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G20 INDONESIA
2022



SAI20
INDONESIA
2022

English Version



SAI20, VALUABLE LEGACY OF BPK FOR THE WORLD



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IHPS I 2022 Reveals
9,158 Findings

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BPK Chairperson Presents Audit
Results to the IMO Council Meeting

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SAI20 Summit Produces
12 Communiqué Points



The Audit Board of the Republic of Indonesia (BPK) successfully held the Supreme Audit Institution 20 (SAI20) Summit on 29-30 August 2022. Even though this was the first Summit being held, the SAI20 Summit was able to adopt rules of procedure (RoP) or internal rules and joint communiqués.

The big event of the SAI20 Summit is the main issue that the editorial team has prepared for this edition. Considering that this Summit has become a legacy from Indonesia, especially BPK, to the world. Since G20 founded in 1999, this is the first time for the engagement group of SAIs from G20 member countries formed.

The existence of SAI20 aims to support the government's efforts to achieve transparency and accountability at the global level, especially in mitigating the impact of the Covid-19 pandemic. Furthermore, to encourage the achievement of Sustainable Development Goals (SDGs) targets. In line with the theme of the G20 Indonesia Presidency, SAI20 carries the tagline "Recover Together, Recover Stronger through Foresight Capacity in the Framework of Leading Post-Covid19 Governance and Achieving SDGs Target".

The formation and implementation of SAI20 also received a positive response from President Joko Widodo (Jokowi). In his state speech at the 2022 MPR Annual Session at the Parliament Complex, Jakarta, Tuesday (16/8), Jokowi appreciated the formation of SAI20. This is expected to further strengthen Indonesia's leadership in the G20 forum.

On that occasion, President Jokowi also appreciated the synergy between the BPK and the government in overcoming the crisis. He further said, Indonesia is one of the countries that is able to face the global crisis, one of which is by successfully controlling the Covid-19 pandemic. Indonesia is included in the top five countries with the most vaccinations in the world with 432 million doses of vaccine that have been injected.

"BPK has maintained the synergy between the quality of state financial management and flexibility in dealing with crises. This is very helpful for the government," Jokowi said.

Another important issue that the editorial team has prepared is the Summary of Semester Audit Reports (IHPS) I 2022. This IHPS contains a summary of 771 audit reports consisting of 682 financial audit reports, 41 performance audit reports, and 48 special purpose audit reports.

A total of 51.8 percent, or 8,116 problems found were non-compliance worth Rp17.33 trillion. Then 44.8 percent of them or 7,020 problems found are related to weaknesses in the internal control system. The rest 3.4 percent or 538 problems found are related to inefficiencies, uneconomical and ineffective value of Rp1.04 trillion.

This edition also contains an audit of the management of increased use of domestic products (P3DN) for government spending in 2020 and Semester I of 2021. The audit conducted on the Ministry of Industry and other related agencies revealed seven audit findings and recommendations.

From the audit, BPK also encouraged the government to increase the use of domestic products as an effort to increase added value and create industrial sector independence. In 2020, the domestic component level target (TKDN) set out in the 2020-2024 National Medium Term Development Plan (RPJMN) has been achieved.

However, it has not met the target set by the Ministry of Industry (Kemenperin) in the 2020-2024 Strategic Plan. The target set by the Ministry of Industry is higher than that stated in the RPJMN. In the 2020-2024 RPJMN, the achievement of TKDN in 2020 is targeted at 43.3 percent and 50 percent in 2024. Meanwhile, the Ministry of Industry's Strategic Plan for 2020-2024 stipulates TKDN in 2020 at 49 percent and 53 percent in 2024.

There are still many other interesting reports that the editorial team has prepared in this edition. Enjoy. ●

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(Source: BPK Regulation 4/2018 concerning BPK Code of Ethics)

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During the audit process, the entity had followed up audit findings by depositing money and/or handing over assets worth IDR 2.41 trillion or 13.9 per cent of the value of non-compliance issues of IDR 17.33 trillion.

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OVERSEEING THE PROGRAM OF USING DOMESTIC COMPONENTS

Audit conducted at the Ministry of Industry and other relevant agencies revealed seven audit findings and recommendations.

The government continues to encourage the use of domestic products as an effort to increase added value and realize the independence of the industrial sector. In 2020, the target of the Domestic Component Level (TKDN) set out in the National Medium-Term Development Plan (RPJMN) 2020-2024 has been achieved. However, it has not been in accordance with the target set by the Ministry of Industry (Kemenperin) in the 2020-2024 Strategic Plan.

The target set by the Ministry of Industry is higher than the one stated in the RPJMN. In the 2020-2024 RPJMN, the achievement of TKDN in 2020 is targeted at 43.3 percent and 50 percent in 2024. The Ministry of Industry's Strategic Plan 2020-2024 sets TKDN in 2020 at 49 percent and 53 percent in 2024.

To oversee the government's efforts, the Audit Board of the Republic of Indonesia (BPK) has conducted an audit of the Management of Increased Use of Domestic Products (P3DN) in Government Expenditures in the year of 2020 and Semester I of 2021. Audits conducted at the Ministry of Industry and other relevant agencies revealed seven audit findings and recommendations.

P3DN is an industrial empowerment policy that aims to increase the use of domestic products by the government, business entities, and the community as well as empower domestic industries through securing the domestic market, reducing dependence on imported products, increasing domestic added value, and strengthening industrial structures. Referring to the 2020-2024 RPJMN, the Ministry of Industry as a user of domestic products and industry coaches has set a target for achieving the TKDN value as stated in the 2020-2024 Strategic Plan in the Third Strategic Target (SS3), namely "Increasing the Capability of Domestic Industry".

One of the target values for TKDN is the re-

sult of the implementation of the function of fostering increased use of domestic products at the Ministry of Industry which is carried out by the Directorate General of industrial development. In addition, the TKDN certification function is carried out by the P3DN Center assisted by an independent verification agency.

"The Ministry of Industry's 2020 Performance Report shows that the achievement of the TKDN value is still below the 2020-2024 Strategic Plan target, including the TKDN indicator (weighted average) and the percentage of achievement of using domestic products in the procurement of government goods and services with a value of 43 each. 68 percent and 30 percent," said BPK in the Report of Audit with a Specific Purpose



for the Management of Increasing the Use of Domestic Products in Government Expenditures for the year of 2020-Semester I 2021. The Directorate General of Industrial Development at the Ministry of Industry has duties including fostering the use of domestic products. To carry out this development, it is necessary to prepare a development plan for increasing the value of TKDN (TKDN roadmap) for the priority products to be developed.

The audit show that there are still weaknesses in the implementation of the use of domestic products related to the absence of a TKDN roadmap. Some of the weaknesses found by BPK related to this matter include, not all Ministry/Agencies/enterprises have set targets for achieving TKDN. As known, the 2020-2024 RPJMN stipulates two priority programs related to TKDN, namely the Development of the New Renewable Energy Industry (EBT) with the implementing agency of the Ministry of Energy and Mineral Resources with an indication of a target of 40 percent-70 percent for the construction of EBT Power Plants and Strengthening Domestic Access Protection Policies for nine industrial sector with a weighted average TKDN



kateryna babaieva-pexels

of 40.8 percent.

The results of document reviews and interviews with the P3DN Center show that not all ministries and institutions have set TKDN targets in the procurement of government goods and services. Until the first semester of 2021, there are only two ministries that have determined and are trying to increase the use of PDN.

One of these ministries is the Ministry of Energy and Mineral Resources. The increase in TKDN by the Ministry of Energy and Mineral Resources is stated in the Minister of Energy and Mineral Resources Regulation Number 15 Year 2013 concerning the Use of Domestic Products in Upstream Oil and Gas Business Activities. The Strategic Plan of the Ministry of Energy and Mineral Resources for 2020-2024 has also set a target for achieving the percentage of TKDN in the second Strategic Target "Optimizing the Availability of Mineral Supply". Another ministry is the Ministry of Public Works and Public Housing (PUPR), which is stated in the Letter of the Minister of PUPR Number PB.01.01-Mn/2775 dated December 30, 2020. The letter explains that the implementation of the procurement of goods/services at the Ministry of PUPR must use domestic product materials or domestically produced. However, the letter did not set a target for achieving the TKDN value.

Another problem found by BPK regarding TKDN is the low transaction value of Ministry/Agencies TKDN certified products in e-purchasing. The results of TKDN verification for goods/services that are given a valid mark of TKDN achievement with a validity period of 3 years are included in the Goods/Services Inventory List (DIB) of domestically produced goods/services which is published on the <http://tkdn.kemenperin.go.id> website. The goods for which the TKDN value has been assigned are integrated with the LKPP e-catalog data.

The results of the audit of the TKDN Achievement Legal Certificate on DIB which were taken from the website <http://tkdn.kemenperin.go.id> as of 27 October 2021 showed that of 23,014 certified products, there were 1,888 products with a valid TKDN Achievement Certificate which was no longer valid. "Further search results show that from 1,888 products, 306 products have been extended and 1,582 others are not yet identified whether they have been extended," stated by BPK in the LHP.

According to BPK audit, the realization of TKDN in BUMN is also still low. BUMN is one of the agencies that are asked to play an active role in optimizing the use of domestic products. This active role is measured through TKDN in every project owned and reported regularly to the Government.

The results of the initial analysis of documents obtained from the P3DN Center related to the achievement of TKDN at PT Perusahaan Listrik Negara (PLN) (Persero) show that there are still electricity infrastructure development projects with the achievement of TKDN values below the minimum TKDN value stipulated in Permenperin Number 54/M -ENG/PER/3/2012. Some of them have deviations of up to 43 percent, among others, in the construction of infrastructure for power generation, transmission, and substations.



In the 2020-2024 RPJMN, the achievement of TKDN in 2020 is targeted at 43.3 percent and 50 percent in 2024. The Ministry of Industry's Strategic Plan 2020-2024 sets TKDN in 2020 at 49 percent and 53 percent in 2024.

Regarding the problem of non-achievement of TKDN in the construction of electricity generation infrastructure at PT PLN (Persero), BPK has requested data on the implementation of TKDN achievements of State Owned Enterprises (SOEs) to the Ministry of SOEs. Through BPK Letter Number S-673/S.MBU/10/2021 regarding the Submission of the Realization Report for the Level of Domestic Components of SOEs for the Year of 2020 - Semester I of 2021, the Secretary of the Ministry of SOEs stated that SOEs had independently calculated TKDN for projects and submitted the results of these calculations to BPK.

The percentage of TKDN realization in the year of 2020 and Semester I of 2021 is 31.63 percent and 56.01 percent, respectively. In addition, there are two companies with TKDN reali-

zation values below 25 percent in 2020.

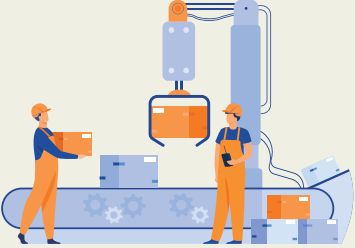
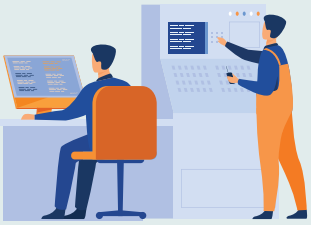
Another finding of BPK related to P3DN audits is that the supervision and evaluation of the management of the use of domestic products has not been fully implemented and reported. Monitoring and evaluation activities are carried out to measure the achievement of the goals and objectives that have been set. In accordance with PP Number 29 of 2018 concerning Industrial Empowerment, supervision of the implementation of P3DN is carried out by internal auditor/control apparatus (APIP) as well as internal supervisory officials, and the P3DN Team. The goal is to determine the fulfillment and compliance with the implementation of P3DN including the consistency of commitments of Ministries/Agencies, State/Regional Enterprises (BUMN/D) and Regional Governments and/or producers of goods and/or service providers in P3DN.

Although monitoring and evaluation activities have been carried out, the monitoring and evaluation activities for the implementation of P3DN management still show problems.

The Monitoring Working Group is known to have a number of tasks. One of the tasks is to receive and identify the plan for the procurement of goods/services from the P3DN Team. Then, aligning the procurement plan with the availability of domestic products according to the list of inventories of domestic products issued by the ministry that carries out government affairs in the industrial sector. Another task example is monitoring and evaluating the implementation of the mandatory use of domestic products.

The results of the analysis on the implementation of monitoring and evaluation by the P3DN Monitoring Working Group and the P3DN Center as the Secretariat of the P3DN National Team, based on the documents and statements of the Governance and Certification Coordinator at the P3DN Center, show that the P3DN Center has not provided guidance to producers of goods and/or service providers to be able to meet plans for the use of domestic products. In addition, the Working Group Monitoring Team has not monitored all transaction values of TKDN certified products in the procurement of government goods and services, and supervision related to the inclusion of TKDN values on product labels that have been validated with TKDN certificates has not been implemented. ●

A number of BPK Findings and Recommendations in P3DN Audit

Problems	Consequences	BPK's recommendations
<p>Efforts to increase the use of domestic products (P3DN) have not been supported by the development plan (roadmap) to increase the value of TKDN and the determination of priority products to be developed, among others, not all Ministries/Agencies/Enterprises set the TKDN achievement targets, the transaction value of Ministries/Agencies TKDN certified products on E-Purchasing is still low, and the realization of TKDN in State Owned Enterprises is still low.</p>	<p>There are no clear measures and guidelines related to industrial empowerment and industrial structure strengthening in the implementation of P3DN.</p> 	<p>The Minister of Industry as the Daily Chief of the P3DN National Team instructs the Director General of industrial development to coordinate with relevant Ministries/Agencies to prepare a TKDN roadmap and determine priority products to be developed.</p>
<p>Implementation of TKDN certification has not been supported by adequate standards and procedures to guide producers and surveyors implementing TKDN achievement verification.</p>	<p>There is no harmonization of regulations and standardization of supporting documents so that it is not possible to know the depth of the industrial structure in calculating TKDN for products certified as TKDN.</p>	<p>The Minister of Industry instructs the Head of the P3DN Center to compile standards and procedures related to the procedure for calculating factory overhead and the types of documents used in calculating TKDN to become a reference for surveyors to implement verification of TKDN achievements.</p>
<p>Supervision and evaluation of P3DN has not been fully implemented and reported.</p> 	<p>Daily Chief of the P3DN National Team, P3DN Center, Director General, Director General of Chemical, Pharmaceutical, and Textile Industries (IKFT), and Director General of Metal, Machinery, Transportation Equipment, and Electronics (ILMATE) of Ministry of Industry cannot identify weaknesses in P3DN as material for decision making and improvement of P3DN.</p>	<p>The Minister of Industry as the Daily Chief of the P3DN National Team instructs the Chief of the Monitoring Working Group to prepare a mechanism for monitoring procedures and procedures related to the implementation of P3DN.</p>

Source: IHPS II 2021

GOVERNMENT ATTEMPTS TO INCREASE SPENDING ON DOMESTIC PRODUCTS



tom fisk-pexels

This issue is part of the audit objects of the Inspectorate General of the Ministry of Public Works and Housing (PUPR).

President Joko Widodo asks officials to use the budget to spend on domestic products. The Government spending at central and regional levels must be able to create added value for the country and generate domestic economic growth. It is conveyed by Jokowi at the 2022 National Coordination Meeting for the Government Internal Control conducted last June.

Minister of Public Works and Housing

Basuki Hadimuljono says that the President's directives are now being emphasized. "In the past, the President instructed to prioritize spending on domestic products. Now, the direction is stricter, that imports are prohibited," Basuki said to *Warta Pemriksa*.

Basuki explains that two years ago, he had issued a ministerial regulation to prioritize domestic product spending. He also included the issue as one of the audit object of the Inspectorate General of the Ministry.



In the past, the President instructed to prioritize spending on domestic products. Now, the direction is stricter, that imports are prohibited

"Alhamdulillah (Thank You, God), maybe now it has been around 90 percent. So, almost all of them have been domestic products," he said.

Basuki emphasizes that spending on domestic products must be prioritized despite the quality, which is not as strong as imported products. He gives an example, if there are imported products with a durability of 20 years compared to domestic products with a durability of 10 years, they must continue to prioritize domestic products.

"Because if we do not buy them they will not grow," he said.

Currently, the Ministry of PUPR has collaborated with various local producers to produce or manufacture substitutes for imported goods. The excavator, Basuki says, is an example of product being now manufactured in collaboration with the State-Owned Enterprise, PT Pindad. "It is so that

there is still a domestic product," he said.

Minister of Agriculture Syahrul Yasin Limpo mentions the same thing. He says that the regulation of the Minister of Agriculture related to spending on domestic products had also been issued. In fact, according to him, almost all leaders of ministries/agencies have shown their commitments to support domestic product spending.

"I think all ministers (have issued regulations)," he said.

Syahrul says that the directive to support domestic product spending is no longer a priority but a necessity. So, he said, it is expected that the quality of domestic products can increase in the future.

State spending is expected to be more efficient and can provide added value to the economic. By spending on domestic products, the employment rate will also increase. ●



kaleb salmon-pexels

IHPS I 2022 REVEALS 9,158 FINDINGS

During the audit process, the entity had followed up audit findings by depositing money and/or handing over assets worth IDR 2.41 trillion or 13.9 per cent of the value of non-compliance issues of IDR 17.33 trillion.

The Audit Board of the Republic of Indonesia (BPK) presents the Summary of the Audit Results of the First Semester of 2022 (IHPS I 2022) to Speakers of the House of Representatives (DPR) in a Plenary Session taking place at Senayan Parliament Complex in Jakarta, Tuesday. On the occasion, BPK reveals 9,158 findings containing 15,674 problems worth IDR18.37 trillion.

"The IHPS I 2022 contains a summary of 771 audit reports, consisting of 682 financial audit reports, 41 performance audit reports, and 48 special-purposed audit reports," BPK Chairperson Isma Yatun said in her speech.

She explained that as many as 51.8 per cent or 8,116 problems are non-compliances worth IDR17.33 trillion, 44.8 per cent or 7,020 problems are related to weaknesses in the internal control system, and 3.4 per cent or 538 problems are tho-

se of inefficiency, uneconomical and ineffectiveness worth IDR1.04 trillion.

Non-compliance problems resulting in state losses, potential state losses and a lack of revenues are found in 5,465 cases amounting to IDR17.33 trillion. Additionally, the non-compliance of administrative irregularities is found in 2,651 cases.

"Related to these problems, the entity had followed up the findings during the audit process by depositing money and/or handing over assets of IDR2.41 trillion, 13.9 per cent of the value of non-compliance issues of IDR17.33 trillion," Isma said.

Furthermore, she says, related to issues of uneconomical, inefficiency and ineffectiveness, there are 53 problems amounting to IDR787.90 billion that are related to the uneconomical problems. There are 7 problems of inefficiencies and 478 problems worth IDR257.90 billion are related to ineffectiveness.



■ BPK Chairperson Isma Yatun hands the Audit Results Summary of the First Semester of 2022 (IHPS I 2022) to Speakers of the House of Representatives at a Plenary Session in Senayan Parliamentary Complex, Jakarta, Tuesday.



■ Ketua BPK Isma Yaton

The IHPS I 2022 shows the results of monitoring of the settlement of state/regional losses for the period of 2005 – first semester of 2022 with a predetermined status of IDR4.56 trillion. The level of completion shows that as much as IDR2.26 trillion had been repaid, IDR365.22 billion has been in the process of installments and IDR84.68 billion had been write-offs.

"Thus, there is still a remaining loss of IDR1.84 trillion or 40 per cent of the total cases of state/regional losses," Isma said.

Other financial statements year 2021 that are also audited by BPK include those of Bank Indonesia, Financial Services Authority (OJK), Deposit Insurance Corporation and Hajj Financial Management Agency.

The IHPS I 2022 also contains 41 performance audit reports, including the audits of the government's effectiveness in implementing sustainable urban transportation in Jakarta Province and the local governments' efforts to tackle poverty in 34 provinces. There are 48 special-purposed audit reports that are also revealed, including the audits of goods expenditure and the management of subsidies/public service obligations (KPP/PSO).

From 2005 to the first semester of 2022, BPK has provided 660,894 recommendations worth IDR302.56 trillion. The monitoring results show that 77.3 per cent or 511,380 recommendations of IDR148.19 trillion has been followed up accordingly, 17.1 per cent or 112,757 recommendations of IDR111.43 trillion has not been accordingly followed up, 4.5 per cent or 29,835 recommendations of IDR19.60 trillion has not been followed up, and 1.1 per cent or

6,922 recommendations of IDR23.34 trillion could not be followed up. Cumulatively, up to the first semester of 2022, BPK's recommendations have been followed up for as much as IDR124.60 trillion.

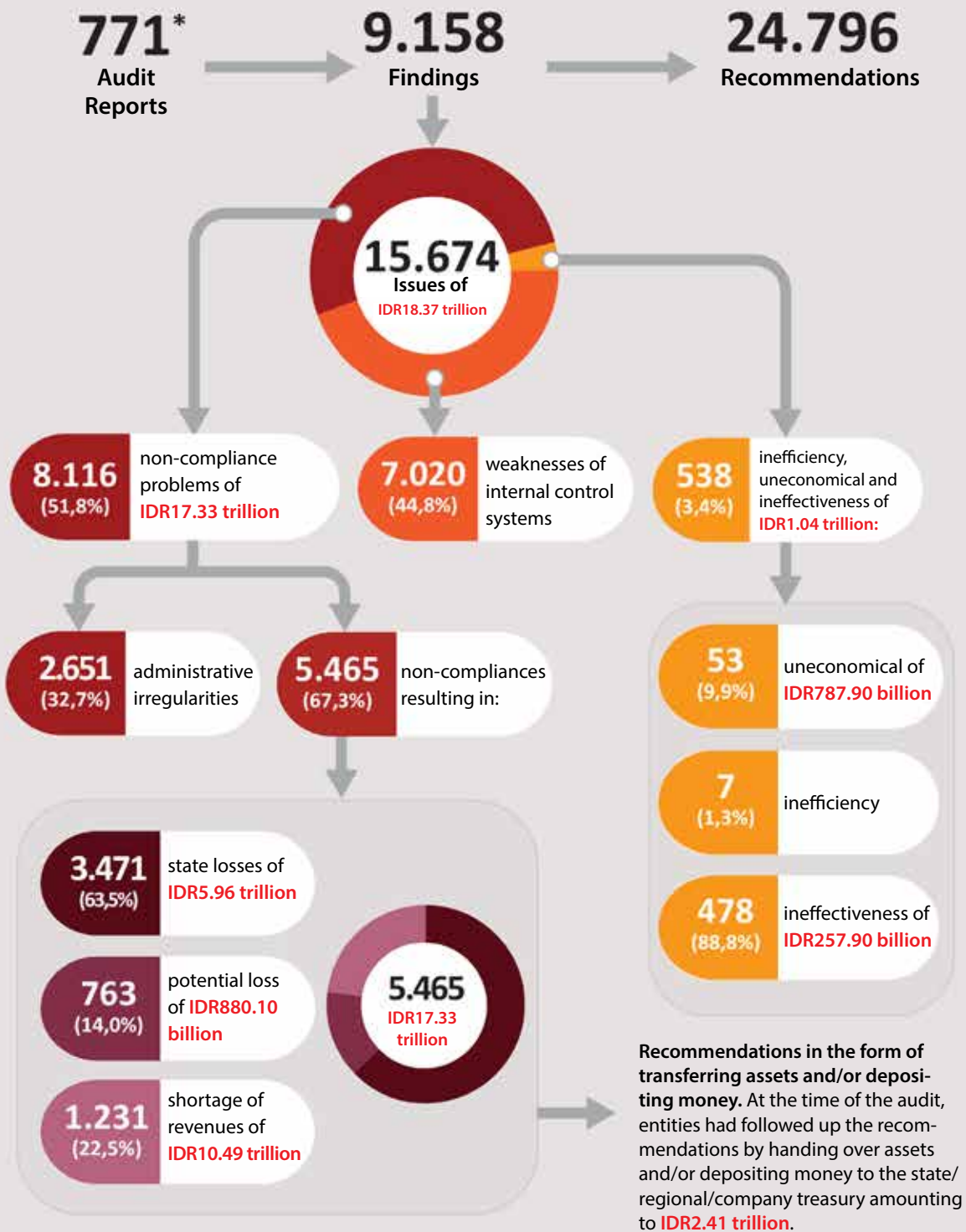
This achievement demonstrates the benefits of BPK's audit results as well as a manifestation of the entities' commitments in realizing a more transparent and accountable management of the state finance to achieve the national objectives.

In her speech, Isma also expresses her gratitude for this year, Indonesia had received the mandate of the Group of 20 (G20) Presidency. Related to the presidency carrying the theme of "Recover Together, Recover Stronger", BPK has taken the initiative to form a new engagement group, the Supreme Audit Institution 20 (SAI20). It is the SAI's group of G20 members aiming at encouraging collaboration through knowledge and best practices sharing across SAIs of the G20 member countries and other relevant stakeholders to promote accountable governance.

She expects that the SAI20 can contribute to the success of the G20, especially through programs designed to accelerate economic recovery and to achieve SDGs' targets.

"On this special occasion, I would like to express my deepest gratitude to Speakers and all Members of the House of Representatives for the synergy and good cooperation, especially in the context of implementing the good governance in our beloved nation, Indonesia. Hopefully, our collaboration will become stronger and more solid in the future," Isma said. ●

AUDIT RESULTS OF THE FIRST SEMESTER OF 2022



*The amount does not include the audits of political party financial assistance and results of investigative audits.

POVERTY ALLEVIATION PROGRAMS IN REGIONAL GOVERNMENTS HAVE LOW EFFECTIVENESS

Performance audits of poverty alleviation programs were conducted in 34 provincial governments in Indonesia.



- Chairman of the Audit Board of the Republic of Indonesia (BPK) Isma Yatun submitted Summary of Semester Audit Reports (IHPS) for 1st Semester of 2022 to Speaker of Representatives Council of the Republic of Indonesia (DPD RI), AA LaNyalla Mahmud Mattalitti, in DPD Building, in Jakarta, on Friday (7/10).

Summary of Semester Audit Reports (IHPS) for 1st Semester of 2022 comprises result of performance audits conducted in regional governments. Some of performance audits include government programs for poverty alleviation and education related areas.

Submitted to the House of Representatives of the Republic of Indonesia (DPR RI) on 7 October 2022, Chairperson of the Audit Board of the Republic of Indonesia (BPK), Isma Yatun, said that Summary of Semester Audit Reports for 1st Semester of 2022 consists of 41 performance audits covering 1 central government audit object, 35 regional government audit objects, and 5 State-Owned Enterprises (BUMN) audit objects. Taking three themes of national priority issues, the performance audit encompasses strengthening economic resilience, human resource

development, and building infrastructure.

“The performance audit conducted in regional governments includes performance audit of poverty alleviation programs in 34 provincial governments in Indonesia for fiscal year of 2021,” Chairperson conveyed.

Chairperson of BPK said result of the audit showed that poverty alleviation programs carried out by provincial governments had lower effectiveness. Some significant causes involved policy aspect, program/subprogram execution, and community empowerment.

In relation with policy on poverty alleviation, many provincial governments had not yet prepared for or set out either Regional Poverty Alleviation Planning (RPKD) or Yearly Action Plan (RAT). In addition, provincial governments had not made optimum coordination among regencies/cities governments and working units under them about poverty alleviation policies.

“Scrutinizing execution of poverty alleviation programs, it was found that some provincial governments had not carried out the programs timely, effectively, and beneficially yet. Sufficient monitoring and evaluation were also absent,” Chairperson said.

Looking at the audit findings, BPK provided some audit recommendations to Governor. First, it is recommended to prepare for comprehensive Regional Poverty Alleviation Planning (RPKD) and Yearly Action Plan (RAT) timely. Second, it is necessary to set out and implement coordination mechanism for poverty alleviation programs among provincial, regencies/cities, and working units as well as relevant institutions in respective region.

“The other audit recommendation is carrying out both monitoring and evaluation of poverty alleviation programs/activity executions,” Chairperson said.

Performance audit was also conducted in education related areas. BPK completed performance audit of effectiveness management of Jakarta Smart Card Plus (KJP Plus) program and Jakarta Excellent Student Card (KJMU) program for fiscal year of 2020 – 2021 carried out by Provincial Government of Special Capital Region of Jakarta and related institutions in Jakarta.

The audit found some issues that needed for quick fixing and responses of Provincial Government of Special Capital Region of Jakarta, or then the issues would disrupt effectiveness management of KJP Plus and KJMU programs. The issues included regulations and data collection processes for recipient candidates of KJP Plus and KJMU programs. The data collection processes had not produced valid data yet.

BPK also found distribution of KJP Plus cards and KJMU cards and/or their relevant bank account cards had not been carried out timely yet. The issue resulted in accumulation of fund in recipient account amounted to Rp112.29 billion, generating risks of fund misuse. Another issue was fund distribution of Rp103.89 billion for both KJP Plus and KJMU that had no timely circulation. The amount was composed of Rp20.92 billion that had not been fully received during benefit-distribution period and Rp82.97 billion that had been accumulated in escrow account for period of 2013 – 2021.

Understanding the issues, BPK recommended Governor of Jakarta to sharpen up Governor Regulations and/or Technical Guidance on KJP Plus and KJMU programs. One of recommendations is regulation on data collection for recipient



DPD RI, particularly Committee IV and Public Account Committee (BAP), will make follow-up to audit recommendations provided by BPK to regional governments.

candidate of KJP Plus needs to involve working units in education area, it will provide better selections and recommendations of recipient candidate of KJP Plus.

Further audit recommendation advised President Director of Bank DKI Enterprise to improve services, particularly Automatic Teller Machine (ATM) card and/ bank account card distribution service, that could bring recipients near and offer them flexible hour for banking services. “Bank DKI needs to appoint dedicated banking staffs to monitor distribution of KJP Plus and KJMU related funds that detail data on the funds, which ones that have not been yet distributed, will be easily found using data by name,” Chairperson said.

Audit opinion on Financial Statements of Regional Governments (LKPD)

Chairperson of BPK informed that in 1st semester of 2022, BPK audited 541 out of 542 Financial Statements of Regional Governments (LKPD) for fiscal year of 2021. Among 541 regional governments that were audited, 500 regional governments (92.4%) achieved unqualified opinion (WTP), 38 regional governments (7%) obtained qualified opinion (WDP), and 3 regional governments (0.6%) got disclaimer.

Looking at government levels, a total of 34 provincial governments (100%) achieved unqualified opinion (WTP) following audit of their financial statements. Among 414 regency governments, 377 of them (91%) obtained unqualified opinion (WTP) and 89 out of 93 city governments (96%) also had unqualified opinion (WTP).

“The achievement of audit opinion has far fulfilled target set in 2020-2024 National Medium-Term Development Plan (RPJMN) for provincial, regency, and city governments that were set at 92%, 80%, and 92% in 2021,” Chairperson explained.



Chairperson of BPK elaborated that 41 Financial Statements of Regional Governments (LKPD) were not having unqualified opinion because some issues found during the audit affected fairness presentation of the financial statements. One of the issues is fixed asset related accounts. Chairperson of BPK revealed fixed asset recording of land, machine and equipment, building and structure, road, irrigation and network were either inaccurate or having low accuracy. In addition, costs incurred for renovation, repair, and other expenses after acquisition of the fixed asset had not been capitalized on it.

Another issue is capital expenditure related accounts. Overpayments for capital expenditure were found occurring because of under-volume works, unmatched work specifications, unfinished works, payment exceeding quality of works, and overprice indications. These overpayments that should be fixed by paid-in amount to regional government accounts had not been made. Further, compensation for land following its capital expenditure realization was not carried out in accordance with laws and regulations.

In readiness for follow-up to audit recommendations

Speaker of Regional Representatives Council of the Republic of Indonesia (DPD RI), LaNyalla Mahmud Mattalitti, said that DPD RI, particularly Committee IV and Public Account Committee (BAP), will make follow-up to audit recommenda-

tions provided by BPK to regional governments.

"We will learn the audit recommendations and we, through Committee IV and Public Account Committee (BAP), will make follow-up to the audit recommendations," LaNyalla said as quoted from official website of Regional Representatives Council of the Republic of Indonesia (DPD RI).

LaNyalla added that going through all reports and notes handed by Chairperson of BPK, he will ask both members and working units of the representative council to use the reports and notes as fundamental part to build synergy with regional governments. "Both the reports and notes will be used to make follow-up to audit recommendations and served as foundation to build synergy with regional governments to keep improving and establishing transparent and accountable state financial management," he said.

LaNyalla said that BPK is having an on-going performance audit in DPD RI, assessing work performance carried out by DPD RI. The audit is first conducted in state institution and DPD RI will be first entity having the audit.

"The audit is an effort to keep making improvements for more transparent, efficient, and effective work performance carried out by state institutions. All speakers of the Regional Representatives Council of the Republic of Indonesia (DPD RI) call for their members and working units to convey genuine information in accordance with laws and regulations and to perform their works at their best for optimum organizational work performance," LaNyalla said. ●

ACHIEVEMENT OF WTP OPINION EXCEEDS RPJMN TARGET

The quality of Financial Report of Line Ministries (LKKL) and Financial Report of Regional Government (LKPD) continues to increase. In fact, the results of the Unqualified Opinion (WTP) for LKKL and LKPD have exceeded the targets set in the 2020-2024 National Medium Term Development Plan (RPJMN). The following is an infographic on the results of the 2021 WTP LKLL and LKPD opinions which are included in the Summary of Semester Audit Report (IHPS) I 2022.

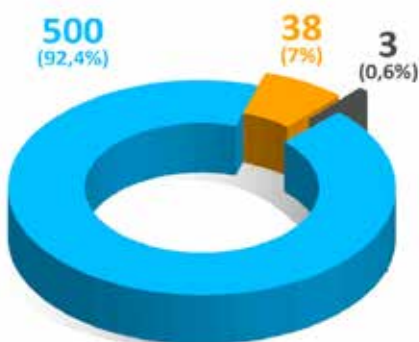
1 OPINION ON LKKL AND FINANCIAL REPORT OF STATE GENERAL TREASURER (LKBU) 2021



● Unqualified (WTP) Opinion ● Qualified (WDP) Opinion
 Note: Including BPK's Financial Report 2021



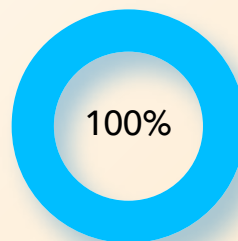
2 LOCAL GOVERNMENT FINANCIAL REPORT



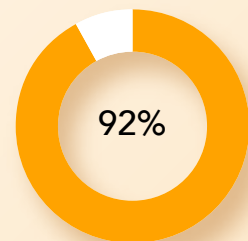
● Unqualified (WTP) ● Qualified (WDP) ● Disclaimer (TMP)

Outcome of WTP Opinion by Level of Government

Provincial Government

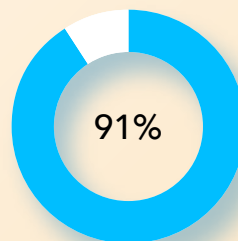


34 entities

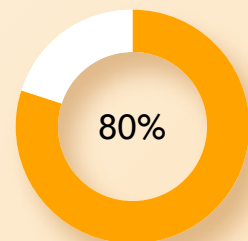


RPJMN Target

District Government

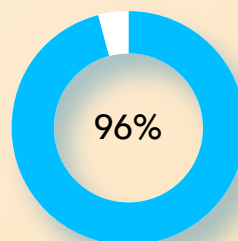


377 out of 414 entities

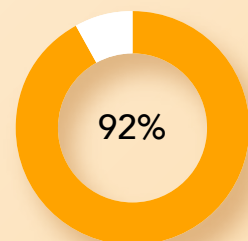


RPJMN Target

City Government



89 out of 93 entities



RPJMN Target

Number of LKPDs that have not received WTP opinion:
41 entities

Source: IHPS I 2022

Definition

BPK'S VIEWPOINTS

- ✓ BPK's Viewpoints is the assessment, conclusions, and recommendations of BPK on policies and/or regulations in the field of state financial management and responsibility, based on the results of audits and/or studies conducted by BPK in accordance with applicable laws and regulations.
- ✓ Article 11 letter a of Law Number 15 of 2006 on Audit Board of the Republic of Indonesia (BPK) states, BPK may provide viewpoints to DPR, DPD, DPRD, central government/local government, other state institutions, Bank Indonesia, state-owned enterprises, public service agencies, local-owned enterprises, foundations, and other institutions or entities due to the nature of their work.
- ✓ The viewpoints given by BPK include improvements in the areas of revenue, expenditure, loans, privatization, liquidation, mergers, acquisitions, government capital participation, government guarantees, and other areas related to the state financial management and responsibilities.

Criteria for BPK's Viewpoints

- a. Related to the state financial management and responsibilities
- b. Macro, which concerns the state financial management and responsibilities that have a wide impact
- c. Strategic, which has a significant impact on state financial management and responsibilities or concerning the welfare of the society.
- d. Massive, means it is a common problem.
- e. Actual issue, means the problem is currently being an issue.
- f. Urgent, means it is important to be resolved immediately.
- g. Relevant, valid, complete, and can be further processed.

Source of Requests of BPK's Viewpoints

- a. Internal, which is the viewpoints that comes from the BPK's initiative.
 - b. External, i.e. viewpoints derived from requests from parties outside BPK.
- ✓ Viewpoints sourced from internal BPK are divided into two categories:
 - a. BPK's Viewpoints that are based on the results of evaluation and analysis of audit results (IHPS and/or audit reports) by the Directorate of EPP that meets the criteria for its issuance.
 - b. BPK's Viewpoints that are based on the proposed viewpoints materials (UBP).





Increase Body Immunity



Sunbathe daily for 10-15 minutes before 9am and/or after 3pm.

Avoid smoking and alcoholic drinks.



1

5



Exercise with light/moderate intensity.

Limit reading news about the pandemic.

2

6

Online counseling with a psychologist or mental health doctor if anxiety and stress are bothering you.



Meditate and get enough sleep.

3

7

Virtual interaction with family and friends.



Be active as usual in the self-isolation room.



4

8



Postpone Exercise If:

1. Shortness of breath with oxygen saturation $<95\%$ at rest.
2. Fever for the last 2 days.
3. Chest pain, headache.
4. Cough continuously.



THE FULFILLMENT OF MADRASAH TEACHER NEEDS HAS NOT YET EVEN

The Ministry of Religious Affairs does not yet have an analysis or calculation of the need for an adequate quantity of madrasah teachers.



pendis.kemenag.go.id

The Audit Board of the Republic of Indonesia (BPK) recommends the Minister of Religious Affairs to develop a roadmap related to meet the needs of madrasah teachers. Based on the results of BPK audit, the fulfillment of the needs of madrasah teachers has not yet even. This was revealed in an audit conducted by BPK on the effectiveness of meeting the needs of madrasah teachers from 2019 to 2021 (semester I). The audit was carried out at the Directorate General of Education at the Ministry of Religious Affairs.

As stated by BPK in the Summary of Semester Audit Reports (IHPS) II 2021, the BPK audits reveal that the Ministry of Religious Affairs has made several efforts related to the distribution of quality education services. The Ministry of Religious Affairs already has an Information and Management System for Education and Education Personnel (Simpatika)

and provides a tool in the application, namely the business intelligence dashboard (BI dashboard) to map the needs of madrasah teachers.

Moreover, the Ministry of Religious Affairs also carried out a mapping of the number of madrasah teachers who had not qualified for S-1/D-IV as well as for those who were not certified educators and non-civil servant teachers (GBPNS) certified educators who had not passed through Simpatika. However, the audit shows that there are several things that still need to be improved. According to BPK's audit, the Ministry of Religious Affairs has not evenly met the quantity needs of madrasah teachers in accordance with its authority. Based on Simpatika's data as of November 11, 2021, there is a shortage of 56,756 teachers.

Then, the Ministry of Religious Affairs does not yet have an analysis/calculation of the need for an adequate quantity of madrasah teachers. They do not have an adequate formulation/

mapping of the number of madrasah teacher needs and the process of proposing the needs of CPNS madrasah teachers has not been carried out optimally.

The Ministry of Religious Affairs has not taken into account the availability of employed PNS teachers (DPK) in their respective regions in proposing the need for PNS madrasah teachers. "As a result, the even fulfillment of the need for number of educators based on the needs of madrasah to achieve quality education goals has not been optimal," as quoted from IHPS II 2021.

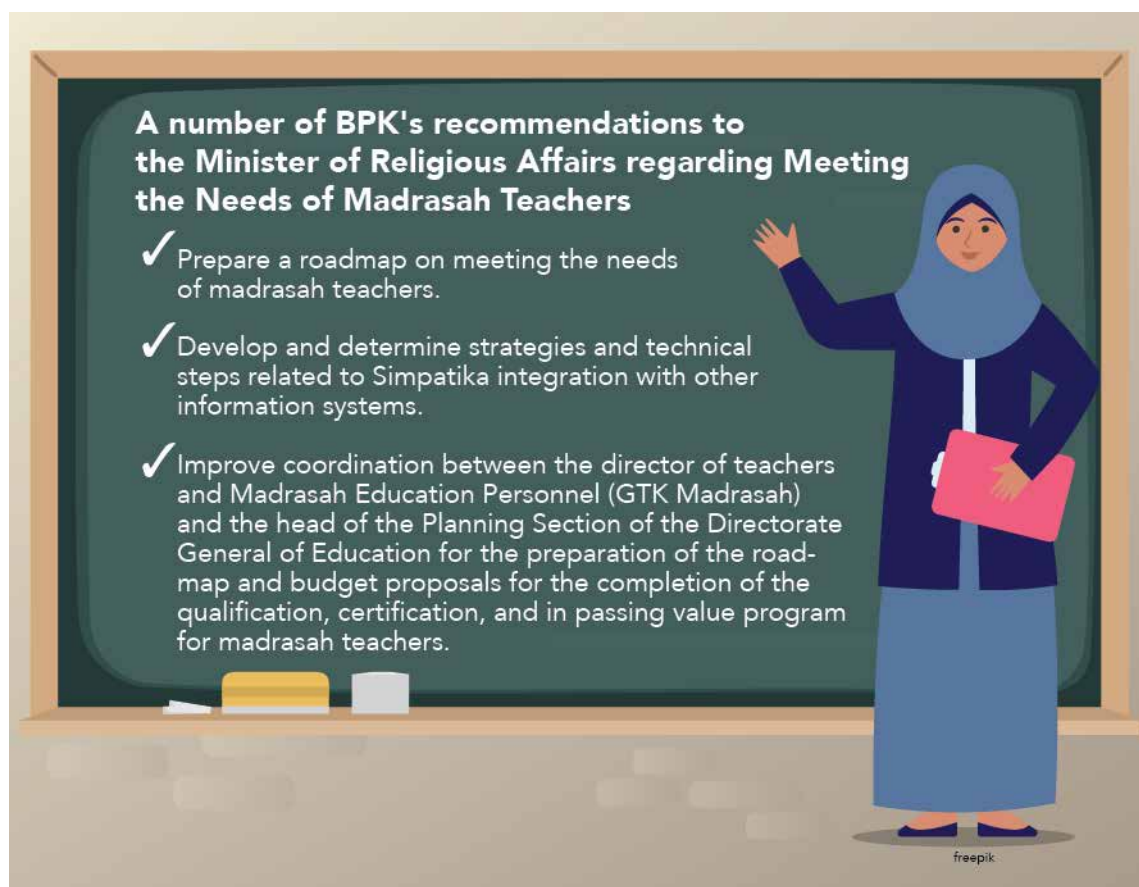
Another finding from BPK, the Ministry of Religious Affairs does not yet have a valid, up-to-date database that contains all madrasah teacher data. Further, the Ministry of Religious Affairs has not fully updated the madrasah teacher data management information system.

The verification and validation of the madrasah teacher database has not fully guaranteed the reliability/credibility of the data in Simpatika, which is integrated with each other.

Policies related to the integration of madrasah teacher data management information systems have not been implemented and

the madrasah teacher data presented among several information systems is different. This problem causes madrasah teacher data could not be fully utilized for decision making. In addition, the Ministry of Religious Affairs has not adequately met the quality needs of madrasah teachers. Of the 699,495 teachers, there are 48,086 teachers or 6.87 percent who have not met the qualifications of S-1/D-IV degree level and 441,030 teachers or 63.05 percent who have not been certified. There are also teachers who teach non-linearly with the qualifications of the undergraduate academic study program and/or certification.

It is also known that the Ministry of Religious Affairs does not yet have a clear roadmap, budget, and strategy to fulfill the qualifications of madrasah teachers, and has not conducted development and evaluation of the quality of teachers in private madrasah. "As a result, the fulfillment of the minimum qualifications of madrasah teachers according to the law is hampered, the quality of madrasah education learning is not optimal, and the rights of madrasah teachers have not been fully fulfilled." ●



GUARDING BLU'S REVENUE MANAGEMENT AT THE MINISTRY OF TRANSPORTATION

A shortage in revenue derived from simulator rental services at PPI Curug is found, amounted up to IDR 489 million.

BPK has carried out a compliance audit on revenue and expenditure management at seven Public Service Agencies (BLU) within the Human Resources Development Agency (BPSDM) of the Ministry of Transportation. The audit conducted for Fiscal Year 2019 until September 2020 aims to assess the management of revenues and expenditures at the seven BLUs, i.e., whether it has been in accordance with the provision of laws and regulations.

The BPSDM of Transportation has 23 BLUs formed to provide services to the community by providing goods and/or services without prioritizing profit, while operating based on the principles of efficiency and productivity. The BLU aims to improve services to the community by providing flexibility in financial management based on economic and productivity principles as well as the application of sound business practices. The BLU is spread over three Human Resource Development Centers, namely the Land, Sea and Air Transportation Human Resource Development Centers.

In its audit report, BPK reveals problems in revenues and receivables management of the three BLUs including the inadequate revenue management of the dormitory rent at the Flight Education and Training Center (BP3) Curug.

In addition, the revenue of the Center for Refresher Education and Improvement of Shipping Science (BP3IP) as a collaboration with the Trisakti Institute of Transportation and Logistics (ITL) has not been collected. On the other hand, there is inadequate control over revenue and receivable management of the Indonesian Aviation Polytechnic (PPI) Curug. These findings result in, among others, the realization of revenues at the BP3 Curug is inaccurate and at risk of a misuse of the state treasury, receivables from the contribution of edu-



dephub.go.id

cational costs of the ITL Trisakti are potentially not collected and PPI Curug's revenues are potentially not received.

There is a shortage of revenue from simulator rental services at the PPI Curug amounted to IDR 489 million. One of those receivables comes from PT ASP, which worth IDR 426 million consisting of IDR 406 million in 2019 and IDR 20 million in 2020. It is caused by recapitulation errors and the pricing difference for each simulator machine type.

BPK recommends the Minister of Transportation to increase supervision and control over the use and revenues of simulator rentals. He can impose sanctions to the Head of the Commercial Aircraft Simulator Management Unit that had been negligent in recapitulating and reporting the use of the simulator.

The Minister of Transportation may also impose sanctions to the Head of Public Relations and Business Development Subdivision, the Revenue Treasurer, and the Head of Finance Subdivision for not verifying documents for billing.

BPK also recommends the Minister of Transportation to instruct the Head of BPSDM Transportation, among others, to order the Head of BLU to impose sanctions on Section Heads, Heads of Subdivisions and asset managers, who are less than optimal in managing non-tax state revenues (PNBP). BPK asks the Head of BLU to improve supervision and control over the administration of BLU revenues. ●

SYNERGIZING IN GETTING THROUGH THE THREAT OF CRISIS

Corruption eradication continues to be the government's top priority.

President Joko Widodo (Jokowi) appreciated the synergy between the Audit Board of the Republic of Indonesia (BPK) and the government in dealing with the crisis. In his address to the Nation at the 2022 People's Consultative Assembly (MPR) Annual Session at the Parliament Complex, Jakarta, Tuesday (16/8), the President said that the challenges faced by Indonesia are severe.

When the health crisis due to the Covid-19 pandemic has not been fully resolved, a new challenge appears in the form of war in Ukraine. This has caused the food, energy, and financial crisis that spread throughout the world. Even so, thanks to the hard work of all the nation, Indonesia is one of the countries that is able to face this global crisis.

"BPK has maintained the synergy between the quality of state financial management and flexibility in dealing with the crisis. This is very helpful for the government," said Jokowi.

In his speech, Jokowi also appreciated the establishment of the Supreme Audit Institution (SAI)-20. This is expected to further strengthen Indonesia's leadership in the G20 forum. President Jokowi conveyed, Indonesia is one of the countries that is able to face the global crisis, one of which is by successfully controlling the Covid-19 pandemic. Indonesia is among the top five countries with the most vaccinations in the world with 432 million doses of vaccine that have been injected.

Jokowi also highlighted that inflation was successfully controlled in the range of 4.9 percent. This figure is far below the ASEAN average inflation of around 7 percent and far below the inflation of developed countries which is around 9 percent.

Until mid-2022, the state budget still has a surplus of Rp106 trillion. This supports the Government to be able to provide subsidies for fuel, LPG, and electricity of Rp502 trillion this year so that the prices of these commodities in the community do not soar.

The economy also managed to grow posi-

tively by 5.44 percent in the second quarter of 2022. The trade balance was also in surplus for 27 consecutive months and in the first semester of 2022 the surplus was around Rp364 trillion. According to Jokowi, this achievement is something to be grateful for. Indonesia's good economic fundamentals are able to withstand the impact of the turmoil.

"On the one hand, we must remain alert and cautious. Meanwhile, on the other hand, we must continue with the nation's big agendas to achieve Advanced Indonesia," said Jokowi.

The President said that Indonesia has the opportunity to continue developing. First, he said, the down streaming and industrialization of natural resources must continue. Nickel downstream, for example, has increased exports of iron and steel by 18 times.



BPK has maintained the synergy between the quality of state financial management and flexibility in dealing with the crisis. This is very helpful for the government.

Secondly, said Jokowi, the optimization of clean energy sources and a green economy must continue to be improved. Nurseries and rehabilitation of tropical forests and mangrove forests as well as the rehabilitation of marine habitats will continue to be carried out and will become a large potential carbon sink.

Clean energy from solar heat, geothermal, wind, ocean waves, and bio energy, will attract industrialization producing low-emission products. Jokowi also believes that the green industrial area in North Kalimantan will become the largest Green Industrial Park in the world.



■ President Joko Widodo delivers a speech to the Nation at the 2022 People's Consultative Assembly (MPR) Annual Session at the Parliament Complex, Jakarta, Tuesday (16/8).

"I am optimistic that we will become a producer of green products that are competitive in international trade," he said. The legal, social, political, and economic protection for the people also continues to be strengthened. Jokowi said eradicating corruption would continue to be a top priority. For that, the Police, the Prosecutor's Office, and Corruption Eradication Commission (KPK) will continue to move.

The major corruption in Jiwasurya, ASABRI, and Garuda were successfully dismantled so that improvements could be made. Delayed rescue of state assets, such as the BLBI case continues to be pursued and has shown results.

"The Corruption Perception Index score from Transparency International rose from 37 to 38 in 2021. The Anti-Corruption Behavior Index from BPS also increased from 3.88 to 3.93 in 2022," he said. Jokowi also emphasized that he would continue to support MSMEs so that they could immediately advance its class through digitalization. He said, 19 million of MSMEs have entered the digital ecosystem and it is targeted that 30 million

MSMEs will enter the digital ecosystem in 2024.

"The display of MSME products in the government's E-catalog is expected to absorb MSME products. At the same time, the obligations of the State Budget, Regional Budget, and State Owned Enterprises (SOEs) to buy domestic products will also continue to be disciplined," said Jokowi.

The development plan for the National Capital City or known as IKN will also be guarded. Jokowi emphasized that IKN is not only for state civil apparatus but also for innovators and entrepreneurs.

"The Central Government Core Area was indeed built by the state budget, but the rest, 80 percent of private investment is invited to participate," said the former governor of DKI Jakarta.

Jokowi stressed that this big agenda needs to be pursued with utmost prudence. *Eling lan was-podo*, or remember and stay alert, is an attitude that according to Jokowi needs to be done in dealing with a crisis. "We must always be prudent in our actions. We always have to be careful when we move," he said. ●

BPK EXPOSES NATIONAL ELECTRICITY COMPANY (PLN) RECEIVES GREATER COMPENSATION FUND OF RP1.2 TRILLION

PLN lost the opportunity to save on the main cost of supplying electricity in 2020 of Rp4.52 trillion.

The Audit Board of the Republic of Indonesia (BPK) has carried out three audits of electricity infrastructure at PT Perusahaan Listrik Negara (Persero) or National Electricity Company (PLN). The audit is related to the management of the independent power producer (IPP), the management of the transmission network, and the calculation of electricity tariff adjustments.

The results from the three audit objects concluded that the electricity infrastructure management had been carried out according to the criteria with exceptions. The audit results revealed 18 findings containing 41 problems.

These problems included 20 internal control system (SPI) weaknesses, nine non-compliances amounting to Rp1.23 trillion, and 12 economic, efficiency, and effectiveness (3E) problems amounting to Rp53.30 billion. One of the findings revealed by BPK relates to adjustments in electricity tariffs, which resulted in PLN receiving a compensation fund from the government of Rp1.2 trillion.

Regarding IPP management, BPK found problems from the results of audits on IPP management from 2016 to semester I 2020 at PLN and other related agencies. These problems include, in determining IPP generating capacity, PLN has not paid attention to financial capabilities and investment plans in accordance with good corporate governance.

This resulted in PLN not being able to measure the fairness and effectiveness of the investment of PT Pembangunan Jawa Bali (PJB) through PT PJB Investasi (PJI) in the Batang Toru Hydroelectric Power Plant (PLTA), as well as the risk of losing the investment. Regarding these problems, BPK recommended that PLN's directors conduct a review and evaluate the effectiveness of the investment that has been made by PJI in the Batang Toru hydropower plant, as well as formulate concrete strategic steps to mitigate risks in the investment.

In the procurement of IPP, and construction of IPP power plants, PLN determines electricity purchase rates without using the latest references and does not evaluate based on real conditions, and does not consider the land status of IPP assets after the contract period. These results in the potential for inefficiencies in the main cost of supplying PLN's electricity and one of them can burden the electricity subsidies paid by the government.

Regarding this problem, BPK recommends that PLN's directors instruct the Executive Vice President (EVP) of IPP and other relevant officials to evaluate the fairness of IPP's electricity purchase tariffs and then develop an action plan to follow up on the evaluation results in an optimal manner that will benefit PLN the most. This also includes communicating/consulting the adjustment of the purchase price of electricity in the related IPP contract by considering the land ownership status, residual value, and the real investment cost of the power plant.

In the operation of IPP generators, PLN has not optimally made efforts to reduce tariffs and mitigate the risk of absorbing electricity below the minimum limit in the take or pay scheme to improve the basic cost of supplying electricity. This resulted in PLN losing the opportunity to save on the basic cost of providing electricity in 2020 of Rp4.52 trillion from efforts to reduce electricity purchase rates. In addition, PT PLN has lost the opportunity to save on the basic cost of supplying electricity from making up electricity in 2020.

For this problem, the BPK recommends that PT PLN's directors develop guidelines regarding the determination of electricity tariffs in general, including for new and renewable energy generators (EBT), for future needs, and instructed EVP IPP and EVP of System Planning to optimally follow up on BPK's recommendations in the previous Audit Report. This is to seek energy make up to utilize energy that is not absorbed in the take or pay scheme of the IPP electricity purchase contract.



In the operation of IPP generators, PLN has not optimally made efforts to reduce tariffs and mitigate the risk of absorbing electricity below the minimum limit in the take or pay scheme to improve the basic cost of supplying electricity.

Transmission network management

In the first half of 2022, BPK has completed the audit of the management of the transmission network in 2017 to first semester of 2021 at PLN and other related agencies. The results of the BPK audit concluded that, the management of the transmission network had been carried out in accordance with the criteria, with some exceptions.

The problems found include, in planning the transmission network, PLN has not prepared a plan that is adaptive to changes in the Electricity Supply Business Plan (RUPTL) and contingency plans to mitigate disruptions to the reliability of the transmission network, as a result of these changes.

This resulted in the reliability of the electric power transmission network, especially in the work area of the 150 KV Kentungan II Substation (GI); 150 KV Kudus II GI; 150 KV Brebes II GI; and gas insulated switchgear (GIS) Bengkok Baru/Dago II potentially incomplete, and there is an increased risk of interruption of the continuity of the distribution of electricity to customers.

Regarding these problems, BPK recommended that PLN's directors instruct the EVP of Planning and Control in each of the Java, Madura, and Bali regions together with the related construction division to develop a work plan that is adaptive to RUPTL related to the completion of the electrical power transmission network work which is still constrained. In addition, BPK also asked PLN to prepare a contingency plan to mitigate disruptions to the reliability of the electric power transmission network before the work of the constrained power transmission network can operate.



pln.co.id

In the procurement of transmission networks, PLN has also not optimally carried out the preparation of self-estimated prices (HPS) for the construction of transmission network infrastructure to produce the most profitable prices. This resulted in PLN losing the opportunity to obtain a lower procurement price, at least Rp53.30 billion in the construction of transmission network infrastructure.

Regarding this problem, BPK recommended that PLN's directors develop internal regulations and an adequate price reference database as a guideline for the Main Development Unit (UIP) and other units at PLN in carrying out each stage of the procurement of goods and services, particularly related to transmission network infrastructure. In addition, the PLN directors should instruct the EVP of Construction to ensure that each PLN UIP has obtained and used the most economical and efficient reference prices.

In the construction of the transmission network, PLN has not fully completed the construction of the substation in sync with the completion of the transmission line and related generators. This has resulted in the development of transmission network infrastructure not being effective in achieving the goal of reducing network losses and the cost of providing electricity as well as increasing the reliability of the transmission network system, particularly in the regions of Sumatra, Java, Madura, Sulawesi, Kalimantan, and even facing the risk of blackouts during peak electricity loads.

Regarding these problems, BPK recommended that PLN's directors order the related EVP of Construction to evaluate the asynchronous completion of the transmission network infrastructure along with its impacts and/or risks. Then, PLN needs to develop a detailed strategic plan based on the results of the evaluation to mitigate the

impact and/or risk of unreliability of the transmission network in areas that have these asynchronous infrastructure solutions.

The calculation of electricity rate adjustment

BPK has also conducted an audit of the calculation of the 2020 electricity rate adjustment at PLN and other related agencies. The scope of the audit includes the calculation of electricity tariff adjustments by PLN in 2020 for customer groups that are subject to tariff adjustments or non-subsidized electricity tariffs. The results of BPK audit concluded that the calculation of the 2020 electricity tariff adjustment at PLN had been carried out according to the criteria with the exception of a number of problems.

The problem is that the implementation of tariff adjustments for the previous period burdened state finances. PLN has not yet coordinated with the Ministry of Energy and Mineral Resources (ESDM) regarding detailed operational efficiency efforts that must be carried out by PLN to follow up on the Letter of the Minister of Energy and Mineral Resources in calculating electricity tariff adjustments. This resulted in PLN receiving an electricity compensation fund from the government of more than Rp1.20 trillion.

BPK recommended that PLN's directors coordinate optimally with the Ministry of Energy and Mineral Resources regarding detailed operational efficiency efforts that must be carried out by PLN to follow up on the Letter of the Minister of Energy and Mineral Resources. In addition, PLN needs to coordinate with the Ministry of Finance regarding the receipt of compensation funds for electricity tariff adjustments that are greater than Rp1.20 trillion. Apart from that, also instructed the EVP of Tariffs and Subsidies to use sales volume and realized value of revenue according to real conditions.

BPK also found that PLN did not adjust and apply the cost of providing electricity (BPP) in calculating tariff adjustments based on real conditions. As a result, the calculation of the tariff adjustment is not completely accurate. BPK recommended that PLN's board of directors instruct the EVP of Tariffs and Subsidies to evaluate and coordinate with the Ministry of Energy and Mineral Resources regarding the implementation of the BPP for electricity and the formula for adjusting tariffs as a whole so that they reflect real costs and tariffs. ●

GUIDANCE FOR SELF-ISOLATION

(PREVENTING THE SPREAD
OF COVID-19)



Go to the hospital or seek medical care immediately:

Continuous fever
or chills

Repetitive nausea
or vomiting

Shortness of breath
or difficulty breathing

Chest pain

Loss of speech
or mobility
or confusion

Diarrhea



RECOMMENDED SELF-ISOLATION DURATION

10 days at the longest on the onset
of symptoms if after 3 days fever
and shortness of breath symptoms
disappear.

Having serious symptoms for
more than 10 days? Self-isolation
is continued until the symptoms
disappear with an additional 3 days
of symptom-free.

BE IN ACTIVE COMMUNICATION ON YOUR HEALTH CONDITION TO



Direct
Supervisor



Doctor



Human
Resources
Bureau



UNDERSTANDING THE MEANING AND FUNCTIONS OF ISSAI 200 AND ISSAI 2000

The ISSAI applies internationally and used by various countries. However, ISSAI cannot replace the applicable law within a country.



Supreme Audit Institution (SAI) has a standard as a reference in carrying out its duties. Internationally, the standard that applies to SAIs worldwide is the International Standards of Supreme Audit Institutions (ISSAI).

Head of the Sub-Directorate of Institutional Research and Development of BPK, Dian Primartanto, explained, ISSAI is prepared by the International Organization of Supreme Audit Institutions (INTOSAI). Two of several ISSAIs issued by INTOSAI are ISSAI 200 on Fundamental

Principles of Financial Auditing and ISSAI 2000 on Application of the Financial Audit Standards.

"So, if the State Financial Audit Standards (SPKN) only apply to BPK auditors, then there is another standard that also applies for BPK auditors and other SAI auditors around the world called ISSAI," said Dian in the 102nd Live R&D webinar that discuss the theme of ISSAI 200 and ISSAI 2000.

He explained, based on Law No.15 of 2004 concerning the Audit and Management of State Financial Responsibilities, the standards referred





We must have a code of ethics so that the principles of Independence, Integrity and Professionalism are maintained. Then, an organization must have quality control, and standard of competence, because in order to be professional we must be competent.



to in the SPKN are benchmarks for audits or boundary markers related to matters that must be met by auditors in performing their duty.

"There are three types of benchmark standards. If one of them does not meet, then the audit is invalid," he said.

Meanwhile, ISSAI 200 is an international standard issued by INTOSAI, which must be complied by SAIs throughout the world, including BPK. The code '200' behind the word ISSAI is followed by the sentence of "the fundamental principle in conducting an audit". ISSAI 200, said Dian, does not stand alone.

Therefore, auditors are not only required to understand ISSAI 200, but also other things that serve as benchmarks. He explained, there are three categories that become derivatives in the ISSAI 200. First, the INTOSAI Principles which contain the principles of a SAI, in which there are founding principles and basic principles. The founding principle is the reason an audit institution is formed, so it also requires a legal basis. Second, the audit institution must have basic principles, such as the basic principles of BPK, namely Independence, Integrity, and Professionalism. "There will not be a strong BPK if there is no mandate or principle," he said.

These Principles, then derived into standards, namely requirements that must be fulfilled or the principles of auditing state finances. There are requirements that must be met by an organization or organizational requirements.

"We must have a code of ethics so that the principles of Independence, Integrity and Professionalism are maintained. Then, an organi-



zation must have quality control, and standard of competence, because in order to be professional we must be competent," he said.

Therefore, he explained that INTOSAI did not directly mention the question of audit performance, but first, put forward the issue of organizational readiness, namely an organization that meet the main requirements and principles. After that, INTOSAI create the audit standards for each type of audit. "There are standards for performance audit and compliance audit. Mandates must be one of the principles of auditing state finances. This cannot be separated from general principles, and cannot be separated from quality control," he said.

Another thing that should be understood, he said, is that ISSAI applies internationally and used by various countries. In the international sphere, professionalism is defined as the obligation to comply with the rule of law. However, he emphasized that INTOSAI has conveyed that the regulation does not replace, or refers to the applicable laws within a country or the mandate of an SAI.



In other words, ISSAI cannot replace the rule of law. For that reason, the first thing mentioned in ISSAI is the mandate. Therefore, from the beginning, INTOSAI promoted ISSAI as an independent and effective standards for SAI in performing its duties within a certain mandate. In addition, to serve as the basis for INTOSAI members in developing their respective standards.

"So there are several levels in SAI, if it's already mature, they are capable to make their own standards. Like BPK which already make its own standard such SPKN, which later referring to the ISSAI. But when a SAI is not ready to develop its own standards, then they may use ISSAI. So, ISSAI also provides options to develop according to the laws and regulations that apply in each country," he said.

Regarding the ISSAI framework, there is the ISSAI 100 which contains the principles of public sector audit. SPKN BPK has adapted the substance of ISSAI 100. Then, there are ISSAI for each type of audit such as ISSAI 200 and ISSAI 2000. However, in their use, ISSAI 200 and ISSAI 2000 cannot stand alone. They must be read in conjunction with ISSAI 100.

ISSAI 200 also has a setting scope. It sets the minimum principles that must be met. The objects of ISSAI 200 are International Standard on Auditing (ISA) 720, ISA 800 and ISA 805. ISA 720 on Auditor's Responsibilities Relating to Other Information. Then, ISA 800 on Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks. As for ISA 805

regarding Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statements.

"Well, this ISSAI 200 applies to all of them. So, whatever the financial report is, we can audit it using the ISSAI 200," he said.

In contrast to other financial audits, financial statements are presented in a certain framework which is usually called the Financial Reporting Framework (KPK). When the auditor wants to carry out an audit of financial statements, the audited report must be in the form of a financial reporting framework, in this case, the audit accounting standard framework.

"That is the object of the financial audit."

"If we distinguish it from the performance audit, it is the form of the framework earlier. For performance audit, there is no specific framework. So, the auditor must know in

advance and indicates what the reporting framework used by the compiler of the report," he said.

He explained that there are two types of KPK framework based on the characteristics of opinion. First, a fair framework in which the accompanying financial statements present fairly in all material respects, for example SAP, SAK, IPSAS and others. The second is a compliance framework,

which means that financial statements are prepared in all material respects, for example a financial reporting framework for taxation. He added, the purpose of auditing financial statements is to provide an adequate understanding through sufficient and appropriate audit evidence. The source of the criteria is the framework that becomes the reference for the preparation of financial statements.

"Why is reasonable assurance said to be reasonable because when there is something illogical in our audit, or something wrong in our audit, we must believe in our work, then we can convince the public on the audit of our financial statements." ISSAI also recognizes short form audit reports and long form audit reports. The short form audit report has an opinion, while the long form audit report has an audit report. The practice carried out by BPK is a long form audit report because BPK provides opinions and findings. ●



There will not be a strong BPK if there is no mandate or principle.

DETECT CASH DEFICIT IN FINANCIAL STATEMENTS OF REGIONAL GOVERNMENT

If cash deficit is found, start with selecting audit sample of cash.



Human Resource Bureau of the Audit Board of the Republic of Indonesia convened webinar having a theme “Ketektoran Kas pada Pemerintah Daerah: Metode Deteksi dan Prosedur Pemeriksaan” or Cash Deficit in Financial Statements of Regional Government: Detection Methods and Audit Procedures. Talking over the theme, senior auditor of BPK Regional Office in South Sumatera, Nurul Komalasari, stated that cash is type of assets prone to loss and misuse that it is classified as one of the highest risk assets. On the other hand, cash is heart of accounting that enables recording of revenue in it, therefore, cash is crucial in auditing.

She explained that referring to Government Regulation (PP) of 1971 on Government Accounting Standards (SAP), the definition of cash is money or bank balance that can be drawn anytime to finance government programs. In Financial Statements of Regional Government (LKPD), there are regional cash, cash of expenditure treasurer, cash of First-Level Health Facilities (FKTP), cash of revenue treasurer, cash of School Operational Assistance (BOS), cash of Regional Public Service Agency (BLUD), and other cashes. “Generally, cash in regional government is rarely in the form of saving or some sorts of it,” Nurul said in the webinar where *Warta Pemeriksa* quoted it.

In the process of audit, it is frequently found that the cash is deficit. It means the cash mana-

ged by treasurer is having less amount than it should be or out of accountability report.

She elaborated using an example, if a treasurer has saving of 10, however, there is no money found during the audit, an accountability report should follow. Therefore, when treasurers have no money or less amount of money than it should be and they also have no accountability report, it is called cash deficit. It proves that cash is prone to loss and misuse, having a high-risk. “Why it is such a high-risk, because everyone loves money,” she spoke. Concluding the reason, every time audit is conducted, cash is the first aspect that becoming primary aspect. If cash deficit is found, start with selecting audit sample of cash.

“I often discuss it with team leader, underlining that cash is high-risk account. Then, what are our strategies to select regional government working units that will be our audit sample?” she said.

In her view, auditors are frequently suggested to select big regional government working units, such as regional government secretariat, regional council secretariat, education office, as well as Regional Public Hospital (RSUD). The suggestion caters a consideration that these units have bigger amount cash and more complex transactions than other smaller ones. It is assumed that possibility of incorrect recording and unfairness presentation will be higher if the unit is having big amount of cash and complex transactions. “However, every year when BPK conducts audit, merely selecting something big is unlearned.”

Picking up lessons of it, she summarized six methods for selecting audit sample of cash.

1. Using audit results of Government Internal Supervisory Apparatus (APIP).

Nurul explained that recurrently, audit results of Government Internal Supervisory Agency (APIP) are presented simply, without mentioning any cash deficit or some sorts of it.

However, the audit results should not be underestimated since they have been with officials in charge for days during the audit that they may understand difficulties facing by the officials. In addition, the auditors may arrange for some interviews with APIP.

“The point is audit results by APIP may become some bases for BPK to conduct its audit,” she said.

2. Analyzing bank statements.

The auditors need to analyze transaction history of bank statements to understand if variance transactions, such as transferences, are occurring. During the audit, the auditors are not supposed to only check beginning balance and zero ending balance but they have to comprehend what the bank statements are conveying.



■ Nurul Komalasari



Order for extra money supply may be made frequently because no money supply or cash deficit is occurring, then new money supply is required.

She mentioned that auditors also need to check detail of bank statements and get some confirmations from the bank. To know where and who recipients of transfer transactions, checking bank code is needed, for instance the code “KYA” implies that the transaction is made by Customer Services (CS) or Tellers (TL) followed by their name code. The cash of village, district, or regional government is having an initial NF and F which F is for Fisik or physical in English while NF is for Non-Fisik or non-physical. The initials mean taking of cash in person is F while transferring cash is NF. “Have we audited in such detail or we merely audit beginning balance and zero ending balance?” she spoke.

“I have an experience during the audit. It was recorded that on 19 January receiving money supply (UP) of Rp1 billion, 2 February taking out Rp1 billion, used up. However, fund disbursement order for replenishment money supply (SP2D GU) was once time only in November having an amount of Rp750 million, it surely is odd. Logically, money supply is twelfth of indirect-expenditure and the office needs to replenish it once in one month, not once in one year. Considering the case rationally, where the office puts Rp1 billion and why only in November the office submits SP2D GU? By checking bank statements, we can scrutiny discrepancy patterns,” she told.

3. Using Benford’s law analysis.

Benford’s law is a math theory about probability of a number to turn up in collection of data sets if the number is not manipulated. Benford’s law explains probability that in many data-sets contain more digits that start with the number “one” may reach about 30 percent of all numbers. It means larger number of 8 or 9 is having low probability to turn up compared to smaller number of 1 or 2. “The small numbers will be likely to appear than large numbers,” she said.

Benford’s law is used to determine if working units having SP2D GU more nil are making deviations. Benford’s law allows auditors to conduct discrepancy or manipulation analysis.

4. Business process interview.

Interview for business process of cash management with Regional Apparatus Units (OPD) is needed, the ones that handle revenue in particular. When auditing, it is sure that audit team, specifically the team leader, arranges some in-



interviews with the units for business process.

She suggested to use narrative flow chart describing the business process of the units.

5. Register analysis of fund disbursement order (SP2D) for extra money supply (TU) and nil money supply (TU Nihil).

Register of SP2D for extra money supply (TU) and nil money supply (TU Nihil) to map out which working units have the most orders for extra money supply and periods of nil money supply. The auditors may check audit findings of money supply because discrepancies are noticed when amount of SP2D for money supply is low and accountability report takes longer than anticipated.

“Order for extra money supply may be made frequently because no money supply or cash deficit is occurring, then new money supply is required,” she said.

6. Notes to financial statements.

It is worth notice about replenishment of money supply by Regional Apparatus Units (OPD) that passes the fiscal year is disclosed in notes to the financial statements.

“These six methods will ease auditors finding any cash deficits,” she said.

Procedures for Detection of Cash Deficit

Besides detection method, there are detection procedures to reveal or disclose cash deficit. First step is running cash opname. It is the most simple

and effective procedure to prove cash deficit is occurring. The next step is making confirmation. It needs to check to banks or third parties, to tax payers or retribution payers for an instance, to comprehend any cash deficit is occurring.

After the confirmation is made, an interview will follow. It is an in-depth and structural interview with treasurers to get direct understanding about the the notes to financial statements. In addition, some interviews with relevant parties involved in the cash deficit are also required. The last step is analysis of documents, including notes made by treasurers.

After finding cash deficit is occurring, the auditors take four steps.

1. Recheck any individuals involve in the cash deficit case. She suggested to use a concept “Follow the Money”.
2. Disclosure of evidence
She mentioned confession is important, but to support it, disclosure of evidence is needed.
3. Having audit working paper (KKP). In her views, the audit working paper is crucial that all supporting documents, including all interview files, need to be well documented.
4. Arrange for intensive communication with auditee, obtaining more information and having conclusion on impacts of cash deficit. ●



AUDITING THE REPORT OF POLITICAL PARTIES FINANCIAL ASSISTANCE (BANPARPOL)

BPK has prepared the “SiAP Banparpol” application to facilitate the audit process of Banparpol accountability reports.

BPK’s Research and Development Directorate held a webinar entitled Live Research and Development Community on Audit of for Political Parties Financial Assistance Accountability Reports (LPJ Banparpol). This webinar was held because it is connected to the background of audit guidelines that have been prepared since 2017 and it is accompanied by an audit supplement that has been published since 2019.

“BPK’s R&D considers this theme appropriate because it gives knowledge of the audit of LPJ Banparpol and the problems found by fellow auditors. This is part of the supplement for auditors so they could anticipate what will be in the audit of LPJ Banparpol,” said Director of Research and Development, Selvia Vivi Devianti, when opening the Live Research and Development Community webinar recently.

“**When auditing LPJ Banparpol, within one team audit for 5 days, they could audit 10 to 12 LPJ political parties on average. So, editorial errors were the most common thing at that time. That was the first background for us to make this SiAP Banparpol.**

This webinar also presented speakers from the BPK Special Purpose Audit Research and Development Sub-Directorate team, namely Oktarika Ayoe Shanda, Nugroho, and Wahyu Prabowo Aji. Vivi said, with so many political parties at the moment, the auditors would likely have difficulties in compiling the LPJ Banparpol audit. Therefore, during the audit of LPJ Banparpol, BPK has also prepared the "SiAP Banparpol" application to facilitate the audit.

"We know that in Indonesia, during the New Order era, there were only four major political parties, now there are many political parties. The LPJ Banparpol does not yet exist at the central level, and in the regions, this number is automatically very high. For this reason, how do the auditors compile all the audits of the LPJ Banparpol? For this reason, an application has been prepared for 2018 to 2019," said Vivi.

She added that BPK is currently revising the audit guidelines for the LPJ Banparpol. This is to accommodate changes in regulations from Ministry of Home Affairs Regulation (Permendagri) Number 36 of 2018 which became Permendagri 78 of 2021 concerning Procedures for Calculation, Budgeting in the Regional Revenue and Expenditure Budget, and Orderly Administration of Filing, Distribution, and Accountability Reports for the Use of Political Party Financial Assistance. This change, she said, one of which is related to the use of funds for Banparpol in handling Covid-19. Revisions were also made in response to the publication of a number of guidelines for the 2018 compliance audit.

BPK PDDT Research and Development team, Oktarika Ayoe Shanda, said that BPK's obligation to conduct audit of LPJ Banparpol is regulated in Law Number 2 of 2011 concerning amendments to Law Number 2 of 2008 concerning Political Parties. BPK also issued guidelines for audits based on the Permendagri, which has undergone two amendments. Meanwhile, in 2018, BPK made a supplement to the LPJ Banparpol guidelines to accommodate changes in Permendagri.

"With all the existing conditions, we put aside today the controversy that occurred over the Banparpol audit, but we have to go ahead because the law makes it mandatory,

so we make one guideline in 2017 which then changed in 2018 and 2019," said Ayoe.

After the guideline was launched, the auditors in the field really felt the need for an application to facilitate the process. "Why is it needed, because at that time fellow auditors conveyed their needs to R&D. When auditing LPJ Banparpol, within one team audit for 5 days, they could audit 10 to 12 LPJ political parties on average. So, editorial errors were the most common thing at that time. That was the first background for us to make this SiAP Banparpol," she said.





Therefore, she said, it would be a shame if SiAP was only an application that reduce editorial errors. Therefore, this application must have added value, which is the first AI-based application at BPK. "For other SiAPs, on average, they only capture procedures, but for the SiAP LPJ Banparpol, we have prepared the logic of thinking in the application. But indeed, the auditor is quite simple. The criteria are pretty simple," she said.

Another resource person from BPK's PDTT Research and Development Sub-Directorate, Nugroho, explained that Law Number 2 of 2011 mandated BPK to conduct audit of LPJ Banparpol, where the consequence is that despite there is an audit that has small value of money, BPK has to oversee the use of all state finances.

With regard to corruption, he said that until now there has been no study about the implication of awarding or adding the value of Banparpol, on political party corruption. However, based on research by the National Research and Innovation Agency (BRIN), the

addition of the Banparpol allocation correlates with the suppression of corruption value by political party cadres.

"The government plans to increase the Banparpol allocation on the basis of the earlier BRIN study, that corruption by political party cadres is reduced through meeting the needs of political parties by the government, comes with a certain condition. The condition is that they must have a control system. They built their own SIPP (Political Party Integrity System)," he said.

Meanwhile, Wahyu Prabowo Aji explained that Banparpol allocation changed according to the accompanying regulations. PP No. 5 of 2009 stipulates that the Banparpol allocation is Rp180 per vote and then increases to Rp1.000 -Rp1,200 according to PP No. 1 of 2018.

However, based on studies from the Corruption Eradication Commission (KPK) and the National Research and Innovation Agency (BRIN), a political party requires Rp16.922 per vote for its operations. Meanwhile, the government will bear around Rp8.461 per vote. According to Wahyu, the government's plan to increase the allocation for Banparpol will be a challenge for BPK auditors.

With the allocation of limited resources, auditors are required to audit the ever-expanding budget. Another challenge is the matter of time, where the audit coincides with audits of other financial reports, including Central Government Financial Reports and Regional Government Financial Reports. ●

1 USE OF BANPARPOL

Political Education:

- ◆ Seminar.
- ◆ Discussion Group.
- ◆ Interactive dialogue.
- ◆ Gathering.
- ◆ Workshop.
- ◆ Meeting activities for other political parties according to the duties and functions of political parties.
- ◆ Outreach and education on health policy for handling the Covid-19 pandemic.
- ◆ Provision of supplies/health supplies for prevention of the Covid-19 pandemic.

Operational Activities of the Political Party Secretariat:

- ◆ General administration: office stationaries, internal meetings, official travel, transportation, procurement of inventory, office rent, honoraria for administrative staff, provision of medicine and medical equipment for the prevention of Covid-19.
- ◆ Power and service subscriptions: telephone, internet, electricity, drinking water, post, and giro, correspondence, print and electronic media.
- ◆ Data maintenance and archives: electronic and manual data storage.
- ◆ Maintenance of office equipment: maintenance of electronic equipment and secretariat inventory.



2 MATTERS TESTED IN THE AUDIT OF LPJ BANPARPOL

1. Right Account

Conformity between the general cash accounts of political party/political party accounts with the accounts used to receive Banparpol fund transfers.

2. Correct Amount (received=reported)

Conformity between the number of Banparpol received by political parties and those reported in the LPJ.

3. Appropriate Accountability

- ◆ COMPLETE
All funds received are supported by evidence.
- ◆ LEGITIMATE
All evidence submitted must meet the criteria as regulated in the accountability of state/regional financial management.

4. Right Priority

Banparpol funds that are supported by valid evidence are used more for political education activities than the operational activities of political party secretariats.

Source: BPK's Research and Development Directorate

BPK DISCUSSES SUSTAINABLE TRANSPORTATION WITH SAO THAILAND AND NAO CHINA

BPK and SAO Thailand presented audit cases audit related to sustainable transportation that refers to the audit guidance.

The Audit Board of the Republic of Indonesia (BPK) was attended the Assembly Meeting of the International Supreme Audit Institution (INTOSAI) Working Group on Environmental Auditing (WGEA) in Ukulhas, Maldives, on 4-6 July 2022. On that occasion, BPK who was the project leader of Work Package 4 –Sustainable Transport, along with SAO Thailand and NAO China, organized a session on “Sustainable Transport”.

The session that was held on the second day of the INTOSAI WGEA Assembly took the theme of “the effect of sustainable transportation for climate change mitigation and the achievement of the Paris Agreement commitments”. In the session, the panel discussion brought together experts in the field of transportation from UNEP, China, and the Maldives.

In the session, the delegation from BPK, Pitriyanti, explained about the completion of the audit guidance on sustainable transportation. Further, NAO China explained about the development of cooperative audit related to sustainable transportation at ASOSAI WGEA.

Moreover, audit cases are presented on by BPK and SAO Thailand on sustainable transportation that refers to the audit guidance. On that occasion, the audit case from BPK was presented by Normas Andi Ahmad.

INTOSAI WGEA is an international environmental audit working group consists of SAIs from all around the world in which BPK was the Chair and Secretariat from 2014 to 2019. In this WGEA Assembly Meeting, WGEA celebrated the 30th years anniversary.

In its work plan, INTOSAI WGEA carries out activities including preparation of audit guidance, preparation of research projects, audit cooperation, conducting surveys, and training, as well as disseminating information related to environmental issues.

The INTOSAI WGEA Assembly meeting



in Maldives was held with the theme “Raising Resilience” and was opened by the Auditor General of AGO Maldives, Hussain Niyazi. The meeting was held hybrid and was attended by 47 delegates from 21 SAIs offline and approximately 30 delegates online.

The meeting discussed environmental issues, especially those related to climate change adaptation and building climate resilience. Speakers who were presented online and in person on the first day included the Director of the UN Office for Disaster Risk Reduction (UNDRR) Ricardo Mena Speck, Maldives Minister of Environment, Climate Change and Technology, Aminath Shauna and Maldives Minister of Tourism, Ibrahim Rasheed Aboobakuru.

Further, on the third day, the meeting discussed the report of the WGEA Secretariat, SAI of Finland, on the implementation of the 2020-2022 work plan and the implementation of activities related to environmental auditing in regional WGEAs. On this occasion, all WGEA members gave their approval for all activities carried out in the 2020-2022 period.

Furthermore, discussions were held on the focus on the 2023-2025 work plan, followed by discussions by members of the WGEA Steering Committee. BPK as Steering Committee as one of its members participated in the discussion. Finally, the meeting was closed by the Auditor General of AGO Maldives and Chair of INTOSAI WGEA, Sami Yläoutinen. ●

BPK CHAIRPERSON PRESENTS AUDIT RESULTS TO THE IMO COUNCIL MEETING

BPK also uses the opportunity to meet IMO Chair of Council Victor Jemenez and IMO Secretary General Kitack Lim.

The Audit Board of the Republic of Indonesia (BPK) presents the results of the audit of the International Maritime Organization (IMO) in front of the IMO Member Countries. BPK Chairperson Isma Yatun conveys results of financial and performance audits carried out for the Fiscal Year of 2021.

She explains that the financial audit is intended to assure that IMO's financial statements are free from misstatements and have been prepared according to the International Public Sector Accounting Standards (IPSAS). The performance audit, on the other hand, aims to assess the effectiveness of the IMO's management.

Isma reveals the matters when attending the 127th Session of the IMO Council Meeting held at the IMO's Head Office in London, England on Tuesday, July 12. It is related to the role of BPK as the IMO's external auditor.

"The IMO financial statement Fiscal Year 2021 receives unqualified opinion along with several recommendations for improvement," Isma said.

With regard to the performance audit, she adds that its purpose is to assess the effectiveness of the IMO Integrated



Technical Cooperation Program (ITCP) planning. The performance audit is expected to improve the organization's services relevant to the Member Countries.

Isma says in the meeting that the strategic support and supervision of the IMO Council is very important to convey BPK's recommendations. "The follow up of BPK's recommendations will be beneficial for IMO and related stakeholders," she said.

At the end of her remarks, Isma thanks the IMO Secretary General and the management for the commitment, positive and constructive involvement, as well as the professionalism shown during the audit. BPK also thanks the IMO Council for the opportunity to present the results of its audits and expects for stronger cooperation in the future to support the achievement of the IMO's organizational goals.

BPK also uses the opportunity to meet IMO Chair of Council Victor Jemenez and the Secretary General Kitack Lim to discuss focus and strategy of the upcoming audit.

The BPK delegates attending the meeting are the Person in Charge of the Audit, Bahtiar Arif, the Technical Controller, Nanik Rahayu, and the Deputy Director of the International Cooperation Division, Kusuma Ayu Rusnasanti. ●





BPK OPENS UP AN OPPORTUNITY FOR BILATERAL COOPERATION WITH UK NAO

In addition to open up opportunity for bilateral cooperation, Isma also discussed the role of the two SAIs as external auditors of the United Nations (UN) agency.

Chairperson of the Audit Board of the Republic of Indonesia (BPK), Isma Yatun, opened up opportunities to collaborate with the National Audit

Office-United Kingdom (UK NAO) in the field of public sector audits. This was done in a series of visits to London to attend the International Maritime Organization (IMO) Council. On that occasion, Isma held a meeting with the Comptroller and Auditor General of UK NAO, Gareth Davis at the UK NAO office on Wednesday (13/7).

At the meeting, Davis conveyed a favorable response to the BPK's proposal

for bilateral cooperation. He also invited BPK to conduct secondment at UK NAO and conduct knowledge sharing activities on issues of mutual concern. In addition to opening cooperation, Isma also discussed the role of the two SAIs as external auditors of the United Nations (UN) agency.

In her role as an external auditor, Isma appreciates the role and contribution of UK NAO. Especially in his work as an external auditor for the International Atomic Energy Agency (IAEA), the International Maritime Organization (IMO), and the World Intellectual Property Organization (WIPO).

Therefore, this meeting is expected to be useful for BPK which is currently trying to become WIPO's external auditor. It is expected that BPK can learn about auditing WIPO from the experience of UK NAO.

In this meeting, the Secretary General of BPK, Bahtiar Arif, and the Head of the International Cooperation Division, Kusuma Ayu Rusnasanti, were also present. ●



This meeting is expected to be useful for BPK which is currently trying to become WIPO's external auditor.

BPK CHAIRPERSON CONVEYS THREE IMPORTANT POINTS AT THE UN HLPF SIDE EVENT IN NEW YORK

To attract participants from various stakeholders, the HLPF Side Event is conducted hybrid. The topic brought up this time is "Accelerating Implementation of the 2030 Agenda-The Contribution of Supreme Audit Institutions".

Chairperson of the Audit Board of the Republic of Indonesia (BPK) Isma Yatun delivers a speech at the United Nations High Level Political Forum (HLPF)

Side Event in New York on July 15. As a panelist of the forum, Isma conveys three important points.

The first is the role of the Supreme Audit Institution (SAI) in increasing transparency and accountability in the achievement of the 2030 World Agenda commonly known as the Sustainable Development Goals (SDGs).

Second, the SAI and the government

that must build an effective collaboration in implementing SDGs in their respective countries.

"The third is that SAIs should share experiences, knowledge and lessons learned in implementing SDGs audits with other SAIs," she said.

In addition, BPK Secretary General Bahtiar Arif also shares his experiences in conducting the 2021 Indonesia Voluntary National Review (VNR). He mentions that BPK sets three objectives of the review.

First, he says, is to assess whether the government has prepared the VNR Indonesia 2021 that is in line with those of 2017 and 2019. Second, is to consider the results of BPK's audit related to the achievement of SDGs in Indonesia. "Third, is to carry out a due process in accordance with the Handbook for the Preparation of VNR 2021 Edition published by the United Nations Department of Economic and Social Affairs (UNDESA)," he said.





The HLPF Side Event is organized by the International Organization of Supreme Audit Institutions (INTOSAI) Development Initiative (IDI), in collaboration with INTOSAI General Secretariat, INTOSAI Working Group on Environmental Auditing (WGEA), Permanent Mission of Austria to United Nations and Permanent Mission of the Republic of Indonesia to the United Nations (PTRI) in New York.

To attract participants from various stakeholders, the HLPF Side Event is conducted hybrid. The topic brought up this time is “Accelerating Implementation of the 2030 Agenda-The Contribution of Supreme Audit Institutions”.

The event also invites representatives of the SAI of the United States presenting audit experiences related to SDG 14 of Life Below Water: Auditing Marine Environment, the SAI of Brazil presenting audit experiences related to SDG 15 of Life on Land: Coordinated Audit on Protected Areas in Latin America. There is also a presentation from the Director General of the INTOSAI General Secretariat, Silke



The SAI and the government that must build an effective collaboration in implementing SDGs in their respective countries.

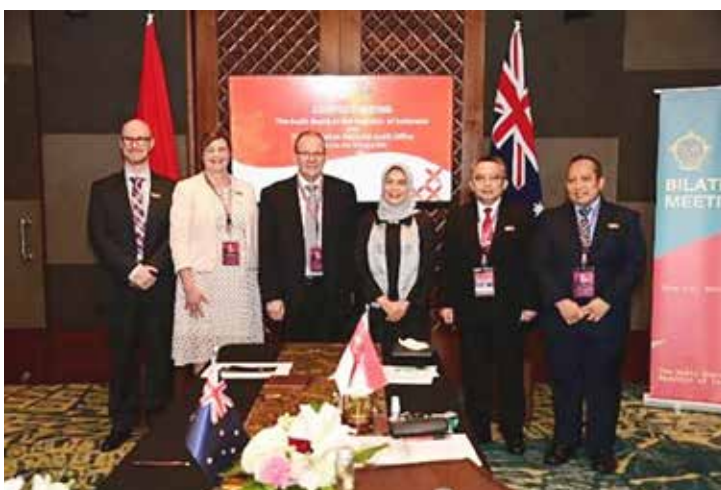
Steiner, discussing on the contribution of SAIs to the follow up and review of SDGs.

In addition, the Deputy Director General of IDI, Archana Shirsat, explains about SAI's contribution to shape a resilient, equal, and sustainable future. Meanwhile, the Secretary General of the INTOSAI WGEA, Vivi Niemenmaa, talks about policy coherence in SDG 17.14.

The presence of BPK during the event proves its internationally recognized role in achieving SDGs in Indonesia. BPK is also benefited from learning SDGs audits carried out by other SAIs in their efforts to achieve SDGs in their countries. ●

CHAIRPERSON OF BPK: ANAO'S SUPPORT HAS TRANSFORMED

ANAO is considered a consistent partner of BPK in carrying out various organizational and institutional capacity developments through bilateral cooperation since 2006.



The support provided by the Australian National Audit Office (ANAO) to the Audit Board of the Republic of Indonesia (BPK) has transformed. So far, the support provided has focused on technical matters. However, it evolved into capacity building at the strategic level and organizational development.

Chairperson of BPK, Isma Yatun, said that one of the implementations of the collaboration was to share knowledge and experiences related to important topics. For example, the development of public sector audits based on experience in auditing the SDGs.

"Then the latest audit approach in order to meet the expectations of stakeholders, the impact of quality assurance, and quality control in maintaining the integrity of a supreme audit institution," said Isma in Nusa Dua, Bali, Tuesday (30/8).

This was conveyed by Isma during a bilateral meeting between BPK and ANAO which was held during the SAI20 Summit in Nusa Dua, Bali. The two SAIs discussed various important issues to strengthen cooperation in the bilateral meeting.

Also attended along with the Chairperson of BPK are the Director General of Audit IV, Syamsudin, and Senior Advisor for Regional Government Finance, Dadang Ahmad Rifai. Meanwhile, the delegation from ANAO was led by ANAO's Auditor General, Grand Hehir, who was accompanied by Group Senior Executive Director, Professional and Service Relationship Group, Jane Meade, and ANAO's Senior Advisor for BPK, Kristian Gage.

The Chairperson of BPK also expressed his great appreciation for the support and high commitment from ANAO so far. ANAO is considered consistent as a partner of BPK in carrying out various organizational and institutional capacity developments through bilateral cooperation since 2006. Especially in the areas of financial audit and performance audit management.

The Auditor General of ANAO also expressed his high appreciation for BPK's efforts in initiating the formation of SAI20 as a new engagement group in the G20. According to him, this is a major achievement in the Indonesian Presidency in the G20. ANAO, said Grand Hehir, fully supports the establishment of SAI20 and hopes to make a significant contribution and enhance SAI's role as a government partner. Especially in the effort to accelerate economic recovery and promote transparency and accountability of public services. ●



MEETING THE PRESIDENT OF GCA, BPK CHAIRPERSON AFFIRMS COLLABORATION COMMITMENT



BPK Chairperson and President of the GCA also discuss the next bilateral cooperation plan of a joint training on the financial audit.

The Chairperson of the Audit Board of the Republic of Indonesia (BPK), Isma Yatun, reaffirms her commitment to strengthen collaboration and cooperation with the Supreme Audit Institution (SAI) in sub-regional, regional and international scales. One of them is by fostering and maintaining a good relation with the General Court of Audit (GCA) of the Kingdom of Saudi Arabia.

Isma conveys it when meeting the President of the GCA, Hussam Abdulmohsen Alangari in Nusa Dua, Bali, Tuesday (8/30), in the meantime of the hold of the SAI20 Summit. The meeting aims at strengthening the commitment of the bilateral cooperation between the two SAIs in the public sector audit.

BPK Chairperson and President of the GCA also discuss the next bilateral cooperation plan of a joint training on the financial audit. It aims

to increase the capacity of auditors of the two institutions. The President of GCA also invites the BPK Chairperson to hold the training in Saudi Arabia next year.

In addition, Isma expresses her appreciation for the GCA's support and contribution in preparing the SAI20 Communiqué. "It is a form of participation in global initiatives to accelerate post-Covid-19 economic recovery and encourage the achievement of Sustainable Development Goals," she said.

During the meeting, the BPK Chairperson is accompanied by Director General of Investigative Audit Hery Subowo and Deputy Director of the International Cooperation Division Kusuma Ayu Rusnasanti. Respectively, the President of the GCA is accompanied by Director General of International Relations Manal Alduhaymi and Head of International Relations Executive Office Sultan Alotaibi. ●

BPK SHARES INFORMATION ON AUDIT OF IAEA TO CAG INDIA

Through this activity, BPK shares its experience with CAG India regarding audit activities carried out when becoming the external auditor of the IAEA.



The Audit Board of the Republic of Indonesia (BPK) shares information regarding audits of the International Atomic Energy Agency (IAEA) with the Comptroller and Auditor General of India (CAG). It is considered as an important step for the smooth running of future audits, as well as an effort to monitor the follow up of the recommendations.

The handover of the external auditor of the IAEA is carried out by BPK, represented by Vice Chairman Agus Joko Pramono, who signs a handover statement with the Deputy CAG of India, Parveen Mehta, in Nusa Dua, Bali, Thursday (9/1). It is to follow up the IAEA Program and Budget Committee (PBC) meeting conducted on June 9, 2022. BPK Vice Chairman says that the handover is a form of compliance with the International Organization of Supreme Audit Institutions (INTOSAI) Guidance GUID 5090-Audit of International Institutions as part of the INTOSAI Framework of Professional Pronouncements.

Through this activity, BPK shares its experiences with CAG India regarding audit activities carried out while becoming the external auditor of the IAEA.

"I believe, having access to these documents will have an important impact on future audits and assist in monitoring the follow up of audit recommendations," Vice Chairman said.

Responding to this, the Deputy CAG of India welcomes and appreciates BPK for its willingness to share its audit experiences at the IAEA. "We really appreciate BPK's offer to share its experiences and views regarding the audit of the IAEA," she said.

The BPK had conducted financial audits of the IAEA in 2016-2021. Based on the audit results, BPK provided unqualified opinion with the follow up of recommendations reaching 85 percent in average.

The handover is also attended by BPK Secretary General Bahtiar Arif, Director of Public Relations and International Cooperation Bureau R. Yudi Ramdan Budiman, Director of BPK Global Partnership Center Ikhtaria Syaziah and the IAEA financial and performance audit teams.

On the other hand, the CAG India delegates include Principal Director of International Relations Division Amitabh Prasad, Director of International Relations Division Eti Shukla, Director of Personnel Vishal B Desai and Senior Administrative Officer of the International Relations Division Rajeev Gurkha. ●

BPK AND BAI OF KOREA RENEW MEMORANDUM OF UNDERSTANDING (MOU)

Renewing Memorandum of Understanding (MoU) strengthens commitment to boost capacity development of public sector auditing in both institutions.

The Audit Board of the Republic of Indonesia (BPK) and Board of Audit and Inspection of the Republic of Korea (BAI) renew Memorandum of Understanding (MoU). Encompassing public sector auditing, the MoU is to renew the one that has been ended since September 2018. The renewal of MoU strengthens initiative to boost capacity development of public sector auditing in both institutions.

The meeting, for renewing the MoU, was attended by representatives of both institutions. Representatives of BPK were headed by Board Member VII of BPK, Hendra Susanto while representatives of BAI were headed by Commissioner of BAI, Cho Eun-Seok. The meeting was organized in between SAI20 Summit, the highest-level meeting of SAI20, in Nusa Dua, Bali, on Thursday (1/9).

At the meeting, Hendra conveyed high appreciation to BAI for organizing training programs aimed at increasing audit capacity of employees of BPK. The programs, a cooperation with Korea International Cooperation Agency (KOICA), have been running since 2016.

“We sincerely appreciate online training programs of audit capacity development organized by Audit and Inspection Training Institute of BAI,” he said.

Hendra also appreciated supports and contribution given by BAI in producing communique of SAI20. The supports and contribution show active participation of BAI to succeed global initiatives, accelerating economic recovery of post COVID-19 pandemic. The initiatives also include promoting the achievement of Sustainable Development Goals (SDGs).

At the meeting, Commissioner of BAI gave equal appreciation to BPK for successful initiative and organization of SAI20 Summit. More appreciation was conveyed for BPK that SAI20 Summit produced significant output of promoting the achievement of 2030 SDGs.

Both Board Member VII of BPK and



■ Signing of Memorandum of Understanding (MoU) by Board Member VII of BPK, Hendra Susanto, and Commissioner of BAI of Korea, Cho Eun-Seok.

Commissioner of BAI also discussed about their implementation plans for the bilateral cooperation in the future. The discussions included, for instances, continuation of financial audit capacity development, knowledge sharing in digital audit areas and organization of annual high-level visit between the two institutions to increase long-term perspectives, as well as one year secondment program for employees in the two institutions.

Among representatives of BPK along with Hendra at the meeting were Secretary General, Bahtiar Arif, Director General of Audit VII, Novy GA Pelenkahu, Director General of Legal Affairs, Akhmad Anang Hernady, Senior Advisor on State-Owned Enterprises (BUMN)/Regional-Owned Enterprises (BUMD) and Restricted State Assets, Novian Herodwijanto, and Director of Public Relations and International Cooperation, R Yudi Ramdan Budiman.

Meanwhile, representatives of BAI along with Commissioner at the meeting were Director General, Yoo Byoung-ho, and two auditors, Lim Kilae and Min Sojung. ●



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SAI20 SUMMIT PRODUCES 12 COMMUNIQUÉ POINTS

BPK will deliver the SAI20 Communiqué to the Indonesian G20 Presidency to be part of the G20 Summit Communiqué.

The Audit Board of the Republic of Indonesia (BPK) successfully holds the Supreme Audit Institution 20 (SAI20) Summit in Nusa Dua, Bali from August 29 to 30, 2022. The summit of SAIs of the G20 member countries agrees on 12 Communiqué points, rules of procedures (RoP) or the internal rules.

The BPK Chairperson, Isma Yatun, in a joint statement with the delegates on Tuesday (August 30, 2022) says that the SAI20 Summit is the culmination of a series of activities. BPK has formerly conducted bilateral meetings, technical meetings and senior officials meetings to prepare documents to be agreed at the SAI20 Summit.

"We agreed on two important things at the SAI20 summit, the SAI20 Communiqué and the internal rules of SAI20 or the rules of procedures (RoP). The SAI20 Communiqué is our joint statement as the SAI20's contribution to the G20 to support the theme of the Indonesian G20 Presidency, "Recover Together, Recover Stronger", she said. The ratified RoP is a governance rule for future SAI20 activities.

The Chairperson explains that at the 2022 Summit, the SAI20 discusses and delivers statements regarding the acceleration of economic recovery and the support for the achievement of the Sustainable Development Goals (SDGs), in particular, those related to global health architecture, energy transition and digital transformation.

In the SAI20 Communiqué 2022, the SAI20 also agrees on the continuation of the next SAI20 leadership following the G20 Presidency by the SAI of India in 2023 and the SAI of Brazil in 2024.

"We will convey the results of the SAI20 Summit in the form of a communiqué to the G20 Presidency of Indonesia to be part of the joint results of the leaders of the G20 countries at the G20 Summit in November 2022," the Chairperson said.

The SAI20 is the G20 engagement group initiated by BPK. Since the G20 is first formed in 1999, the SAI20 is only formed and inaugurated



■ BPK Chairperson, Isma Yatun



The SAI20 Communiqué is our joint statement as the SAI20's contribution to the G20 to support the theme of the Indonesian G20 Presidency, "Recover Together, Recover Stronger".



at the G20 Presidency of Indonesia in 2022.

The SAI20 Summit is attended by SAIs from 12 countries. Representatives from eight countries attend in person, while the rest attend virtually. The SAIs participating include Australia, Argentina, Brazil, Saudi Arabia, South Korea, India, Russia, Mexico, South Africa, China, and Turkey. The SAI20 Summit raises two priority issues, accelerating economic recovery and supporting the accelerated implementation of the SDGs.

Regarding the Communiqué, the SAI20 Summit emphasizes SAIs' commitment to several things and suggests a number of actions the respective governments should take pertaining a number of global issues. In the first point or

paragraph of the Communiqué, for example, the SAI20 states that it agrees to promote collaboration, including through sharing of knowledge and best practices among SAIs in G20 countries and with other relevant stakeholders, to contribute to strengthening oversight and insight, as well as providing strategic foresight to promote accountable governance.

In addition, the SAI20 realizes that the Covid-19 pandemic has not only increased the risk of fraud due to the rapid implementation of government response programs, but has also widened inequality worldwide as the development targets cannot be achieved. It has as well hampered efforts to achieve the Sustainable Development Goals (SDGs) globally.

Another point of the Communiqué includes the need of SAIs to focus on the government's response to accelerate economic recovery and continue intensive efforts to achieve the 2030 agenda.

The SAI20 also calls on the G20 governments to ensure policy coherence, coordinate planning, implement good governance and risk management to face emergency situations, and emphasizes the importance of crisis prevention, preparedness and coordination across key governance structures.

The G20 governments are also expected to continue to promote sustainable energy transition that enables clean, affordable and economical energy production. They also have to ensure comprehensive mapping and coherent government programs and policies to achieve SDGs.

The SAI20 states that a multi-stakeholder

involvement is important in responding to global issues. Therefore, SAI20 calls on the G20 governments to collaborate with all relevant stakeholders, including in the digital transformation while identifying and reducing risks to data security and safety, cyber security and resilience, as well as data protection and privacy.

The milestone

The Vice Chairman of BPK, Agus Joko Pramono, in a press conference held after the closing of the SAI20 Summit on Tuesday says that the BPK's success in initiating the formation of the SAI20 and holding the SAI20 Summit will become a milestone to increase its role in the international world. Agus says that BPK has high ideals in the international world.

"It is a milestone for BPK as we have long and prestigious international goals," he said.

He reveals further that BPK is determined to be in the United Nations Board of Auditors (UN BOA) and be the Chairman of INTOSAI. Agus admits that the targets are not easy, yet it is not something cannot be realized.

"We also want to lead the INTOSAI, to lead all the SAIs worldwide. It is not an easy task, but it is achievable," he said.

The Vice Chairman expresses his gratitude for the smooth run of the SAI20 Summit, that it is able to ratify the RoP and agrees on the Communiqué. Agus says that the RoP and the draft of the Communiqué have already been discussed in the previous SAI20 forum.

"We will bring the Communiqué produced at the SAI20 Summit to the G20 Summit," he said. ●



■ BPK Board Members with SAI delegates at the SAI20 Summit.

The Summary of The

1

Promoting collaboration, including through sharing of knowledge and best practices among SAIs of the G20 countries and with relevant stakeholders, to contribute to strengthening oversight and insights, as well as providing strategic foresight to promote accountable governance.

2

Recognizing and acknowledging the different mandates of each member country's SAI. The need to ensure the unity and integrity of the SAI community under the INTOSAI platform and initiatives and develop a platform to strengthen SAI's role as a strategic partner of the G20 governments in responding to global challenges.

3

Emphasizing three priority issues of the G20 Presidency of Indonesia, namely the Global Health Architecture, Sustainable Energy Transition and Digital Transformation, which will continue to be led by the G20 governments, as such to help ensure equitable access to the Covid-19 vaccine and promote sustainable and inclusive economic development.

12

We would like to thank the Supreme Audit Institution of the Republic of Indonesia for initiating the establishment of the SAI20 and convening its first summit under the Indonesian G20 Presidency. The SAI 20 supports the Comptroller and Auditor General of India and the President of the Federal Court of Accounts–Brazil as Chair of the SAI20 in 2023 and 2024.

11

In the face of uncertainty, complexity, rapid change and emerging challenges, the SAI as an external independent institution needs to pursue comprehensive initiatives and plays an active role in promoting efficiency, accountability, effectiveness and transparency of public administration.

10

The need for multi-stakeholder involvement in responding to global issues.





SAI20 Communiqué

4

The Covid-19 pandemic does not only increase the risk of fraud due to the government's rapid steps, but also widens inequality as the development targets cannot be achieved resulting in the hampered efforts in achieving SDGs globally.

5

Global recovery efforts are at risk of being affected by more persistent supply disruptions, rising inflationary pressures, financial pressures, emerging energy crises and potential climate disasters.

6

The SAI needs to focus on the government's responses to accelerate economic recovery and continue intensive efforts to achieve the 2030 Agenda.

9

Calling on the governments of G20 countries to do a number of things related to the sustainability and inclusiveness of economic recovery. Several things need to be done, among others, to improve policy coherence, coordinated planning, good governance, and good risk management in managing emergencies, including the importance of crisis prevention, preparedness, and coordination across key governance structures, beside to continue to promote sustainable energy transition.

8

The SAI20 is committed to assisting the government in identifying potential risks, impacts and possible responses that will be implemented to produce good public policies and promote good governance, as well as contribute to the follow-up and review of the implementation of SDGs.

7

Public sector audits have an important role in promoting efficiency, accountability, effectiveness and transparency of public administrations while supporting the global response to the Covid-19 crisis and implementation of SDGs.



SAI20, VALUABLE LEGACY OF BPK FOR THE WORLD

Supreme Audit Institutions (SAIs) of Group 20 (G20) commit to take part in G20 delivering roles as supreme audit institution.

Vice President of the Republic of Indonesia, Ma'ruf Amin, appreciated initiative of the Audit Board of the Republic of Indonesia (BPK) for the establishment of Supreme Audit Institutions 20 (SAI20), taking a momentum of Indonesia's G20 presidency. The appreciation was conveyed in person by Vice President while opening SAI20 Summit in Nusa Dua, Bali, on Monday (29/8/2022).

Vice President believed that the establishment of SAI20 will give more values for global community since SAI20 determines to promote and build robust state financial management and accountability. "In addition, SAI20 promotes an effective collaboration between Supreme Audit Institution (SAI), Government, and multi-stakeholders," Vice President said in his keynote speech delivered at the opening of SAI20 Summit.

Delivering the speech in front Board Members of BPK and all delegates of SAI members of G20, Vice President said that SAI20 will be an important legacy of Indonesian Presidency in G20. "The establishment of SAI20 will be one of legacies of Indonesian Presidency in G20. In this Summit, I hope SAI20 will agree to bring about three outcomes," Vice Chairman said.

Firstly, Vice Chairman hoped SAI20 comes out with an independent audit perspective that helps government to formulate policies on sustainable economic recovery, achievement of Sustainable Development Goals (SDGs), and preparedness to handle potential future crises.

Secondly, SAI is expected to make up roles, providing constructive supports to society, government, and stakeholders to deal with global issues and challenges, especially main issues brought up during Indonesian Presidency in G20.

"I also hope SAI20 will serve as a bridge, connecting thoughts among auditors in their respective countries that each of their supreme

audit institution may has different mandate and experience in handling with and responding to crises. It will surely generate more perspectives and ideas," he said.

Vice President noted that experience in dealing with crises arising in the past has highlighted crucial roles of the auditors, providing input to high-level officials in their respective countries to come up with careful decisions in difficult time of crises. "I hope the communique as a product agreed in the summit, in addition to capacity building concept, includes the three outcomes. In the future, the communique will be used as one of important references to prepare for G20 Declaration that will be agreed in G20 Summit organized in Bali in November 2022," Vice President said.

In her speech at the opening of SAI20 Summit, Chairperson of BPK, Isma Yatun, said that not only is the attendance of Vice President of Republic of Indonesia an honor for SAI20, but it also signifies an evident collaboration to safeguard state financial management and accountability for more transparent and



I also hope SAI20 will serve as a bridge, connecting thoughts among auditors in their respective countries that each of their supreme audit institution may has different mandate and experience in handling with and responding to crises. It will surely generate more perspectives and ideas.





■ Vice President of the Republic of Indonesia, Ma'ruf Amin

accountable ecosystem. "SAI20 is attaining an effective collaboration between supreme audit institution and government of G20 community to ensure collective commitments, roles, and recommendations are carried out well," Chairperson of BPK said.

SAI20 Summit is organized in Nusa Dua, Bali, on 29 - 30 August 2022. The summit agreed and endorsed Rules of Procedures (RoP) and communique or collective statement. Chairperson of BPK, Isma Yatun, conveyed that SAI20 is a historical event that for the first time, a new engagement group of G20 is established by supreme audit institutions.

Chairperson of BPK representing members of SAI20 expressed her highest appreciation to Vice President of the Republic of Indonesia for delivering keynote speech at SAI20 Summit. "I also give my sincerest appreciation to all members of SAI20 for their inputs, contribution, and participation in all level of meetings on the journey to establish SAI20."

Chairperson of BPK also welcomed all delegates attending the summit warmly. Organized in hybrid format, SAI20 was attended by 12

SAI member of G20. As many as 8 SAIs had in person attendance while remaining SAIs participated in the summit virtually.

"It is a great honor for us to welcome respective delegates in Indonesia for a historical event of SAI20 Summit, the first summit organized for the official establishment of SAI20 as the new engagement group of G20," Chairperson of BPK said.

She highlighted that SAIs member of G20 commit to take part in G20 delivering roles as supreme audit institution to promote transparency and accountability of public sector management in particular. In relation with current focus of the world that is striving to recover from COVID-19, Chairperson of BPK noted that all countries in the world are facing multiple challenges, including economic, social, and environmental aspects.

"Although Indonesia's G20 presidency is in the difficult times, however, it will keep making every effort that we will get through all the challenges, ensuring that we will recover together and recover stronger," Chairperson of BPK said. ●



■ Chairperson of BPK Isma Yatun, Chairperson of the Indonesian House of Representatives (DPR) Puan Maharani, dan Vice Chairman Agus Joko Pramono attended The SAI20 Summit.

SAI20 STRENGTHENS G20 EFFORTS TO ACHIEVE ECONOMIC RECOVERY AND SDGS

Various global problems cannot be solved by one country or by one party alone. It takes joint work, mutual cooperation, collaboration, in the form of international joint work carried out among countries.

The Supreme Audit Institutions 20 (SAI20) Summit held by the Audit Board of the Republic of Indonesia (BPK) in Nusa Dua, Bali, on August 29-30, was attended by Chairperson of the Indonesian House of Representatives (DPR), Puan Maharani. Puan who was present on the second day of the SAI20 Summit stated that the establishment of SAI20 could strengthen the efforts of G20 countries in accelerating economic recovery and achieving the Sustainable Development Goals (SDGs).

Puan stated that the presence of SAI20 as a G20 engagement group initiated by BPK is very important to respond to the urgent need for governance, transparency, and accountability,

during and after the Covid-19 pandemic. Puan who is also the Chair of Parliament 20 (P20) said that the Covid-19 pandemic has put economic, fiscal, and social pressures on the entire country. All countries take steps to anticipate and overcome the threat of crisis. Countries allocate large budgets to deal with the impact of the pandemic in the areas of health, social protection, and economic recovery.

"A number of development agendas are also experiencing a slowdown, including measures in achieving the SDGs, because state resources are directed to save the people from the threat of a pandemic and its effects," said the Chairperson of the House of Representatives in her speech during the second day of SAI20 Summit, in Nusa Dua, Bali, Tuesday (30/8/2022).



Puan said the theme of the Indonesian G20 Presidency "Recover Together, Recover Stronger", is a strong commitment from G20 countries to immediately address the most pressing global challenges today. The theme also shows a commitment to joint efforts for a better recovery from the Covid-19 crisis to achieve sustainable and inclusive growth in countries around the world.

"This commitment is certainly our spirit, both in the parliament and in the supreme audit institutions, to contribute to its constitutional authority in strengthening the recovery," said Puan.

Puan also said that DPR, which was also the organizer of the P20, gave appreciation to BPK for initiating the establishment of SAI20 as a new engagement group for the G20. Thus, SAI20 will be able to participate in responding to the needs of governance, transparency, and accountability in managing state resources, in the midst and post-pandemic.

"This can strengthen the efforts of the governments of G20 countries in achieving economic recovery and accelerating the achievement of the SDGs," she added.

According to Puan, global economic recovery and continuing work on achieving the SDGs will be greatly influenced by the capacity of each

country's resources. Global cooperation in strengthening economic recovery needs to be directed towards cooperation in the financial and monetary sectors, which can provide a conducive space for the economic growth of each country, although each country has different challenges.

Meanwhile, global cooperation in continuing the achievement of the SDGs, said Puan, is directed to sectoral cooperation. For example, in the fields of health, food, energy, employment, education, the digital economy, and a green economy that can improve people's welfare. Therefore, it is necessary to formulate a common agenda in tackling the gap in human resources (HR), technology, and industry. "So that global cooperation really realizes the commitment to recover together; no country left, no country behind," she said.

Puan emphasized that various global problems cannot be solved by one country or by one party alone. It takes joint work, mutual cooperation, collaboration, in the form of international joint work carried out between countries. This cooperation also needs to involve various stakeholders, various parties, the legislature, supreme audit institutions (SAI), which touch on inter-sectoral, multi-sectoral, geopolitical, economic, social, food, and other substances.



■ Chairperson of the Indonesian House of Representatives (DPR), Puan Maharani

Parliament, through P20, will take part in a strategic role to strengthen the legitimacy of the governments of each G20 country in carrying out a common agenda. Through its constitutional duties, parliament will play a role through budgeting, legislation, and oversight functions to be able to strengthen the implementation of the G20 country's joint agenda, which can strengthen social and economic recovery in each country. Each country's SAI can take on the role of a G20 partner by ensuring and increasing the accountability and effectiveness of global programs and policies carried out by each country. "This role can be carried out by SAI by creating a governance approach that can serve as a platform that can guide the government towards achieving a global agenda that strengthens its national progress. So that SAI participates in overseeing the sustainability of the global agenda that has been mutually agreed upon," said Puan.

The chairperson of the Audit Board of the Republic of Indonesia (BPK) invited SAI20 to strengthen cooperation with parliament and other stakeholders to carry out its supervisory function. The chairperson of BPK said that cooperation is needed to ensure the success of the policies and programs of the G20 countries. In her speech, the Chairperson of BPK said that the role of parliament is very important to increase accountability and transparency in government policy making and state expenditure. "Parliament20 (P20) has an important role in the G20 community. P20 and SAI20 also share common interests and can strengthen collaboration to accelerate post-pandemic economic recovery and achieve the 2030 Agenda for the Sustainable Development Goals. Therefore, SAI20 needs to work together with parliament and other stakeholders to carry out an independent oversight function to ensure the success of the policies and programs of the G20 countries," said the Chairperson of BPK. P20 is an engagement group from the parliaments of the G20 countries.

The chairperson of BPK said, as the Covid-19 pandemic has subsided, governments in all countries must focus more on economic recovery and achieving the SDGs targets. SAI can contribute significantly in accelerating economic recovery and achieving the SDGs targets, which are the two priority issues of the SAI20 Summit.

"The establishment of SAI20 is the first step to expand the value and benefits of SAI to support the G20. Through the communique, SAI20 demonstrates its role, commitment, and recommendations in ensuring the effectiveness of G20 programs and policies, especially in the two priority issues of SAI20," said the Chairperson of BPK. The Chairperson of BPK added that SAI20 encourages governments in the G20 to accelerate economic recovery and achieve the 2030 Agenda. Among other things, promoting the transition of renewable energy and a greener economy, and ensuring digital transformation.

"SAI20 aims to strengthen the synergy between SAI20 and the G20 community, including Parliament 20. The presence of the Chairperson of the Indonesian House of Representatives as the Chair of Parliament 20 in

the SAI20 Summit shows collaborative action in facing rapidly growing challenges. With the spirit of 'Recover Together, Recover Stronger', we hope that this summit will be an important milestone for the SAI20 community to contribute more significantly to the global community," said the Chairperson of BPK. The SAI20 Summit took place in Nusa Dua, Bali, on August 29-30, 2022. On the first day, the SAI20 Summit adopted the rules of procedures (RoP) for SAI20 as an operational arrangement for internal governance. The main agenda for the second day was the discussion and endorsement of a communique or joint statement as a concrete output of SAI20 to be submitted to the G20 community. The SAI20 communique focuses on accelerating economic recovery and supporting sustainable development goals. ●



A number of development agendas have also experienced a slowdown, including the measures towards achieving the SDGs. This is because state resources are directed to save the people from the threat of the pandemic and its effects.





OVERSEEING THE IMPLEMENTATION OF SDGS

BPK is currently one of the leading SAIs overseeing the implementation of the SDGs, both at the regional level such as in ASEAN and at the global level.



■ BPK Vice Chairman Agus Joko Pramono

The aspect of sustainable development is the concern of all Supreme Audit Institutions (SAIs) in the world. The Audit Board of the Republic of Indonesia (BPK), as one of the SAIs, continues to actively overseeing the achievement of SDGs in the country. The contribution is only through audits of SDGs program, but also through regular audits.

BPK has even played a role in encouraging the achievement of SDGs internationally. It is done by sharing its experiences in auditing SDGs with SAIs of other countries. In addition, through the hold of the SAI20 Summit from August 29 to 30, 2022, BPK has succeeded in inviting SAIs from G20 countries to agree on the Communiqué emphasizing SAIs' commitment to oversee the implementation of SDGs in their respective countries. The SAI20 is an engagement group of the Indonesia G20 Presidency initiated by BPK.



The financial audit regularly conducted by BPK is one of the efforts to support the implementation of the 16th target of SDGs, particularly related to the development of effective, accountable and transparent institutions at all levels.



Regarding the technical audit of SDGs, BPK Vice Chairman Agus Joko Pramono says that the International Organization of Supreme Audit Institutions (INTOSAI) emphasizes the performance audit approach. "However, we are not only viewing from the performance audit. BPK seeks to contribute optimally in guarding the SDGs through various types of audits," he talks to *Warta Pemeriksa* in the meantime of the hold of the SAI20 Summit at the end of August.

He says that the routine financial audit is one of the efforts to support the implementation of the 16th target of SDGs pertaining the development of effective, accountable and transparent institutions at all levels. He further explains that according to the INTOSAI, there are four roles an SAI can play in guarding the SDGs achievement.

First, assessing the country's readiness to implement SDGs. Second, conducting performance audits of the implementation of government programs containing aspects of SDGs. Third, assessing and supporting the implementation of the 16th goal, pertaining to the realization of an effective, accountable and transparent institution. Fourth, providing an example of implementing a transparent organizational governance.

In practicing its role, BPK applies two approaches. First, as an external institution, BPK carries out dedicated or specific audits on the achievement of the SDGs targets. The second approach is audits embedded in or contained SDGs perspectives.

"One of the examples is the BPK Regional Office that conducts an audit to see how Regional Medium-Term Development Plan (RPJMD) integrates SDGs issue in it. Not only that, though. There are also audits that contain substance related to SDGs, such as audits of clean water availability and waste management," he said.

The Vice Chairman adds that BPK also uses a multi-stakeholders approach in auditing SDGs. BPK audits the National Development Planning Agency (Bappenas) as the National Secretariat managing SDGs and ministries and local governments pertaining SDGs implementation. In addition, BPK collaborates with SDGs Centers in uni-

versities, as well as non-state actors such as UNDP Indonesia to improve understanding on SDGs as the object of the audit.

"It should be well noted that the audit of SDGs implementation is an audit of a series of policies contributing to the achievement of the nationally agreed targets related to one or more SDGs targets," he said.

The BPK's audit is intended to conclude matters related to efforts to achieve the targets having been agreed upon nationally, to find out how the targets are likely to be achieved based on current trends, and to assess the adequacy of the national targets compared to the corresponding SDGs targets.

The audit of SDGs implementation is carried out by using the whole-of-government approach as BPK needs to conclude the extent of coherence and integration in the policy implementation. "In addition, the audit should as much include objectives and questions allowing auditors to conclude that no one is left behind in the development process," the BPK Vice Chairman said.

Regarding the contribution to the international community, the Vice Chairman says that BPK leaders are actively communicating BPK's achievements in the SDGs implementation in Indonesia. It is expected that it will serve as an example for other SAIs. BPK is also actively involved in the INTOSAI Development Initiative (IDI). "At the IDI, BPK is involved in a joint audit of SDGs and in capacity building through the exchange of information and experiences," the Vice Chairman said, while revealing that BPK is currently one of the leading SAIs overseeing the implementation of SDGs, both at the regional level such as in ASEAN and at the global level.

BPK has produced audit reports on SDGs, which relates to the readiness referring to the 2017 Voluntary National Review (VNR) and the implementation referring to the 2019 VNR. "BPK's audit on SDGs Indonesia is expected to be referred by other SAIs when auditing SDGs," the Vice Chairman said.

The Vice Chairman emphasizes that BPK has strong commitment and determination in guarding the achievement of SDGs in the country. The current Covid-19



pandemic does not prevent BPK from continuing the audit of SDGs. He does not deny that the pandemic does pose new challenges. Nevertheless, BPK has long been practicing mobile audit even before the pandemic.

When conducting the audit of the SDGs Preparedness in 2018, the use of mobile audit is not a priority. "But during the pandemic, mobile audit is a very relevant tool. BPK has also prepared an audit portal as a comprehensive form of mobile audit tools," the Vice Chairman said.

Another challenge to consider in guarding SDGs implementation is the very fast dynamics resulting in the VUCA (Volatility, Uncertainty, Complexity and Ambiguity) era and the digital economy. Many ways of working and social interactions, especially in the world of audit, are changing and require varying degrees of adjustment.

"Communication, synergy, collaboration, agility and innovation are the keywords in facing challenges and opportunities in this VUCA and digital era. Remote auditing with the use of Information Technology, Big Data Analytics, artificial intelligence, and so on has become a common way of conducting audits," the Vice Chairman added.

Regarding the governance during the pandemic, the Vice Chairman emphasizes that transparency and accountability are the two main components of the good governance that should not be compromised, even during a crisis. All stakeholders must be aware of and strive to promote these values while addressing other critical issues. "BPK is aware of this condition and therefore conducted a comprehensive risk-based audit," he said.

A risk-based audit is carried out because it is an important and strategic instrument to mitigate challenges and/or high risks that may arise in an emergency situation. A comprehensive audit is carried out on all elements of the state finance (audit universe) related to the responses of central and local governments to the Covid-19 pandemic combining objectives of three types of audits, namely financial, performance and compliance audits.

Since 2020, BPK has conducted a mandatory annual financial audit in the pandemic situation. BPK has also studied state financial policies and financial system stability in handling the Covid-19 pandemic aiming at providing insights to the government, parliament and other stakeholders. Strategic problems and challenges are identified along with various types of risks and the mitigations, such as strategic risk, operational risk, integrity and fraud risks, compliance risk and financial risk. ●



Communication, synergy, collaboration, agility and innovation are the keywords in facing challenges and opportunities in VUCA and digital eras. The remote audit with the use of Information Technology, Big Data Analytics, artificial intelligence, and so on has become a common way of conducting audits.



STRATEGIC ROLES OF SAI20 FOR ECONOMIC RECOVERY OF THE WORLD

A country that is facing insecurity will definitely affecting other countries. A war occurs in one region will bring a large impact on other regions, resulting in energy crises, food crises, and disrupting supply chain.

Establishment of Supreme Audit Institution 20 (SAI20), initiated by the Audit Board of the Republic of Indonesia (BPK), as engagement group of G20 carries out strategic roles for international world. In SAI20, BPK implores supreme audit institution members of G20 to safeguard global economic recovery and accelerate achievement of Sustainable Development Goals (SDGs).

Board Member I of BPK, Nyoman Adhi Suryadnyana, pointed out that a country is not by itself but holding hands with other countries. Correspondingly, institutions of respective countries, including supreme audit institutions need to be hand in hand with each other.

Nyoman said position of BPK in SAI20, as initiator of SAI20, makes it have more opportunities to develop cooperation and policy directions of SAI20 in the future. "Clearly, initiative for the establishment of SAI20 aims at achieving international agenda in which goals of both G20 and SAI20 have been set in two, comprising of accelerating economic recovery and achievement of SDGs," Nyoman said at a dialogue with *Warta Pemeriksa* in between SAI20 Summit in Nusa Dua, Bali, at the end of August.

Plenty of programs that BPK, specifically under Directorate General of Audit I, may take part in SAI20. Nyoman explained that one of unit under Directorate General of Audit I oversees political, legal and security affairs. Nyoman highlighted that political, legal, and security affairs are important factors for global economic recovery.

Looking at security affairs, he explained that security of a country serves as a basis consideration for investors to make investments. It becomes crucial since investment is

one of main economic drives. When investments are rising, they drive fast and economic recovery will run speedily.

"For investors, security affair and legal trust rank first of main considerations to decide whether they will put their investments in a country, before they even see if their investments are generating profit," he explained.

He said insecurity of a country will affect other countries. The impacts of a war that breaks in a region will spread largely to not only neighboring regions, but also other regions far from the war, it causes multiple crises, including energy crises, food crises, and supply chain crises.

Therefore, Nyoman said that it is important for supreme audit institutions in the world to use audits for promoting security and defense systems that will support a stable global security. "Then, protecting human rights, a true goal of all people will be attained. It is fundamental," Nyoman said.

The next agenda that BPK is promoting in SAI20 includes actions for fraud mitigation, contributing to smooth global economic recovery. In its homeland, BPK has some crucial roles in fraud mitigation, it is in accordance with Law Number 15 of 2006 on the Audit Board of the Republic of Indonesia. He explained that if any crimes are found during the audit, BPK will report them to authorized institutions handling the crime in accordance with laws and regulations within a month since the finding at the latest.

In addition, the auditors may follow up the finding by conducting investigative audits to reveal any indications of state/regional losses and/or crime. If crimes involving treasurers are found during the audit of state/regional losses, BPK will make some follow up actions in accordance with laws and regulations.



For investors, security affair and legal trust rank first of main considerations to decide whether they will put their investments in a country, before they even see if their investments are generating profit.



In accordance with international law, there is specific law regulates roles of SAI in corruption prevention and eradication, it is the United Nations Convention Against Corruption (UNCAC). The law stated that SAI is having roles in promoting public administration disclosure, transparency, and accountability as well as in making contribution to good governance culture in government institution. UNCAC also mentioned that corruption prevention is created by strong collaboration between SAIs, law enforcement institutions and/or corruption eradication agencies, as well as public.

“Therefore, using audits, we encourage security and law related agencies and institutions to carry out their duties and functions well. The intention is that the agencies and institutions will manage to accomplish the goals that are wished by their respective people,” he said.

Nyoman added that equally significant factor that affects economy is logistic cost. He elaborated that 23.5% of economic activities falls into logistic cost. Considering its significance, SAIs need to ensure that while carrying their duties and functions, agencies and institutions need to comply with standards.

Nyoman said that BPK also encourages economic diplomacy in Ministry of Foreign Affairs, an entity under Directorate General of Audit I. He reminded basic concept of economic activities where seller and buyer meet.

“In this context, we encourage that not only is the economic diplomacy resulted in good diplomatic relation between two countries, but it also facilitates seller and buyer across countries to meet easily. Then, SAI20 expects that economic diplomacy between countries will produce more benefits that each country may have at its best,” Nyoman said.

Nyoman underlined that if a country reaches a certain point of economic growth



■ Board Member I of BPK, Nyoman Adhi Suryadnyana

that is solid and inclusive, targets that are set in SDGs will be achievable. One of principle in it “no one left behind” will also be attainable.

In SAI20 Summit, BPK has successfully called for supreme audit institutions of G20 member states to deliver 12 points of communique, encompassing global economic recovery and the achievement of SDGs. The communique of SAI20 agrees that SAIs need to focus on government responses to accelerate economic recovery as well as to build back paths to achieve 2030 Agenda intensively. ●

OVERSEEING DIGITAL TRANSFORMATION

SAI20 calls on G20 countries to ensure that the fast pace of digitalization does not leave anyone behind.

The acceleration of digital transformation does not only require infrastructure readiness. The readiness of human resources or community is a factor not less important. No matter how sophisticated and expensive the infrastructure is, the digital transformation program will not be able to run optimally if the community is not ready to use it.

The Audit Board of the Republic of Indonesia (BPK) is committed to encourage digital transformation. BPK raises the issue at the Supreme Audit Institution 20 (SAI20) Summit, which was held in Nusa Dua, Bali, from August 29 to 30, 2022. The Summit results in 12 communiqué points including digital transformation.

"SAI20 is committed to overseeing digital transformation together. We will exchange information and knowledge about audits regarding digital transformation," BPK Board Member III Achsanul Qosasi, the Chair of Delegates at the SAI20 Summit, said.

The issue of digital transformation is listed in point 9 and 10 of the SAI20 communiqué. In point 9, SAI20 calls on G20 member countries to ensure

that the fast pace of digitalization does not leave anyone behind and that digital transformation can enable sustainable economic growth. As for point 10, the SAI20 calls on G20 member countries to collaborate with all relevant stakeholders to take advantage of digital transformation by identifying and mitigating risks to data security and safety, cyber security and resilience, as well as data protection and privacy.

Domestically, BPK has actively overseen digital transformation programs. Through the Directorate General of Audit III, BPK conducts a performance audit related to digital transformation.

Achsanul says that an audit is carried out this year on the Ministry of Communication and Informatics. He mentions that the Ministry has a number of programs related to digital transformation. In addition to infrastructure development, the Ministry also carries out digital literacy program reaching out various elements of society such as residents in rural areas, workers, students and the community.

The Ministry of Communication and Informatics is targeting as many as 50 million people by 2024. Achsanul says that one of the objects the BPK au-



■ Achsanul Qosasi as the Chair of SAI Indonesia Delegates in the SAI20 Summit.



■ Achsanul Qosasi

dits is related to the targeted community.

"We are to test whether the targeted community is appropriate. For example, if it targets more on 70 years of age, the program is not without benefits but will rather not optimal," he said to *Warta Pemeriksa* in mid-September.

Achsanul says that digital literacy will be more useful if it targets people of productive age, such as young people in rural areas. According to him, digital literacy for youth in rural areas can even reduce urbanization rates. "With the understanding on how to use digital technology, young people in rural areas can run businesses or sell things from their villages digitally. It can reduce the urbanization rate," Achsanul said, emphasizing that the development of information technology is so fast that the speed must be balanced with the desire and ability of the community to utilize and adapt.

"We have adequate facilities and infrastructure. However, the big challenge is how we use it," he continued, adding that the audit of digital transformation also examines the effectiveness of building Base Transceiver Stations (BTS), especially the 4G BTS.

He explains that the Ministry of Communication and Informatics has targeted to build 4,000 BTS and around 2,000 BTS have been installed. "We are also to overview that," he said.

In addition, the Directorate General of Audit III will audit the satellite program and ground segment services. Achsanul explains, the ground segment is the provision of internet facilities in various places,

such as in sub-districts, rural areas and schools.

"The budget for a number of these programs reaches tens of trillions of rupiahs. BPK will be present to test what the Ministry has done and later on, we will convey it to the people. For example, whether or not the BTS is functioning, as it is useless if we build BTS, there is a Palapa Ring, but there is no signal. The goal is the signal. The signal must reach the 3T area," he said.

Increasing transparency and accountability

Digital transformation is believed to have benefits for state financial management. Achsanul says that every aspect of governance needs to be updated with digital transformation, including the process of supervising the management and accountability of state/regional finances by the government.

Increasing transaction intensity and complexity demands the use of appropriate information technology to improve quality and productivity in public services. "Therefore, with digital transformation in the public sector such as e-government and digital government in Indonesia, it will increase aspects of transparency and accountability in state/regional financial management. It can be seen by implementing e-catalogue, e-procurement, e-budgeting and e-audit," Achsanul said.

The implementation in BPK

Achsanul says that BPK has currently implemented adequate digital transformation. BPK has formed Digital Enterprise Architecture or abbreviated as BPK's DNA. It describes the relationship between business processes, data, applications and technology, and the implementation of the architecture. BPK has also developed an Audit Application System called SiAP. It has currently integrated planning up to reporting. Thus, auditors carrying out re-assessments can be facilitated.

"The integration is important to support risk audits in mapping entities' risks and problems because the data have already been integrated." Achsanul said.

Another important achievement is the development of big data analytics named BIDICS. It makes decision making easier as there are a lot of data in it. Through BIDICS, auditors are able to identify certain deviations. It is also supported by improvements in information technology infrastructure, both hardware and software, and adequate training of BPK's human resources. ●

COLLABORATION FOR SUCCESSFUL SAI20

COVID-19 pandemic constrains SAI20 preparation.

The Audit Board of the Republic of Indonesia (BPK) concluded series of Supreme Audit Institution 20 (SAI20) meetings with SAI20 Summit organized in Nusa Dua, Bali, on 29-30 August 2022.

Diverse working units in BPK had united to and made collaboration in succeeding SAI20 Summit, an international high-level meeting.

BPK prepared Project Management (PM) committee to handle series of SAI20 meetings, started from SAI20 Technical Meeting to SAI20 Summit.

Manager of INTOSAI, ASOSAI, and ASEANSAI in Public Relations and International Cooperation Bureau of BPK, Ami Rahmawati, said most working units in BPK had involved in running and organization of SAI20. For an example, she described, a team from Directorate General of Audit I assisted in visa arrangement of delegates of SAI20 by making close coordination with Ministry of Foreign Affairs. A team from Directorate General of Audit III also assisted in required immigration process of delegates of SAI20 by working together with Ministry of Law and Human Rights.

"It is truly, all working units in BPK take part in and make strong collaboration in succeeding SAI20," Ami said to *Warta Pemriksa*.

In organization of SAI20 where Chairperson of BPK chaired its summit, not undisturbed, but some constraints and challenges were encountered. However, these constraints and challenges had been solved appropriately, becoming valuable lesson learnt and experience for capacity development of BPK in future organizations.

Ami explained that series of SAI20 meetings were started from SAI20 Technical Meeting (TM) in January 2022. The SAI20 TM was proceeded with SAI20 Senior Official Meeting (SOM) and SAI20 Seminar in Labuhan Bajo, Nusa Tenggara Timur (NTT) Province, in June 2022. The series of meetings peaked at SAI20 Summit in August 2022.

In SAI20 organizations, Ami said there was



■ Panitia SAI.

one of challenges, considered a unique experience, needed for immediate actions by the committee. The challenge was, she went on, that in the middle of organizing SAI20 Senior Official Meeting (SOM) and SAI20 Seminar, Board Members of BPK needed the committee to provide some venue preferences for organization of SAI20 Summit.

"Oh, recalling the experience, it was really stressing since the committee was in the middle of organizing SAI20 SOM and Seminar," she said.

In an instant, the PM committee split its team, assigning some of them to travel to Nusa Dua, Bali to survey some potential venue preferences in the area. Nusa Dua, Bali had been selected as area for organizing SAI20 Summit, considering that not only G20 Presidency of Indonesia appointed the area for G20 Summit, but the area was also suggested for organizing other G20 related meetings.

Observing and considering some venue preferences in Nusa Dua, Bali, the committee came up with Sofitel Hotel. At the same time, Ami said, not only were the committee having high responsibility organizing SAI20 SOM and Seminar, but they also were facing a pressure of getting approval while securing contract with Sofitel Hotel, potential venue for SAI20 Summit.

“With full dedication and hard work, at the end of SAI20 SOM in Labuhan Bajo, we finally succeeded making and showing a special video, informing that SAI20 Summit will take place in August 2022 in Sofitel Hotel, Nusa Dua, Bali.”

COVID-19 pandemic constrained SAI20 preparation, during organization of SAI20 Technical Meeting (TM) in particular. At that time, the spread of COVID-19 was at its peak. The PM committee made close coordination and consultation with Ministry of Health for guidance on how to organize an international meeting during COVID-19 pandemic.

“Ministry of Health advises to organize Antigen Detection Rapid Diagnostic Test (Ag-RDT) for all people involved in the organization of SAI20 Technical Meeting. Alhamdulillah or Thanks God, all activities in the meeting run smoothly, although, our hearts throbbed every day, worrying one of us might get COVID-19,” she said.

Ami said, successful organization of series of SAI20 meetings came from valuable supports given by many institutions. She mentioned that Directorate General of Immigration, Airport Authority, and Angkasa Pura Airports I and II truly provided assistances, enabling the running of SAI20 Summit smoothly.

According to Ami, these institutions have assisted BPK to give the best welcome for delegates of SAI20 upon their arrival in Indonesia. At the time of organization of SAI20 Summit, she said that VIP room located in international arrival of Ngurah Rai Airport in Bali was in renovation processes for upcoming G20 meeting in November 2022, constraining the best arrival of delegates of SAI20 Summit. However, Angkasa Pura Airport, a State-Owned Enterprises handled commercial airport in Indonesia, allowed a special access in cargo terminal for the best arrival route of delegates of SAI20 Summit.

“Being in close coordination with Angkasa Pura Airports, Airport Authority, and Director General of Immigration and all assistances they provided are part of supports to SAI20,” she said. In addition, Ministry of Communication and Information Technology, Ministry of State Secretariat, Indonesian National Army (TNI), National Police (Polri), Telkom Enterprise, as well as National Cyber and Encryption Agency (BSSN) equally gave significant supports for organization of SAI20 Summit.

One of memorable feelings experienced by

Ami was when she received positive and sound responses from delegates of SAI who were requested to wear *Endek*, a traditional woven cloth originating from Bali. Ami explained that Provincial Government of Bali gave *Endek* to both male and female delegates and *Udeng*, a traditional headdress of Balinese men, to male delegates as part of supports by Provincial Government of Bali for organization of SAI20 Summit.

Prior to arrival of delegates, the PM committee informed all delegates of SAI20 about wearing both *Endek* and *Udeng* at opening of SAI20 Summit. “Interestingly, it is by surprise that all delegates of SAI20 were very excited having *Endek* and *Udeng*,” she said.

BPK had been promoting economic sustainability of Micro, Small, and Medium Enterprises (UMKM) in Bali that joined in a program namely Bali Bangkit. The program was run by Bali Provincial Government as part of post pandemic recovery.

UMKM member of Bali Bangkit program took momentum of organization of SAI20 Summit to market and display their products in several booths placed in adjacent corridors of meeting rooms where delegates of SAI20 would pass by. Meeting souvenirs distributed to delegates of SAI20 Summit were also products of UMKM in Bali.

“The bottom line is, BPK always supports and promotes UMKM, local enterprises”.

In organization of SAI20, Ami said that valuable best practices, lessons, and experience could be learnt. In her view, all of best practices, lessons, and experience obtained are keys to keep making improvements in future organization of meetings. According to her, one of distinguished works is that all series of SAI20 meetings were run and managed by the PM committee without using service of event organizer agencies.

“I am very pleased and proud to work with the committee who are getting mature each day, they have high level of understanding and acceptance amidst a lot of variables and dynamic changings,” she said.

In the future, Ami hopes BPK will keep honing its capacities and be trusted to organize international meetings. “Not only will it strengthen existence of BPK in global level, but it also will increase public awareness of roles of BPK,” Ami said. ●

INDIA COMMITTED TO CONTINUE SAI20 INITIATED BY BPK

SAI20 calls on the governments of G20 member states to collaborate with all relevant stakeholders to do various things.

India, which will hold the G20 Presidency in 2023, is committed to continue the work of Supreme Audit Institutions 20 (SAI20) engagement group. SAI20 is a new G20 engagement group initiated by the Audit Board of the Republic of Indonesia (BPK) in the 2022 Indonesian G20 Presidency.

At the end of August, SAI20 held a Summit in Nusa Dua, Bali. The SAI20 Summit succeeded in producing 12 points of communiqué, which became the joint agreement and commitment of the G20 members' SAIs.

SAI20 Summit was also attended by SAI India or the Comptroller and Auditor General of India. BPK stated that India has stated its readiness to continue the leadership of SAI20 in 2023. The Indian government in a written statement stated that India would be President of G20 for one year, from 1 December 2022 to 30 November 2023. The 2023 G20 Summit is scheduled to take place on 9-10 September 2023 in New Delhi.

"The Government of India recognizes that the G20 currently consists of a finance track, a sherpa track, and 10 engagement groups in the private sector/civil society/independent institutions, namely Supreme Audit Institutions 20/SAI20, Business 20, Civil 20, Labor 20, Parliament 20, Science 20, Think 20, Urban 20, Women 20 and Youth 20," said the Government of India's statement based on BPK's press release. SAI India thanked BPK as the initiator of SAI20 establishment and fully supports the continuation of SAI20's work in the G20 Presidency in 2023. For information, one of the contents of the SAI20 communiqué is that SAI20 realizes the importance of the various stakeholders involvement in responding to related global issues.

Therefore, SAI20 calls on the govern-



■ Indian SAI delegation at the SAI20 Summit in Nusa Dua, Bali.

ments of the G20 member states to collaborate with all relevant stakeholders to do various things, including ensuring an agile health system in an environment that is dynamic, and a fair health system, while prioritizing the availability, distribution, as well as deployment of resources, and health facilities.

The SAI20 Summit was held with the aim of discussing the real contributions of G20 member states' audit bodies, particularly in responding to the urgent need for global governance, transparency, and accountability. Especially during and post-pandemic situations to accelerate economic recovery and support the achievement of sustainable development goals (SDGs).

SAI20 was established as a meeting platform for SAI G20 member states with two main objectives. First, contributing to the G20 Leaders in the areas of transparency, accountability, and good governance. Second, building global partnerships with various stakeholders in the G20 ecosystem and community. ●



SAI20

INDONESIA

2022

SUPREME AUDIT INSTITUTION

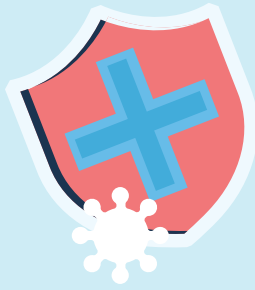


G20

INDONESIA

2022

**RECOVER TOGETHER
RECOVER STRONGER**



Increase Body Immunity



Sunbathe daily for 10-15 minutes before 9am and/or after 3pm.

Avoid smoking and alcoholic drinks.



1

5



Exercise with light/moderate intensity.

Limit reading news about the pandemic.

2

6

Online counseling with a psychologist or mental health doctor if anxiety and stress are bothering you.

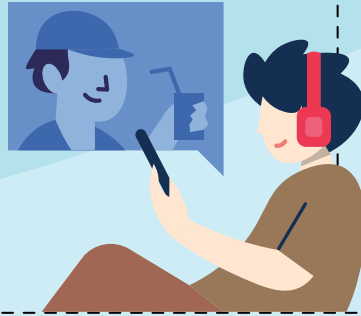


Meditate and get enough sleep.

3

7

Virtual interaction with family and friends.



Be active as usual in the self-isolation room.



4

8



Postpone Exercise If:



1. Shortness of breath with oxygen saturation $<95\%$ at rest.
2. Fever for the last 2 days.
3. Chest pain, headache.
4. Cough continuously.

MUHAMMAD YUSUF ATEH, HEAD OF BPKP

OVERSEEING SPENDING ON DOMESTIC PRODUCTS

President Joko Widodo continues to emphasize to all elements of the government to increase domestic product spending. It prompts him to issue a Presidential Instruction number 2 Year 2022. Head of the Financial and Development Comptroller (BPKP) Muhammad Yusuf Ateh says that his agency is assigned to oversee and supervise the realization of the program. Ateh conveys BPKP's strategy and a number of obstacles faced to *Warta Pemeriksa*. Here is the cited interview.



How does the BPKP oversee the management of the current government program of increasing the domestic product spending?

Based on the Presidential Instruction Number 2 Year 2022 concerning the Acceleration of the Increasing Use of Domestic, Micro and Small Businesses and Cooperatives' Products to Promote the National Movement of Being Proud of Using Indonesian Made Products in the Governmental Procurements, we all have the task of supervising the program including its effectiveness and efficiency. We all know that the Being Proud of Using Indonesian Made program has been carried out for a long time, even since the previous presidential era.

Why is this important? Currently, there are food and energy crises around the world. After the Covid-19 pandemic, there is the Russian-Ukrainian war having a tremendous impact. Moreover, Russia and Ukraine have a big role in the supply of energy and food commodities to the world. So, the impact is huge.

With the Covid-19 pandemic and these challenges, we need to get prepared to survive. It means that apart from building the downstream industry and increasing productivity, the most important thing is using our own products. Other countries have started protecting their own products. Many countries have begun to ban exports of certain commodities.

Other countries have started protecting their own products. Many countries have begun to ban exports of certain commodities.



■ Muhammad Yusuf Ateh

Twitter @BPKPgoid

In early 2022, the Statistics Indonesia (BPS) calculates and reports to President Joko Widodo (Jokowi) that there is an import figure of IDR 400 trillion. If these imported products are substituted by domestic products, it will generate an additional 1.6-1.7 percent of the GDP for growth. It can also create two million new jobs. Thus, the President then asks to reactivate the Being Proud of Indonesian Made program.

President Jokowi once asks Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan as the program coordinator: "What is the difference between this program and the previous program?"

The difference is that now we do it more comprehensively, meaning that it is not only from the demand side. We do not ask ministries/agencies, local governments and state-owned enterprises to only buy domestic products without reviewing the market where supply and demand meet. In ministries/institutional spending, the market means the e-catalog that becomes the marketplace.

Then, what is seen more seriously is the supply side or the industry producing substitutes for imported products. If we only tell people to buy domestic products but the products do not exist, at the very end, the program will not work.

So, the current approach is more comprehensive. We will see from the supply side, which of our producers that can produce substitutes for imported products. Then, who will buy them from the government side. Additionally, how to make supply and demand meet in the marketplace.

The difference can also be seen from the close and intensive supervision of the program. Each step is supervised more seriously and tightly than before.

This year's target is to substitute imported products of IDR 400 trillion as calculated by BPS. From the demand side, ministries/agencies, local governments and SOEs are mobilized to buy domestic products. Then, we ask the National Public Procurement Agency (LKPP) to fix the e-catalog both related to the system and its digitization.

Related to the supply, the Ministry of Industry is asked to supervise domestic pro-

duction through, for instance, supporting the certification process or encouraging MSMEs to be able to provide goods for the government's needs. The business matching is also carried out.

The commitment is obtained from these efforts to use the budget for domestic products of IDR 830 trillion. As of the first semester of 2022, the commitment has been realized up to IDR 298.6 trillion from ministries/institutions, local governments and SOEs.

Indeed, this figure is still far from the commitment of IDR 830 trillion, and yet we continue to monitor and assist the whole process.

For example, we find that certain products are listed as local goods while in fact they are imported goods. We are supervising everything. We have also conveyed to President Jokowi that there are 823 imported goods widely purchased when there are domestic substitutes available.

How does the BPKP coordinate with the Government Internal Supervisory Apparatus (APIP) at central and regional levels in managing domestic product spending?

The APIP has an important role as the BPKP certainly cannot work alone. We have gathered all APIP at ministries/institutions, local governments and SOEs in a National Coordination Meeting to unify the implementation of the program for Increasing the Use of Domestic Products (P3DN).

We have developed an application for supervision named Siswas P3DN to help the APIP carrying out the P3DN supervision in their respective authorities to assure the run of the program.

What are challenges and obstacles faced by the BPKP in overseeing the implementation of the P3DN policy?

The implementation of the P3DN Program is still in its early stage, so challenges in the supervision that arise include the information system supporting the supervision that is still in the development stage. There are still many shortcomings and it has not yet been integrated.

The information on transactions for domestic products (PDN) and the level of domestic content (TKDN) is still incomplete. The LKPP



In the long term, the essence of implementing the P3DN program is how to provide space for domestic product producers to grow and develop and be able to compete with imported products. Thus, the PDN spending made by ministries/institutions, local governments and SOEs should be for substitutes of imported goods or the PDN containing the TKDN of more than 40 percent.



■ Muhammad Yusuf Ateh

bpkp.go.id

only has the information on the procurement process (e-Tendering and e-catalog) up to the determination of the winner. The information on the realization of PDN and TKDN as well as the payment is nevertheless not available.

In addition, there has not yet been any guidelines for calculating the TKDN from the relevant ministry (the Ministry of Industry) to facilitate related parties in calculating the TKDN contained in domestic products. Thus, there is a need of an integrated system of the budget planning and the realization of PDN and TKDN. The Ministry of Industry needs to make a complete inventory list of the PDN additional to the TKDN.

The Ministry of Industry also needs to draft policies to increase the TKDN certification with various methods, not only through independent surveyors. It needs to identify strategic

products to be developed, prepare a development plan and carry out directional activities to develop the TKDN program.

How can the synergy between BPKP and BPK be developed to support the P3DN program?

BPK can clearly help punish and make ministries/institutions, local governments and SOEs become obedient. The President orders a minimum of 40 percent to spend on domestic products. There are still 26 ministries/institutions whose commitments are below. BPK can also help audit the matter because it has the authority to do that. BPK can conduct special-purposed or performance audit to examine the development of national industries such as medicine, medical devices, steel and textiles pertaining their efforts to purchase domestic products.

What are your expectation for the P3DN program?

The fate of this nation is determined by us. Under current conditions, of course, we must unite to defend domestic products.

Why can we still be holding on? Because we are a country that is rich in energy and food. The problem is that we still export a lot of raw materials abroad and import them back in the form of half-ripe products. This is our momentum to intensify the downstream.

In the long term, the essence of implementing the P3DN program is how to provide space for domestic product producers to grow and develop and be able to compete with imported products. Thus, the PDN spending made by ministries/institutions, local governments and SOEs should be for substitutes of imported goods or the PDN containing the TKDN of more than 40 percent. ●

AGUS GUMIWANG KARTASASMITA,
MINISTER OF INDUSTRY

STRIVING TO REALIZE THE COMMITMENT IN THE DOMESTIC PRODUCTS SPENDING



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■ Minister of Industry, Agus Gumiwang Kartasasmita

Indonesia has the opportunity to be independent in the economic sector. It can be done, among others, by prioritizing domestic products that the public money can be fully utilized for the national development.

One sector that has an important role in using domestic products is the government. The Central Statistics Agency (BPS) has conducted a simulation showing that the government's expenditure of IDR400 trillion for domestic products can trigger the economic growth of 1.67-1.71 per cent. "Therefore, ministries/agencies, SOEs and private sectors need to accelerate the realization of the commitment of domestic products spending," Minister of Industry Agus Gumiwang Kartasasmita said recently.

How is the government's commitment and what are the solutions that have been implemented to increase the use of domestic products this far? The following is *Warta Pemeriksa's* interview with the Minister of Industry.

How does the Minister of Industry view public awareness and government programs related to managing the increase of the use of domestic products?

President Joko Widodo has set the target for domestic products spending of IDR 400 trillion. It opens up tremendous opportunities for the development of the domestic products. Along with the growing enthusiasm of the people using domestic products, the domestic industry has also begun to develop and has a positive impact on the Indonesian economy.

To support the program of Increasing the Use of Domestic Products (P3DN), the Ministry of Industry provides the Domestic Component Level (TKDN) certification for free. It has the major impact in the industrial productivity and competitiveness.

For example, in the upstream oil and gas industry sub-sector, with the TKDN certification, the small and medium industry (IKM) sector that supports the oil and gas industry has generated a total contract value of more than IDR11 trillion during 2020-2021.

In 2021, the provision of free TKDN certificates from the Ministry of Industry exceeds the target of 9,000 certificates. It shows the awareness of the importance of TKDN certification and the growing recognition of domestic products.

Is it possible that Indonesia can fully use domestic products? What must be done to make this happen?

Passion and optimism are needed to encourage the use of domestic products, so as to gain commitments from all parties starting from the government, industrial companies



The capability of the domestic industry needs to be continuously improved in order to be able to meet all domestic needs and replace imported products that are still used in the procurements of goods/services.

and of course the community, to use domestic products.

Currently, there are 29,000 TKDN certified domestic products (PDN). Of course, this number will continue to grow to meet the needs of the government procurements of goods/services. This can further convince government agencies, SOEs, industrial companies and the public that domestic products have the quality and the competitiveness that are not inferior to imported products, increasingly encouraging the use of domestic products to realize the independence of the nation.

How important is the government's commitment, especially the relevant ministries, in managing the increasing use of domestic products?

The Central Statistics Agency (BPS) has conducted a simulation showing that the government's expenditure of IDR400 trillion for domestic products can trigger the economic growth of 1.67-1.71 per cent. Therefore, ministries/agencies, SOEs and private sectors need to accelerate the realization of commitments in the domestic products spending.

The P3DN National Team launches a business matching between domestic industries and ministries/institutions and State/Regional-Owned Enterprises initiated by the Ministry of Industry. From this, the government has received commitments for PDN spending of around IDR890 trillion, which will continue to grow in number.

The realization of the commitment in the PDN spending provides a significant multiplier effect. With the PDN spending, the domestic industries increase their utilization, which also affects the increase in employment and confidence in the business world. It can be seen from the increase of the Purchasing Managers' Index (PMI) of the Indonesian manufacturing.

What are the forms and commitments that can or have been carried out by the government to date?

Currently, there are 34 ministries/agencies, 34 provincial governments, 422 districts/cities and 8 SOEs that form the P3DN Team and carry out their duties to increase the use of domestic products, starting from the planning to the implementation of the procurements of goods/services.

To accelerate the target for purchasing domestic products, the Ministry of Industry has also initiated the implementation of business matching between industry representatives as providers of goods and the government as the owner of the budget. The business matching is first organized by the Ministry of Industry in Bali from March 22 to 24, 2022. Of the approximately IDR890 trillion of total commitments to the domestic products spending, the realization as of July 26, 2022 shows a figure of IDR220.59 trillion. This figure will continue to grow in line with the realization of the State Budget and the budget for SOEs and private sector expenditures. The Ministry of Industry also continues to socialize the P3DN program and provide technical guidance to stakeholders in the regions to compile a list of domestic products spending.

What are challenges and obstacles faced by the government in implementing policies to increase the use of domestic products?

There are no active steps from government agencies (both central and local) to buy and use domestic products consistently. In addition, there is still resistance to the use of domestic products. This resistance arises because of the habit of using products with certain brands. So there is a refusal to switch to domestic products.

The capability of the domestic industry needs to be continuously improved in order to be able to meet all domestic needs and replace imported products that are still used in the procurements of goods/services. Domestic products must continue to be developed as a substitute for 35 per cent imported products according to the target set by the Ministry of Industry.

What are the solutions usually applied to overcome these challenges and obstacles?

The government, through the Government Goods/Services Procurement Policy Agency (LKPP), has simplified stages of the business process for displaying products on the National e-Catalog. From the previous eight stages to only two stages. Likewise, the inclusion of goods/services is simplified from nine stages to four stages. It is all to facilitate PDN spending.

The government also ensures the effectiveness and accountability of the P3DN

implementation through supervision carried out by the Financial and Development Comptroller (BPKP). The supervision is carried out so that the budget users can prioritize PDN in their expenditures. Certification procedures are carried out quickly, efficiently and according to regulations, so as to detect frauds in the implementation of P3DN.

BPK has audited the management of increasing the use of domestic products. The audit results show that the P3DN efforts have not been supported by a development plan or a TKDN roadmap and the determination of priority products to be developed. How does the Minister of Industry view these findings?

The results of the BPK's audit are the basis for the Ministry of Industry to make changes for the better for the development of the use of domestic products. These findings have now been coordinated with the relevant parties and we hope that all these problems can be resolved soon.

How does the Ministry's efforts to complete BPK's recommendations regarding these findings?

These findings will soon be coordinated with the relevant parties, especially within the Ministry of Industry. In the near future, the Ministry of Industry as the Daily Chair of the P3DN National Working Group will also coordinate with all P3DN National Team Working Groups to maximize the use of domestic products in every government institution.

What are the expectations of the Ministry of Industry regarding the management of increasing the use of domestic products in the future?

Efforts to maximize domestic use should be supported by all parties, from the stakeholders as the users of domestic products up to the industries.

The implementation of the P3DN program must be seen as a space and an opportunity for the national industries to increase production capacity and the quality of goods and services, so that at the end of the day they are able to compete independently in the international market and increase Indonesia's economic growth. ●

The Audit Board of the Republic of Indonesia (BPK) is awarded as
The Most Popular Institution in Print Media in 2021

The 7th Public Relations Indonesia Awards (PRIA) 2022

The awarding ceremony takes place in Central Java on March 25, 2022.



EXPANDING ITS ROLE INTERNATIONALLY, BPK ESTABLISHES GLOBAL PARTNERSHIP CENTER (PKG)

One of BPK's big targets is to become an external auditor of the United Nations Board of Auditors (UN BoA) in 2026.

The Audit Board of the Republic of Indonesia (BPK) is determined to continue to improve its role in the international arena. In line with this mission, BPK established a Global Partnership Center (PKG) which focuses on international audits. Head of PKG, Ikhtaria Syaziah, who was inaugurated on August 4, 2022, explained that the formation of PKG was motivated by the success of BPK in carrying out audits mandated by international institutions. BPK has been trusted to be an external auditor by the IACA (International Anti-Corruption Academy) and two United Nations (UN) institutions, namely the International Atomic Energy Agency (IAEA) and the International Maritime Organization (IMO).

"After BPK was successfully selected as the external auditor of IACA for the 2015-2021 period and then trusted by the IAEA for the fiscal year (FY) 2016-2021 and IMO for the FY 2020-2023, we are increasingly confident to improve our role in the international world. BPK has high aspirations in the global arena," said Ikhtaria when talking to *Warta Pemeriksa* at the end of August.

Ikhtaria said that another thing that also became a trigger for BPK to create PKG was the enormous benefits derived from acting as an external auditor of international institutions. The benefit is to increase the capacity of BPK auditors.

"When the international audit has been carried out, the capacity of the auditors will definitely increase with the experience gained. When we have the ability and experience, of course, it will increase our capacity building," he said.

This capacity building can not only be obtained by auditors who are members of the external auditor team of the international institutions, but also for other auditors. This is because the experienced auditors at the international level will share their experiences, knowledge, and pass on their work ethic to their colleagues.



■ Ikhtaria Syaziah

Ikhtaria added that PKG is also a form of BPK's contribution in improving the reputation and image of Indonesia, which actively participates in carrying out world order in accordance with the Preamble to the 1945 Constitution. In addition, it is in line with the optimization of the government's foreign policy in the 2020 National Medium-Term Development Plan (RPJMN). 2024. The RPJMN mandates an increase in Indonesian initiations/positions accepted at the regional and global levels as well as structuring the roles, structures, human resources, and functions of ministries/agencies in implementing the government's foreign policy.

"We are in line with the RPJMN. We participate in the success of the government's strategy by building PKG. These two things later became the trigger to form PKG," said Ikhtaria. Ikhtaria said that one of BPK's big targets is to become an external auditor of the United Nations Board of Auditors (UN BoA) in 2026. In the near future, BPK will participate in bidding as an external auditor of the World Intellectual Property Organization (WIPO) and the International Labor Organization (ILO).

"Because we have high aspirations internationally, we must prepare our auditors. The closest one, we will participate in bidding for external auditors of WIPO and ILO." There are several programs that will be run by PKG to prepare auditors. In the near future, PKG will hold a French language training. The training is important because WIPO is in Geneva, Switzerland, which use French language. In addition, French is one of the languages spoken at the United Nations. She said that the auditor's proficiency in French can be an added value for BPK in the eyes of international institutions. In the future, BPK will expand foreign language courses for auditors commonly used at the United Nations, such as Spanish, Chinese, and Arabic.

PKG will also carry out certification programs, one of which is the International Public Sector Accounting Standards (IPSAS) certification. IPSAS is an accounting standard for public sector entities developed by the International Public Sector Accounting Standards Board (IPSASB). In addition, the plan is to carry out the Certified Government Auditing Professional (CGAP) certification.

"For performance audits, they (auditors) need CGAP. If IPSAS is more about financial audit. We will also carry out CPA (Certified Public Accountant) certification," said Ikhtaria. Not only that, BPK will carry out CRMA and CRMP certifications to build the risk management capacity of external auditors. In the future, certification and training will be expanded according to needs and priorities.

Regarding the readiness of human resources as well as facilities and infrastructure, Ikhtaria said the General Affairs Bureau is preparing a workspace on the 3rd floor of the Archives Building.

As for the HR side, she is assisted by

three staffs who were seconded from other work units at BPK. In addition, there are also several international organization auditors who support PKG in performing its duties. Ikhtaria said that in the future PKG will become a working unit that has its own auditor. So far, she said, the international audit conducted by BPK used auditors spread across various working units in BPK.

"PKG later will have a functional auditor position, but this is gradual. Because if we want to apply as an international auditor, we need a long preparation. One of them is about the audit strategy, which is prepared by the auditors," she said.

Ikhtaria said that PKG would have different and not overlapping duties and functions with the International Cooperation Division (KSI) at the Public Relations and International Cooperation Bureau. In terms of tasks, PKG implements partnerships to increase accountability in UN agencies, organizations, and other international institutions. Meanwhile, KSI carries out international relations or cooperation activities in the institutional sector, both bilaterally and multilaterally, with SAIs of other countries, associations of SAIs internationally and regionally, also other international institutions, including their representatives in Indonesia in order to enhance the role of BPK internationally.

In terms of function, PKG conducts analysis of partnerships to increase accountability in UN agencies, organizations, and other international institutions. Meanwhile, KSI prepares materials for strategies, policies, and plans in the field of international relations and cooperation in the institutional sector, both bilaterally and multilaterally, with SAIs of other countries, association of SAIs regionally and internationally, also other international institutions including their representatives in Indonesia in order to increase the role of BPK internationally. ●



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NEW ASSESSMENT CENTER BPK IN ACTION



■ BY **PRAMUDHITA PUTERI**,
ASSESSOR BPK

From September 2021 until August 2022, New Assessment Center BPK has performed non-tax revenue service for several government institutions. The Covid-19 pandemic and technology disruption have not stopped us to keep delivering excellent service and improving our capacities. Instead, we challenge ourselves to grow bigger and more innovative.

New Assessment Center BPK has delivered two out of four services in our non-tax revenue service catalog. They are competency assessment and potency assessment. We offer competency assessment for selection and competency mapping with the assessment center method. Half of our clients use the assessment center for job bidding which is open to the public. The rest use it to identify their potential talent for talent management. In total, we assess 339 civil servants for the Ministry of Cooperatives and Small and Medium Enterprises, National Research and Innovation Agency, Tangerang District Government, and Ministry of Marine Affairs

and Fisheries. The Ministry of Cooperatives and Small and Medium Enterprises trust us to assess their employees twice and seek us to help them in mentoring their new assessors. The mentoring activity was held through observing and sharing sessions with BPK's assessors. Furthermore, New Assessment Center BPK tries to be a professional partner with each of our clients not only to maintain a business relationship but also for future collaboration.

Simulation plays a key role in the assessment center method. Assessment center use simulation specifically designed to resemble job contexts, use situational cues to stimulate competency-related behavior, and anchor on specific behavior indicators. Our simulations



■ A technical guide meeting with The Indonesian National Civil Service Agency.



■ A visit from The Ministry of Marine Affairs and Fisheries.

are exclusively tailor-made for each client depending on their organizational conditions, issues, and needs. We also develop various types of simulation, such as problem analysis, leaderless group discussion, assigned group discussion, customer interaction, and subordinate interaction. For potency assessment, we have cooperated with the private psychology bureau in providing cognitive tests and personality tests. The covid-19 pandemic has also boosted technological demand which in turn has driven New Assessment Center BPK to carry out online and hybrid assessments. What is hybrid assessment? In hybrid assessment, we have combined online and offline assessment by administering online simulations and performing an offline interview. We have also utilized online platforms such as google drive, google forms, and zoom to support our assessment.

The assessment center method would not be complete without assessors. They are the backbone of our service. We have 10 junior assessors and 19 senior assessors from multiple educational backgrounds and various experiences. They are psychologists, certified-HR practitioners, certified-coach practitioners, and other management practitioners. Competency development is a must. Our assessors are equipped with regular capacities development programs such as personal effectiveness, communication skill, simulation development, and assessment skill. We also partner with the Indonesian National Civil Service Agency to

train our assessor to become an assessor assessment team so that BPK could manage their assessor independently.

New Assessment Center BPK facility without a doubt one of our winning points among other competitors. The modern, industrial, yet comfy workspace design pampers clients with a soothing atmosphere and supports assessors and employees with a modern atmosphere. A soothing atmosphere helps clients or assesses so that they do not feel stressed during an assessment. While open-space office and modern atmosphere will boost assessors and other employees' performance. New Assessment Center BPK is open for service if any organization wants to use our facilities for their activities. We have several facilities such as a lounge, executive waiting room, business center, classical room, discussion room, presentation room, observation room, interview rooms, data and server room, meeting room, integration room, and coworking space.

Besides the services I mentioned before, New Assessment Center BPK also offers general interviews, feed back, and work counseling services. In the long run, we do hope that these services are also used by our clients. The Development Center is on our next agenda because we want to make human capital management a sustainable process. Altogether, New Assessment Center BPK wants to create a one-stop service experience for clients who want us to help them in doing assessment-related activities. ●

IMPACT OF EMERGENCIES IN STATE BUDGET MANAGEMENT



■ BY **PUTERI ANGGUN AMIRILLIS**

Clear arrangements regarding the management of the State Budget in an emergency, apart from having checks and balances by making rules in a law, are also a concept of detailed rules in the management of the State Budget from planning to accountability.

Management of the State Revenue and Expenditure Budget (APBN) has the impact of an emergency, namely that there must be management of the state budget in an emergency. The management of the state budget during an emergency is not only about issuing special rules, but these rules must be able to meet the principles that already exist in the management of the state budget in general but are applied to emergencies. The principle that the APBN is used for the benefit of the people is therefore very important to carry out discussions with the DPR to produce checks and balances (Arifin P. Soeria Atmadja : 2017). In other words, the management of state finances during an emergency period must still be guided by the main things regulated in the law that regulates state finances, state treasury and state financial audits and responsibilities but remains in accordance with the concept of emergency law (Beni Kurnia Illahi, et al. .al : 2021). This is important because it is an arrangement that will provide confidence for the State Civil Apparatus to issue a budget that is beneficial to the people. It means, by combining with three packages of State Finance Laws, namely Law Number 17 of 2003 concerning State Finances, Law Number 1 of 2004 concerning State Treasury, Law Number 15 of 2004 concerning Audit of Financial Management and Accountability Country.

The Covid-19 condition which is a global emergency (Richard Danzig: 2021) directs the President with his prerogative to include matters regarding the management of the state budget during the emergency period and also other economic arrangements in Perppu Number 1 of 2020 which has been stipulated as Law Number 2 of 2020. This is a true act but however, this rule has not accommodated the planning and discussion stages of the management of the APBN, where in the Perppu there are only changes to the budget and rules that can make expenditures for which the budget is not yet available. This is certainly a separate thought because the concept of checks and balances at every stage of the management of the State Budget in an emergency is important and this is reinforced by the existence of Article 23 paragraph (1) of the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945) which states that the State Budget implemented openly and responsibly for the greatest prosperity of the people. The article provides a stipulation that the APBN is the embodiment of the management of state finances so that it must be determined every time with the rules that are jointly determined by the Legislature and the Executive and implemented transparently for the life of the people ."

This rule is confirmed by the provisions in Article 23C of the 1945 Constitution of the Republic of Indonesia which stipulates that other matters concerning state finances are

regulated by law. This regulation means that if there are other matters outside the existing arrangements, a law can be stipulated for further regulation. Arrangements regarding the management of the State Budget in an emergency, of course, include other matters concerning state finances which must be regulated by law, where the Act requires the approval of the DPR. It can also be said that the concept of checks and balances is as important as the emergency regulation itself as regulated in Article 12 of the 1945 Constitution of the Republic of Indonesia. In addition to Article 22 of the 1945 Constitution of the Republic of Indonesia, where the President can issue a Perppu in a state of urgency, it turns out that the President's prerogative rights hit a dead end when it collides with Article 23 paragraph (1) and Article 23 C.

The concept of emergency according to Georg Jellinek is a condition where the validity of legal norms is based on the nature of special conditions (*abnormal recht voor abnormale tijd*), so that it can negate a norm that is already in effect (*onrecht word recht*) or form new legal norms in accordance with special conditions. (Jimly Ashiddiqie: 2007) Subjective constitutional law or "staatsnoodrecht" in the subjective sense is the right given to the state to exercise its authority in an emergency context where what is done is allowed to deviate from normal conditions (Jimly Asshiddiqie: 2007). This understanding can be understood because "staatsnoodrecht" was originally an unwritten law in the form of human rights in human law as objective law. This is because of the influence of the positivist legal school and the teachings of the formal law state. With these developments the term "staatsnoodrecht" emerged in an objective sense. Different from subjective understanding, in an objective sense it is a law that is enforced when the country is in an emergency (Jimly Asshiddiqie: 2007).

Clear arrangements regarding the management of the State Budget in an emergency, apart from having checks and balances by making rules in a law, are also a concept of detailed rules in the management of the State Budget from planning to accountability. Proper financial budget management will greatly determine how quickly the government takes action and how confident the State Civil Apparatus (ASN) takes action to solve the problem. This

can be done if checks and balances have been implemented in every stage of the management of the State Budget, namely there has been a provision between the President and the DPR and there are detailed rules that ASN can follow. As it is understood that the flow of APBN management starts from planning, discussion, implementation, administration, inspection to accountability, so that the management of the emergency APBN must exist in each of these flows (Renius Albert Marvin, et.al: 2019) .

The very important stage for defining governance in an emergency is during the planning and discussion of the DPR and the President who will determine macro assumptions for the management of the State Budget in an emergency, which will then be made into a special emergency document, then the special emergency document will have a long processing time, faster than other budgets, but still a part of the state budget as a whole (Puteri Anggun A: 2021). In this case, the concept of checks and balances in determining what budget constitutes an emergency budget contained in an emergency document will exist at the beginning of the determination of the emergency APBN, not at the final stage as regulated in Law Number 17 of 2003 and in Perppu Number 1 of 2020. Henceforth, emergency regulations will be accommodated in detail in each subsequent stage of APBN management, namely implementation, administration and accountability as regulated in the Amendment to the three packages of the State Finance Law that regulates the management of the State Budget, granting authority to officials and auditing the State Budget Management which pays close attention to the principle of check and balances as mandated by Article 23 of the 1945 Constitution of the Republic of Indonesia. This arrangement will strengthen the confidence of ASN to make expenditures in an emergency situation quickly so that it will be quickly utilized for the people. Addition of emergency regulations by combining with three packages of State Finance Laws, namely Law Number 17 of 2003 concerning State Finances, Law Number 1 of 2004 concerning State Treasury, Law Number 15 of 2004 concerning Audit of Financial Management and Accountability Country. Because by combining the meanings in a normal situation and an emergency situation, the principles and objectives of the three packages of laws still apply to these two conditions. ●

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1-2

Communal Quran reading and prayer hosted by BPK DKI Jakarta Regional Office attended by BPK Chairperson Isma Yatun, on July 6th, 2022.



3 Board Member I BPK, Nyoman Adhi Suryadnyana handover the LHP on LK Polri 2021 to the Chief of Indonesian National Police, General Listyo Sigit Prabowo, in Jakarta, on June 28th, 2022.



4 Board Member I BPK, Nyoman Adhi Suryadnyana and Board Member VII BPK, Hendra Susanto attend the Farewell and Welcome event at AKN I, on July 22nd 2022.



5 The hand over of the Financial Audit Report (LHP) of the Ministry of Investment/BKPM FY 2021 by Board Member II BPK, Daniel Lumban Tobing, on July 14th, 2022.

6 Board Member II BPK, Daniel Lumban Tobing, hand over Financial Audit Report (LHP) of Central Bureau of Statistics FY 2021, on July 18th, 2022.



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11
Board Member VI BPK, Pius Lustrilanang, handover the Financial Audit Report (LHP) of Ministry of Health for FY 2021 to the Minister of Health, Budi Gunadi Sadikin, on July 13th, 2022.

12-13
Courtesy call of the Board Member VII BPK, Hendra Susanto, with representatives of Holding Defence Industry Indonesia (DEFEND ID), on July 4th, 2022.

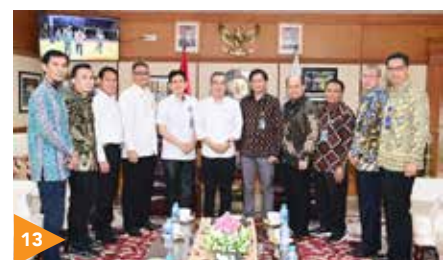
7
Board Member III BPK, Achsanul Qosasi hand over the Financial Audit Report (LHP) of the Ministry of State Secretariat, on July 12th, 2022.

8
The handover of Financial Audit Report (LHP) of BKN for FY 2021 by Board Member III of BPK, Achsanul Qosasi, to Plt. Head of BKN, Bima Haria Wibisana, at the BKN office, on July 13th, 2022.

9-10
Board Member IV BPK, Haerul Saleh, handover the Financial Audit Report (LHP) of the Ministry of Public Works and Public Housing (PUPR) and Ministry of Agriculture for FY 2021, in Jakarta, on July 13th, 2022. Present in the event, Minister of PUPR, Mochamad Basoeki Hadimoeljono, and the Minister of Agriculture, Syahrul Yasin Limpo.



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13



14
Appreciation event for the series of SAI20 activities attended by BPK Board Members, September 16, 2022.



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15-16
BPK Board Member III Achsanul Qosasi holds a bilateral meeting with the President of the Board of Audit of Japan, Morita Yuji, in Tokyo, Japan, September 21, 2022.

17-18
Briefing and submission of investigative audit reports attended by BPK Vice Chairman Agus Joko Pramono at BPK Regional Office in Lampung Province, September 19, 2022.

19
BPK Board Member II Daniel Lumban Tobing attends the Handover Ceremony of the Head of BPK Regional Office in West Java, September 8, 2022.



19



20-22
The awarding of Honorary Wings of the Indonesian Air Force to BPK Board Member I, Nyoman Adhi Suryadnyana, and Board Member VII, Hendra Susanto, August 18, 2022.



23
The Handover Ceremony of the Head of BPK Regional Office in East Java attended by Acting Board Member V Isma Yatun, September 12, 2022.

24
BPK Board Member VI Pius Lustrilanang attends the Handover Ceremony of the Head of BPK Regional Office in North Kalimantan, September 26, 2022.

25
The Handover Ceremony of the Head of BPK Regional Office in Bali attended by Board Member VI Pius Lustrilanang, September 29-30, 2022.



26
BPK Board Member VII Hendra Susanto attends the Handover Ceremony of the Head of BPK Regional Office in South Sumatera, September 6, 2022.

27
Representing BPK, Secretary General Bahtiar Arif presents at a hearing with the Commission XI of the House of Representatives, September 7, 2022.

Monthly magazine Warta Pemeriksa
received an award at

The 7th Public Relations Indonesia Awards (PRIA) 2022

Held in Central Java,
the award ceremony was held on
March 25, 2022.



Keeping up with recent developments, *Warta Pemeriksa* is now fully in digital mode. Readers can enjoy the information we present through Digital *Warta Pemeriksa*. We also continue to offer the experience of reading magazines in e-magazine format, which can be accessed from the official websites of BPK and *Warta Pemeriksa*.



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