



REALIZING SUSTAINABLE EQUAL DISTRIBUTION OF ENERGY



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BPK Chairs the UN Panel
of External Auditors



Summary of Semester Audit Reports (IHPS) I 2022 is one of the main issues raised in this edition. Previously, the Audit Board of the Republic of Indonesia (BPK) hand over the IHPS I 2022 to President Joko Widodo (Jokowi) at the Presidential Palace in Jakarta, some time ago. On that occasion, BPK explained a number of important data presented in IHPS I 2022 including providing inputs and recommendations on the audit reports. In her remarks, BPK Chairperson, Isma Yatun, conveyed the development of the quality of Line Ministries Financial Reports (LKKL).

She explained, the achievement of unqualified opinion (WTP) on LKKL reached 95 percent. In other words, this achievement exceeds the 2020-2024 National Medium Term Development Plan (RPJMN) target of 92 percent in 2021.

On that occasion, President Jokowi ensured that the government would follow up every recommendation from BPK audit reports. Follow-up on important recommendations is carried out as an effort to improve state financial management.

The President also emphasized that he would ask all line ministries, regional governments, state owned enterprises (BUMN), regional owned enterprises (BUMD) to immediately follow up BPK's recommendations. "Resolving existing findings and problems found by BPK. Immediately take corrective steps so that the use of the budget can be more prudent and transparent," the President said in his remarks.

Energy is another issue raised by the editorial team in this edition. Energy is a very important issue today. In the midst of the threat of an energy crisis and the ongoing Russia-Ukraine war, discussions on this issue are continuing. In fact, energy was also one of the main issues discussed at the Indonesian G20 Presidency event in Bali recently.

Furthermore, Energy is one of the important audit objects carried out by BPK, especially in relation to subsidies. Providing energy subsidies is a step taken by the government to maintain price stability in order to maintain people's purchasing power. Then helping the poor while reducing inequality and gaps, as well as increasing production competitiveness and access to capital for micro, small, and medium enterprises (MSMEs).

The editorial team also reported that BPK would encourage the government to balance the compensation burden with the subsidy so as to create social justice. The composition of the compensation burden should not be greater than the subsidy burden.

Another issue presented in this edition is efforts to improve and refine the enforcement of integrity which is continuously carried out within BPK. This is in line with the concept of learning organization, which must be able to respond to any needs or developments that affect the organization.

Board Member III of BPK who is also Chair of BPK's Code of Ethics Honorary Council (MKKE), Achsanul Qosasi, said, currently BPK is better prepared and better at responding to alleged violations of the code of ethics. "If someone says that nowadays there are more and more violations, I prefer to see this as an indicator that the system is working," said Achsanul.

There are many other interesting reports that the editorial team has prepared. Please enjoy. ●

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

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BPK AND PRESIDENT DISCUSS THE RECOMMENDATIONS OF THE AUDIT REPORTS

BPK appreciates the Government for showing good cooperation with BPK.

The Audit Board of the Republic of Indonesia (BPK) handed over the 2022 Semester Audit Reports Summary (IHPS I) of 2022 to President Joko Widodo, at the Presidential Palace, Jakarta, on

November 1. On that occasion, BPK explained a number of important data presented in IHPS I 2022 and provided input and recommendations regarding the audit reports.

BPK Chairperson, Isma Yatun, in her remarks conveyed the development of the quality of ministry and agency financial reports (LKKL). The BPK chairperson said the achievement of Unqualified Opinion (WTP) on LKKL exceeded the target of the 2020-2024 National Medium Term Development Plan (RPJMN).

The 2020-2024 RPJMN targets the percentage of LKKL's WTP opinion to have reached 92 percent by 2021. "(Realization) Achievement of LKKL's Unqualified opinion for 2021 is 95 percent in 2021. It has exceeded the target of the 2020-2024 RPJMN, which is 92 percent," said BPK Chairperson.

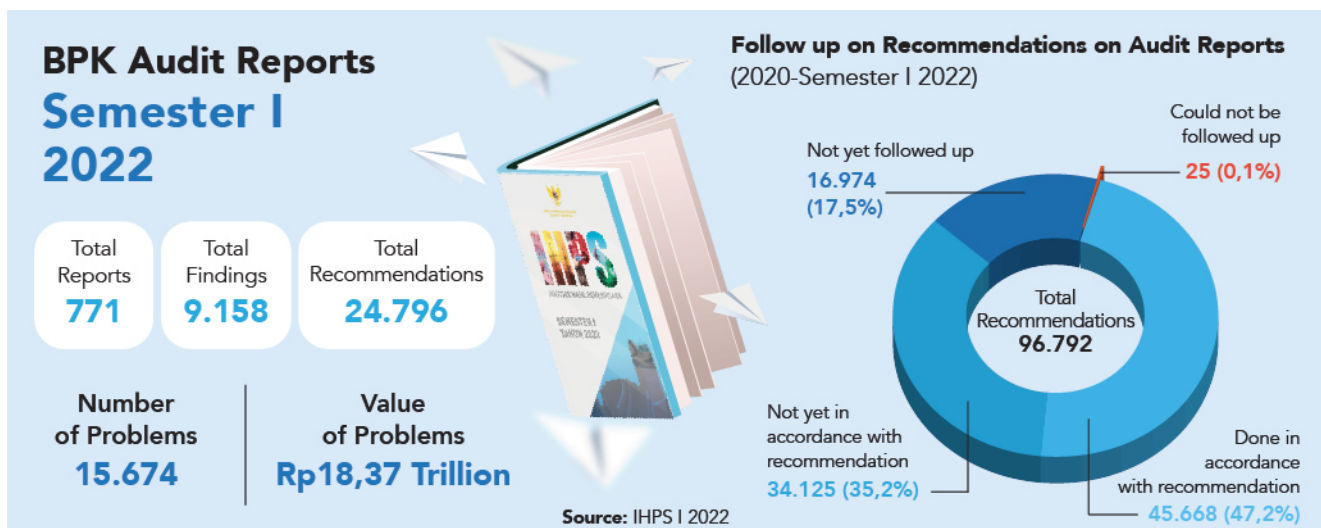
Overall, IHPS I 2022 contains 137 financial audit reports at the central government level, including 1 Central Government Financial Report (LKPP) 2021, with Unqualified Opinion (WTP),

85 Financial Statements of Line Ministries (LKKL) 2021, 81 Ministries with Unqualified Opinions (WTP) and 4 Ministries with Qualified (WDP) opinions (namely Ministry of Trade, Ministry of Manpower, National Research and Innovation Agency (BRIN), and Indonesian Institute of Sciences (LIPI)).

Furthermore, IHPS I of 2022 contains 41 performance audit reports, consisting of 1 central government audit object, 35 local government audit objects, and 5 State Owned Enterprises (BUMN) audit objects. The performance audits focus on the government's effectiveness in several areas, such as implementing sustainable urban transportation, as well as audits on local government efforts to reduce poverty which are carried out in 34 provincial governments in Indonesia.

IHPS I of 2022 also contains 48 audit reports with a specific purpose (PDTT), which consist of 5 central government audit objects, and 43 BUMN and Other Agency audit objects. These audits include audit of goods expenditure at the Ministry of Manpower, as well as audit of the management of public service subsidies/obligations.

With regard to investigative audits and expert statements, in the 2017 to semester I period of 2022, there are total of 25 investigative audit reports that have been used for the investigative





We provide input to the government as an alternative for policy making, as well as improvements to state financial governance and responsibility.

process. Reports on state losses calculation have been put to good use for the investigation process (46 reports) and for completed investigation file cases (265 cases). Moreover, BPK's provision of expert testimony at 324 cases trial stage were entirely used in prosecution by the Public Prosecutor.

"BPK appreciates the Government for showing good cooperation with BPK, especially in the framework of realizing good governance for Indonesia," said the Chairperson of BPK.

Before handing over the IHPS to the President, BPK has submitted IHPS I 2022 to the House of Representatives (DPR) and Regional Representative Council (DPD). Submission to the DPR was carried out on 4 October 2022, and to the DPD was on 7 October 2022.

Board Member I BPK, Nyoman Adhi Suryadnyana, said that, BPK in a meeting with President Jokowi, conveyed inputs and views

regarding the results of audits in ministries, agencies, BUMN, and Regional Owned Enterprises (BUMD).

"We provide input to the government as an alternative for policy making, as well as improvements to state financial governance and responsibility," said Nyoman.

On that occasion, the media crew at the Presidential Palace asked about the results of the BPK's audit regarding the budget for the spare components program at the Ministry of Defence. Responding to this, Nyoman explained that the procurement of spare components was carried out in stages by the Ministry of Defence. In the audit conducted, there were several corrections made by BPK.

"But the corrections are administrative in nature, and there are other corrections that have been followed up. We also have written to the Minister of Defense regarding this matter and it has been followed up," said Nyoman.

Nyoman said the recommendations or input submitted by BPK were not only for the Ministry of Defence, but also for other ministries and agencies.

"In general, these improvements will be followed up by the Minister of Finance as the coordinator, by sending a letter from the President to all ministries/agencies to follow up on our findings." ●

PRESIDENT ENSURES GOVERNMENT FOLLOWS UP BPK'S RECOMMENDATIONS

President stated that the Government and BPK share the same commitment for a more orderly, efficient and effective financial management.

President Joko Widodo (Jokowi) ensured that the government would follow up on every recommendation from the audit result conducted by the Audit Board of the Republic of Indonesia (BPK).

Follow up on recommendation is important to carry out as an effort to improve the management of state finances.

This was conveyed by the President as BPK submitted the Summary of Semester I 2022 Audit Reports (IHPS) at the Presidential Palace in Jakarta, on November 1, 2022. The President emphasized that he would ask all ministries, institutions, regional governments, BUMN, BUMD, to immediately follow up on BPK's recommendations.

"Solve the existing findings and problems found by BPK. Immediately take corrective steps so that budget utilization could be more prudent and transparent," President said in his remarks.

On this occasion, the President spoke that amidst the current difficult situation, it is necessary to ensure that financial management is carried out properly. Therefore, the President appreciates the role and contribution of BPK in overseeing state finances.

"I express my deepest gratitude for the role and contribution of BPK in overseeing the management of state funds," conveyed the President.

According to him, the Government and BPK have the same commitment so that financial management in the central government, ministries and institutions, regional governments, BUMN, BUMD, and other agencies, becomes more orderly, more effi-



■ Presiden Joko Widodo

Muchlis Jr Biro Pers Sekretariat Presiden



I express my deepest gratitude for the role and contribution of BPK in overseeing the management of state funds.

cient, and more effective. This is so that the management of state finances will be more accountable.

"The government and BPK must have the same views and common goals to facilitate the implementation of development in various fields while upholding the principles of good governance," said the President.

Regarding the development of the domestic economy, the President said Indonesia should be grateful because the country's economic condition is under a good category. This is because the economy is still able to grow above five percent.

The President hopes all parties continue to be optimistic, but still have to be vigilant. The President also hopes BPK shares the same view that Indonesia must act quickly to deal with global uncertainties.

"Flexibility is very important to deal with this uncertainty while upholding good governance and accountability," said the President. ●



■ Agus Joko Pramono

WEIGHING UP OPTIONS OF PENSION SCHEME

The government should only bear a portion of pension payments, both in defined benefit and defined contribution schemes.

The government plans to change the distribution scheme for pension funds for civil servants and state officials from defined benefits to defined contributions. Changes to the scheme are considered necessary because the state's burden in paying pensions continues to increase every year. Regarding the government's plan, Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono believes that the management of pension funds should be improved. The government should also reform the management of pension funds from an institutional standpoint.

"The implementation of the pension program is misguided. In my opinion, what is being implemented now is neither defined benefits nor defined contributions," Agus said during a conversation with *Warta Pemeriksa* in early November.

Agus explains that under the defined benefit

scheme, each pensioner will receive a pension amount according to the amount set by the government. With this scheme, there is a portion that is borne by the employer, in this case the government, to cover the difference from the amount of contributions deposited by retirees while still working.

As it is already known that the amount of pension contributions paid by civil servants every month is 4.75 per cent of the total employee income (basic salary plus wife and child benefits). In practice, pension benefits are fully paid by the government through the state budget. The scheme puts the risk on the government's side.

Another scheme for channeling pension funds is defined contributions. In this scheme, employees receive pension money based on the value of assets or contributions that have been collected plus funds from the state budget. Thus, the government's obligations will also be more measurable.



The implementation of the pension program is misguided. In my opinion, what is being implemented now is neither defined benefits nor defined contributions.

"Which one is lower in risk for the government? Of course the defined contributions, as the amount of pension is calculated based on how much assets (accumulated contributions) the employee has," Agus said.

He does not want to give an opinion on which scheme the government would do better. It is because the choice depends on the ability of the government, in this case, the ability of the state budget to pay pensions.

Nevertheless, Agus is of the opinion that the current pension payment scheme is neither defined benefits nor defined contributions. The reason is that the pension contributions collected by civil servants are handed over to PT Taspen (Persero), a state-owned enterprise managing the pension funds. As for the pension funds of the Indonesian Army Force, National Police and civil servants of the Ministry of Defense, they are handed over to PT Asabri. Even though there are contributions collected at the two institutions, the government must allocate a pension budget every year and bear the full responsibility.

"So actually, which is this (the scheme applied)? It is not defined benefits, and not defined contributions. What is certain is that the state budget will come out for this. This is what I think is wrong. I have conveyed the matter to the Ministry of Finance, stating that the implementation of pensions is misguided. Not defined benefits, nor defined contributions. It is because the payment of pension funds is fully borne by the state budget," Agus said.

According to Agus, the government should have only bear part of the pension payments, both in defined benefit and defined contribution schemes. While in practice, the government bears all pension payments.

"In theory currently being implemented by the government, the state budget must set aside a certain amount of money for pensioners to receive. Meanwhile, the money collected

from contributions is only placed and utilized by PT Taspen and PT Asabri separately. This is what is happening now," Agus said.

Pension fund pooling

Agus views that pension fund reform could be carried out by combining the management of pension funds for civil servants and employees of state institutions. The goal is to create a pool of pension funds with a large number of assets while increasing the management capacity of pension funds.

He says that the pension budget that the government had to spend per year is around one hundred trillion rupiahs in range. In order for the issue of the burden of paying pension funds to be resolved, a fund of thousands of trillions of rupiahs must be created.

"Supposedly, the pension payment is IDR125 trillion per year. Then, the ability of the managing institutions to generate margin is five per cent per year. Thus, with this estimation, in order for the government to be able to effectively budget for pension funds, the assets that must be collected to generate IDR125 trillion per year are IDR2,500 trillion, if the ability to generate margin is five per cent," Agus said.

He argues that the pension funds pooling can be a model to consider to overcome the problem of pension funds management. It is because the government's plan to change the pension scheme can only be applied to those still working.

The government cannot change the scheme for the retired employees unless it changes the law. Moreover, the agreement is made when the person is still working. It means that any scheme made by the government will only apply to active employees.

"Collect all management of pension funds, combine those of civil servants, state-owned enterprises pension funds and of other institutions, all combined. A truly spectacular sovereign wealth fund will be created in thousands of trillions. Thus, the problem resolves unless we will only shift the time of the problem to rise," he said.

Agus hopes that the government can find a good solution. "And yet, one of the solutions I offer is that the government could combine all eligible pension funds, even operationally, only then will fulfilling the obligation to pay pensions be effective for the current running scheme," he added.

There must be a transition

Director of Research Center of Reform on Economics (CORE) Indonesia Piter Abdullah says that the government must carefully prepare plans to change the pension scheme. Changes cannot be made all at once. There must be transitional periods, restrictions and deadlines. Piter believes that the government can follow the example of the system implemented by the Bank Indonesia Pension Fund (DAPENBI) in changing the pension fund scheme from defined benefits to defined contributions. He mentions that Bank Indonesia has now implemented a defined contribution scheme. However, the defined benefit scheme that has been running is not vanished.

"Defined contributions are for new employees. But for older employees, there is already a time limit for how long they will get the benefits," Piter said.

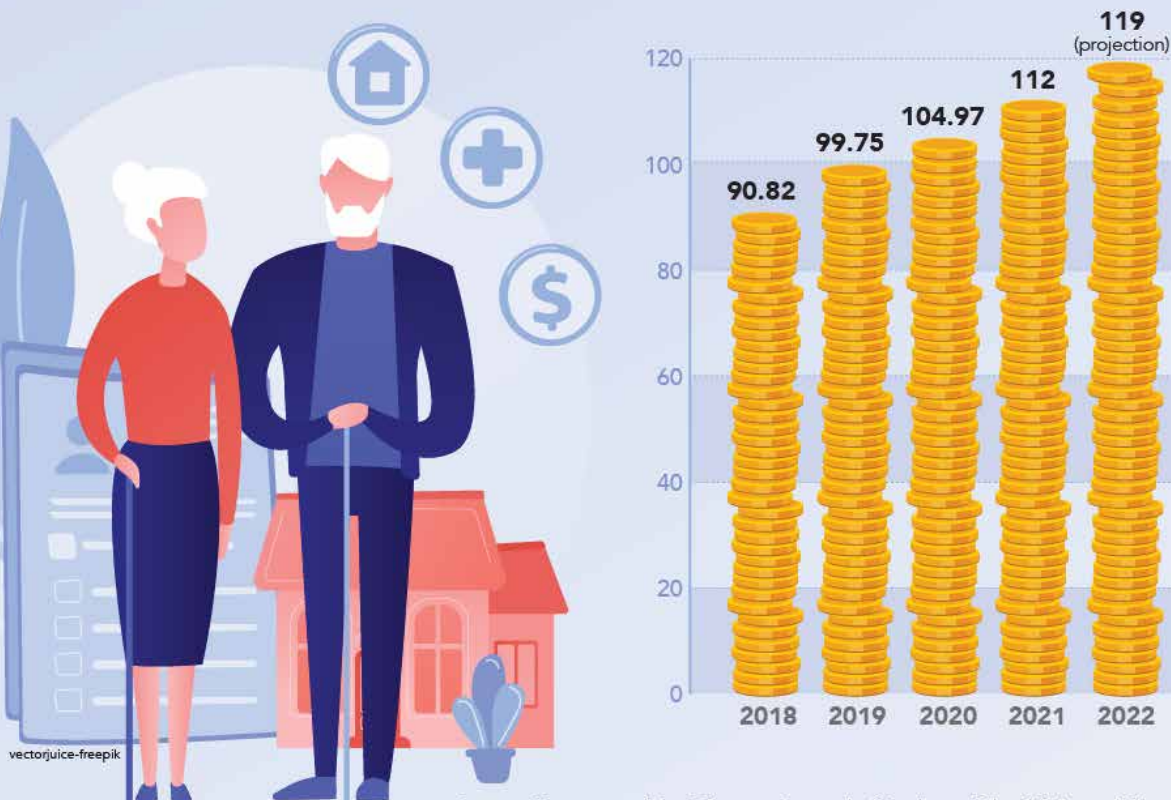
Piter adds that Bank Indonesia has also formed a new institution to manage the defined contribution scheme. Thus, it has two pension fund managers, namely the Bank Indonesia Pension Fund for defined benefits and the Bank Indonesia Pension Fund for defined contributions.

"If you want to refer to Bank Indonesia, it means that the government has to form a new institution besides Taspen. Taspen is to manage the old one, then the new one is for the defined contribution," he said.

According to Piter, implementing a defined contribution scheme will ease the burden to pay civil servant pensions as the amount of the budget that must be spent becomes more measurable.

"For the participants, I think it will also be beneficial because they can get larger amount of pension money," he said. ●

Civil Servants Pension Budget (in trillion rupiahs)



Source: Exposure of the Director General of Budget of the Ministry of Finance, Isa Rachmatranta, in a Media Briefing at the end of August.

REALIZING SUSTAINABLE EQUAL DISTRIBUTION OF ENERGY

The transition to green energy must still consider the national energy security.



■ Hendra Susanto

The government provides energy subsidies to maintain price stability to save people's purchasing power, help the poor while reducing inequalities and increase production competitiveness and capital access for micro, small and medium enterprises (MSMEs). Board Member VII of the Audit Board of the Republic of Indonesia (BPK) Hendra Susanto says that budget and subsidy management is carried out by the Minister of Finance as the State General Treasurer (BUN).

Subsidies themselves are given to certain companies/institutions assigned by the government. The energy subsidies are provided in the forms of electricity subsidies and compensation through the State-Owned Electricity Company

(PT PLN) and fuel and liquefied petroleum gas (LPG) subsidies through the State-Owned Energy Company (PT Pertamina).

Subsidies are provided because of the difference between the selling price of electricity set by the government and the costs incurred by PT PLN in producing electricity, which is known as the Cost of Supply of Electricity (BPP TL). The Ministry of Finance has issued a regulation concerning the electricity subsidy payment mechanism. Based on the regulation, the government has determined costs categorized into the BPP TL component and those that cannot be categorized into the BPP TL component.

"Thus, actually the government's control over efficiency has been running," Hendra said to *Warta Pemeriksa*.



It has resulted in the calculation of the specific fuel consumption (SFC) and fuel cost efficiency for PLN's generators potentially being inaccurate as one of the basis for calculating the BPP for electricity and electricity subsidies.

However, he says, there is an electricity compensation mechanism appeared from the non-subsidized groups. The electricity tariff should have followed the market mechanism according to the formula set out by the Ministry of Energy and Mineral Resources.

"However, as there is policy not to increase the electricity rates for the non-subsidized groups, the government then provides compensation," he said.

BPK will further encourage the government to balance the compensation with subsidies to promote social justice. Hendra underlines that the composition of the compensation should not be greater than the subsidy. There is possibility, he says, that the electricity compensation for the wealthy is removed to reduce the government's burden while the funds can be used for other development purposes.

"In addition, BPK still finds income and expenses that had not been calculated and errors in accounting resulting in excess calculations of electricity subsidies and compensation," Hendra said.

Similar to electricity subsidies, fuel subsidies are given because there is a difference between the selling prices of fuel and 3 Kg LPG cylinders determined by the government and the production costs incurred by PT Pertamina. The BPK's review on the control of sales and distribution of fuel and 3 Kg LPG as well as the calculation of subsidies for certain types of fuel (JBT) and 3 Kg LPG in 2021 shows that there are weaknesses, including insufficient coordination among existing functions in PT Pertamina organization after the formation of holding and sub holding

and insufficient implementation of gas station digitization. There are also weaknesses in irregular recording of activities and the use of marine diesel fuel resulting in the unaccountable distribution.

"Furthermore, there is irregular recording of the distribution of 3 Kg LPG, so it cannot be accounted for," Hendra said.

BPK has also audited the electricity subsidies that reveals problems including the shrink of the generator transformer that had not been defined and stipulated in the regulation. The shrink occurs when there is a difference between the energy that is received and distributed within a generator transformer, which until the audit in 2021, it is recorded in central own use of 986 million kWh. It has an impact on reducing the BPP TL in 2021 by IDR 1.21 trillion and reducing the value of electricity subsidies in 2021 by IDR 309.87 billion.

The audit results also show that PT PLN was not careful in grouping power plants, including own generators, leased generators, project generators and independent power producer (IPP) whose fuel components are borne by PT PLN. In addition, there is an understated amount of production of 527 thousand MWh and overstated use of gas fuel of 6,347 BBTU at the PLTG MCTN.

"It has resulted in the calculation of the specific fuel consumption (SFC) and fuel cost efficiency for PLN's generators potentially being inaccurate as one of the basis for calculating the BPP for electricity and electricity subsidies," he said.

Regarding fuel subsidies, the distribution of JBT Pertamina Diesel Oil does not match the designation of 3.77 million liters with a subsidy value of IDR 1.89 billion.

PT Pertamina has also not taken into account the results of verification conducted by Downstream Oil and Gas Regulatory Agency (BPH Migas) in the fourth quarter of 2021 and the results of the Development Finance Comptroller (BPKP) review of the 2021 compensation fund in the form of a correction to the under-distributed JBT Diesel Fuel of 16.96 million liters with a subsidy of IDR 8.48 billion.



BPK recalls that there are numbers of recurring findings related to the distribution of energy subsidies. It includes the realization of the use of fuel in the operation of the PLN's diesel power plant (PLTD) that exceeds the PLN SFC operational standard. It results in the inefficient basic cost of supplying electricity and potential loss of receiving fines for exceeding the SFC leased generator/IPP.

BPK recommends PT PLN directors, among others, to conduct a strategic review of the SFC PLTD limits on the use of biofuels by considering the loading operation pattern, the reliability of the electric power system, the quality of electric power service, Net Plant Heat Rate (NPHR) and generator technology, and to revise the PLN Standard Number 79 Year 1987 based on the results of the strategic review.

PLN is also not careful in grouping generators, recording production volumes and fuel usage when applying the SFC formula according to regulations. Thus, BPK recommends PLN's Directors, among others, to coordinate with the Ministry of Energy and Mineral Resources regarding the SFC calculation formula, especially the setting up of the start-up generators other than the electric steam power plant (PLTU) to improve the calculation accuracy.

BPK also finds that the distribution of the 3 Kg LPG cylinders to non-micro businesses was not on target. BPK recommends Pertamina's Board of Directors, among others, to improve periodic evaluation, guidance and supervision of sales at distribution outlets and to take action according to the terms of engagement for the occurrence of fraud. In addition, the operational losses of JBT Diesel Fuel at Pertamina's distribution agencies have exceeded the tolerance. Thus, BPK recommends Pertamina's Directors, among others, to improve periodic evaluation, guidance and supervision of distribution at gas stations and gas stations for fishermen (SPBUN).

Energy resilience

The commitment of the G20 countries to strengthen the use of green energy is deemed necessary to be accompanied by safeguarding the interests of national energy security. The national energy policy has provided directions for national energy management. It is intended to realize energy independence and security to support sustainable national development and reduce the dependence over fossil energy while moving towards the use of renewable energy, which is more environmentally friendly.

Hendra says that there are many success stories from other countries pertaining management and transition of green energy, which make a country able to withstand fluctuations in world oil prices and political pressure from more developed countries.

He mentions Brazil as an example of a country having bigger oil and gas resources than Indonesia but is not too dependent on fossil energy. Since 1980s, it has committed to and consistently developed biofuels. Japan is also an example of a country that does not



that there are many success stories from other countries pertaining management and transition of green energy, which make a country able to withstand fluctuations in world oil prices and political pressure from more developed countries.



want to depend on fossil energy. Thus, it has developed nuclear power technology since 1966. In 2011, about 40 per cent of electricity in Japan has been produced by nuclear power.

"Those examples should have been followed by the Government of Indonesia by prioritizing the development of potential energy from local sources such as geothermal, natural gas, biofuels, hydropower and nuclear," he said.

However, Hendra emphasizes that the transition to green energy must still consider the interests of the national energy security. For instance, he says, when there is currently a shortage of energy supply in the world, several countries in Europe are reusing fossil energy for their electricity.

"Therefore, Indonesia must also remain vigilant not to quickly switch to green energy, which is more expensive, and leave the fossil energy," Hendra said.

BPK has audited the development of new and renewable energy (EBT) in Indonesia. Several problems related to the EBT program are, among others, that PT PLN has not had a plan for achieving detailed and applicable EBT mix. The procurement of EBT for electricity also has not yet considered economic prices. In addition, PLN has not been optimal in planning and implementing the development of EBT power plants.

There are also problems in geothermal energy exploitation implemented by PT Pertamina in support of the national energy policy related to the use of the EBT. The policy for the exploitation planning has not yet fully supported the national energy policy on the use of the EBT. The drilling plan has also not yet been sufficient.

Hendra views that access to affordable clean energy, funding, and research and technology support are of obvious challenges in the energy transition. According to him, deve-

loping competent human resources in the energy sector is necessary in the transition process.

"The government as a regulator is to establish an EBT policy, so that it can be realized immediately and reach all levels of society," he said.

The energy transition is also one of the issues of the SAI20 Communiqué. Hendra says that Supreme Audit Institutions (SAIs) have formulated their roles to support community, government and stakeholders in overcoming various global challenges including a fair and affordable energy transition. The road map for the energy transition agenda requires BPK's role in ensuring the consistent implementation of the accountable and transparent Net Zero Emission (NZE) program as well as providing concrete energy transition policy recommendations.

"It will improve the performance and accountability of public sector institutions both in terms of program and policy effectiveness," he said.

Through the Directorate General of Audit VII, BPK has also audited the energy transition agenda, including the audit of the electricity supply at PT PLN in the last two years. The audit includes among others the generation of the EBT.

Furthermore, BPK has determined the theme and designed the audit strategy as stipulated in the BPK Strategic Plan 2020–2024 based on the national development agenda. It is expected that this alignment will increase benefits of BPK's audit results to achieve the national development objectives of "Building the Environment, Improving Disaster Resilience and Climate Change" as the National Priority Number 6.

"Thus, as stated in the audit prognosis year 2024, the thematic audit will be carried out," Hendra said. ●

BPK TO RESPOND TO ALLEGED VIOLATIONS OF THE CODE OF ETHICS



Achsanul emphasizes that BPK applies zero tolerance for integrity violations.

Improvement and refinement of the integrity enforcement within the Audit Board of the Republic of Indonesia (BPK) will continue to be carried out. This is in line with the concept of a learning organization, which must be able to respond to any needs or developments affecting the organization.

Board Member III, who also the Chair of the BPK Code of Ethics Honorary

Council (MKKE), Achsanul Qosasi, says that currently BPK is better prepared and better in responding to alleged violations of the code of ethics. "If someone says that there are more and more violations occurring now, I would rather view this precisely as one of the indicators that the system is running," Achsanul told *Warta Pemeriksa*.

BPK is now better able to identify, investigate and uncover a number of viola-

tions of the code of ethics. In addition, according to Achsanul, the complaint report at the BPK's Inspectorate General shows an increase in the trust of employees in the reporting system owned by BPK.

"The complainant also believes that every report will be followed up and confidentiality is guaranteed, both the complainant's identity and the complaint material," he said.

Efforts to uphold integrity have been divided into three components with an easy-to-remember phrase, namely the "Integrity Building Trilogy (Trilogi Pembangunan Integritas)". The three components are building an integrity culture, building a system and upholding the integrity.

Achsanul says that building an integrity culture aims at making BPK leaders and employees consciously choose not to commit violations. It is because they already understand the high moral and ethical standards in the form of an integrity culture.

This component, among other things, focuses on the commitment of BPK leaders (tone from the top), dissemination, campaigns and education on basic values to build the awareness of the integrity.

The second component, namely the system development, aims to prevent and protect BPK employees from violating the integrity. This component applies the Fraud Control System (FCS) and the ISO 37001:2016 Anti-Bribery Management System Certification. The FCS is a holistic approach to control violations and fraud within BPK.

The last component is upholding the integrity. It includes the application of sanctions in a firm, fast and consistent manner to provide a deterrent effect. BPK cooperates with the law enforcement officials or agencies so as to hinder BPK employees from violating the code of ethics otherwise to be receiving penalties.



If someone says that there are more and more violations occurring now, I would rather view this precisely as one of the indicators that the system is running.

Some working units have implemented procedures to enforce integrity, among others by periodically briefing the employees to maintain their integrity. Similarly, in the meeting with audited entities such as in an entry meeting, the audit team tries to remind the audited entity to assist them in maintaining integrity by not endorsing anything whether or not related to audit tasks. Articles related to BPK's code of ethics are also included in the audit assignment letter to be notified by audited entities.

Since the civil servant candidates have started working, BPK has developed the integrity building through training materials on BPK's independence, integrity and professionalism in a form of a group discussion and interview. It shows that BPK has attempted to screen employees by using the BPK's basic value components. Thus, employees passing the selection have understood the basic values of BPK.

"Further, things that might need to be improved are the background screening of prospective employees and the profiling or the collection of employees' initial data to enable comprehensive information to be cross-checked with other data available in the system.

Achsanul explains that the alleged violation of the BPK's code of ethics is followed up with an examination by the Inspectorate General and continued with the session of BPK's Code of Ethics



Employees suspected of committing civil servant disciplinary violations are also processed through disciplinary examinations in order to gather sufficient evidence and provide a comprehensive report for the relevant officials to make a firm, quick and consistent decision. The disciplinary examination is regulated in the Government Regulation Number 94 Year 2021 concerning Civil Servant Discipline.

Honorary Council. If proven, the employee committing violation will be given a penalty in accordance with BPK regulations concerning the code of ethics. This mechanism is regulated in BPK Regulation Number 4 Year 2018 concerning the BPK Code of Ethics and BPK Regulation Number 5 Year 2018 concerning the Honorary Council and BPK Code of Ethics.

"In addition, employees suspected of committing civil servant disciplinary violations are also processed through disciplinary examinations in order to gather sufficient evidence and provide a comprehensive report for the relevant officials to make a firm, quick and consistent decision. The disciplinary examination is regulated in the Government Regulation Number 94 Year 2021 concerning Civil Servant Discipline," he said.

From January 2022 to mid-December 2022, there are 27 complaints regarding alleged violations of the BPK code of ethics or civil servant disciplinary violations received and followed up by the Inspectorate General.

Technological instruments have also been utilized in increasing the integrity in BPK. The Inspectorate General has used various instruments such as website-based whistleblowing system application to manage complaints, gratuity reports through the Gratuity Control Program (PPG) application, and an internal

audit system using the TeamMate+ software.

"We have also started using digital forensics in examining alleged violations of the code of ethics. We are also working with the IT Bureau to develop and use big data analytics to smoothen the audit process and enforce integrity in BPK," he said.

Achsanul emphasizes that BPK applies zero tolerance for integrity violations. However, he realizes that fraud, corruption and cheating could never be completely eradicated.

"Therefore, what we can do is creating a system with strong controls and prevention that can reduce these incidents and opportunities to commit fraud, and lastly, a quick and measurable response procedure with a fair, firm and consistent sanction mechanism when detecting emerging potential or alleged fraud," he said.

According to Achsanul, if public expectations are maintained and followed by a mature, strong control and consistent mechanism for imposing sanctions, BPK will be able to become a clean organization, which is far from issues of integrity. "I advise all employees to instill a sense of shame in order to further enhance the integrity both inside and outside BPK environment. We need to guard our organization together, if there are violations, please report them to your superiors or to the Inspectorate General." ●



In the 2022 BKN Awards held on July 21, 2022 in Batam, BPK received three awards, namely:



Rank 1

For achievements in planning needs and staff rotation.



Rank 4

For achievements in the application of the utilization of data-information systems and CAT.



The best implementation of State Civil Apparatus (ASN) management.

BPK CORRECTED THE CALCULATION OF STATE ELECTRICITY COMPANY'S (PLN) ELECTRICITY SUBSIDY

BPK also found that PLN had not been optimal in planning and implementing the development of EBT generators.

The Audit Board of the Republic of Indonesia (BPK) has carried out a compliance audit on the electricity supply business activities, and the calculation of electricity subsidies for 2021, at PT Perusahaan Listrik Negara (Persero) or Indonesian State Electricity Company (PLN). Based on the audit results, it is known that PLN has calculated the value of the electricity subsidy for the 2021 fiscal year of Rp58.88 trillion (unaudited).

Further, BPK has made a correction on PLN's calculation of Rp1.0 trillion less and PLN has accepted the correction. As quoted from the Audit Report (LHP) which was completed in June 2022, the value of electricity subsidies for the 2021 fiscal year is Rp57.88 trillion (audited), consisting of pure subsidies of Rp49.8 trillion and discounted tariffs of Rp8.08 trillion. These calculations have been outlined and signed jointly by BPK and PLN in the Minutes of Audit of Electricity Subsidies for the 2021 Fiscal Year on May 12th, 2022.

Furthermore, in the audit report, BPK also presented a number of non-compliance findings in the electricity supply business activities. One of these problems is PLN's lack of coordination with the Ministry of Energy and Mineral Resources, regarding the regulation and determination of generator transformer





PLN's lack of coordination with the Ministry of Energy and Mineral Resources, regarding the regulation and determination of generator transformer losses in the process of distributing electricity from the generator to the substation.

losses in the process of distributing electricity from the generator to the substation. In addition, PLN has not been proactive in conducting studies and formulating control procedures for generator transformer losses.

This resulted in the value of transformer losses of 986,238,161 kWh not being measured in making decisions on controlling the basic costs of providing electricity.

For this reason, BPK recommends the Board of Directors of PLN to coordinate with the Ministry of Energy and Mineral Resources, regarding the regulation and determination of generator transformer losses, and instructs the Head of the Center of Excellence to conduct studies and formulate control procedures for generator transformer losses in an effort to provide efficient electricity at power plants. Moreover, BPK also found that PLN had not been optimal in planning and implementing the development of new and renewable energy generators (EBT). PLN plans a program to develop EBT generators of 20.9 GW in the PLN RUPTL for 2021-2030. This is to achieve the NRE mix target of 23 percent in 2025 according to the National Energy Policy (KEN).

Based on the results of the audit, it is known that PLN is not optimal in planning and monitoring the progress of the development of EBT generators.

PLN has also not made any further decisions on the 38 EBT power purchase agreements (PJBTL) with a capacity of 806.54 MW, which have not yet received financing.

This resulted in PLN not being able to optimally support the achievement of the national EBT mix, while still paying attention to cost efficiency and the reliability of PLN electricity system. This is because PLN's directors do not yet have an integrated and informative EBT generator development database. PLN also has not carried out a risk assessment for each planned EBT power plant as a basis for preparing control measures and risk mitigation for the development of each EBT power plant.

Regarding this problem, PLN's directors responded that in the context of preparing the 2021-2030 RUPTL, PLN generally prepares a generation expansion planning study in the form of identifying potential available energy sources and their impacts, risks, advantages, and benefits to the electricity system. Furthermore, the preparation of a feasibility study is carried out in stages for power plants whose project implementation will soon begin, with priority on compiling a study for power plants that will operate within the first five years.

PLN said that the development of the 140 MW EBT generator was indeed constrained, and currently its construction is still being pursued to continue with related parties. PLN is coordinating intensively with the developer to address the existing problems and is internally preparing steps to anticipate further risks. PLN continues to make efforts to catch up on delays in the commercial operations date (COD) of EBT generators.

BPK recommends PLN's directors to compile an integrated and informative EBT generator development database. Also, BPK recommends PLN's board of directors to conduct a risk assessment for each planned EBT power plant as a basis for preparing control measures and risk mitigation for the development of each EBT power plant. ●

BPK REVEALS PERTAMINA'S EXCESS REVENUE FROM SELLING PRICE OF PREMIUM FUEL

PT Pertamina experienced excess revenue of IDR 5.87 trillion.

In Semester I of 2022, the Audit Board of the Republic of Indonesia (BPK) has completed an audit on the activity of calculating surplus (shortage) of PT Pertamina and PT AKR's receipts for the determination of retail selling price (HJE) of Certain Types of Fuel (JBT) Diesel/Biosolar and Types of Fuel for Special Assignments (JBKP) of 2020. The audit result concluded that the calculations of excess (shortage) revenue for the determination of HJE JBT Diesel/Biosolar and JBKP of 2020 were carried out according to the criteria, with some exceptions.

Overall, the audit revealed three findings: one weakness in internal control system valued at IDR 299.83 billion and two non-compliances valued at IDR 5.88 trillion.

HJE JBT Diesel and JBKP were set by the government. This HJE is different from HJE according to calculation of basic price formula for JBT and JBKP. This resulted in business entities experiencing excess or shortage of revenue from the difference between HJE JBT Diesel and JBKP based on government stipulations and HJE based on formula calculations.

In accordance with statutory provisions, the Minister of Finance determines BBM Compensation Fund policy for the excess (shortage) of revenue from the business entity after coordinating with the Minister of Energy and Mineral Resources (ESDM) and the Minister of State-Owned Enterprises (BUMN). Fuel Compensation Fund is a fund paid by the government to business entities for a lack of revenue resulting from the difference between HJE JBT and/or JBKP determined by the government and HJE based on formula calculations in accordance with statutory provisions.

Should there be an excess of revenue, the settlement can be in the form of reducing payment of BBM Compensation Fund debt in previous years. Additionally, depositing excess revenue from the base price by business entities to the state treasury.

PT Pertamina and PT AKR are business en-



ties who distribute fuel. While fuel calculated for compensation is subsidized fuel for JBT, and minimum ROM 88 fuel distributed in the assigned area for JBKP without subsidies.

Based on the Summary of Audit Reports for Semester I of 2022, a significant problem found were related to JBKP selling price policy. BPK revealed that PT Pertamina experienced an excess of IDR 5.87 trillion in revenue from the difference between HJE formula and HJE determined by government in the distribution of JBKP in 2020. This consisted of excess revenue for the distribution of JBKP in Java, Madura and Bali (Jamali), as well as non-Jamali areas valued at IDR 1.65 trillion and IDR 4.22 trillion respectively.

The above problems occurred because Pertamina directors were less proactive and optimal in coordinating with the Ministry of Energy and Mineral Resources regarding the determination of JBKP retail selling price, which was different from the formula calculation. In addition, Pertamina directors are not optimal in coordina-



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Should there be an excess of revenue, the settlement can be in the form of reducing payment of BBM Compensation Fund debt in previous years.

ting with the Minister of Finance regarding the establishment of a policy for regulating excess revenue for 2020 JBKP Premium distribution activities in a letter from the Minister of Finance.

As a response, the Finance Director of PT Pertamina (Persero) agreed with BPK's findings. Referring to Presidential Regulation Number 43 of 2018 Article 14 par 8 and 10, PT Pertamina (Persero) has calculated the price difference in HJE JBKP Premium due to differences in setting Retail Selling Price and Formula Price in 2020.

Hence, BPK recommended PT Pertamina directors to coordinate with the Minister of Finance, Minister of Energy and Mineral Resources, and Minister of SOEs to establish a policy to regulate PT Pertamina's excess revenue for 2020 JBKP Premium distribution activities in a letter from the Minister of Finance.

With regard to JBT selling price policy, BPK found that PT Pertamina experienced a revenue shortfall of IDR 299.83 billion and PT AKR experienced an excess of IDR 15.90 billion for the difference between HJE formula and HJE determined by the government in the distribution of JBT Diesel Fuel in 2020.

BPK recommended that directors of PT Pertamina and PT AKR coordinate with the Minister of Finance Minister of Energy and Mineral Resources, and Minister of SOEs to establish a policy for regulating PT Pertamina's under-revenue and PT AKR's over-revenue, then take into account BPK's correction of 2020 JBT Diesel Fuel distribution activities in the Minister of Finance's letter. ●

BPK REPORTS 311 STATE LOSSES CALCULATIONS WORTH RP57.53 TRILLION

BPK has also carried out provision of expert information (PKA) on 324 cases at the trial stage.

Summary of Semester Audit Reports (IHPS) I 2022 includes monitoring results on the use of investigative audit reports (PI), calculation of state losses (PKN), and provision of expert testimony (PKA) issued in the period 2017 to semester I 2022.

Monitoring is carried out on utilization of PI reports in the investigation and investigation process, utilization of PKN reports in the preparation of P-21 or complete investigation files and the investigation process, as well as PKA attended by BPK in prosecution by the Public Prosecutor (JPU).

In the 2017-semester I 2022 period, BPK submitted 25 PI reports with an indication value of state/regional losses of Rp31.55 trillion and 311 reports of PKN results with a state/regional loss value of Rp57.53 trillion to the competent authorities. BPK has also carried out PKA on 324 cases at the trial stage.

BPK elaborated, of the 25 PI reports that had been submitted, nine reports had been used in the preliminary investigation process and 16 reports were used in the full investigation process. A total of two PI reports were carried out at the central government, 11 reports at regional governments and Regional Owned Enterprises (BUMD), and 12 reports at State Owned Enterprises (BUMN).

Further, of the 311 PKN reports that have been submitted, 46 reports have been utilized in the full investigation process and 265 cases have been declared P-21 (the investigation files are complete). Of those

reports, 52 PKNs were held at the central government, 214 PKNs at regional governments and BUMDs, and 45 PKNs at BUMNs.

Moreover, as many as 324 expert testimony provided at trial were all used in prosecution by the prosecutor. In more detail, 53 PKA were carried out at the central government level, 211 PKA at regional governments and BUMD, and 60 PKA at BUMN.

IHPS I 2022 also contains the results of monitoring the completion of predetermined state/regional

loss settlement for the period 2005-semester I 2022. The settlement of state/regional losses does not include the value of state/regional losses from the calculation of state losses at the request of the competent authority in the context of handling corruption cases.

Monitoring results show that the state/regional losses that have been predetermined for the 2005-semester I 2022 period amounted to Rp4.56 trillion. The state/regional losses incurred by local governments amounting to Rp3.33 trillion (73 percent) is the largest value of the total state/regional losses with predetermined status

for the 2005-semester I 2022 period. The level of settlement for state/regional losses with pre-determined status through installments, redemption, and write-offs to the central government, regional governments, BUMN, and BUMD by 65 percent, 59 percent, 37 percent, and 36 percent, respectively. The data shows that the central government has the highest percentage of state loss settlement. ●





DUE PROCESS OF INVESTIGATIVE AUDIT, CALCULATION OF STATE LOSS, AND EXPERT TESTIMONY BY BPK

The regulation explains that the calculation of state/regional losses is carried out based on requests from relevant authority.

The Audit Board of the Republic of Indonesia (BPK) is mandated to carry out investigative audits to uncover indications of state/regional losses and/or criminal conducts. In addition, BPK can also provide expert testimony in judicial process in respect of state/regional losses.

This authority is in accordance with BPK Regulation Number 1 of 2022 concerning Investigative Audit, Calculation of State/Regional Losses and Provision of Expert Testimony. The regulation explains

that BPK carries out investigative audits to uncover indications of state/regional losses and/or criminal conducts within the scope of management and responsibility of state finances.

BPK carries out investigative audit based on requests from the House of Representatives/Regional People's Representative Council and/or related authority, development of audit results, analysis result and/or evaluation of information received by BPK on irregularities in financial management and state financial responsibilities.

In carrying out investigative audits, BPK has the authority to request documents that must be submitted by officials or other parties related to the implementation of investigative audits. BPK also has authority to access all data stored in various media, assets, locations, and all types of goods or documents in the possession of audited entities or other entities deemed necessary, and to seal places where money, goods, and state financial management documents are stored.

Further, BPK can request information from and/or summon a particular person, take pictures, record, and/or take evidence needed as an audit tool, use experts and/or auditors from outside BPK, coordinate with authorized agencies to obtain inputs related to criminal conducts and to coordinate with authorized agencies to obtain audit evidence.

BPK will then compile a report on the investigate audit results after its completion. The investigative audit report is considered confidential. "Should we find any alleged violation of law, BPK will report it to authorized agencies," the regulation stated.

Meanwhile, calculation of state/regional losses is carried out through investigative audits aimed to reveal any state/regional losses, including those occurring due to deviations in state/regional financial management. BPK calculates state/regional losses during the process of investigating criminal conducts by authorized agencies.

The regulation explains that the calculation of state/regional losses is carried out based on requests from authorized agencies. The agencies are obligated to provide supporting documents in the context of calculation losses. Audit evidence can be obtained by BPK from other parties according to BPK's authority.

BPK can also provide expert testimony in court proceedings on state/regional losses. Expert testimony is given by BPK Board Members and/or officials assigned by BPK, and based on the audit report on calculation of state/regional losses. Testimony can also be given based on the methodology and other knowledge related to investigative audit and calculating state/regional losses.

"In accordance with statutory provisions, legal assistance may be provided during expert testimony." ●



In accordance with statutory provisions, legal assistance may be provided during expert testimony.

Investigative Audit

BPK carries out investigative audit in order to uncover indications of state/regional losses and/or criminal conducts within the scope of state financial management and responsibility.

Calculation of State/Regional Losses

Carried out through investigative audits which aim to check whether or not there have been losses, including calculating the value of losses that occur as a result of financial mismanagement.

Calculation of State/Regional Losses is done by BPK during investigation process by authorized agencies.

Expert Testimony

BPK can provide expert testimony in judicial process on state/regional losses. It is provided by BPK Board Members and/or officials based on BPK assignments.

Illustration: macrovector-freepik

Investigative audit is conducted by BPK based on:

- Requests from House of Representatives and/or authorized agencies;
- Development of audit results; or
- Analysis result and/or evaluation of information received by BPK on irregularities in financial management and accountability of state finances.



Reporting and Submission of Investigative Audit Results

- BPK prepares a report on the results of investigative audit after the audit is completed.
- Investigative audit report is confidential.
- Should any criminal conduct is found during the audit, BPK reports this matter to authorized agencies.

Implementation of Loss Calculation

- Carried out based on requests from authorized agencies.
- Authorized agencies are obligated to provide supporting documents in the context of calculating losses.
- BPK obtains audit evidence through authorized agencies.
- Audit evidence can also be obtained from other parties in accordance to BPK's authority.



Reporting Result of Loss Calculation

- After the audit is completed, BPK compiles a report on the results of State/Regional Loss Calculation.
- Result of loss calculation is confidential.
- BPK submits the result of loss calculation to authorized agencies.

Expert Testimony

- Expert testimony is given based on the result of State/Regional Loss Calculation.
- When testimony is not based on loss calculation result, expert testimony can be fulfilled in relation to methodology and other knowledge related to investigative audits and loss calculations.
- In providing testimony, experts can obtain legal assistance in accordance with the provisions of laws and regulations.



WHISTLEBLOWING SYSTEM AND GRATIFICATION REPORTING AT BPK

With internal assistance, fraud or corruption can be identified more easily.



The Audit Board of the Republic of Indonesia has an application provided for individuals or entities with information of activities indicated unlawful. The Whistleblowing System application is BPK's effort to improve integrity and enforce the code of ethics.

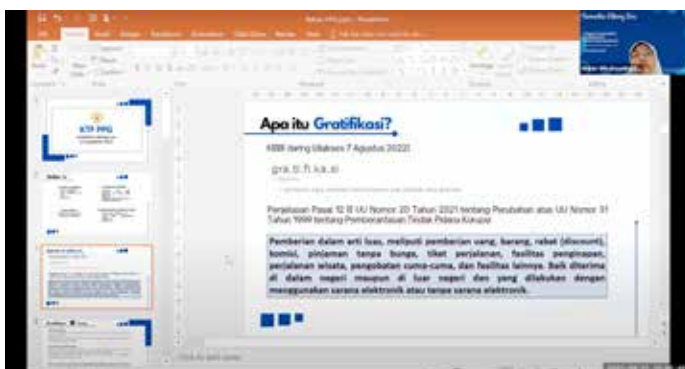
Head of Integrity Enforcement II.B Subdivision Sadiyanto explained that Whistleblowing System or WBS was created because internal parties of the organization are the ones who know the

business processes well. Internal parties are also the one witnessing unethical behaviors that occur in the organization. With internal assistance, fraud or corruption can be identified more easily. "Identification (of fraud or corruption scandals) usually incurs significant money and labor costs as organizations hire external monitoring systems," he said during a discussion on Friday (21/9/2022).

This is in accordance with the definition of WBS: identification by internal informants (active or inactive) on illegal or unethical practices in the organization to a person or organization authorized to take actions.

"Why involve internal parties? As previously explained, insiders are the ones who understand, and see possible events or fraud the most," he said.

When referring to Australian law, WBC includes anyone who can make a report. Unfortunately, this law contains weaknesses because usually information provided by individuals from external parties is less important than information from insiders. Another thing, external whistleblower may





Identification (of fraud or corruption scandals) usually incurs significant money and labor costs as organizations hire external monitoring systems.

not face the same risks and difficulties as internal whistleblower who often experience harassment, victimization, demotion, suspension and provocation from colleagues and institution.

The management of WBS in BPK is regulated through Secretary General Decision Number 507 of 2011 concerning Handling of Violation Report in BPK. Another regulation is Secretary General Regulation Number 66 of 2019 concerning Standard Operating Procedures (SOP) for handling WBS reports/complaints using the WBS application.

In the process, WBS is carried out directly and indirectly. Reports/complaints can be made directly by coming to the helpdesk, while indirect reports/complaints are made through facilities provided, such as by mail, phone, fax, short messaging services, complaint box, and e-mail. Whistleblowers can choose whether to be fully disclosed or anonymous. Full disclosure whistleblower means that the person is willing

to reveal his/her identity and have it known for follow up reporting. Meanwhile, anonymous whistleblower can only be followed up if sufficient data is submitted.

“Some violations that have expiration dates, some others do not. For violations with expiration, we limit a maximum of 5 years,” he told.

How about protection to the whistleblower? First and foremost, it is necessary to keep the whistleblower’s identity a secret. Second, inspectorate must assist when the informant seek protection from other law enforcement.

“The relevant parties involved in WBS and its protection services are the General Inspectorate, audited entities, BPK working units, and BPK employees,” he stated. He reminded the important role of BPK working units in WBS, such as providing support, facilities/ access and confidentiality to informants, as well as having the courage to follow up the reports and responsiveness to issues.

Meanwhile, the role of audited entities are to report to BPK, reject requests from BPK, cooperate with BPK, and be willing to provide clear and detailed information when requested. Currently, BPK Inspectorate are opening access to outsiders to report all possible fraudulent activities conducted by BPK employees. “Currently, WBS application can be accessed by external stakeholders. We have been following up information on complaints/reports coming from outsiders,” he said.





Further, the role of General Inspectorate is to disseminate information on WBS internally and externally, follow-up complaints, as well as to provide protection, follow up information and appreciate informants. "The form of appreciation is still under consideration," said Sudiyanto.

Lastly, the role of BPK employees are to report any alleged violations of BPK's basic values, be willing to provide further information about the reported violations, refuse any form of facilities/money/goods from the parties reported, and still uphold BPK's values at all times: independence, integrity, professionalism.

"The keys to a successful implementation of WBS are a strong commitment from high-level management, holding a massive dissemination program, and showing evidence of real cases and their follow-ups. Through these three things, we hope to reduce violation allegations of code-of-ethics and code-of-conduct year by year," he said.

Gratuity

Another speaker at the discussion, Head of Integrity Enforcement II.C Sub-Division Wulan Winahyuningsih explained about how BPK handles the allegations of gratification at BPK working environment.



The keys to a successful implementation of WBS are a strong commitment from high-level management, holding a massive dissemination program, and showing evidence of real cases and their follow-ups. Through these three things, we hope to reduce violation allegations of code-of-ethics and code-of-conduct year by year.

According to Article 12B of Law Number 20 of 2001 concerning Amendments to Law Number 31 of 1999 concerning the Eradication of Corruption Crimes, gratification is defined as giving money, goods, rebates, commissions, interest-free loans, travel tickets, lodging facilities, tourist trips, free medical treatment, and any other types of facilities, both domestically and abroad, using electronic means or not.

She underlined that gratuity is different to bribery. In bribery, there is an agreement or "meeting of minds" between the giver and the recipient, while gratuity comes without any agreement or any sorts.

Based on the activeness of recipient, he further explained, something is called bribery if both the giver and recipient are active in the process of making an agreement and the act of giving/receiving. In gratification, the giver is the active actor, while the recipient is passive.

Referring to Article 12B para 1 of Law Number 31 of 1999 in conjunction with Law Number 20 of 2001, the word gratification has a neutral meaning without any hint of disgraceful expressions or actions. Nevertheless, there are still sanctions for receiving gratuities.

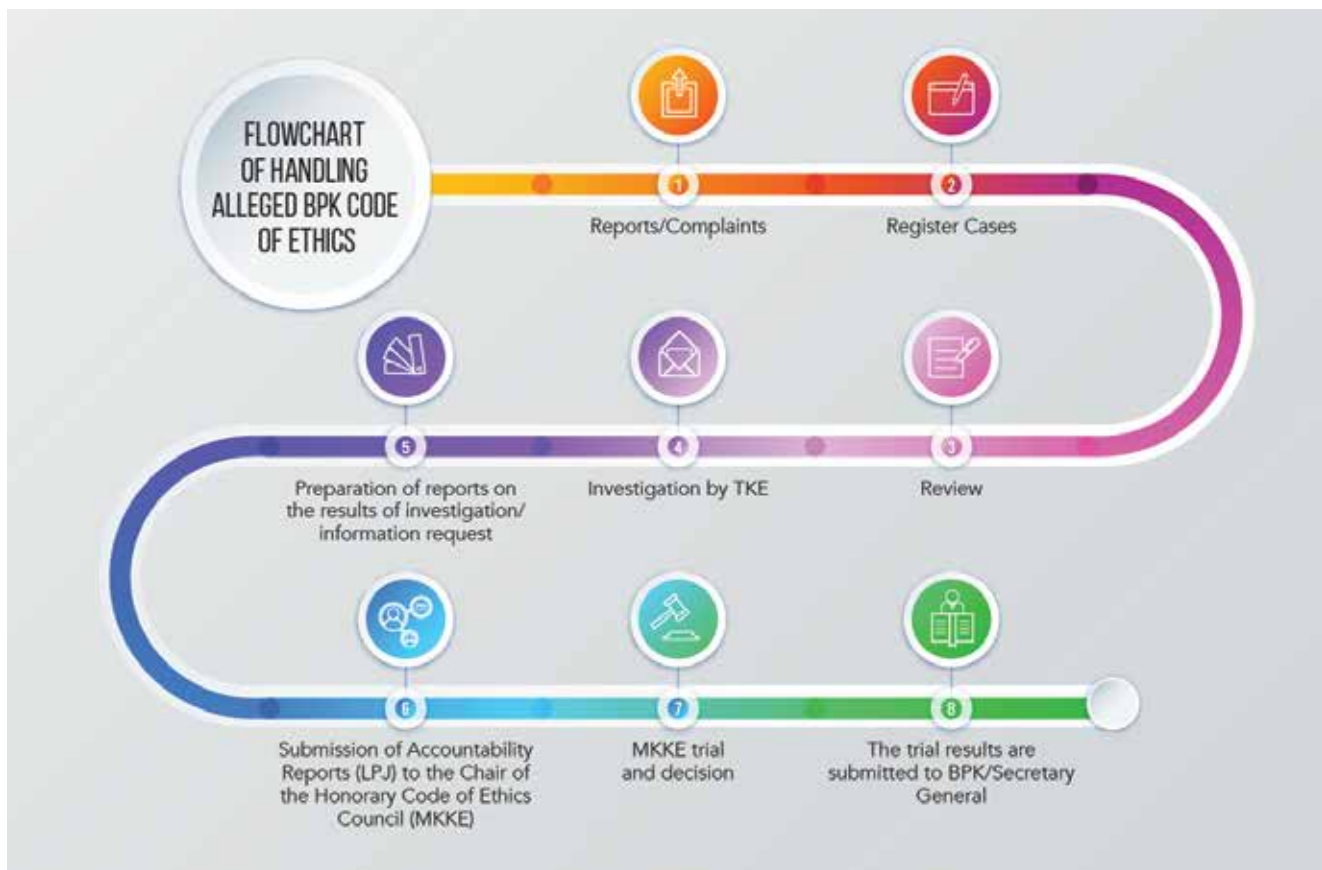
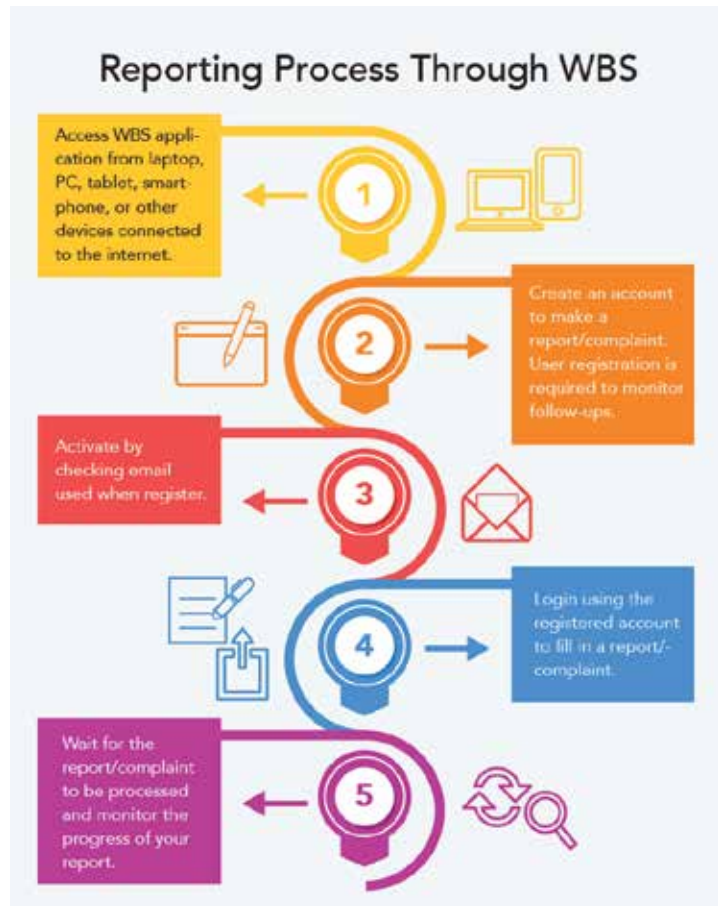
Giving gratuities to civil servants or state administrators are considered bribes, if the act is related to their position and are contrary to their obligations or duties. The punishment for such crime is life imprisonment or a minimum of 4 years, and a maximum of 20 years in

prison, and a fine of at least IDR 200 million to a maximum of IDR 1 billion. This sanction does not apply should the recipient immediately reports to the Corruption Eradication Commission within 30 days after receiving the gratuity.

“Gratifications that are considered bribes are those related to the position of BPK employees and contrary to the obligations or duties of BPK employees, including unofficial, direct/indirect, originating from entities, partners, third parties, other parties, and fellow employees,” he said.

He added, gratuities that are considered bribes are money/goods, precious metal, facilities, banquets, sports events, other goods/services equivalent to rupiah received by themselves or members of the nuclear family or families outside the nuclear family.

Gratuities related to official duties are those obtained in official duties, given openly, and generally accepted, including honorarium for speakers, seminar souvenirs/accommodation/facilities/door-prize from events as agency representatives, and receipt from banks managing state-budget to institutions. ●



REVIEWING THE FERTILIZER SUBSIDY AUDIT

The focus of AKN VII audit is the volume and costs incurred in procuring and distributing subsidized fertilizer from producers to retailers.

Fertilizer subsidies are one of the important factors for advancing agriculture in the country. This program is expected to help farmers/farmer groups to obtain affordable fertilizer as one of the main means of increasing agricultural production. That way, in the end it can realize national food security.

"The fertilizer subsidy policy is a form of the government's presence in helping farmers, in which fertilizer is a component of farming business. With fertilizer subsidies, farmers can obtain fertilizer based on their needs and at affordable prices according to the highest retail price (HET) set," said Director General of Audit VII of the Audit Board of the Republic of Indonesia (BPK), Novy GA Pelenkahu to *Warta Pemeriksa*.

He explained, the types of subsidized fertilizers include urea, NPK, SP36, ZA, and organic. However, since July 8th, 2022, the government has made a policy that there are only two types of subsidized fertilizer, namely urea and NPK fertilizer.

Fertilizer Subsidy Value

Based on Minister of Finance Regulation (PMK) No. 68/PMK.02/2016, the amount of fertilizer subsidy is the difference between the cost of goods sold (HPP) and the highest retail price (HET). Thus, the amount of fertilizer subsidy is influenced by three factors, namely:

- Cost of goods sold (HPP)
- Highest retail price (HET)
- Realization of volume of subsidized fertilizer distribution to farmer groups.

In short, the value of fertilizer subsidies is $(HPP-HET) \times$ the volume of fertilizer distribution. ●

To ensure that this program is running well, BPK has also conducted an audit of fertilizer subsidies. According to Novy, the audit of fertilizer subsidies was carried out to support the audit of the state general treasury's financial reports (LKBUN BA 999).

The focus of AKN VII's audit is the fairness of subsidized fertilizer's calculations of cost of goods sold (HPP). This is done by testing all cost components with the criteria of Minister of Agriculture Regulation No. 28 of 2020 concerning Components of Cost of Goods Sold in the Agricultural Sector.

The audit team, he said, verified costs that could and could not be charged to subsidies (allowable and non-allowable costs). In addition, AKN VII also audit the distribution of subsidized fertilizers, starting from the producer's warehouse to the fertilizer kiosk. "Meanwhile, the audit of the distribution volume of subsidized fertilizers to farmers/farmer groups was carried out by AKN IV," said Novy.

Entities Audited by BPK Related to Fertilizer Subsidies

- **AKN VII:** PT Pupuk Indonesia (Persero) or PT PI along with 5 fertilizer producing subsidiaries, namely PT Pupuk Iskandar Muda, PT Pupuk Sriwidjaja Palembang, PT Pupuk Kujang, PT Petrokimia Gresik, and PT Pupuk Kalimantan Timur. In addition, other related parties are also audited, namely distributors and fertilizer kiosks.
- **AKN IV:** The Ministry of Agriculture as the budget user authority (KPA) manages fertilizer subsidies and distributes subsidized fertilizers to farmers/farmer groups.



■ Novy GA Pelenkahu

Novy also explained a number of things that came to the attention of BPK during the audit. First, the reasonableness of calculating subsidized fertilizer's HPP is in accordance with Minister of Agriculture Regulation No. 28/2020. Second, the procurement activities and distribution volume of subsidized fertilizers are in accordance with the Minister of Trade Regulation No. 15/M-DAG/PER/4/2013 concerning Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector.

According to him, procurement is an activity to provide subsidized fertilizer by PT PI (Persero) assigned by the Ministry of Agriculture. Then PT PI (Persero) assigned a subsidiary of a fertilizer producer to procure subsidized fertilizer, both with its own production and imports. While the distribution of subsidized fertilizers is the process of distributing subsidized fertilizers from producers to farmers/farmer groups involving distributors and kiosks/retailers. Producers, distributors, and kiosks/retailers must be responsible for procuring and distributing subsidized fertilizers according to the 6 right principles, namely the right type, quantity, price, place, time, and quality.

"What AKN VII focuses on is the volume and costs incurred in procuring and distributing subsidized fertilizers from line I (producers) to line VI (kiosks/retailers)," he said.

The third BPK's concern is the amount of fertilizer subsidies that must be paid by the government to fertilizer producers.

Constraints and Challenges

- Minister of Agriculture Regulation No. 28 of 2020 concerning Components of Cost of Goods Sold in the Agricultural Sector does not explicitly stipulate the costs of what activities which can and cannot be charged to subsidies. Regarding this problem, BPK held discussions with entities and confirmed with the Ministry of Agriculture.
- Changes in the organizational structure resulted in the transfer of functions and human resources, so it is necessary to have a deeper understanding of business processes.
- Fertilizer factory operations and calculation of subsidized fertilizer's HPP are complex processes. So that the audit needs to improve competency in understanding production business processes and HPP calculations.

According to Novy, when compared with other audits, in general, there will be no difference. The team is guided by the guidelines for conducting compliance audit, from audit planning to drawing conclusions in order to answer the audit objectives.

Slightly different from other compliance audit, the fertilizer subsidy audit is to support the LKBUN audit. In this case, to support the assertion of expenditure on fertilizer subsidies.

"The purpose of the audit is to assess the fairness of the fertilizer subsidy calculation. Therefore, the audit team will verify more on the costs of production and distribution of subsidized fertilizers as a component of the formation of subsidized fertilizer's HPP.

Methodology Used by BPK



Audit of fertilizer subsidies is a special purpose audit with a compliance audit nature. The audit methodology used is in accordance with the guidelines for implementing compliance audit which are divided into three stages, namely:

1. Audit Planning

- Identification of audit results users and parties who are responsible.
- Determination of main points, objectives, and scope of audit.
- Identification of criteria.
- Understanding of the entity and its environment.
- Understanding of internal control systems.
- Determination of materiality.
- Risk assessment.
- Approval of Random Check.
- Preparation of audit strategies and plans.

2. Audit Implementation

- Obtaining and analyzing evidence.
- Development of findings.
- Obtaining feedback on audit findings.

3. Audit Report

- Compilation of audit report.
- Follow up compliance audit.

The team verifies the costs, which are in the allowable cost and non-allowable cost categories," he said.

When conducting an audit of fertilizer subsidies, the findings were, first, corrections for allowable costs and non-allowable costs. Second, internal control weaknesses, including delays in picking up fertilizer at the warehouse and weaknesses in the standard operational procedure (SOP) for cost allocation.

"There are still repeated findings, but their occurrence is getting less. Several fertilizer producers have made corrections to the calculation of HPP for subsidized fertilizers as a decline in performance, said Novy. Regarding recommendations, he explained, the results of follow-up monitoring of 5 subsidiaries of PT PI (Persero) up to semester I of 2022 showed that there are 723 out of 770 recommendations that had been completed. In other words, it has reached 93.89%, with the following details.

No.	Entities	Findings	Recommendation	Follow up status				Percentage
				SS	BS	BD	TDD	
1.	PT PKT	58	105	99	5	0	1	94.28%
2.	PT PKG	93	208	200	5	0	3	96.15%
3.	PT PSP	56	120	116	4	0	0	96.66%
4.	PT PK	106	221	196	25	0	0	88.68%
5.	PT PIM	66	116	112	1	0	3	96.55%
	Sum	379	770	723	40	0	7	93.89%

Going forward, Novy also hopes that BPK can expand the scope of the audit other than fertilizer subsidies. The reason is, for audits in 2021 and earlier, audits are shown to assess the fairness of fertilizer subsidy calculations.

Meanwhile, the audit of fertilizer subsidies requires considerable resources because the subsidy calculation assertion has never been verified/audited by the internal control unit (SPI) or other parties.

"Starting from the 2022 audit, BPK hopes that the management of fertilizer subsidies can be improved by involving the internal supervisory unit. If the management of fertilizer subsidies is better, fewer resources will be used to audit fertilizer subsidies and BPK can expand the scope of the audit," he said. ●

THE ROLE OF ACCOUNTANTS IN THE GOVERNMENT SECTOR

Accountants working in the government sector must understand Government Accounting Standards.



Drazen Zigic - Freepik

A government accountant has a vital role in managing state finances. Accountants working in the government sector must also have special competence because there are separate standards.

Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono explained, government accountants are accountants who dedicate themselves to work in the government sector. That is, a government accountant gets assigned as a tool from the government to communicate financial performance in government at all levels.

"So the role of government accountants is very important, starting from

bookkeeping, recording, summarizing, then reporting. That is very important," said Agus in an interview.

Agus explained, accounting knowledge is basically needed if an entity is going to prepare financial reports. Likewise with the government that requires the work of an accountant.

"Levelling the preparation of financial reports varies. Usually it is at the work unit level, then there are financial reports that must be published either partially. Partial means only a balance sheet or only an operational report or budget realization report or complete plus a cash flow statement and also notes to financial reports, as well as a statement of changes in equity. Approximately this is the scope of work of government accountants," he said.

But on the other hand, the role of government accountants can also be expanded by concluding accounting information. For example, measuring the effectiveness of the use of resources to measure the economic level of resource use. It depends on the financial reports that are prepared. For example related to asset management and asset operational costs.

"So it doesn't have to be complete in one process of preparing financial reports, but rather the need exists in the context of preparing financial reports."

He added, every government institution that prepares financial reports will need an understanding of government accountants. The reason is that the definition of discussing cash and asset accounting in government is not necessarily the same as in non-government. This is because there are differences in accounting standards used. The government has Government Accounting Standards (SAP), while non-government has other standards.

Therefore, Agus emphasized, accountants working in the government sector must understand Government Accounting Standards. Agus explained, Government Accounting Standards are actually almost the same as accounting standards in general. There are specific forms of recognition models. Financial accounting in general, what is measured is the use of resources between revenue and benefits. "Government accounting is more about measuring how a resource is grouped into a particular pooling account," he explained.

There are regional and global accounting standards. For those with global standards, government accountants must understand the International Public Sector Accounting Standards (IPSAS). Agus emphasized that an accountant working in the government sector is required to improve his competence and understanding of accounting against local and international standards. Thus, there is a com-



■ Agus Joko Pramono



Do not compare finances in Indonesia with abroad without understand the form of accounting and the standard accounting model. And this must be understood both from the lower level and up to the upper level.

parison between financial reports in Indonesia and in other countries.

If IPSAS is not really implemented in Indonesia, financial reports in Indonesia cannot be compared with other countries that have fully implemented IPSAS.

"For example, debts in Indonesia should not be compared with debts abroad because the standard statement of debt in Indonesia is different from the standard statement abroad. That's a model of understanding accounting and accountants must understand this. So do not compare finances in Indonesia with foreign countries without understanding the form of accounting and the accounting

BPK RI won an award as the Best National JDIH Member I in 2022,
in the category of state institutions.

The award was given at the National Meeting of JDIH Managers
and the Awarding of the Best National JDIH Members for 2022
in Jakarta on October 18, 2022 by Minister of Law and Human Rights.



BPK DISCUSSED ABOUT STRENGTHENING IT-BASED AUDIT WITH NIK

Development and utilization of big data analytics as a preparation effort in facing the era of the industrial revolution 4.0 and adapting to the increasingly rapid development of IT.



The Audit Board of the Republic of Indonesia (BPK) discussed about strengthening bilateral cooperation with the audit agency (Supreme Audit Office/SAO) of Poland, Najwyższa Izba Control (NIK). In addition, a discussion was also held regarding the approach and methodology of information technology (IT) based audit.

The discussion was carried out by the Board Member III BPK, Achsanul Qosasi, with NIK President, Marian Banas, at the NIK Office in Warsaw, Poland, Wednesday (12/10).

In his remarks, Achsanul appreciated the bilateral cooperation with NIK, which has been going on for more than 14 years. The relationship between the two SAIs has been ongoing since the signing of a memorandum of understanding (MoU) in October 2008.

"In addition to the bilateral cooperation platform, NIK has also provided valuable input for BPK institutional development through the peer reviews in 2014 and 2019," said he.

NIK Poland, said Achsanul, was also listed as one of the SAIs, physically attend and providing support for SAI20 Summit in Bali on 29-30 August 2022.

Furthermore, Board Member III BPK also explained that BPK's Strategic Plan for 2020-2024 has stipulated the development and utilization of big data analytics or BIDICS. This is a preparation effort in facing the era of the industrial revolution 4.0, and adapting to the increasingly rapid development of IT.

"The development of BIDICS is a strategy for using IT to improve the quality of audits through an e-audit approach," he said.

It is expected that the meeting and discussion held this time will enhance the good cooperation that has existed between BPK and NIK.

At the same time, it can increase the capacity of IT-based audits in both institutions.

During the meeting, Achsanul was accompanied by Director General of Audit III, Ahmad Adib Susilo, and Director of Public Relations and International Cooperation, R. Yudi Ramdan Budiman.

Meanwhile, the President of NIK was accompanied by Deputy Director-Head of International Relations, Grzegorz Haber, Advisor to the President, Paweł Banas, Senior Auditor for International Relations Unit, Iwona Zubrzycka-Wasil, and International Relations Unit, Waleria Sobolewska. ●



■ Board Member III BPK, Achsanul Qosasi, with NIK President, Marian Banas, at the NIK Office in Warsaw, Poland.

DURING VISIT TO ANAO, BPK CHAIRPERSON ATTENDS SMD

BPK Chairperson expressed her for the cooperation between the two institutions in the last 16 years and wished for the continuity of the cooperation to further increase the capacity of each institution.



The Audit Board of the Republic of Indonesia (BPK) conducted a Senior Management Dialogue (SMD) with the Australian National Audit Office (ANAO) during its visit on 13-14 October 2022. The visit was made under a bilateral cooperation between the two institutions. Held at the ANAO Office in Canberra, Australia and was attended by BPK Chairperson Isma Yatun.



■ BPK Chairperson Isma Yatun led BPK delegation for the Senior Management Dialogue (SMD) on 13-14 October 2022 at the ANAO Office in Canberra, Australia.



The main topics discussed at the SMD were “How QA/QC Impacts Preserving the Integrity of the Supreme Audit Institution; Planning for the Future Auditor”, followed by “Insights from the SAI Auditing Sustainable Development- Overview and Insights Gained from BPK’s Recent Review of the Government of Indonesia’s Voluntary National Report”.

During a courtesy call with the Auditor General of Australia Grant Hehir on the first day of the visit, BPK Chairperson expressed her appreciation for the cooperation between the two institutions in the last 16 years. She also wished for the continuity of the cooperation to further increase the capacity of each institution. BPK Chairperson also conveyed the importance of implementing integrity in maintaining the quality of audit results. In relation to the 2030 Agenda, BPK in its 2020-2024 Strategic

Planning continues to improve performance audits, especially in auditing government programs related to the Sustainable Development Goals (SDGs).

Meanwhile, Auditor General of Australia expressed his appreciation for the progress made by BPK in the capacity of audits carried out. According to him, the bilateral cooperation between BPK and ANAO is a two-way learning. Through this SMD, each institution can also learn from the audit experiences carried out and increase the institutional capacity of both institutions.

During the visit, BPK Chairperson was accompanied by BPK Advisor Dadang Ahmad Rifa’i, Head of BPK Representative Office for Yogyakarta Province Widhi Widayat, Deputy Director of International Cooperation Kusuma Ayu Rusnasanti, auditor Anisa, and cooperation analyst Damar Wijanarko.

SMD series of events were then followed by a visit to the Australian parliament to meet with the Chair of the Joint Committee of Public Accounts and Audit (JCPAA) Julian Hill. During the meeting, BPK Chairperson and Chair of JCPAA discussed about communication and protocol for the submission of audit results from ANAO to parliament, as well as how to ensure that the audit recommendations have been effectively followed up. ●



BPK ATTENDS 2022 INCOSAI IN BRAZIL

The Congress adopted a number of INTOSAI documents, products, and strategic decisions.

The Audit Board of the Republic of Indonesia (BPK) attended the XXIV International Congress of Supreme Audit Institutions (INCOSAI) held on 7-11 November 2022 in Rio de Janeiro, Brazil. BPK delegation was led by Chairperson Isma Yatun and Vice Chairperson Agus Joko Pramono.

INCOSAI is the supreme body of INTOSAI held every three years with the purpose of approving INTOSAI documents, products, and making strategic decisions. The agenda of XXIV INCOSAI consisted of, among others, opening ceremony, plenary sessions, 76th and 77th Governing Board meetings, Goal Chairs meetings, and various discussion sessions.

INCOSAI 2022 covered two themes, namely "The work of SAIs in the context of emergency situations" and Global voice, global outcome, far reaching impact". BPK was entrusted the role of a rapporteur in English discussion session of Theme I, which came with the responsibility in reporting the session at Plenary Session II.

As for the list of documents and products approved were INTOSAI 2023-2028 Strategic Plan, Guidance on Enhancing Collaboration between Supreme Audit Institutions and Anti-Corruption Bodies in Preventing and Fighting



Corruption: A Practical Guide, ISSAI 150: Auditor Competence, GUID 1951: Guidance on the development of pathways for professional development of auditors, GUID 5250: Audit of Public Debt, GUID 5330: Audit of Disaster Management, GUID 5280: Audit of Public Procurement, GUID 5320: Performance Audit of Privatization, and GUID 5330: Audit of Disaster Management.

INCOSAI Brazil also adopted the Rio Declaration, which consolidates SAIs' understanding about the themes discussed and establishes guidelines for the action of SAI in the next few years: SAI's responsiveness, strengthening INTOSAI's global voice, the importance of core principles dan how SAIs can improve their collaboration with stakeholders.

In addition to joining the main agenda of INCOSAI, BPK delegation also held a number of bilateral meetings with SAI counterparts and participated in side events, such as being a panelist at "IDI Launching of Equal Futures Audit (EFA)" as well as "IDI UNDESA handbook on budget credibility", promoted the output of Working Package 4 on sustainable transport at the INTOSAI Working Group on Environmental Auditing (WGEA) booth, attending the INTOSAI Working Group on Extractive Industries (WGEI), and a meeting with the Swedish National Audit Office (SNAO). ●



BPK CHAIRS THE UN PANEL OF EXTERNAL AUDITORS

A total of 11 Panel Member SAIs consisting of SAI Chile, China, France, Germany, India, Indonesia, Italy, the Philippines, Switzerland, Russia and the United Kingdom are present at the election agenda. SAI Ghana participates virtually.



The Audit Board of the Republic of Indonesia (BPK) records a new achievement at the international level. This time, BPK is elected as the Chair of the United Nations Panel of External Auditors (Chair of Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency) for the period of December 2022-December 2023.

Being elected as the Chair, BPK will then carry out its responsibility, including chairing the 63rd Regular Session of the UN Panel of External Auditors, which will be held from November 20 to 21, 2023 at the UN Headquarters in New York, the United States of America.

The brilliant achievement is accomplished during the 62nd Regular Session of the UN Panel of External Auditors, which takes place from November 28 to 29, 2022 in Santiago, Chile. BPK is nominated as the Chair by Supreme Audit Institutions (SAIs) of the Panel Members attending the hybrid event. A total of 11 Panel Member SAIs consisting of SAI Chile, China, France, Germany, India, Indonesia, Italy, the Philippines, Switzerland, Russia and the UK are present in person while SAI Ghana participates virtually.

Based on the Rules of Procedure (RoP), the Panel consists of Chair and Vice-Chair. At the end



of each Regular Session, they are elected by the Panel Members to serve until the end of the next Regular Session.

One of the positions of the Chairmanship of the UN Panel of External Auditors is held by a representative of the UN Board of Auditors. Thus, SAI France is then elected as the Vice-Chair of the UN Panel of External Auditors.

The mechanism for selecting the Chair of the UN Panel of External Auditors is different from that of other chairmanships. Chair and Vice Chair are elected based on proposals from Panel Members, not on the nomination. By chairing the UN Panel of External Auditors, BPK records its achievement at the international level while proving its international capacity recognition as a world-standard professional audit institution. ●

BPK SHARES THE EXPERIENCE IN IMPROVING THE QUALITY OF VNR 2021

Vice Chairman of BPK appealed to participants to make this moment as a good starting point.

Vice Chairman of the Audit Board of the Republic of Indonesia (BPK), Agus Joko Pramono, shared about BPK's role and experience in improving the quality and credibility of the 2021 VNR before submitting it to the HLPF. BPK is the first Supreme Audit Institution (SAI) to conduct a review of the VNR compiled by the government.

This was conveyed by Agus while representing Indonesia as a speaker at the First Global Workshop for the Voluntary National Review (VNR) to be presented at the 2023 High-Level Political Forum (HLPF) for Sustainable Development. This event was held at the ILO Training Center, Turin, Italy, on December 6-7, 2022.

He explained that the 2021 VNR review was carried out through a hot review mechanism. It means that, it was done before the VNR report was submitted to UN HLPF. The review was carried out using the INCOSAI XII approach and the INTOSAI strategic plan 2017-2022. These approaches include, first, BPK conducts an assessment of the readiness of the VNR. Second, BPK conducts performance audits related to the Sustainable Development Goals (SDGs). Third, BPK evaluates the implementation of SDG 16 and 17.

Fourth, BPK is a model for other government organizations in terms of transparency and accountability. Among other things, through issuing a sustainability report for 2020 and conducting a review of the 2021 VNR.



■ Agus Joko Pramono

According to Agus, the review of the VNR was successfully achieved after going through various challenges. The first challenge is the absence of benchmarks from other SAIs, thus encouraging BPK to learn by doing. Second, time constraints have pushed BPK to optimize the use of big data management and analytics.

Third, the review was carried out before the VNR report was published. "So to get government support, BPK is intensively collaborating with the government to ensure that VNR review and VNR reports are completed on time and to mitigate the risk of data validity," said Agus.

On that occasion, Agus also explained the factors that were the key to the success of the VNR review. These include, first, BPK plans an audit of SDGs before conducting a review. This is done so BPK able to determine the focus areas.

Second, there is an agreed framework and criteria between the government and BPK to overcome the possi-

02 Vice Chairman Presentation... 1st Global Workshop on VNR-1



ble resistance during the review process. Third, the building of common awareness to have a comprehensive, quality, and evidence-based VNR. The fourth factor, it is important for SAI to carry out SDGs audits in order to strengthen the monitoring and evaluation of SDGs implementation.

"This is not the end. Even this is not the beginning of the end, but this is the end of the beginning," said Agus when closing his presentation.

He also appealed to participants to make this moment as a good starting point. It is to share experiences and work together between stakeholders and between countries to make the earth habitable for current and future generations.

On that occasion, Agus fulfilled an invitation as a speaker during his attendance in the annual meeting of the United Nations

(UN) Independent Advisory Audit Committee (IAAC) in New York, United States of America. The UN Development Economic and Social Affairs (UN DESA) is holding the first global workshop for the VNR in a hybrid manner to collect information from HLPF participating countries that are participating in VNR in 2023.

VNR principally describes the achievements of a country in achieving sustainable development goals.

The event, which was opened by the United Nations Economic and Social Council

(ECOSOC), aims to facilitate participants in sharing knowledge and experiences in implementing VNR. Including successes, challenges, and lessons learned in order to accelerate the achievement of the 2030 agenda. As many as 42 participating countries were recorded as participants in this forum. ●



This is not the end. Even this is not the beginning of the end, but this is the end of the beginning.

BPK VICE CHAIRPERSON ATTENDS THE 60TH SESSION OF UN IAAC IN NEW YORK

One of the reports conveyed by the Executive Secretary to the Committee is related to IAAC Annual Report for period 1 August 2021 to 31 July 2022.



Vice Chairperson of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono attended the 60th Session of the United Nations (UN) Independent Audit Advisory Committee (IAAC) in New York, United States of America, Thursday (8/12). Agus attended the activity as the UN IAAC Vice Chair.

The 60th Session of the UN IAAC was held in the UN Headquarter, New York, and was attended by Chair Janet St Laurent from USA and other IAAC members, such as Dorothy A Bradley (Belize), Imran Vanker (Afrika Selatan), serta Anton V Kosyanenko (Rusia).

The session began with the reports of the Executive Secretary to the Committee, which covered IAAC Annual Report for period 1 August 2021 to 31 July 2022, Statement on Internal Control (SIC), and introducing IAAC report to the Administrative and Budgetary Committee.

The session was then followed by discussions with the Under Secretary-General (USG)-Office of Internal Oversight Services

(OIOS) Fatoumata Ndiaye, and Controller/Assistant Secretary-General Chandramouli Ramanathan.

The discussion with Ndiaye raised OIOS management issues, such as work plan and budgeting for OIOS activities in peacekeeping missions and human resources needs, as well as results of the implementation of external quality assessments for the Investigative Division and other important issues that are of concern to the IAAC,

Meanwhile, in the discussion session with Ramanathan, Agus raised the General Assembly and the Advisory Committee on Administrative and Budgetary Questions (ACABQ)'s review of the budget proposed by OIOS. Further, discussions on Statement of Internal Control (SIC), financial situation faced by the UN, and Capital Investment Plan related to ICT, cyber security, safety and security capabilities, as well as building and facilities management were also covered.

The session was closed with a recommendation that will be conveyed to the UN Secretary General. ●



How to Submit Articles

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REQUIREMENTS

- The themes include auditing state finances, state finances, monetary, policy, government administration, social, economy.
- Document format is in Microsoft Document (.doc) with a minimum of 7,000 characters, and a maximum of 9,000 characters.

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PUBLIC VOICE CHANNEL

REQUIREMENTS

- The themes include auditing state finances, state finances, monetary, policy, government administration, social, economic.
- Document format is in Microsoft Document (.doc) with a maximum of 5,000 characters.



The document shall be sent to:

wartapemeriksa@bpk.go.id

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

BPK CHAIRPERSON EMPHASIZES COLLABORATION BETWEEN P20 AND SAI20

As a new G20 engagement group, SAI20 wants to contribute to the G20 community, especially in achieving SDGs and green economy.



The Parliamentary 20 (P20) and SAI20 collaboration is considered important to encourage G20 governments to achieve sustainable development goals (SDGs). This was conveyed by the Chairperson of the Audit Board of the Republic of Indonesia (BPK) as Chair of Supreme Audit Institution 20 (SAI20), Isma Yatun.

"SAI20 considers the need to develop a sustainable reporting framework to support transparency and accountability of government programs towards a green economy," explained the Chairperson of BPK when giving a keynote speech at the 8th G20 Parliamentary Speaker's Summit (P20) at the Senayan Parliament Complex, Jakarta, Thursday (6/10).

According to her, as the new G20 engagement group, SAI20 wants to contribute to the G20 community, especially in achieving SDGs and green economy. SAI20 Communique endorsed during SAI20 Summit on last 30 August 2022, also expressed the urgency of involving various stakeholders in responding to global issues.



This collaboration is important to ensure comprehensive mapping and coherence of government programs and policies for sustainable development.





"This collaboration is important to ensure comprehensive mapping and coherence of government programs and policies for sustainable development," she explained at the P20 session which was attended by parliamentary speakers from various countries, including G20 member countries.

SAI20 also called the G20 Governments to encourage the sustainable energy transition that enables the production of clean, affordable, and economically viable energy. Indonesia hosted the 2022 G20 Parliamentary Speaker's Summit (P20) for three days from 5-7 October 2022. The agenda for the parliamentary meeting of G20 members began with President Joko Widodo opening speech. Also present in the meeting, were Speaker of the House of Representatives (DPR), Puan Maharani, and Speaker of People's Consultative Assembly (MPR), Bambang Soesatyo. The G20 Parliamentary Speaker's Summit (P20) Indonesia took the theme "Stronger Parliament for Sustainable Recovery". This theme is in line with the Indonesian G20 Presidency theme



"Recover Stronger, Recover Together".

The strategic issue raised at the P20 meeting was mitigating the risk of prolonged global economic turmoil. So that a fiscal and monetary policy response is needed. Then efforts to maintain the stability of global commodity markets, maintain food supply chains to global markets, and ensure an open and fair trade in world food and agricultural commodities.

The presence of the Chairperson of BPK as Chair of SAI20 is a form of SAI20's support for P20. With the spirit of "Recover Together, Recover Stronger", BPK hopes that P20 will be an important achievement to contribute more extensively to the global community. ●





■ BPK Board Member I Nyoman Adhi Suryadnyana and TCA President Metin Yener.

BPK EXPRESSES APPRECIATION TO THE TURKISH COURT OF ACCOUNTS

BPK welcomes proposal to carry out closer cooperation in the area of public sector audit.

The Audit Board of the Republic of Indonesia (BPK) expressed its appreciation to the Turkish Court of Accounts (TCA). This is related to its membership and support for the Turkiye inspection agency and its contribution to the formation of SAI20.

Appreciation was conveyed directly by BPK Board Member I Nyoman Adhi Suryadnyana to the President of TCA Metin Yener in Turkiye, Thursday (6/10). He conveyed that this visit was also to enhance bilateral cooperation between the two audit institutions. BPK also welcomes TCA's proposal to carry out closer cooperation in the area of public sector audit.

On this occasion, Board Member I also conveyed in person the SAI20 Communique to the President of TCA as a member of SAI20 who virtually attended the SAI20 Summit held in Bali at the end of

August 2022. The communique reflected a joint commitment of SAI20 members present at the Summit. "This is a concrete step as a follow-up to the SAI20 Summit. The communique needs to be voiced out to the G20 and international communities," he said.

During this meeting, Board Member I also informed about BPK's nomination to host INCOSAI XXVI in 2028, which would mark BPK as the Chair of INTOSAI 2028-2031. BPK hopes the TCA as a member of the ASOSAI Governing Board can support BPK in this endeavor. As a response to this, the TCA expressed its support for BPK's nomination as host for INCOSAI XXVI in 2028.

In his visit to Turkiye, Board Member I was accompanied by BPK Director General of Audit I Akhsanul Khaq and the Ambassador of Indonesia to Turkiye Muhamad Iqbal. ●



BPK DELIVERS SAI20 COMMUNIQUÉ TO BOARD OF AUDIT OF JAPAN

The Communiqué is delivered following the successful SAI20 Summit. It is a realization of the follow up of the Summit.



The Audit Board of the Republic of Indonesia (BPK) delivers directly the SAI20 Communiqué to the Board of Audit of Japan. BPK Board Member III Achsanul Qosasi hands it over to President of the Board of Audit of Japan Morita Yuji in Tokyo, Japan, on Wednesday (9/21).

Achsanul says that the SAI20 Communiqué is a joint commitment of the SAI20 members present at the SAI20 Summit held in Bali from August 29 to 30, 2022. The result is delivered as the realization of the follow up of the SAI20 Summit. "The SAI20

Communiqué needs to be voiced to the international community and the G20 community," Achsanul said.

In addition, he mentions BPK's nomination to host the XXVI INCOSAI in 2028 as the Chairman of INTOSAI for 2028-2031 period. "With Japan's capacity as a member of the ASOSAI Governing Board, BPK hopes that the Board of Audit of Japan can provide its support to BPK," he said when visiting the Board of Audit of Japan in an effort to enhance the bilateral cooperation. During the visit, the Board Member is accompanied by Director General of Audit III Ahmad Adib Susilo, the Deputy Ambassador and the Financial Attaché of the Indonesian Embassy in Tokyo.

BPK welcomes closer cooperation, especially in the area of public sector auditing. BPK also appreciates the role of the Board of Audit of Japan as the ASOSAI Capacity Development Administrator (CDA) working closely with BPK to support capacity building programs. BPK has involved in ASOSAI CDA activities among others by becoming resource person and actively participating in the CDA programs. ●



■ BPK Board Member III Achsanul Qosasi hands the SAI20 Communiqué to President of the Board of Audit of Japan Morita Yuji.



■ Isma Yatun

BPK IS OPTIMISTIC THAT G20 WILL ACCELERATE ECONOMIC RECOVERY

The communiqué encourages collaboration with stakeholders in the G20 community.

The Audit Board of the Republic of Indonesia (BPK) has always provided support for the G20 Presidency in Indonesia in 2022. In fact, BPK believes that holding the G20 Summit, as the culmination of the Indonesian G20 Presidency series, in Nusa Dua, Bali on 15 November 2022 will bring a real impact on Indonesia.

"Congratulations on the successful G20 Summit. BPK is optimistic that all activities of the Indonesian G20 Presidency will accelerate economic recovery. This is in line with the G20 theme 'Recover Together, Recover Stronger', which focuses on handling the Covid-19 pandemic and economic

recovery," said BPK Chairperson as Chair of Supreme Audit Institution 20 (SAI20), Isma Yatun. BPK, she said, provided support for this event from the beginning of the activity initiation. This is evident from BPK's initiation to form the Supreme Audit Institution (SAI) 20 as a new engagement group in the G20.

This BPK's initiative was carried out to support the efforts of the G20 Governments in realizing transparency, accountability, and good governance at the global level. SAI20 was formed as a meeting platform for audit bodies or SAIs of G20 member countries.

SAI20 was formed with several objectives. First, contributing to G20 leaders in



Congratulations on the successful G20 Summit. BPK is optimistic that all activities of the Indonesian G20 Presidency will accelerate economic recovery.



the areas of transparency, accountability, and good governance. Second, building global partnerships with various stakeholders in G20 ecosystem and community.

In practice, SAI20 also managed to produce communiqués through the SAI20 Summit, which was also held in Bali last 29-30 August 2022. SAI20 communiqué contained an agreement with the leaders of the audit bodies (SAI) of G20 member countries who were present at the Summit.

The communiqué also revealed the role of SAI of G20 countries in accordance with the theme of the Indonesian G20 Presidency and encouraged collaboration with stakeholders in the G20 community. Therefore, SAI20 is expected to be a real contribution from BPK to the implementation of the G20 Presidency in Indonesia this year.

The SAI20 Communiqué consisted of 12 agreed statements. The first part consists of 8 statements regarding the rationalization of the presence of SAI20 as a G20 engagement group. The second part is the two SAI20 recommendation statements to the government and stakeholders regarding accelerating economic recovery and achieving the SDGs Agenda. Then the last section concerns the sustainability and collaboration of SAI20 in promoting the efficiency, effectiveness, and transparency of public administration. ●



President Joko Widodo Conveys the Points of the Declaration of the G20 Indonesia Summit (Bali Leader's Declaration 2022)



- 1 War has a negative impact on the global economy and economic recovery will not be achieved without peace, so the war needs to stop.

- 2 Establishment of a pandemic fund which has so far collected US\$1.5 billion.

- 3 Establishment and operation of the Resilience and Sustainability Trust under the IMF in the amount of 81.6 billion US dollars to assist countries facing crises.

- 4 The Energy Transition Mechanism, especially for Indonesia, obtained a commitment from the Just Energy Transition Partnership (JETP) of USD 20 billion.

- 5 Shared commitment: At least 30% of the world's land and 30% of the world's oceans are protected by 2030.

- 6 Commitment to reduce land degradation by 50% by 2040 voluntarily.



BPK received the **Bronze Winner** award in the **Digital Channel Category - the Subcategory: Application**, at the 2022 Indonesian Public Relations (Humas) Award event, which was held by Humas Indonesia, on October 30th, 2022 in Malang.

**HUMAS
INDONESIA**



BPK VICE CHAIRMAN CONVEYS STRATEGIES TO PREVENT FINANCIAL CRIMES IN THE DIGITAL ERA

The use of technology and the right approach can help financial institutions and regulators detect risks of fraud, cyber threats and financial crimes.



■ Agus Joko Pramono

Vice Chairman of the Audit Board of the Republic of Indonesia (BPK) Agus Joko Pramono says that cybercrime has become an industry worth trillions of dollars. Banks even have to disburse up to \$8.2 billion only to prevent money laundering, based on 2018 data.

He conveys it when becoming the Keynote Speaker of the international seminar held at the Accounting Research Institute (ARI) Universiti Teknologi Mara (UiTM) Shah Alam, Malaysia, Tuesday (10/25). The seminar themed "International Seminar in Audit, Investigation and Governance: Mitigating Financial Crime in the Digital Era" is attended by researchers, academicians, practitioners and students from various countries, including several Indonesian students currently pursuing degrees in Malaysia.

Agus states that based on data from the Financial Transaction Reporting and Analysis Center of Indonesia (PPATK), reports regarding

suspicious activity related to fraud reached 9,800 in 2018. This figure increases rapidly in 2021 to 23,000 reports.

What is fraud, financial crime and cyber security threats? Agus mentions an example of fraud. It is a financial crime that involves a person or entity in a financial institution and commits a crime, such as credit card fraud and others. Financial crimes are generally money laundering activities, offenses such as bribery and tax evasion. Cyber threats are activities that endanger the security infrastructure of financial service institutions.

"In February 2022, fraud and violations of laws in financial transactions in cyberspace become the most common types of crime in suspicious activity report issued by PPATK," he said. According to him, it is inseparable from the Covid-19 pandemic, which has prompted people to change their activity habits from direct transactions to online. In other words, he says, there is massive digitization due to the increased demand for digital channels.

This is also directly proportional to the increase in fraud and the threat of crime in cyberspace. In addition, the methods and profile of cybercrimes are increasing and changing from year to year. "So for me, financial institutions and regulators now need to evolve and improve their holistic approach to reduce these new types of threat," he said.

Financial institutions and regulators, Agus says, must have extensive knowledge and be effective in preventing cybercrime. The strategic system allows tracking all kinds of cybercrime. Financial institutions are also no longer able to deal with cyber threats only on a case-by-case basis because of the large number of crimes. Thus, the best approach is to use rule-based automation.

Financial institutions need to have an analytical data approach in designing rule-based automation to create a risk-based approach to reduce or even block digital threats. Agus says that artificial intelligence and machine learning provide a faster opportunity for regulators to determine the right key to dealing with the problem. "Using the right technology and approach can help financial institutions and regulators detect risks of fraud, cyber threats and financial crimes while continuing to systematically fighting cybercrime," he said.

Preventing financial crime

BPK has three types of audit, namely financial, performance and special-purposed audits. In an effort to increase the capacity and capability of the audits, BPK follows the model developed by the USGAO (United States Government Accountability Office) in 2006. The model seeks to improve the capability of financial institutions through insight, oversight and foresight. "In the near future, BPK is determined to implement these three rules consistently and provide value and benefits to the government

and society. One of the ways is by contributing to the detection, prevention and anticipation of corruption, including financial crimes in the digital era," he said.

BPK has used performance and special-purposed audits to contribute to preventing corruption. BPK has also conducted investigative audits to detect corruption.

BPK's contribution is not limited only in preventing and detecting. Based on the Constitution, BPK can also become an expert witnessing in court to explain state losses. "Currently, BPK has 109 investigative auditors and 28 digital forensic auditors equipped with a digital forensic laboratory and big data analytics," he said.

As an effort to support corruption prevention, BPK also has a strategic plan to be implemented from 2021 to 2023. From 2021 to 2022, BPK has experienced an increase in investigative audit capacity and strengthened non-investigative audits based on fraud risk. Meanwhile, from 2022 to 2023, BPK plans to establish a corruption prevention system and strengthen a corruption prevention system in audited entities. ●



In the near future, BPK is determined to implement these three rules consistently and provide value and benefits to the government and society. One of the ways is by contributing to the detection, prevention and anticipation of corruption, including financial crimes in the digital era.

BPK STRENGTHENS JDIH AND ENCOURAGES STATE/REGIONAL LOSSES SETTLEMENT

JDIH BPK received an award as the Best National JDIH Member in 2022, in the Category of State Institution.

The Audit Board of the Republic of Indonesia (BPK) is committed to strengthening the development of the Legal Documentation and Information Network (JDIH). Not just that, BPK also tried to accelerate the state/regional losses settlement by forming a task force. This was the main topic of discussion in the 2022 Legal Workshop entitled "Strengthening BPK JDIH and Accelerating State/Regional Losses Settlement" from 31 October 2022 to 1 November 2022.

BPK Vice Chairman, Agus Joko Pramono, said in his remarks that this workshop is crucial to strengthen the understanding of law of all BPK auditors.

"I hope that Directorate General of Legal Affairs can accelerate the state/regional losses settlement and also increase the role of JDIH with the government, which is an important part of supporting BPK's main task, carrying out audits," said Agus on Monday (31/10).

Agus conveyed that the development of BPK's JDIH must continue to be carried out, to make it easier for legal information seekers, both investigators and the public. He also urge for the search feature on the *peraturan.bpk.go.id* site to be improved.

According to him, the search feature can be improved to search for words within the contents of the regulation document or article.

"Legal information seekers and users of the *peraturan.bpk.go.id* website will increase and our services will be increasingly useful for BPK employees and the public," he said.

Agus admitted that the challenge is to strengthen the data sources for the regulations. According to Agus, BPK regional offices can become the spearhead for strengthening the data, especially regional regulations (*perda*).

"I think there should be a sustainable plan in exploring regional regulations so that we can get



■ **BPK Vice Chairman, Agus Joko Pramono**

them in soft file form so we do not have to scan and collect the data ourselves," said Agus.

At the central government level, Agus even encourage for data strengthening to the circular letter (SE) level. According to him, the challenge in this case is communication with ministries/agencies (K/L) so that they can obtain data up to the SE level on an ongoing basis.

"So, we can continue to get policy updates and thought updates from the government," he said.

One thing that highlighted is the implementation of the formation of laws and regulations after the enactment of Law (UU) Number 13 of 2022 concerning the Second Amendment to Law Number 12 of 2011 concerning the Formation of Legislation.

In the law, there are things that are being improved, including adding the omnibus method, forming laws and regulations electronically, changing the technique for drafting laws and regulations, correcting technical errors after mutual agreement between House of Representatives (DPR) and the President, and changing the technique for preparing academic texts. Apart from that, Agus also highlighted the implementation of financial relations between the central government and regional governments after the enactment of Law Number 1 of 2022. There are



I think there should be a sustainable plan in exploring regional regulations so that we can get them in soft file form so we do not have to scan and collect the data ourselves.

four main things from the law, namely the development of the tax system, the development of financial relations between the central government and regional governments, encouraging the improvement of the quality of regional expenditure, as well as harmonization of fiscal policies between the government and the regions for the delivery of public services.

Agus emphasized that auditors who will provide recommendations must have a strong legal understanding. This is important so that BPK audit does not make wrong entities appear to be correct and vice versa, does not make correct entities appear to be wrong.

"What is even more pitiful is that it makes people who are hesitant, to take a legal decision, in which the hesitation came from a dubious form of legislation. Then, suddenly this person took discretion and BPK show up in a wrong position. This may cause problems in the future," said Agus.

Meanwhile, Director General of Legal Affairs, Akhmad Anang Hernady said the 2022 Legal Workshop is intended as a discussion forum and place to exchange information and transfer knowledge to officials and employees within BPK. This is in order to support BPK's mission to accelerate the state/regional losses settlement and strengthen BPK's JDIH.

It is hoped that some of the material presented by the resource persons will also strengthen their understanding of regulations, mechanisms and issues regarding the legal aspects of accounts receivable that occur due to treasury demands, or claims for state losses that have obtained court decisions, and implementation of the law after the enactment of Law Number 1, 2022 and Law Number 13, 2022.

Anang said that the workshop seeks to optimize the implementation of the duties and functions

of the legal affairs in BPK Regional Offices' legal affairs subdivision as a provider of precise and accurate information in supporting Indonesia's one data towards digital government. Then, there is a common perception of policies in the field of state/regional finance related to the financial relationship between the central government and regional governments.

He also encouraged the establishment of a common perception and understanding regarding the formation of a task force for settling state/regional losses.

In addition, it is hoped that there will be a common perception and understanding regarding the legal aspects of receivables from treasury claims or claims for state/regional losses that have received court decisions.

With regard to the development of JDIH, Anang said, this is becoming increasingly important. This is because JDIH is a form of public service in documenting as well as disseminating legal information.

"Thus, the management of JDIH had to maintain its consistency and to increase its existence," he said.

He said, in October 2022, BPK's JDIH received an award as the Best National JDIH Member in 2022, in the Category of State Institution. This is the fourth time in a row since 2019, BPK has received this award. Based on data collection as of October 26, 2022, legal products in the BPK regulatory database, has reached 190 thousand items. This legal product consists of legal products at the central level by 8 percent. Then, ministry/agency legal products account for 10 percent, and regional level legal products as much as 82 percent.

The number of visits to BPK regulatory database has also continued to increase. The number of visits in 2018 was 827 thousand. Currently, visits to BPK regulatory database website from January to October 2022 have reached 20.7 million visits.

"With the increasing number of visits to the regulatory database, this shows that our joint effort has been used and beneficial for BPK employees and also for public in general," he said. ●

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.



GUARDING DIGITAL DATA WITH SECURITY AWARENESS AND ZERO TRUST SECURITY

Security awareness of all BPK employees has a significant role to ensure information security.



■ Pranoto

Following Accelerating Transformation in various fields, the Audit Board of the Republic of Indonesia (BPK) has made various efforts to optimize resources, including information technology (IT). Especially now that the audit process as BPK's main task is supported by an increasingly integrated information system. Director of IT Pranoto stated that the integration is not only between BPK's internal information systems, but also with audited entities for all audit processes, from audit implementation to monitoring follow-ups.

Usage of IT automatically has an impact on the increasingly large and complete digital data at BPK, both internal and external. Data to be managed is bigger, more complex, and connected among work units. With IT infrastructure in place for its management, storing-processing-shipment takes place quickly within 24 hours.

Nonetheless, behind the various advantages in using IT, there has been a change in the trend of attacks in the cyber world, Pranoto said. Currently, lawbreakers are using a new mode of data theft and ransomware in attacking employees and phishing e-mails.

Under these conditions, BPK is facing more and more data security challenges. Therefore, optimal efforts are continuously implemented to ensure BPK data security in dealing with cyber attack trends that change rapidly.

"On one hand, we are engrossed in improving and advancing digital technology. On the other hand, cyber attacks come with new modes of operation through employees, such as phishing or ransomware," Pranoto told *Warta Pemeriksa* in Jakarta recently.

Therefore, IT Department has made several efforts to maintain the continuity of BPK's business processes. For example, preparing and implementing an information security management system (SMKI), followed by implementing standardization of user devices to facilitate device management and security.

Furthermore, the development and utilization of big data analytics for information security and implementation of zero trust security. BPK is also investing in security infrastructure and increasing cooperation with various agencies, especially the National Cyber and Crypto Agency (BSSN).

However, efforts to secure information still need to be improved and developed on an ongoing basis. The goal is to close the existing information security gap and deal with cyber attack trends. "The principle of IT Department is to never feel safe and to always stay alert to possible cyber-attacks," he said.

That is why, Pranoto continued, it is a never-ending effort. They continue building security awareness to employees. "Securing the digital world is a never-ending task. It is dangerous to stop and feel safe."

Data Mitigation Security

BPK's IT Department is taking several courses of action in the effort of data security. At the forefront is the establishment of BPK Computer Security Incident Response team (CSIRT). CSIRT coordinates and collaborates



Securing the digital world is a never-ending task. It is dangerous to stop and feel safe.

response and recovery to cyber security incidents in a timely manner and builds capacity in cyber security. “The human resources for CSIRT come from several Departments: IT, Legal, General Affairs, Public Relations, and many more,” he explained.

The next initiative is cooperation with the National Cyber and Crypto Agency (BSSN) in terms of threat detection, vulnerability security assessment, and incident handling, as well as the application of ISO 27001 certification related to data center operations to ensure security. Another crucial step is to periodically increase employee awareness on data security.

Currently, BPK is still in the process of obtaining ISO 27001 certification, although the ISO standard has been tested for implementation at the data center operation by the IT Department.

“We, IT Department especially, views that the principles of confidentiality, integrity and availability (CIA) in data security must be guaranteed. To achieve this, a comprehensive approach through people-process-technology (PPT) pillar must be taken,” he told.

Another importance of the CIA principles is the fact that attempts of breakthrough always persist every second, 24 hours, via internet and intranet. According to Pranoto, efforts to break through the internet is changing rapidly, always head-to-head with BPK’s the security measures. While incidents in intranet tend to be slower in pace.

When a leak occurs, said Pranoto, the CSIRT team will conduct an analysis to confirm the legitimacy of any indication of a data lead or security breach. If it is valid, it will be followed up with investigation and mitigation to prevent a bigger negative impact.

The process of analyzing indications of data leaks or security breaches carried out refers to the BSSN’s policies as the institution responsible for cyber security. Moreover, IT Department also implements policies, standards and data security procedures using established guidelines.

Through CSIRT, IT Department continues to encourage data security through human resources (people). In addition to business process and technology, employees are the key to ensuring information security.

People here consists of IT personnel and users. For IT personnel, additional human resources are needed since data security requires trained and dedicated personnel. Currently, teams for incident handling and data security are still affiliated with other working units, having other responsibilities. While for IT users, security awareness is crucial and significant to ensure information security.

Pranoto also pointed out the importance of user safety and comfort in using information technology that must be properly considered. This would require control, after measuring user convenience and risks that may arise from using technology. Control needs to be appropriately selected and implemented, with the support of all levels.

With its duties and authorities, he hoped BPK becomes the center for state financial data. As data development trend evolves, and methods of cyber-attacks change rapidly, the two will compete in a never-ending battle. Therefore, acceleration of digital transformation with key people is expected so that BPK can be agile and resilient in responding to changing trends in information security attacks in the future.

“Data security is a shared responsibility; thus, we must always protect from the risk of damage or data leakage. Please always follow security awareness session we hold regularly. Then spread awareness in each working unit. Also, always incorporate security aspects into every day’s work and in every work procedure,” he suggested. ●

BPK’S EFFORTS TO STRENGTHEN DATA SECURITY

- Effectiveness of information security management system (ISMS) policies and their controls.
- Capacity building of BPK-CSIRT team.
- Effective implementation of zero trust security.
- Gradual use of multifactor authentication to deal with password attacks that are often carried out by lawbreakers.
- Development and utilization of big data analytics to support BPK’s information security.
- Continuous infrastructure development for information security.





1-3 BPK Chairperson Isma Yatun hands Audit Results Summary (IHPS) of the first semester of 2022 to Speaker of the House of Representatives Puan Maharani at the Plenary Meeting held in Nusantara II Building in Jakarta, October 4, 2022. Also present in the occasion is Board Member II Daniel Lumban Tobing.

4-5 BPK Chairperson Isma Yatun accompanied by Board Member II Daniel Lumban Tobing hands IHPS I 2022 to Speaker of the House of Regional Representatives AA LaNyalla Mahmud Mattalitti in Jakarta, October 7 2022.



6-10 BPK Sports and Arts Week is officially opened by Chairperson Isma Yatun on October 21, 2022. All employees and officials rejoice in the yard of BPK Head Office.





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11-12

Coordination Meeting for Education and Culture is attended by BPK Board Member VI Pius Lustrilanang at Hotel Century, October 25, 2022.

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BPK Board Member VI Pius Lustrilanang attends the Handover of Position of the Head of BPK Regional Office in East Nusa Tenggara Province, October 24, 2022.



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14-17

BPK Board Member VII Hendra Susanto attends the Investor Daily Summit 2022 opened by President Joko Widodo. The event takes place at the Jakarta Convention Center, October 11-12, 2022.

18-19

Inauguration of Mid-level Higher Officials by BPK Secretary General Bahtiar Arif, October 4, 2022.



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20-21
BPK Chairperson Isma Yatun attends the Celebration of the 2022 Civil Servant Candidates with Board Member I Nyoman Adhi Suryadnyana at the BPK auditorium, November 22, 2022.



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22-25
BPK Vice Chairman Agus Joko Pramono attends the BPK Archery Community event, November 26, 2022.



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26
Audit entry meeting of the Ministry of Transportation, attended by Board Member I Nyoman Adhi Suryadnyana, November 22, 2022.



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27
Board Member I Nyoman Adhi Suryadnyana attends the interim audit entry meeting of the Attorney General Office, November 24, 2022.



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28-29
The audit interim entry meeting of the Director General of Taxation, attended by Board Member II Daniel Lumban Tobing, November 25, 2022.



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Board Member III Achsanul Qosasi attends the farewell event of the Directorate General of Audit III, November 3, 2022.



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The farewell event of the Directorate General of Audit IV, attended by Board Member IV Haerul Saleh, November 3, 2022.



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32
Consultation Meeting of the Committee IV of the Indonesian Regional Representatives Council (DPD RI) with BPK, attended by Board Member V Ahmadi Noor Supit, November 15, 2022.



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33-34
Board Member V Ahmadi Noor Supit and Board Member VI Pius Lustrilanang attend the Coordination Meeting held at the Sheraton Bandung, November 28-29, 2022.



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35-36
Board Member VII Hendra Susanto participates in a friendly match between BPK and BSI, November 17, 2022.



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37-38

BPK's Chairperson, Isma Yatun, attended World Anti-Corruption Day (Hakordia), on December 9th, 2022. The event was officially opened by the Chair of KPK, Firli Bahuri. Also present in the event, Vice President, Ma'ruf Amin, Chair of DPD, La Nyalla Mattalitti, Chief Justice of the Supreme Court, Muhammad Syarifuddin, former vice president, Jusuf Kalla, and a number of ministers.



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39-41

BPK's Chairperson, Isma Yatun, attended the 23rd Anniversary of DWP BPK and Mother's Day. This event was organized by Ikistra and DWP General Secretariat of BPK RI, on December 15th, 2022.



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42-45

Mass Circumcision and Blood Donation event attended by BPK's Chairperson, Isma Yatun, December 20th, 2022. The event was held to celebrate the 76th anniversary of BPK RI.



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Vice Chairman of BPK, Agus Joko Pramono, Board Member I, Nyoman Adhi Suryadnyana, Board Member II, Daniel Lumban Tobing, Board Member III, Achsanul Qosasi, Board Member IV, Haerul Saleh, Board Member VI, Pius Lustrilang, and Board Member VII, Hendra Susanto, attended the Inauguration of Prof. Dr. Sufmi Dasco Ahmad, SH., MH. as Professor of Law at Pakuan University, on December 1st, 2022.



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51-52

Football match attended by Board Member I, Nyoman Adhi Suryadnyana, Board Member II, Daniel Lumban Tobing, on December 18th, 2022.

53

Board Member III, Achsanul Qosasi, gave remarks at the Direktorat General of Audit (AKN) III Consignment event, December 16-17, 2022.



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KORPRI Community Service was attended by Board Member V, Ahmadi Noor Supit, in Cianjur, on December 23rd, 2022.

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PT LEN Preliminary Briefing (Diefend ID) attended by Board Member VII, Hendra Susanto, on December 6th, 2022.

56

Board Member VII, Hendra Susanto, attended the CGCAE and CIAE graduations, in Jakarta, on December 8th, 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*.

