add insight to the community, especially the younger generation.



Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono attended the Opening Ceremony of Indonesia's Presidency for the Group of Twenty (G20) held in Lapangan Banteng, Jakarta (1/12). G20 Presidency will host the G20 Leaders Summit.

By holding the G20 Presidency, Indonesia hopes to add insight to the community, especially the younger generation, that Indonesia is a country whose existence is highly considered by other coun-

tries in the world. In terms of economy, geographical location, as well as political attitude.

Indonesia holds the G20 Presidency for a full year, starting from 1 December 2021 until the G20 Leaders Summit in November 2022. It is indeed an honour for Indonesia to accept the reigns of the G20 Presidency from Italy.

In his speech through a pre-recorded video, President Joko Widodo wished that Indonesia's Presidency in G20 not merely revolves ceremonial duties. Instead, it is a good opportunity for Indonesia to contri-



bute more to the global economic recovery. "Indonesia encourages G20 countries to take concrete actions. Indonesia is ready to collaborate and gather strength, so that the world community can feel the positive impact of this cooperation. Indonesia must also produce major breakthroughs from the G20 forum," he remarked.

Carrying the theme "Recover Together, Recover Stronger", G20 Indonesia Presidency will focus on bringing three issues of strategic discussion. These issues are global health architecture, digital transformation, and sustainable energy transition. Indonesia's Presidency is expected to provide a new spirit in creating world order, which will not only provide prosperity, but

also ensure sustainability in the future.

Meanwhile, the Coordinating Minister for Economic Affairs Airlangga Hartanto as Chair of Sherpa Track G20 Indonesia stated that Indonesia G20 Presidency aims to bring the world out of this crisis better and stronger. "Of course, this requires a global transformation in the way of working, change of mindsets and business models, and taking advantage of every opportunity in the midst of the pandemic to create new breakthroughs," he explained.

During the ceremony, a symbolic pin was affixed as a sign of duty to the representatives of Chairs of Working Groups and Engagement Groups present, which were, among others, Supreme Audit Institution Twenty (SAI20), Business Twenty (B20), and Youth Twenty (Y20). The official G20 website was also officially launched to the public through www.g20.org.

The G20 website contains information on meeting schedules, side events, and workstreams in Sherpa Track and Finance Track. In addition to Vice Chairman of BPK, also present were the Governor of Bank Indonesia, Minister of State Secretary, Minister of Finance, Minister of Communication and Information, and Governor of DKI Jakarta. ●





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- Document format is in Microsoft Document (.doc) with a minimum of 7,000 characters, and a maximum of 9,000 characters.

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the publication of the article will be based on the decision of the Editorial Meeting of the Warta Pemeriksa.



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1
Collaboration with the Ministry of Foreign Affairs in Indonesia's candidacy campaign as UNIDO external auditor, October 15, 2021.

2-3
BPK Chairman Agung Firman Sampurna asks for trust and support for Indonesia's candidacy as UNIDO external auditor for the period of 2022-2024 at a reception inviting Ambassadors of UNIDO Member States, October 19, 2021.

4-6
BPK Vice Chairman Agus Joko Pramono and Board Member VI Harry Azhar Azis give a speech at the Technical Coordination Meeting of Directorate General of Audit V and VI held in Magelang, October 14, 2021.



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7-8
Board Member I Hendra Susanto gives a public lecture themed “State Financial Management Accountability: Challenges and Synergies in Realizing Accountable Government” at the National Cyber and Crypto Polytechnic, October 11, 2021.

9
Board Member IV Isma Yatun meets Minister of Transportation Budi Karya Sumadi at the Ministry's Head Office, October 12, 2021.

10
Board Member IV Isma Yatun inspects the East Kalimantan Toll Road, Point Zero area and the State Capital in East Kalimantan, October 6, 2021.



11
Board Member IV Isma Yatun inspects the audit process of the construction of household gas networks in Balikpapan City, October 7, 2021.

12-13
Board Member V Bahrullah Akbar gives a speech at the IPKN National Coordination Meeting held in Magelang, October 14, 2021.





14-15
BPK Chairman Agung Firman Sampurna attended CGCAE convocation in BPKP Office, 10 November 2021.

16
Courtesy Call between BPK Chairman Agung Firman Sampurna and BPK Vice Chairman Agus Joko Pramono with Minister of Health, 1 November 2021.



17-18
BPK Board Member I Hendra Susanto attended a Flag Ceremony commemorating the 76th Anniversary of Ministry of Law and Human Rights, 30 October 2021.



19-20
The Annual Coordination Meeting of Audit VII on 19 November 2021 was attended by BPK Board Member VII Daniel Lumban Tobing.

21
BPK's Co-Operative Annual Year-End Meeting, 1 November 2021.



22

22-24
Handover of IHPS I 2021 to the Indonesian Regional Representative Council (DPD) in Jakarta, December 16th, 2021.

25
Working visit of the Indonesian National Army Commander, General Andika Perkasa to the Chairman of BPK, Agung Firman Sampurna, at the BPK RI Building, November 23rd, 2021.



23



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26
Chairman of BPK, Agung Firman Sampurna, expressed his appreciation at the third quarterly meeting of Ikistra and DWP (employee's spouses and female worker) BPK's General Secretariat and the 22nd Anniversary of DWP, December 22nd, 2021.



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27
Closing of the 2021 Working Meeting by Vice Chairman of BPK, Agus Joko Pramono, December 27th, 2021.



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28-29
Vice Chairman of BPK, Agus Joko Pramono, attended the Opening Ceremony of the Presidency of the Group of Twenty (G20) Indonesia, held at Banteng Square, December 1st, 2021.



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30
Supervision of Board Member I of BPK, Hendra Susanto, to Bakamla RI, December 21st, 2021.

31
Board Member II of BPK, Pius Lustrilanang, and Minister of Finance, Sri Mulyani Indrawati, signed a joint agreement on the Tax Audit Protocol, December 27th, 2021.

32
Board Member III, Achsanul Qosasi, attended a consultation meeting in the BAKN Meeting Room, November 26th, 2021.

33
Late Board Member V of BPK, Harry Azhar Azis, gave his directions at the AKN V Working Group Meeting, November 30th, 2021.

34
Board Member VI, Nyoman Adhi Suryadnyana, in a scientific oration for the CSFA recognition program certification, December 29th, 2021.

35
Board Member VII of BPK, Daniel Lumban Tobing, received the Certified Internal Audit Executive (CIAE) title Recognition Program at the launch of the CIAE certification organized by the Indonesia's National Government Internal Auditor/ Financial and Development Supervisory Board (BPKP) at BPKP Headquarters, November 22nd, 2021. Head of BPKP, Muhammad Yusuf Ateh, and Minister of State Owned Enterprises, Erick Thohir, were also present.

**AUDIT BOARD
OF THE REPUBLIC OF INDONESIA**

is granted with

**the 2021 BKN
(National Civil Service Agency) Award**

for Category
A-Type State Institutions/
Non-Ministerial
Government Institutions



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