

# WARTA PEMERIKSA



## Making ASEAN as the Center for Growth

INDONESIA ENCOURAGES ASEAN COUNTRIES TO REMAIN SOLID AND CONTINUE TO STRENGTHEN SYNERGIES IN ORDER TO MAINTAIN SECURITY STABILITY AND ECONOMIC GROWTH IN THE REGION.



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**W**arta Pemeriksa in this July-September 2023 edition, the editors highlight the importance of the supreme audit institution (SAI) to oversee extractive industries or industries in which the raw materials are obtained directly from nature in implementing the energy transition agenda. This is because this industry has become one of the largest contributors to greenhouse gas (GHG) emissions. Although on the other hand, extractive industries have an important contribution to a country's economy.

This statement was conveyed by the BPK Chair, Isma Yatun, when opening the 5th Meeting of the INTOSAI Working Group on Extractive Industries/WGEI, in Jakarta, Monday (24/7/2023).

To overcome this problem, the 2015 Paris Agreement established a commitment from all countries to reduce emissions and anticipate the impacts of climate change, encourage a transition from fossil-based energy sources to cleaner and lower carbon energy sources. "A big role of Supreme Audit Institution (SAI) is needed," said Isma.

The editorial team also prepared a report regarding President Joko Widodo's (Jokowi) appreciation to BPK.

This appreciation was conveyed in his speech at the Annual Session of the Parliament and the Joint Session of the House of Representatives and Regional Representative Council on August 16 2023. "The contribution of the Supreme Audit Institution is also significant in encouraging budget accountability and continuous improvement of National Priority Programs," said Jokowi in a speech as part of the 78th Anniversary of Indonesian Independence.

This edition also highlights Indonesia's Chairmanship in ASEAN 2023 with the theme "ASEAN Matters: Epicentrum of Growth". BPK, through its duties and functions, supports Indonesia's role as Chair of ASEAN 2023 to make ASEAN the center of world growth.

Indonesia also encourages ASEAN countries to remain solid and continue to strengthen synergies to maintain security stability and economic growth in the region. BPK as an audit institution contributes to realizing ASEAN as the center of world growth. Through its role in the global arena, the BPK invites SAI, including ASEAN, to monitor strategic issues raised in Indonesia's Chairmanship in ASEAN 2023.

Another issue, "collaboration between SAIs", was conveyed by Isma in line with the election of the BPK to host INCOSAI XXXVI in 2028 as well as Chair of INTOSAI2028-2031. "By collaborating towards a common goal through efforts between SAI and stakeholders, we can strengthen relationships within the global community to contribute to a better future for society and the planet," said Isma.

INTOSAI is an organization of audit institutions from countries around the world that are autonomous, independent and non-political which aims to encourage public sector governance by strengthening the role of audit institutions to help improve transparent, accountable and credible government performance and provide benefits to the public in each country. ~



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# Together with Supervising the Energy Transition

BPK HAS TAKEN A NUMBER OF STEPS TO CARRY OUT  
A VITAL ROLE IN SUPERVISING THE ENERGY TRANSITION.





**E**xtractive industry or industry whose raw materials are obtained directly from nature has an important contribution to a country's economy. However, the extractive industry is also one of the largest contributors to greenhouse gas (GHG) emissions. The Supreme Audit Institution (SAI) or financial audit institution must play a role in overseeing the extractive industry in carrying out the energy transition agenda.

This was conveyed by the Chairperson of BPK, Isma Yatun, when opening the 5th Meeting of INTOSAI Working Group on Extractive Industries (WGEI), in Jakarta, Monday (24/7/2023).

Isma said that the energy sector is the main driver of economic growth. However, at the same time it is also the most significant contributor to global greenhouse gas emissions. In Indonesia, the energy sector contributes around 45 percent of total GHG emissions.



**SAI can play an important role in promoting transparency and accountability in extractive industry governance.**

To overcome this problem, the 2015 Paris Agreement established a commitment from all countries to reduce emissions and anticipate the impacts of climate change, encouraging a transition from fossil-based energy sources to cleaner and low-carbon energy sources. "This is where the big role of the Supreme Audit Institution (SAI) is needed," said Isma.

Isma explained that SAI can play an important role in promoting transparency and accountability in extractive industry governance. SAI audits are necessary to ensure that revenues generated from extractive industries are properly accounted for and ensure that these resources are used for the benefit of society.

Apart from that, SAI is also able to ensure good management for state management and provide appropriate information in terms of policy planning. In particular, sustainable policies and energy transition to meet SDG Goal 7 targets and the 2015 Paris Agreement.

"Energy transition is also the focus of SDG Goal 7 and is very important in mitigating climate change, as stated in SDG 13. Therefore, we must focus on several aspects of fostering a successful energy transition. Including increasing renewable energy and energy efficiency, as well as increasing international cooperation in research, technology, and investment," she said.



**BPK carries out audits related to the development of renewable energy, the development of urban gas networks, and the provision of infrastructure for electric vehicles to support the success of the energy transition.**



■ Isma Yatun

This energy transition strategy includes building infrastructure for comfortable and affordable access for all citizens. This access also includes communities in remote areas.

Because the energy transition is something that has not been talked about for a long time, auditors need to improve their skills and knowledge, sharpen the analysis of the energy transition which is part of the sustainability audit.

"SAI must change the concept of auditing, especially in extractive industries for sustainable development, taking it beyond financial oversight to include considerations of sustainability, innovation, and social equality," she said.

### THE ROLE OF BPK

On this basis, currently the Audit Board of the Republic of Indonesia (BPK) has taken a number of steps to carry out a vital role in supervising the energy transition. As an integral part of BPK Strategic Plan to audit the national priorities of Indonesia's National Medium Term Development Plan (or RPJMN), BPK conducts audits on energy-related issues, of which three of the seven national priorities are related to energy development.

First, national priority one states that renewable energy is prioritized to meet domestic energy needs to strengthen economic resilience and equitable economic growth.

Second, national priority five prioritizes the energy and electricity sector to strengthen infrastructure to support economic development and essential services.

Finally, six national priorities place sustainable energy development as the backbone of reducing GHG emissions and increasing climate resilience development.

At the same time, BPK is also developing a roadmap to audit the SDGs until 2030, including Goal 7,

namely ensuring access to affordable, reliable, sustainable and modern energy for all.

"At this stage, the issues of electrification ratio, renewable energy development, and energy source mix have been identified as potential areas for further audit on energy transition issues."

Isma said that BPK also carried out audits related to the development of renewable energy, the development of urban gas networks, and gas refueling stations, the infrastructure provision for electric vehicles to support sustainable urban transportation, and the management of coal, natural gas, and renewable energy, in the electricity sector to support a successful energy transition.

"Through this audit, we focus on balancing three energy issues (energy trilemma). The three are, energy security, energy equity, and environmental sustainability," she said.

In detail, energy security ensures uninterrupted access to energy when and where it is needed, meeting current and future energy needs. Then, energy distribution is related to increasing energy accessibility and affordability for all citizens. Lastly, environmental sustainability includes reducing emissions, providing clean and environmentally friendly energy. Fostering a culture of accountability and sustainability is fundamental to providing a transition with broader benefits, including social, environmental and cultural externalities.

### COLLABORATION BETWEEN SECTORS

Isma also reminded that, because the players in the extractive industry are mostly commercial companies that depend on each audit institution's mandate and jurisdiction, it may not always be feasible for SAI to audit commercial companies operating in the extractive industry directly.

That is why collaboration between SAI, private sector auditors, and specialized audit agencies related to the environment, energy rating agencies, and other related fields is very important. Collaboration between SAI and private sector auditors can provide a more comprehensive and holistic approach to audit extractive industries.

Private sector auditors usually have special knowledge and expertise that can complement the work of audit institutions. By leveraging the power of public and private sector audits, SAI can achieve a more comprehensive assessment of industry compliance with rules and regulations.

In addition, specialized audit bodies related to environmental and energy ratings can contribute their expertise in assessing the environmental impact of extractive activities and energy efficiency.

"Several potential collaborations exist between SAI and the private sector in extractive industry audits, such as joint audits, analyzing and sharing data, and capacity building."

In joint audits, SAI and private sector audits can collaborate by sharing resources, expertise, and methodologies to assess the company's compliance with rules and regulations. Joint audits also increase the credibility and effectiveness of the audit process.

Second, collaborative data and information sharing between SAI and private sector audits. This can include financial records, environmental impact assessments, and other relevant data. "By sharing and analyzing this information, auditors can better understand industry performance and identify areas for concern and improvement," she said.

Lastly, collaboration involves joint initiatives in capacity building, where SAI and the private sector engage with each other to improve audit skills and knowledge those in the extractive industry.

BPK Vice Chairman, Hendra Susanto, added that BPK has an important role in ensuring

that government programs and commitments related to the environment are moving in the right direction. One of BPK's supports is to oversee the implementation of energy transition through its audit function, by carrying out financial audits, performance audits, and compliance audits.

For the information, the Indonesian Government is committed to reducing the use of fossil energy by intensifying the use of new and renewable energy to achieve Net Zero Emissions (NZE) by 2060.

To achieve this target, the government is pursuing five main strategies. The five strategies are, increasing the use of new and renewable energy, reducing fossil energy, using electric vehicles in the transportation sector, increasing electricity use in households and industry, and utilizing Carbon Capture and Storage (CCS).

In this regard, BPK has carried out several important audits regarding the development of new and renewable energy in Indonesia. During the audit, BPK found several problems related to the new and renewable energy (EBT) program at the State Electricity Company (PT PLN). "Therefore, we recommend PT PLN to have a detailed and applicable plan for the combination of new and renewable energy. We also ask them to consider procuring new and renewable energy for electricity as well as planning and implementing the development of new and renewable energy plants," he said.

Not only PLN, BPK also provided recommendations for Pertamina. One of the recommendations is to implement exploitation activity planning that supports national energy policy by using new and renewable energy.

At the government level, BPK has carried out several audits related to climate change and sustainable transportation. Several strategic recommendations have been submitted, including asking the government to establish regulations on renewable energy and coal retirement to support the net zero emissions target. Apart from that, establishing a roadmap for the implementation of Battery-Based Electric Motor Vehicles in government agencies and public transportation.



■ Hendra Susanto



Several other important things that the Indonesian Government needs to prepare are access to affordable clean energy, funding, research and development (R&D). This is one of the challenges in the energy transition process.

It is necessary to provide qualified human resources in the energy sector to carry out the energy transition process. In addition to that, the government as a regulator is obliged to establish new and renewable energy policies, so that it can be immediately understood and reached by all levels of society.

"The energy transition road map that has been prepared requires the role of the Supreme Audit Institution in ensuring consistent, accountable, and transparent implementation of the net zero emission (NZE) program. This includes providing concrete energy transition policy recommendations," he said.

In addition, he understands that the energy transition is a tough challenge for SAI in countries that depend on extractive industries. These countries must consider the balance of renewable energy transition and government budgets because renewable energy is much more expensive than fossil energy. ~



# WGEI Objectives

Various challenges for SAI in conducting extractive industry audits are what initiate the birth of INTOSAI Working Group on Extractive Industries (WGEI). According to INTOSAI WGEI Chair, Stephen Kateregga, INTOSAI is aware that from time to time audit institutions in their routine audits do not cover the audit on extractive industry, which includes oil, gas, and minerals.

It was later discovered through a survey by INTOSAI Development Initiative (IDI) and AFROSAI-E that the majority of SAIs did not have the competencies needed to provide guarantees to the community. "SAI does not have the capacity to audit the sector and even those that have the capacity cannot maintain dedicated audit staff in the sector, but the need for competency of SAI auditors is a key requirement under ISSAI 15," he said.

Most audit institutions also have constraints on their mandate arising from an inadequate legal framework to enable them to audit the extractive sector. Therefore, the formation of a working group (WGEI) is the right step in supporting audit institutions to acquire the necessary capabilities and expertise and exchange knowledge to guide extractive industry audits.

"This will provide many benefits for citizens as advocated in INTOSAI Principle 12, namely 'The Value and Benefits of Supreme Audit Institutions – Making a Difference to the Lives of Citizens,'" he said.

During its 10 years of existence, INTOSAI WGEI recorded several achievements in efforts to encourage audit institutions to be more skilled in auditing extractive industries. WGEI members have worked together and successfully built their capacity to audit extractive industries such as those reported by SAI Uganda, India, and Ghana.

To strengthen the position of audit institutions, he asked governments and stakeholders in various countries to give audit institutions more mandates. Especially in the extractive industry audit process.

INTOSAI WGEI also encourages the government or state authorities to strengthen state auditors with training and the ability to carry out audits in the extractive sector. "We also encourage the government to participate in agreements between countries on transparency in the oil, gas, and mineral sectors so that there is no longer any secrecy in this sector," he said. ~



■ Stephen Kateregga

# Energy Transition is Full of Challenges, BPK Supervision is Needed

**AUDIT INSTITUTIONS HAVE A ROLE IN ENSURING THAT COUNTRIES CARRY OUT THE ENERGY TRANSITION ACCORDING TO THE RECOMMENDED STEPS OR ACCORDING TO PROCEDURES SET BY WORLD INSTITUTIONS.**

**E**nergy transition has become the main agenda of many countries, including Indonesia. One of the challenges is carrying out the energy transition while meeting the increasing demand for energy.

President Director and CEO of PT Pertamina Persero, Nicke Widyawati, stated that changing all activities towards new and renewable energy (EBT) is not as easy as turning the palm of your hand. Another challenge that is also faced is regarding governance. This is where the role of the Audit Board of the Republic of Indonesia (BPK) is crucial so that various energy transition programs can be carried out in accordance with regulations.

"Energy needs will increase and can encourage Indonesia to achieve significant economic growth targets," said Nicke during a discussion with *Warta Pemeriksa*, on the sidelines of the "5th meeting of the INTOSAI Working Group on Extractive Industries/WGEI" held by the Audit Board of the Republic of Indonesia (BPK), in Jakarta, Monday (24/7/2023). INTOSAI WGEI is a working group of global audit institution discussing on extractive industries.

Nicke emphasized that the presence of green energy must still be pursued, which in the end is expected to enable Indonesia to achieve energy security. This means that there are two things being pursued by energy sector state-owned enterprises (BUMN).

First, the energy transition towards energy security. She said that in the future new and renewable energy must be available and accessible to all levels of society. "So, availability and accessibility are very important."

The next one, new and renewable energy must be affordable. Therefore, said Nicke, Pertamina is currently carrying out the task of preparing and distributing energy, as well as making the transition to green energy. In the midst of this process, Pertamina is carrying out decarbonization to reduce carbon emissions from the oil and gas business.

"And with all these programs, Pertamina can reduce carbon emissions by 31 percent, this is a figure that is higher than the national achievement. Further, Pertamina can then reduce imports. Because we can mix most of it with natural resources in Indonesia, namely bioenergy," she said.

To achieve this sustainable state, according to Nicke, Pertamina needs strategic partners to achieve this. One of those partners is the Audit Board of the Republic of Indonesia (BPK). With BPK support, Pertamina can carry out the energy transition safely. The reason is because in the energy transition process there are many new technologies that are even pioneering in nature.

"So, with the same understanding and the same objective, of course BPK can help with how Pertamina as a state-owned enterprise can carry out all these assignments. Pertamina is not only pursuing profit, but also public service obligations, so that it can be carried out in parallel and safely," she said.

However, according to Nicke, if something is carried out outside the rules in the process, then she encourages it to be cleaned up together. "But if it is for something new, which does not exist yet, of course, we will ask BPK for input, so that this regulation can be implemented in accordance with the Standard Operating Procedure (SOP)," she said.



**Pertamina is not only pursuing profit, but also a public service obligation, so that it can be carried out in parallel and safely.**

Meanwhile, Nicke, in her presentation at the INTOSAI WGEI forum, said that global demand for renewable energy is expected to reach 11 percent in 2030 and 31 percent in 2050. Even more surprising, the research found that consumers in emerging markets expressed a much greater sensitivity to sustainability compared to consumers in developed markets. This is likely due to the realization that although emerging markets emit less carbon emissions, they suffer more from global warming.

However, there are several challenges that developing countries must face in encouraging the energy transition. First, encouraging equal employment opportunities. It is believed that the energy transition could disrupt entire industries by causing the loss of millions of jobs in the fossil fuel industry.



■ Nicke Widyawati

Moreover, low-carbon energy requires new skills and specialization. Actions and policies will be needed to minimize the impact on workers' livelihoods. The second is investment from developed countries into emerging markets, and the next is technology for the energy transition process.

Regarding this, Pertamina as a state-owned enterprise has a mandate to fulfill national energy security, accessibility, affordability, acceptability and sustainability. Pertamina's first priority is energy security by utilizing domestic low-carbon primary energy resources. This strategy will allow Pertamina to achieve several goals at once.

Pertamina also maintains the oil and gas business with a different approach. Pertamina carries out decarbonization and integrates it with chemical and biofuel factories. "In this way, we ensure that in the short term, the energy transition will not disrupt energy security. On the other hand, we can still achieve the target of reducing carbon emissions," she said.

Pertamina also consider that in the energy transition process, we need materials that produce fewer emissions and it is what natural gas is. Natural gas, which produces fewer emissions than other fossil energies, would act as a suitable transition fuel that could then be developed into hydrogen.

"We are building and strengthening gas infrastructure throughout the value chain, namely upstream, midstream, and downstream. In accordance with the targets set in the National Grand Strategy for Energy, the share of gas in the energy mix will be increased gradually. Indonesia has 17,000 islands, the biggest challenge in the gas business is the development of gas infrastructure that can increase accessibility for the entire population," she said.



■ Stephen Keteregga

Therefore, accelerating the energy transition in Indonesia is not only an effort to reduce carbon emissions, but also to achieve energy security. Releasing sustainable primary energy sources will achieve energy security at an affordable cost with minimal environmental impact.

As another form of commitment, Pertamina has allocated 15 percent of total Capex for developing a low-carbon/green business portfolio, much higher than the average for other energy companies. "The biggest challenge is the readiness of human resources and mastery of low-carbon technology. We cannot do it alone, therefore we are opening ourselves to global collaboration," she said.

In the process, Pertamina believes it needs regulations to support the acceleration of the energy transition. Strong regulatory support and incentives are needed to accelerate technology adoption.

Financial/fiscal incentives may include grants or tax incentives, performance-based grants, soft loans, and higher maximum loan amounts. Non-financial/non-fiscal incentives could include simplified approval processes for energy-efficient equipment and machinery, simplified imports of efficient products, and support programs for efficient equipment.

Another important thing to do is establishing policies to develop MSMEs in the energy transition. Regulations and infrastructure are the driving forces to incentivize, support, and motivate MSME participation in the energy transition.

Regulations include financial/fiscal and non-financial/non-fiscal policies that help MSMEs in the energy transition. In contrast, infrastructure refers to the digital infrastructure that enables MSMEs to utilize knowledge sharing platforms. Fiscal policies, such as direct subsidies or free technical assistance, can encourage MSMEs to participate in the energy transition.

Assistant Auditor General of the Office of the Auditor General of Uganda, Stephen Kateregga, emphasized that the Supreme Audit Institution (SAI), or audit institution in a country, has a big role in overseeing the acceleration of the energy transition. Stephen Kateregga stated that audit institutions have a role to ensure that countries carry out the energy transition according to the recommended steps or according to procedures that have been established by world institutions.



**As representatives of INTOSAI WGEI, we are here to announce our work plan for the next five years and one of the issues being discussed is the right platform to guide and oversee countries in accelerating the energy transition.**

"As representatives of INTOSAI WGEI, we are here to announce our work plan for the next five years and one of the issues being discussed is the right platform to guide and oversee countries in accelerating the energy transition," said Stephen Keteregga.

Apart from discussing work plans, the forum also shared experiences and knowledge from various INTOSAI WGEI member countries. SAI Uganda is in charge for guiding other SAIs in the meeting.

He emphasized that there are big challenges for developing countries to carry out the energy transition. Especially when you look at the amount of money that must be spent on its development.

"Thus, the energy transition requires support from the state and investors in its development," he said.

Another thing that is no less important, he said, is the commitment of audit institutions in various countries to find the right platform to support or provide guidance in accelerating the energy transition.

As an information, INTOSAI WGEI meeting aims to share knowledge between WGEI members and other international organizations regarding extractive industry issues, especially regarding the energy transition. ~



# Making ASEAN as the Center for Growth

**INDONESIA ENCOURAGES ASEAN COUNTRIES TO REMAIN SOLID AND CONTINUE TO STRENGTHEN SYNERGIES IN ORDER TO MAINTAIN SECURITY STABILITY AND ECONOMIC GROWTH IN THE REGION.**

Even though the Covid-19 pandemic has passed, the homework to restore the world economy is not over. Countries in the Southeast Asia (ASEAN) region, whose economies were more resilient during the pandemic, have an important role to play in continuing to be a light for the world economy. That is the spirit that Indonesia is carrying as Chair of ASEAN 2023. Indonesia's Chairmanship in ASEAN 2023 carries the theme "ASEAN Matters: Epicentrum of Growth". The Audit Board of the Republic of Indonesia (BPK), through its duties and functions, also supports Indonesia's determination as Chair of ASEAN 2023 to make ASEAN the center of world growth.

The ASEAN 2023 theme carried by the Indonesian Chairmanship consists of three pillars. The first pillar, namely ASEAN Matters, aims to make ASEAN remain relevant, able to face future challenges, and continue to be a motor of regional stability and peace. The second pillar is the Epicentrum of Growth. Through this pillar, Indonesia encourages concrete cooperation between ASEAN member countries, so that the benefits can be felt by the people. The Southeast Asia region is expected to become the center of world economic growth. The last pillar is related to the Implementation of AOIP (ASEAN Outlook on the Indo-Pacific). AOIP is a commitment to building concrete and inclusive cooperation with all countries to make the Indo Pacific a peaceful and prosperous region.


The theme raised by Indonesia's Chairmanship in ASEAN 2023 is very relevant and needed in current conditions. Even though the world economy has begun to recover from the impact of the Covid-19 pandemic, there are still many other challenges that are no less serious.

These challenges start from geopolitical and economic conflicts. Challenges come from competition between big countries and the conflict in Ukraine. From an economic perspective, the recovery momentum is threatened by the economic, food, and energy crises.

This is where Indonesia's role as Chair of ASEAN 2023 is needed. Indonesia encourages ASEAN countries to remain solid and continue to strengthen synergies in order to maintain security stability and economic growth in the region. The economies of ASEAN countries have proven to be more resilient than other regions and able to recover quickly from the impact of the pandemic. Last year, the ASEAN economy was able to grow 5.7 percent, driven by domestic consumption, trade and investment. ASEAN economic growth in 2022 is higher than global economic growth which is at the level of three percent.

BPK as an audit institution contributes to realizing ASEAN as the center of world growth. Through its role in the global arena, BPK invites world audit institutions (SAI), including ASEAN, to oversee strategic issues raised in Indonesia's Chairmanship in ASEAN 2023.

As it is known, there are three pillars of Priority Economic Deliverables (PEDs) or main areas of priority results in economic sector in the 2023 ASEAN Indonesia Chairmanship. One of them is regarding Sustainability. Indonesia encourages ASEAN to prepare and move towards the same goals regarding the green economic transition.



**SAI can conduct performance audits using the principles and standards of the International Organization of Supreme Audit Institutions (or INTOSAI) to ensure the effectiveness of the green economy and SDGs.**



■ Chairperson of BPK, Isma Yatun, in an international seminar entitled "Leveraging the Impact of Performance Audit towards a Green Economy: Multi-Perspectives Regional, National, and International".



**The priority issues raised in the ASEAN 2023 Indonesia Chairmanship are in line with the audit strategy contained in the 2020-2024 BPK Strategic Plan (Renstra).**

In early June 2023, BPK held an international seminar entitled "Utilizing the Impact of Performance Audit towards a Green Economy: Multi-Perspectives Regional, National, and International" or "Leveraging the Impact of Performance Audit towards a Green Economy: Multi-Perspectives Regional, National, and International". The seminar was held in Jakarta on 5-7 June 2023.

The international seminar was attended by SAI delegates from various countries, including ASEAN countries. In her remarks at the seminar, BPK Chairperson, Isma Yatun explained that the green economy is one of the significant aspects of sustainable development goals (SDGs) which creates a new focus on the economy, and pays attention to positive social and environmental outcomes.

As part of the global community, supreme audit institutions play an important role in ensuring the achievement of the SDGs through auditing relevant government programs. "SAI can conduct performance audits using the principles and standards of the International Organization of Supreme Audit Institutions (or INTOSAI) to ensure the effectiveness of the green economy and SDGs," said the Chairperson of BPK.

Through this seminar, the Chairperson of BPK encouraged participants to gain a common perspective and understanding of how performance audits influence a better society with positive and significant impacts, especially in the green economy. Participants discussed the conceptual framework for the impact of performance audits, and even utilized it and applied it in the green economy. BPK chairperson added that there are several factors that need to be considered in increasing the impact of performance audits, including the quality of the performance audit strategy and plan, the quality of the audit

report including findings, conclusions, and recommendations. Another thing that must also be considered is the response and follow-up by the audited entity, as well as the communication strategy for issuing the audit report.

Apart from contributing through an active role in the international arena, BPK also plays a role in making the spirit of Indonesia's ASEAN 2023 Chairmanship a success through its audit function. The priority issues raised in the ASEAN 2023 Indonesia's Chairmanship are even in line with the audit strategy contained in the 2020-2024 BPK Strategic Plan (Renstra).

BPK carries out audits of programs implemented by the Indonesian Government, such as the digital economy, economic diplomacy, Sustainable Development Goals, energy transition, and protection of migrant workers. Through BPK's international activity and the audits it carries out, it is hoped that it can help realize its determination to make ASEAN the center of world growth. ~



■ President Joko Widodo (seventh left) poses for a photo with, from left, Prime Minister of the Cook Islands Mark Brown, President of Bangladesh Mohammed Shahabuddin, President of the Philippines Ferdinand Romualdez Marcos Jr, Prime Minister of Singapore Lee Hsien Loong, Permanent Secretary of Foreign Affairs of Thailand Sarun Charoensuwan, Prime Minister of Vietnam Pham Minh Chinh, Prime Minister of Laos Sonexay Siphandone, Sultan of Brunei Darussalam Hassanal Bolkiah, Prime Minister of Cambodia Hun Manet, Prime Minister of Malaysia Anwar Ibrahim, and Prime Minister of Timor Leste Xanana Gusmao at the opening of the 43rd ASEAN Summit 2023 in Jakarta, Tuesday, September 5 2023.

# Indonesia's Chairmanship in ASEAN 2023

## VISION OF ASEAN CHAIRMANSHIP:

Building an ASEAN that is capable of resilience, adaptability, and inclusion.

Building ASEAN which has a central role.

Building an ASEAN that provides benefits to society, both internally within regional countries, and externally to the world.







ASEAN 2023 CHAIRMANSHIP THEME:  
**ASEAN MATTERS:  
EPICENTRUM OF GROWTH**

THREE IMPORTANT  
ELEMENTS IN THE  
MEANING OF THE ASEAN  
MATTERS THEME:

- 1** Strengthening the capacity and effectiveness of ASEAN
- 2** ASEAN Unity
- 3** ASEAN Centrality

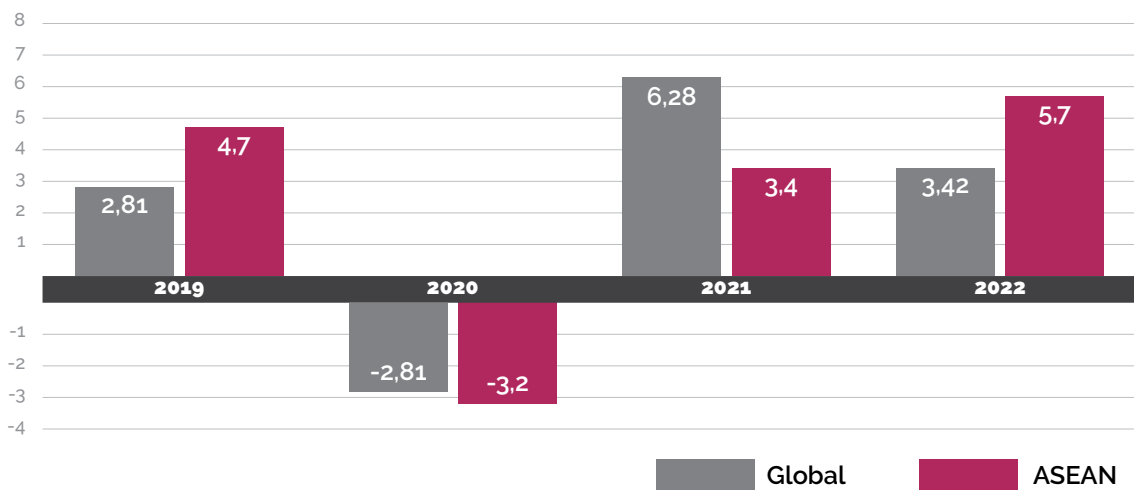
FOUR IMPORTANT ELEMENTS  
IN THE MEANING OF  
THE EPICENTRUM  
OF GROWTH THEME:

-  Health Architecture
-  Energy Security
-  Food Security
-  Financial Stability

Source: Aseanpedia



# Comparison of **ASEAN** and Global Economic Growth (in percent)



Source: ASEAN Secretariat, Statista



■ President Joko Widodo (Jokowi) during his speech at the Annual Session of the MPR RI, Joint Session of the DPR RI and DPD RI on August 16th, 2023.

# The President Appreciates BPK's Efforts to Monitor the Improvement of National Priority Programs

WITH HIGH INTERNATIONAL TRUST, INDONESIA'S CREDIBILITY  
WILL BE INCREASINGLY RECOGNIZED.



■ Chairperson of BPK RI, Isma Yaton, together with other officials attending the Annual Session of the MPR RI, Joint Session of the DPR RI and DPD RI on August 16 2023.

President Joko Widodo (Jokowi) expressed his appreciation to the Audit Board of the Republic of Indonesia (BPK) in his speech at the Annual Session of the MPR RI and the Joint Session of the DPR RI and DPD RI on 16 August 2023. This speech was also part of the 78th Anniversary of Indonesian Independence.

"The contribution of the Supreme Audit Institution is also significant in encouraging budget accountability and continuous improvement of the National Priority Program," said Jokowi.

As it is known, BPK has hand over audit reports regarding the national priority of strengthening infrastructure as well as strengthening the stability of political law and security and transformation of public services on 123 audit objects consisting of 29 central government audit objects, 90 regional government (Pemda) audit objects, and 4 state-owned audit objects. The audit includes 110 performance audit objects and 13 audit with specific purpose (DTT)-compliance.

In addition to that, in his speech, President Jokowi emphasized the importance of the international trust that Indonesia currently has. He conveyed that the momentum of Indonesia's Presidency in the G20, Indonesia's Chairmanship in ASEAN, Indonesia's consistency in upholding human rights, humanity and equality, as well as Indonesia's success in facing the world crisis in the last three years have boosted and put Indonesia back on the world arena.

"In the midst of world conditions that are turbulent due to differences, Indonesia with its Pancasila, with the harmony of its diversity, with its democratic principles, is able to provide a space for dialogue, able to become a meeting point, and bridge existing differences," said Jokowi.

The President emphasized that with high international trust, Indonesia's credibility will be increasingly recognized. Indonesia's voice will also be heard more, making it easier in every negotiation.

"We must be able to take advantage of this opportunity. We will lose a lot if we miss this opportunity, because not all countries have it and it is not certain that we will have it again," said Jokowi.

He explained that the first strategy to take advantage of this opportunity was to prepare Indonesia's Human Resources (HR). Jokowi said that the stunting rate had succeeded in falling to 21.6 percent in 2022 from the previous figure of 37 percent and increased the Human Development Index to 72.9 in 2022. Then, the Gender Empowerment Index had been increased to 76.5 in 2022.

At the same time, according to Jokowi, human resources who have been prepared, must find employment to produce national productivity. So, it is necessary to develop new economic sectors that open up as many job opportunities as possible. "This is where the role of the green economy and downstream sectors plays as our window of opportunity to achieve progress, because Indonesia is very rich in natural resources, including minerals, plantation products, marine products, as well as new and renewable energy sources," he said. However, Jokowi emphasized that being rich in natural resources (SDA) alone is not enough. He asked Indonesia to become a country that is also able to process its resources by boosting down-streaming. According to him, the benefits of down-streaming are much greater than just exploiting the raw goods.

"As an illustration, after we stopped exporting nickel ore in 2020, downstream investment in nickel grew rapidly. Now there are 43 nickel processing industries which will open up huge job opportunities. This is just one commodity," he said. Therefore, Jokowi said that future leadership will greatly determine Indonesia's future. "Because what is needed is a long breath. Because we are not taking an afternoon walk. We are also not running a sprint. But what we should be doing is running a marathon to achieve Golden Indonesia," said Jokowi. ~



**The contribution of the Supreme Audit Institution is also significant in encouraging budget accountability and continuous improvement of National Priority Programs.**



■ President Joko Widodo

# BPK Encourages ASEAN Collaboration to Strengthen Accountability

ONE OF THE CHALLENGES FACED CURRENTLY IS THE LIMITED RESOURCES.

**T**he Audit Board of the Republic of Indonesia (BPK) chaired the 48th ASEAN Audit Committee (AAC) Meeting held on July 6, 2023 via video conference. As Chair of the Meeting, BPK Chair Isma Yatun opened the event.

Isma highlighted the important role of AAC in ensuring transparency, accountability and good governance of the ASEAN Secretariat. She also conveyed the importance of collaborating with other organizations, such as ASEANSAI, to increase capacity in the field of public sector auditing.

"This is important to maintain and strengthen the trust and confidence of ASEAN stakeholders, then in turn to make ASEAN Matter and support ASEAN as the epicentrum of growth," said Isma.

In her remarks, Isma mentioned that the Covid-19 pandemic and its multi-dimension crises have been responded by such governance improvement in international organization. According to her, AAC has to pay attention to and cope with those challenges, especially in performing their roles and responsibilities.

"At this important meeting, I do hope that our meeting will not only conduct our role and responsibility, but we also need to provide our views and considerations for better and updated financial statement assurance as well as internal control and governance of the ASEAN Secretariat," Isma told.

Still according to Isma, AAC has to consider current development of international arrangements on financial reporting and auditing, especially in the public sector organizations. This includes international public sector accounting standards, international standards on auditing as well as international standards of supreme audit institutions, and internasional best practices in international organization financial reporting and auditing.

She believes AAC should consider the international arrangement development to update the terms of reference (TOR) as well as strengthen the internal audit and evaluation roles and functions. This is intended to improve accountability of the ASEAN Secretariat and maintain independency of the assurance service.

With regard to the appointment of external auditor, Isma is on the view that ACC needs to apply international standards and best practices. The rotation of external auditor is important to meet these standards and best practices.

"We should consider the role of SAI of ASEAN member states in contributing for better transparency, accountability, and governance of ASEAN Secretariat," she suggested.

One of the challenges faced currently is the limited resources. Members need to find possible ways to cope with this challenges A way is to encourage collaboration among organizations, units, as well entities associated with ASEAN.



■ BPK Chair Isma Yatun leading the 48th ASEAN Audit Committee (AAC) Meeting held via video conference.



**It is important to maintain and strengthen the trust and confidence of ASEAN stakeholders. In turn, it would make ASEAN Matter and support ASEAN as the epicentrum of growth.**

“Cooperation and collaboration between the ASEAN Secretariat and ASEANSAI in terms of capacity building and knowledge sharing can be strengthened,” she recommended.

In closing her speech, Isma acknowledged that Internal Audit and Evaluation Division (IAED) needs adequate and skillful human resources, while there is resource scarcity. Therefore, she believed that all members are very supportive to encourage cooperative and collaborative efforts with relevant parties and entities associated with ASEAN.

#### MEETING RESULTS

An agenda discussed at the 48th AAC Meeting was on the financial audit report of the ASEAN Secretariat for FY 2022. The audit was carried out by PricewaterhouseCoopers (PwC) as external auditor. The audit resulted in an unqualified opinion (WTP).

AAC then recommended that external auditors communicate extensively with the Finance and

Budget Division (FBD) of the ASEAN Secretariat on the preparation for the implementation of the new International Public Sector Accounting Standards (IPSAS). This includes adapting the ASEAN Secretariat’s accounting policies to the latest IPSAS.

The meeting also recommended external auditor to improve coordination with the Internal Audit and Evaluation Division (EAD) in the actual audit process.

Also discussed was the need to adapt to international developments regarding external auditor and strengthening the duties and functions of IAED. It aims to increase the accountability of the ASEAN Secretariat and maintain independency of audits. This would also maintain the trust of all stakeholders of the ASEAN Secretariat.

One member state suggested rotation of external audit institutions, which already have been applied in other international organizations. SAI of ASEANSAI countries could also be considered to be the external auditor of the Secretariat ASEAN.

Another issue discussed was the ASEAN Secretariat and IARD’s follow-up efforts to the recommendations from the audit results. This shows the commitment of the ASEAN Secretariat to carry out follow-up actions on recommendations from both internal and external auditors. Apart from that, it was also agreed to propose a capacity increase for 2024. Lastly, for the next meeting, Laos as Chair of AAC will liaise with the ASEAN Secretariat. Laos will also prepare a meeting for next year. ~

# Spirit of Collaboration in BPK Chairmanship in 2028 INCOSAI

BPK IS PREPARING ITS VARIOUS RESOURCES FOR  
THE BIGGEST SAI CELEBRATION IN THE WORLD.

## THE 59<sup>th</sup> ASOSAI GOVERNING BOARD MEETING

Busan, Republic of Korea, 21-22 September 2023



**C**hair of the Audit Board of the Republic of Indonesia (BPK) Isma Yatun emphasized the importance of collaboration between Supreme Audit Institution (SAI) and stakeholders in order to achieve a better future for the society and environment. This message was conveyed in line with the voting result of BPK to host the XXVI INCOSAI in 2028 as well as become the Chair of INTOSAI 2028-2031. This was decided at the 59th Meeting of the Governing Board (GB) of Asian Organizational of Supreme Audit Institutions (ASOSAI) in Busan, South Korea on 20-22 September 2023.

“By collaborating towards a common goal through sharing and caring between SAI and stakeholders, we can strengthen relations in the global community to contribute to creating a better for the society and environment,” said Isma.

The results of the 59th ASOSAI GB Meeting will be adopted at the 16th ASOSAI Assembly in India in 2024. BPK’s leadership at the global audit organization will be the first for Indonesia since the inception of INTOSAI in 1953.

INTOSAI is an autonomous, independent and non-political organization of audit institutions from countries around the world aiming to encourage public sector governance by strengthening the role of audit institutions to help improve transparent, accountable and credible government performance and provide benefits to the public in each country.

Currently, INTOSAI has 195 full members, 5 associate members, and 2 affiliate members. BPK became a full member of INTOSAI since 1968. The current leadership of INTOSAI for 2022-2025 is held by American region (SAI Brazil), and chairmanship 2025-2028 by African region (SAI Egypt).

### THE ROAD TO INTOSAI LEADERSHIP

BPK's preparation to become INTOSAI Chair had started since 2019. At that time, the Chair of INTOSAI was SAI Russia, followed by SAI Brazil as representative of the American region. From Brazil, the leadership relay will continue to the African region, with SAI Egypt to become the Chair of INTOSAI for 2025-2028. While as a representative of the Asian region, BPK will be INTOSAI Chair for 2028-2031, as elected at the ASOSAI Governing Board Meeting in Busan, South Korea.

Through collaboration and synergy between BPK and other Ministries and Institutions, BPK has succeeded in becoming the leading audit institution in the world. In addition to becoming the Chair of INTOSAI, BPK has also made various achievements at international level. Among others, as external auditors for international organizations, and successfully initiated the establishment of SAI20 as part of the G20 Indonesia Presidency in 2022. In 2014-2019, BPK was also the Chair and Secretariat of INTOSAI Working Group Environmental Auditing (WGEA), the largest working group in INTOSAI with 77 member countries.

Apart from BPK whose reputation is increasingly global, diplomatic efforts with various ASOSAI member countries were also carried out as efforts to BPK's leadership in INTOSAI.

Along with Indonesia' leadership, BPK will begin to be actively involved in INTOSAI by assuming the role of 1st Vice Chair in 2025. Currently, BPK is preparing substantive themes to be promoted during its leadership period.



■ BPK Chair Isma Yatun during the 59th Meeting of ASOSAI Governing Board Meeting in Busan, South Korea.



**By collaborating towards a common goal through sharing and caring between SAI and stakeholders, we can strengthen relations in the global community to contribute to creating a better for the society and environment.**

BPK is also preparing various resources for the biggest SAI celebration in the world. Preparation will involve collaboration across work units, both on substantive matters and event organizing.

BPK is committed to strengthening the existing human resources, both in terms of quality and quantity. Qualifications to strengthen include communication and diplomacy related to international relations. Moreover, human resources with understanding in audit techniques will also be strengthened to help design BPK leadership in INTOSAI. ~

# Let's Get to Know More about **INTOSAI**

## INTOSAI CONGRESS IS HELD IN EVERY THREE YEARS.

**T**he Audit Board of the Republic of Indonesia (BPK) has just been nominated by ASOSAI to be Host of XXVI INCOSAI in 2028 and INTOSAI Chair for 2028-2031. Based on past common practice, INCOSAI host and INTOSAI chairmanship is determined on regional rotation.

As an umbrella organization of the external government audit community, International Organization of Supreme Audit Institutions (INTOSAI) has a rich history that began in November 1953. At that time, 34 Supreme Audit Institutions (SAIs) and partner organizations gather at the initiative of the Head of SAI of Cuba for the inaugural INCOSAI in Havana, Cuba. The need to develop SAI and strengthen cooperation among SAIs in the world was the rationale of this meeting.

The meeting in Havana, Cuba, also called the 1st INTOSAI Congress (INCOSAI), had paved the way for the establishment of INTOSAI with the motto "experientia mutua omnibus prodest", meaning "shared experience benefits us all". As host, Dr. Emilio Fernandez Camus – Head of SAI Cuba, was declared the 1st INTOSAI Chair and SAI Cuba as the INTOSAI International Secretariat. It was also decided to hold an INTOSAI Congress at different venues every three years.

In 1960, in the wake of Cuban Revolution, SAI Cuba released its role as INTOSAI International Secretariat. SAI Austria then took over the role and continued INTOSAI activities in promoting state financial audit and its management control.

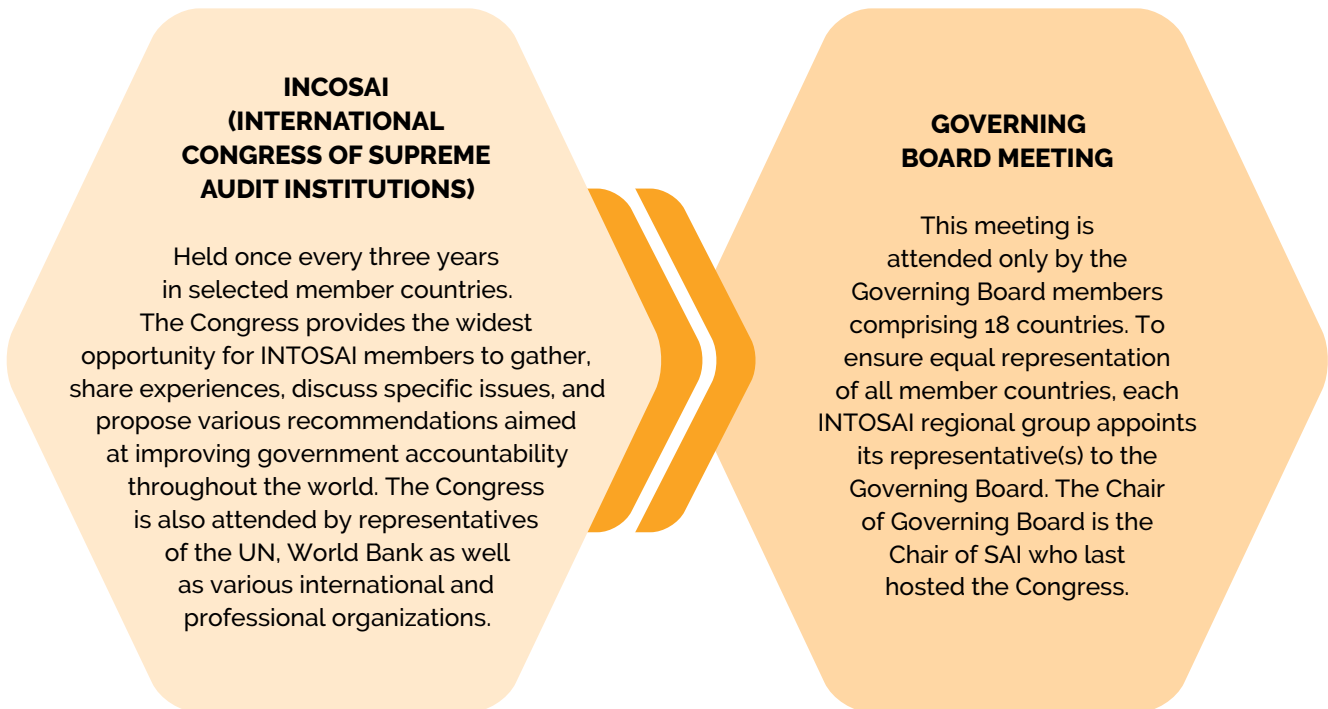


At the VI INCOSAI in Tokyo, Japan in 1968, INTOSAI Standing Orders were adopted, and SAI Austria has been entrusted as the Permanent International Secretariat of INTOSAI ever since. Apart from that, it was also decided that INTOSAI is the only permanent organization of SAIs from UN member countries. At the VIII INCOSAI in Madrid, Spain in 1974, the term International Secretariat of INTOSAI was formally changed into the General Secretariat of INTOSAI.

A country's SAI is expected to collaborate with INTOSAI to broaden its views beyond national scope and to enrich the experienced gained. Therefore, INTOSAI directs its activities towards efforts to strengthen cooperative relations between SAIs. This is done through promoting the exchange of views, thoughts and experience in the field of state financial audit.

When did BPK become a member of INTOSAI? Since the VI INCOSAI in Tokyo on 22 May 1968. That time, BPK's full membership in INTOSAI was approved by the Governing Board, attended by then BPK Chairman, D. Suprajogi, and then BPK Secretary General, Muljatno Sindhudarmoko.

The main bodies of INTOSAI are as follows:



Meanwhile, most of INTOSAI activities are performed by committees, working groups and task forces.

- ▶ Committees discuss issues of interest to all INTOSAI members, such as standards and guidelines for government audits that can be applied by all members.
- ▶ Working Groups are formed as a result of INCOSAI themes and recommendations from SAIs on specific issues, such as environmental audit or privatization. As output, Working Group published specific guidelines and best practices.
- ▶ Task Forces are formed by the Congress or Governing Board with regard to significant issues that gained interests from members. Task Forces exist for a certain period of time and may be disbanded after completion of activities.
- ▶ Sub-Committees are formed to handle issues related to audit principles, such as financial, compliance, and performance audits.
- ▶ Project groups handle issues related to developing and strengthening SAI capacity, such as those related to SAI PMF.

Since its foundation in 1953 until now (2023), INTOSAI has conducted INCOSAI 24 times. There were held in various member countries on a rotating basis. Each Congress discusses organizational development and specific themes related to state financial auditing. INCOSAI is held every three years. ~



# Data Security

01

Regularly back-up data to a different device.

05

Only install original applications.

02

Activate Bitlocker feature.

06

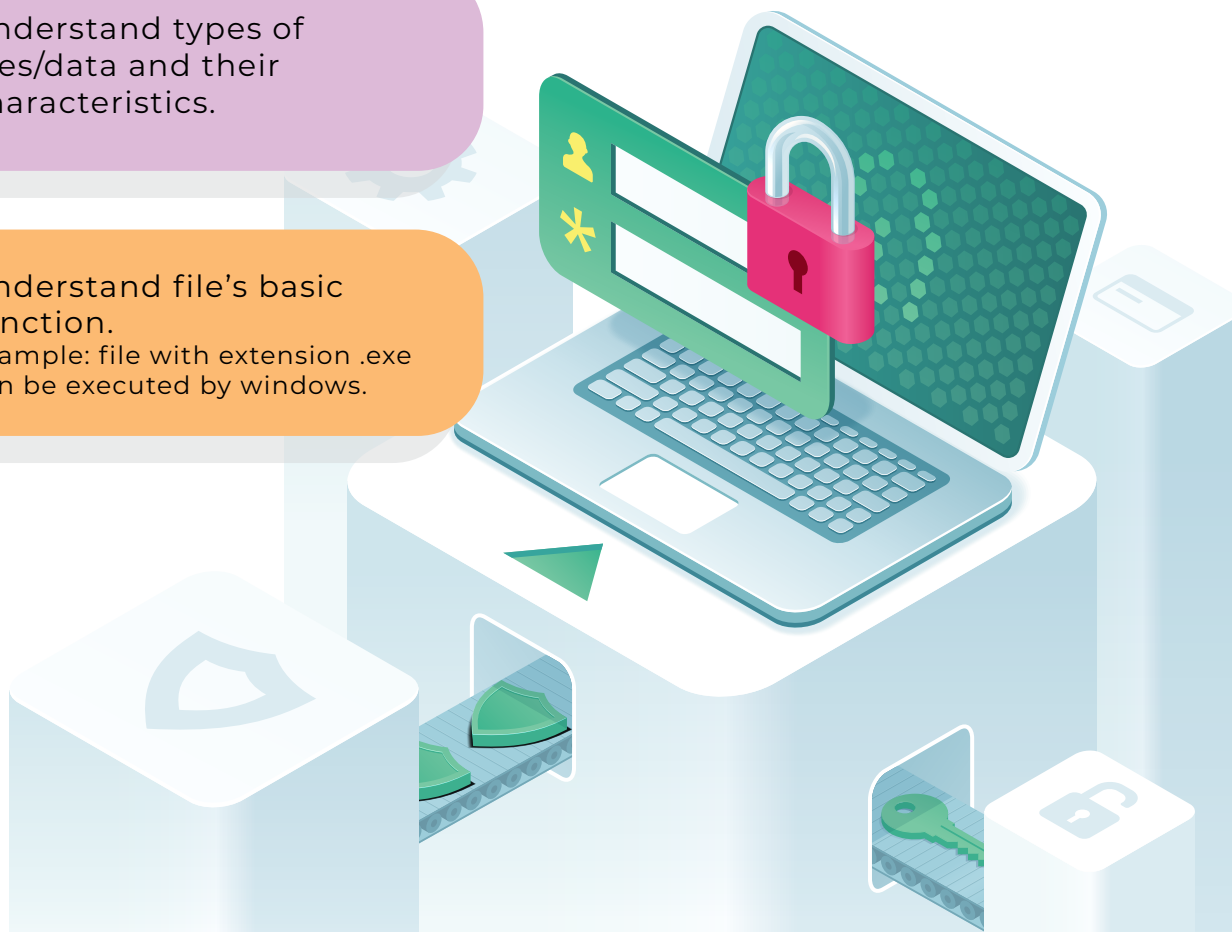
Extra caution when using portable media (USB flash disc, external HDD)

03

Understand types of files/data and their characteristics.

04

Understand file's basic function.  
Example: file with extension .exe can be executed by windows.



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# Overseeing the Direction of Indonesia's Economic Diplomacy

THE DIRECTORATE GENERAL OF PPI HAS NOT YET PREPARED A ROADMAP FOR INTERNATIONAL TRADE NEGOTIATIONS.



Indonesia's involvement in various international forums is in line with economic diplomacy efforts that are being intensified. The Audit Board of the Republic of Indonesia (BPK) also participates in overseeing the implementation of economic diplomacy through three performance audits carried out at the central government, namely the Ministry of Foreign Affairs (Kemenlu), Ministry of Trade (Kemendag), Ministry of National Development Planning (Bappenas), and the Ministry of Investment/Investment Coordinating Board (BKPM). This audit was carried out as an effort by BPK to encourage the government in achieving the 17th Sustainable Development Goal (SDG), strengthen implementation facilities and revitalize global partnerships for sustainable development. BPK audit revealed several government efforts in the context of economic diplomacy, including that the Ministry of Foreign Affairs has revised the main performance indicators (IKU) for economic diplomacy in 2022 related to increasing the value of trade, tourism and investment.

Ministry of Foreign Affairs also encourages the realization of Indonesia's leadership and influential role at regional and global levels. This is shown by the index of Indonesia's influence and role in the international world which can achieve the set targets.

Moreover, the Ministry of Trade has SOPs for two stages of international trade negotiations, namely the pre-negotiation and post-negotiation stages. The Ministry of Trade has also formed a negotiating team, and involved relevant ministries/technical institutions in international trade negotiations. The Ministry of Investment has coordinated the process of formulating and negotiating investment cooperation with line ministries from 2020 to the first semester of 2022. In addition, the Ministry of Investment has also prepared investment plan documents in the form of studies, investment project ready to offer (IPRO), and preliminary -feasibility study (pre-FS) according to the sector and the set output targets.



**There is no grand design for implementing national economic diplomacy. As a result, existing regulations cannot cover the strengthening of economic diplomacy that has been implemented.**

Nevertheless, the results of the audit succeeded in revealing 20 findings. This includes regulations that accommodate economic diplomacy being incomplete, such as Law Number 37 of 1999 concerning Foreign Relations (Hublu) which does not yet contain a clause on the implementation of economic diplomacy, and other regulations (Minister of Foreign Affairs regulations) are also incomplete in regulating matters related to economic diplomacy. Apart from that, there is no grand design for implementing national economic diplomacy. As a result, existing regulations cannot cover the strengthening of economic diplomacy that has been implemented.

The Ministry of Foreign Affairs also does not yet have standard guidelines for implementing economic diplomacy. The current guidelines are still partial in certain areas or certain aspects. There are no general and comprehensive guidelines at the Ministry of Foreign Affairs-wide. As a result, the implementation of economic diplomacy activities by the Ministry of Foreign Affairs and Indonesian representatives in the context of achieving strategic targets has not been fully directed. The steering committee and working group teams have also not been careful in assessing proposals for granting grants to foreign governments/institutions. In addition, the Director of International Development Cooperation has not submitted the 2021 monitoring and evaluation report to the Minister of Foreign Affairs. As a result, the implementation of grants to foreign governments/institutions has the potential to be off-target and its benefits in improving the national economy cannot be recognized.

BPK also revealed that the Ministry of Trade does not yet have a roadmap for international trade agreements. In accordance with the policy direction of the Directorate General of International Trade Negotiations (PPI) Strategic Plan for 2020-2024, it is stated that one of the strategies implemented to support policy direction in order to strengthen coordination of all stakeholders in international trade negotiations, is the preparation of a PPI roadmap. However, the Directorate General of PPI has not yet prepared a roadmap for international trade negotiations, even though it has sufficient data and documents.

The data and documents are in the form of a classification of main export destination countries/markets as well as potential/prospective export destination countries/markets compiled by the Directorate General of National Export Development (PEN),



■ Minister of Foreign Affairs, Retno Marsudi (right), welcomes Singapore's Minister of Foreign Affairs, Vivian Balakrishnan, before the ASEAN Foreign Ministers' Meeting (AMM) at the ASEAN Secretariat Building, Jakarta, Monday, 4 September 2023.

as well as analysis/studies related to countries that have the potential to become PPI partners, with various points of view and supporting data carried out by the Trade Policy Agency (BKPerdag). As a result, the selection of negotiating partner countries in the PPI has not been fully effective and strategic in supporting the policy direction of improving the quality of the PPI and providing benefits for exporters.

Then, PPI process is also not fully supported by internal studies. At the pre-negotiation stage, only two stages were completed with internal studies by BKPerdag, namely the Indonesia-Australia Comprehensive Economic Partnership Agreement (CEPA) and the Indonesia-Mozambique Preferential Trade Agreement (PTA). Meanwhile, other agreements are only supported by a joint feasibility study (JFS) or general review report which is not detailed and technical. Apart from that, the results of the internal study analysis have not been able to

fully support the negotiating team in the negotiation process. As a result, the negotiation results were not optimal and did not meet national interest policies.

BPK also found that data exchange and updating at the planning and monitoring and evaluation stages of cooperation was not fully adequate. Exchange and updating of investment cooperation data between the Ministry of Investment/BKPM and the Ministry of Foreign Affairs has not been carried out regularly, so there are differences in investment cooperation data between the BKPM investment cooperation implementation report and the web page <https://treaty.kemlu.go.id>.

Apart from that, the Ministry of Investment/BKPM has not yet prepared guidelines for implementing activities within the scope of the memorandum of understanding with the Ministry of Foreign Affairs regarding the implementation of economic diplomacy in the investment sector and has not

yet regulated the monitoring and evaluation mechanism for investment cooperation and the use of diplomatic data with the Ministry of Foreign Affairs. As a result, synergy and synchronization of investment cooperation in accordance with the scope of the memorandum of understanding cannot be fully implemented, and decision-making regarding cooperation follow-up plans and monitoring and evaluation results are potentially inaccurate.

The implementation of investment promotion activities is also not fully in accordance with the guidelines and is not supported by adequate documentation. This can be seen, in the formulation of promotional strategies where the Ministry of Investment/BKPM does not carry out an analysis of investment source countries in accordance with the investment promotion guidelines and procedures.

Apart from that, the coordination of the Indonesia Investment Promotion Center (IIPC) as BKPM's representative abroad with Indonesian representatives in submitting reports and promotional materials is not yet fully adequate, including the use of investment dashboards to display investment promotion activities, information regarding investment opportunities and updating data related to the investment mechanism has not been regulated and cannot be carried out. Meanwhile, regarding coordination with regional governments, the Ministry of Investment/BPKM has not yet created guidelines to be used by regional governments in preparing investment plan documents and uploading them on the Regional Investment Potential (PIR) page. As a result, complete data is not available as a reference for promotional activities, Indonesian representatives do not receive complete information regarding investment promotion activities, and

investment opportunities in the regions are not optimally utilized in promotional activities. Regarding this problem, BPK recommended the Minister of Foreign Affairs to complete the preparation and drafting of the Draft Law (RUU) amending the Foreign Affairs Law, then submit it to the President and coordinate with Ministry of National Development Planning, Ministry of Trade, BKPM, and the Ministry of Tourism and Creative Economy to develop a concept grand design of national economic diplomacy.

The Minister of Foreign Affairs also needs to order the Secretary General to develop general guidelines for implementing economic diplomacy, including the planning, implementation, evaluation and reporting stages. Then, together with the Steering Committee, instructed the working group to review the implementing regulations regarding Procedures for Providing Grants to Foreign Governments/ Foreign Institutions, in order to support the governance of Indonesian Government grants. BPK also recommended the Minister of Trade to order the Director General of PPI to preparing a roadmap for international trade agreements to be established. Then, coordinate with the Head of BKPerdag in order to determine substance content standards and internal study points to support the international trade negotiation process, and then ask BKPerdag to prepare an internal study as material for assessing the feasibility of the PPI plan.



**BPK also recommended the Minister of Trade to order the Director General of PPI preparing a roadmap for international trade agreements to be established.**

In addition, the Minister of Investment/Head of the Investment Coordinating Board needs to instruct the Deputy for Investment Cooperation, among others, to propose a concept for economic diplomacy guidelines in the investment sector to the Ministry of Foreign Affairs as a form of follow-up to the memorandum of understanding which includes the formulation, negotiation and implementation of cooperation as well as evaluation. investment cooperation and use of diplomatic data. Next, the Minister of Investment shall coordinate with the Ministry of Foreign Affairs to arrange a data exchange mechanism related to investment agreements.

The Minister of Investment also needs to instruct the Deputy for Investment Promotion, to carry out the formulation of promotional strategies in accordance with the guidelines and follow up on the results of the analysis, ordering the IIPC and related directorates to prepare follow-up reports on promotional activities according to the guidelines, and create guidelines regarding the periodic submission of activity reports to Indonesian representative in the country of residence. Then, the Deputy for Investment Climate Development (PIPM) needs to create guidelines for preparing investment opportunities by local governments as well as procedures for uploading digital documents of local investment opportunities. ~



# Optimizing the Improvement of Indonesia's Positive Image in the World

AS A RESULT, MARKETING COMMUNICATIONS ARE NOT COMPLETELY OPTIMAL.

**T**ourism marketing is one of the leading faces of Indonesia's image in front of the international world. In this regard, the Audit Board of the Republic of Indonesia (BPK) has carried out a performance audit of one central government audit object related to priority activities to improve a positive image in the international world, namely the effectiveness of tourism marketing at the Ministry of Tourism and Creative Economy (Kemenparekraf) for the 2021 Fiscal Year.

Based on the Master Plan National Tourism Development from 2011 to 2025 as stipulated in Government Regulation Number 50 of 2011, developing tourism image is part of tourism marketing. This is also in line with the 8th Sustainable Development Goal (SDG), namely increasing inclusive and sustainable economic growth, productive and comprehensive employment opportunities, and decent work for all.

BPK audit revealed several government efforts to improve a positive image, such as, Ministry of Tourism and Creative Economy has prepared an integrated marketing communication strategy to serve as a guideline for Indonesian tourism marketing. The Ministry of Tourism and Creative Economy has also prepared guidelines for measuring brand awareness to determine the level of tourists' awareness towards the Wonderful Indonesia brand.

Apart from that, the audit revealed 12 findings, including the implementation of overseas tourism promotion representatives/Visit Indonesia Tourism Officer (VITO) which has not been supported by norms, standards, procedures, and criteria (NSPK) approved by authorized officials, also it has not been updated according to current conditions. Apart from that, the determination of VITO targets is not supported, among other things, by the agreement on key performance indicator (KPI) targets as outlined in the document signed by the Ministry of Tourism and Creative Economy and VITO as well as the relevance of VITO's KPI targets to the scope of work in the VITO Appointment Letter. As a result, marketing communications are not fully optimal.


Efforts to increase tourism competitiveness through the Travel and Tourism Competitiveness Index/Travel Tourism Development Index (TTCI/TTDI) are not fully adequate. These include the Cross-Sector Working Team which was formed in order to increase the TTCI/TTDI index, in carrying out its duties and functions it has not been fully supported by adequate NSPK, especially in terms of updating TTCI/TTDI data, starting from planning, implementation, reporting and monitoring, and evaluation. The Cross-Sector Working Team also does not function optimally and its existence has not been fully renewed on an ongoing basis.

Then, the implementation of cross-sector coordination in processing and updating TTCI/TTDI data does not yet cover all indicators in the tourism sector strengthening indicator dashboard (IPKN) and TTDI is not yet integrated. Reporting on the results of cross-sector strategic coordination in managing the TTCI/TTDI index does not include the programs that will be carried out to improve the TTCI/TTDI index along with achievement targets and results, does not include the progress of completing the follow-up action plan that has been agreed upon as a result of the coordination meeting cross-sector strategies that have been carried out, and do not contain the progress of completing data updates carried out by the relevant ministries/institutions.

Apart from that, there is no monitoring and evaluation mechanism for the follow-up to action plans resulting from cross-sector strategic coordination meetings in 2021 and 2022. As a result, efforts to increase tourism competitiveness are less than optimal.

Due to this problem, BPK recommended the Minister of Tourism and Creative Economy/Tourism and Creative Economy Agency to instruct the Deputy for Marketing to establish an up-to-date NSPK which regulates the implementation of VITO comprehensively starting from the planning, implementation, reporting, as well as monitoring and evaluation stages. Then, establish a performance agreement with VITO which clearly regulates the rights and obligations and KPI targets along with other related detailed explanations according to the scope of work. Apart from that, it is necessary to order the VITO sub-coordinator to immediately perfect the VITO performance agreement in accordance with the scope of work and carry out monitoring and evaluation in a timely manner.

Minister of Tourism and Creative Economy also needs to form a Cross-Sector Working Team consistently with a clear division of tasks and functions in the organizational structure of the Cross-Sector Working Team and form a secretariat to improve the Performance of the Cross-Sector Working Team in order to increase the TTCI/TTDI index. Apart from that, it is also necessary to order the Cross-Sector Working Team to carry out its duties and functions as determined. -



# Realizing Access to Adequate and Safe Drinking Water

**THE GOVERNMENT HAS NOT YET BEEN ABLE TO FORMULATE APPROPRIATE POLICIES TO ENCOURAGE THE PROVISION OF ACCESS TO ADEQUATE AND SAFE DRINKING WATER AND SANITATION.**

In the second semester of 2022, the Audit Board of the Republic of Indonesia (BPK) will carry out a national priority audit (PN) related to strengthening infrastructure. One of them is related to providing access to adequate and safe drinking water and sanitation.

Referring to the National Medium Term Development Plan (RPJMN) for 2020-2024 and in accordance with the Updated Government Work Plan (RKP) for 2022, the policy direction for developing basic service infrastructure for housing and settlements includes the provision of basic infrastructure for settlements including drinking water and sanitation (water domestic waste and waste management). Then, providing access to safe drinking water which focuses on plans for securing and monitoring the quality of drinking water, providing access to safe sanitation which focuses on developing house connections connected to the Domestic Waste Water Treatment Plant (IPALD), as well as providing access to waste management.

In addition, increasing the availability of piped network access to drinking water is focused on optimizing the capacity of the installed Drinking Water Supply System (SPAM) and providing access to drinking water for island areas, border areas, water-prone areas and other national priority areas. Another policy is accelerating the provision of access to safe drinking water and sanitation in order to improve public health through strengthening the capacity of local governments and drinking water and sanitation organizers, both in terms of planning, technical, and funding strategies.

One of the 2020–2024 RPJMN agendas is providing access to adequate and safe drinking water with a target that by 2024 100 percent of the population has access to adequate drinking water, 30 percent of the population has accessed piped drinking water, and 15 percent of the population has accessed drinking water. safe drinking. This is also in line with the sixth Sustainable Development Goal (SDG), namely ensuring the availability and sustainable management of clean water and sanitation for all.

To encourage the implementation of the national development agenda, BPK carries out performance audits on the effectiveness of government efforts in providing access to adequate and safe drinking water at a number of audit objects, including two central government audit objects, namely the Ministry of Health (Kemenkes), and the Ministry of Home Affairs (Kemendagri).

BPK noted that the Ministry of Health and the Ministry of Home Affairs have made a number of efforts. This means that the Ministry of Health has supported the planning, fulfillment, and utilization of environmental sanitation personnel through special assignments of health workers through the Nusantara Sehat Program. Furthermore, the Ministry of Health has proposed a budget allocation and determined a menu of activities for the Physical Special Allocation Fund (DAK) for Health Sector and Non-physical DAK for Health Sector for monitoring drinking water quality activities and implementing Community-Based Total Sanitation (STBM) for local governments in technical instructions.



**One of the 2020–2024 RPJMN agenda is providing access to adequate and safe drinking water with a target that by 2024, 100 percent of the population has access to adequate drinking water, 30 percent of the population has access to piped drinking water, and 15 percent of the population have access to safe drinking water.**

Then, establishing regulations in the field of local budget planning totaling four regulations in 2021 (200 percent of the target), establishing regulations in the field of managing BUMD, Local Public Service Bodies (BLUD), and Local Property (BMD) totaling 2 regulations in 2021 (100 percent of the target), the establishment of one regulation in the field of preparing local government work plans in 2021 (100 percent of the target) and one regulation in 2022 (100 percent of the target), as well as the establishment of regulations regarding the Evaluation of Local Government Implementation (EPPD).

However, BPK's audit revealed a number of findings which contained problems, including that the Ministry of Health had not prepared regulations and technical policies related to monitoring the quality of drinking water adequately, where the regulations and technical policies that had been determined were not in harmony with other regulations and had not been fully prepared in a complete and clear manner. As a result, there is a lack of uniformity in the implementation and reporting of drinking water quality monitoring achievement data.

The Ministry of Health has also not adequately monitored and evaluated the implementation of STBM pillar 1, to stop open defecation adequately, namely by carrying out evaluations through data analysis and information on the achievements of villages/districts to stop open defecation submitted by all provinces. As a result, there is the potential for errors in making policies based on analysis results using invalid data.

Then, within the scope of the Ministry of Home Affairs, the database on the achievement of Minimum Service Standards (SPM) for drinking water and sanitation is not yet complete and reliable. The drinking water BUMD database that has not implemented full cost recovery (FCR) and/or has idle capacity has not been utilized optimally.

As a result, the government has not been able to fully formulate appropriate policies to encourage the provision of access to adequate and safe drinking water and sanitation. This includes the Ministry of Finance not being able to allocate a proportion of the General Allocation Fund (DAU) Specific



SAPRUDDIN

Grant for the public works sector based on SPM data to support the fulfillment of basic SPM service needs. Apart from that, the Ministry of Home Affairs has also not been able to fully design priorities for guidance to local governments in planning and budgeting to meet SPM needs as well as to drinking water and waste water/sanitation BUMDs in improving performance and service coverage.

Norms, standards, procedures, and criteria (NSPK) regarding procedures for aligning RPJMD/RKPD with RPJMN/RKP as well as Guidelines for Preparing RKPD have not been regulated completely and clearly. As a result, national priority program targets related to providing access to adequate and safe drinking water and sanitation have the potential to not be achieved.

The NSPK regarding the design of guidance for village governments and community groups after the Community-Based Drinking Water and Sanitation Provision (Pamsimas) program has not been fully determined. As a result, the management of Pamsimas assets and institutions after the Pamsimas program has the potential to be unsustainable in supporting the achievement of RPJMN and SDG targets.

Regarding this problem, BPK recommends the Minister of Health to coordinate with the relevant ministries to encourage the completion of the draft Minister of Health as an implementing regulation of Government Regulation (PP) Number 66 of 2014 concerning Environmental Health which includes the obligation of regional governments to complete follow-up actions on the results of drinking water quality monitoring, sanctions for drinking water operators, as well as coordination with line ministries in completing follow-up actions on drinking water quality monitoring results.

Moreover, Minister of Health shall revise the Minister Regulation Number 3 of 2014 regarding the reporting mechanism for monitoring and evaluation results of STBM achievements which includes reporting stages per level, parties involved in reporting, responsibility, and authority for data validation, and reporting period.

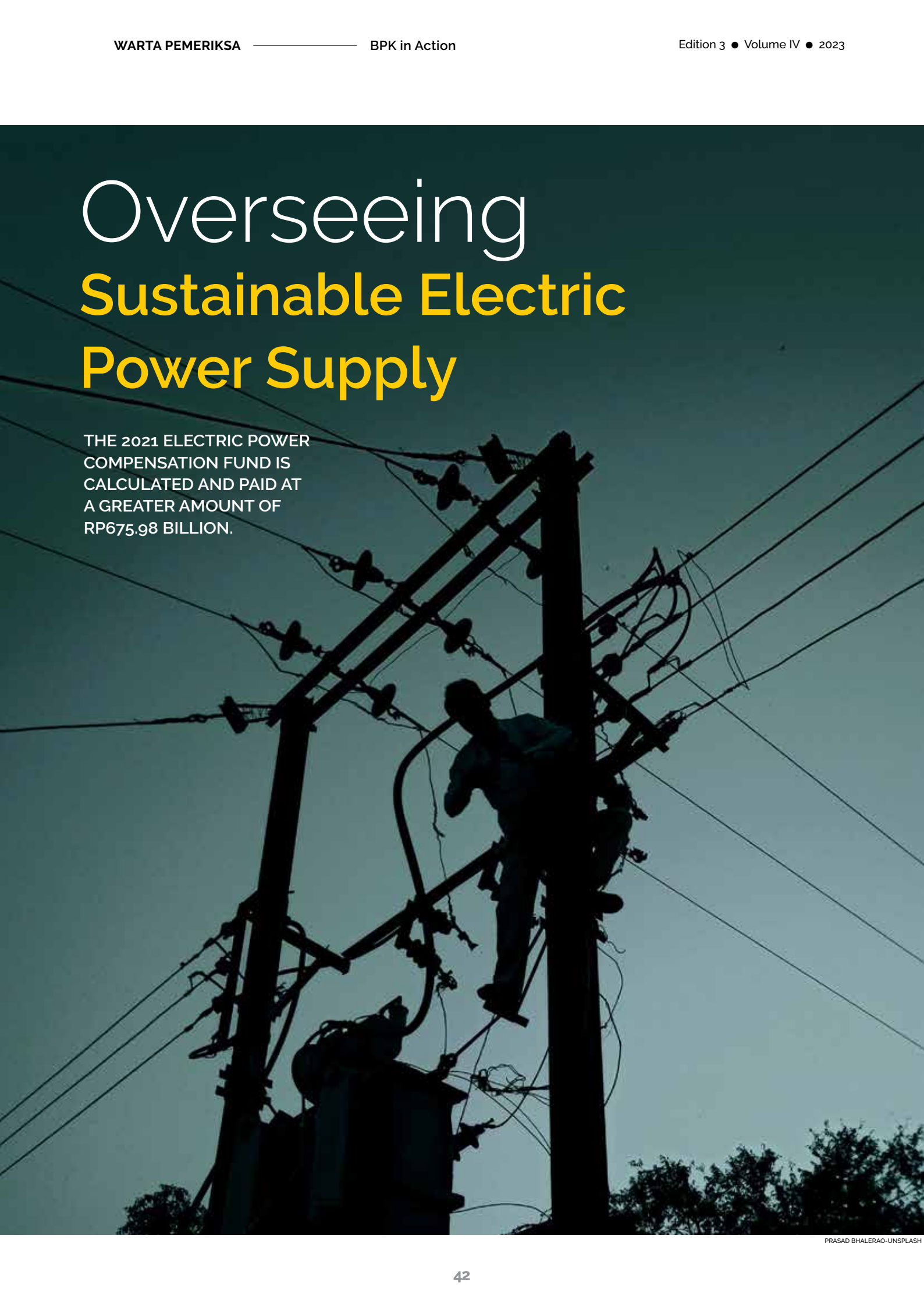
Meanwhile, BPK's recommendation for the Minister of Home Affairs is to instruct echelon I work units that related to providing access to drinking water and sanitation/waste water to be more optimal in coordinating.

Minister of Home Affairs also needs to instruct the Director General of Regional Development to determine the NSPK regarding procedures for facilitating draft regional regulations regarding RKPD and coordinate with the relevant line ministries to determine the NSPK which regulates procedures for harmonizing the RPJMD/RKPD with the RPJMN/RKP as well as the nomenclature and codification of activities and sub-activities for supports the achievement of safe drinking water indicators.

The Director General of Village Government Development also needs to coordinate with the relevant line ministries in determining the NSPK which regulates complete post-Pamsimas program development, including accelerating the achievement of adequate and safe drinking water and sanitation targets in villages as well as managing assets resulting from the Pamsimas program and the SPAMS organizing institution in the form of a Village Community Institution. ~

# Overseeing Sustainable Electric Power Supply

THE 2021 ELECTRIC POWER COMPENSATION FUND IS CALCULATED AND PAID AT A GREATER AMOUNT OF RP675.98 BILLION.



The Audit Board of the Republic of Indonesia (BPK) carries out compliance audits on the supply of electricity and electricity tariffs at one State-Owned Enterprise (BUMN) audit object. Quoted from the Second Summary of Semester Audit Report for the year of 2022, this audit was carried out as an effort by BPK to encourage the government to achieve the seventh Sustainable Development Goal (SDG), namely ensuring access to affordable, reliable, sustainable, and modern energy for all.

Referring to the 2020-2024 National Medium Term Development Plan (RPJMN) and in accordance with the Updated Government Work Plan (RKP) for 2022, the direction of energy and electricity development policy includes, among other things, providing subsidies and stimulus tariffs for electricity to ease the burden on disadvantaged groups and vulnerable, also build electricity infrastructure, especially renewable energy and energy conservation, including to support the completion of household electrification.



**The 2021 electricity tariff adjustment for 13 non-subsidized customer tariff categories was not approved by the Minister of Energy and Mineral Resources, so the compensation fund burdened state finances amounting to Rp24.59 trillion.**

State Electricity Company (Persero) or PT PLN, is a state-owned company that provides electricity for the public interest. The aim of PT PLN is to carry out the business of providing electricity for the public interest in adequate quantity and quality as well as to generate profits and carry out government assignments in the electricity sector in order to support development. PT PLN carries out the business of providing electricity, including generation, channelling and distribution activities, planning and building facilities for providing electricity, and developing electricity supply.

Electricity tariffs for consumers provided by PT PLN are determined by the Minister of Energy and Mineral Resources Regulation Number 3 of 2020. In accordance with the Minister of Energy and Mineral Resources Regulation, there are 25 tariff groups which are groups of customers/subsidized tariff groups who receive compensation through electricity subsidies from the government, if the tariff set by the government is lower than the basic costs of generating electricity incurred by PLN. Meanwhile, for certain tariff groups, namely 13 tariff groups that are not included in the subsidized tariff group, electricity tariff adjustments apply. If there is a shortfall in PT PLN's revenue due to the net difference between non-subsidized electricity tariffs based on the calculation of the tariff adjustment formula in accordance with the provisions of laws and regulations, also with the government's determination of non-subsidized electricity tariffs, then PT PLN can obtain compensation funds paid by the government.

From this audit, BPK revealed findings, such as the 2021 electricity tariff adjustment for 13 non-subsidized customer tariff categories that was not approved by the Minister of Energy and Mineral Resources, so that the compensation fund burdened state finances amounting to Rp24.59 trillion.

Apart from that, the electricity compensation fund for 2021 is calculated and paid at a greater amount of Rp675.98 billion. This problem resulted in expenditure in the 2022 State Budget being realized in the form of compensation funds to finance electricity consumption for PT PLN's non-subsidized customers or customers who can afford it, and an excess payment from the 2021 electricity compensation fund by the government to PT PLN amounting to Rp675.98 billion.

Then, the calculation of the benchmark coal price (HPB) in tariff adjustments is not yet in line with the calculation of the coal selling price for futures transactions that have taken place at PT PLN. This condition means that the HPB used in calculating the 2021 tariff adjustment has the potential to be less accurate.

Due to this problem, BPK recommended to the PT PLN Board of Directors to coordinate more optimally with the Ministry of Energy and Mineral Resources and the Ministry of Finance to prepare a reasonable tariff adjustment formula for the non-subsidized tariff group, as well as deposit the excess payment of Rp675.98 billion or submit a request to the Minister of Finance for the excess. These payments can be taken into account in the following year's electricity compensation fund payments.

The PLN Board of Directors also needs to submit a request to the Minister of Energy and Mineral Resources to confirm the provisions for calculating HPB in calculating tariff adjustments as a guideline for PT PLN in carrying out its electricity supply business activities. ~



**BPK Library received an award as**

## **The National Reference Library with A Accreditation**

This award was handed over by the Head of the National Library  
at the National Library Coordination Meeting held  
**in Pullman Hotel Jakarta on Monday, 6 March 2023**



# BPK Expresses Desire to Continue be IMO External Auditor

APART FROM ATTENDING MEETING, BPK DELEGATION ALSO HELD A COURTESY MEETING WITH CHAIR OF IMO COUNCIL, VICTOR JIMENEZ, AS WELL AS IMO MANAGEMENT.

The Audit Board of the Republic of Indonesia (BPK) expressed its desire to continue its role as an external auditor for the International Maritime Organization (IMO) for the period 2024-2027. This was conveyed by Board Member I of BPK, Nyoman Adhi Suryadnyana in a meeting held by the Ministry of Transportation in collaboration with the Ministry of Foreign Affairs on the sideline of the 129th Session of IMO Council in London, Thursday (20/7/2023).

He also said that BPK is committed to continuing to assist organizations in achieving success in IMO's important missions. Especially in promoting security and safety in environmentally friendly and sustainable maritime transportation as well as in protecting the marine environment.

In addition to renominating BPK as the external auditor of IMO for a second period, 2024-2027, the meeting was also held in the context of renominating Indonesia as a member of the IMO category "C" council for 2024-2026 period.



**BPK is committed to continuing to assist organizations in achieving success in IMO's important missions. Especially in promoting security and safety in environmentally friendly and sustainable maritime transportation, as well as in protecting the marine environment.**



Board Member I of BPK also expressed his appreciation and gratitude to IMO Secretary General, especially for the support and cooperation during audit, as well as the serious attention paid to the results of BPK audit.

Board Member I of BPK also congratulated the election of IMO Secretary General at the 129th IMO Council Session. Arsenio Dominguez will assume office on January 1, 2024 (subject to the Assembly's approval in December 2023).

The meeting was opened by the Indonesia Ambassador for UK, Ireland, and IMO, Desra Percaya. Followed by remarks from the Ministry of Transportation, represented by the Director General of Maritime Relations Arif Toha Tjahjagama, and remarks from Board Member I of BPK.

Accompanied by BPK Secretary General Bahtiar Arif, Board Member I of BPK also held a meeting with 2016-2023 Secretary General of IMO, Kitack Lim.

During the visit, BPK delegation also held a courtesy meeting with Chair of IMO Council, Victor Jimenez, as well as IMO management. The courtesy meeting is in line with the provisions of the International Standard on Auditing (ISA) 260 regarding communication with those charged with governance). ~



# BPK and SAI Vietnam Agree to Discuss Waste Management Audit

THE FORUM SERVES AS THE RIGHT MOMENTUM TO LEARN FROM EACH OTHER TO INCREASE CAPACITY AND IMPROVE AUDIT QUALITY WITH AN IMPACT ON THE SOCIETY.



The Audit Board of the Republic of Indonesia (BPK) and SAI Vietnam of the State Audit Office of Vietnam (SAV) gathered to discuss waste management audit, which includes the audit methodology used, audit findings, challenges, and lessons learned obtained during the audit. This was stated by BPK Chair Isma Yatun in a high-level meeting with SAV Auditor General Ngo Van Tuan.

On that occasion, Isma also attended the 3rd Joint Workshop on "Waste management Audit" held at the SAV Head Office in Hanoi, Vietnam on Friday (11/8/2023).

The workshop is part of the implementation of bilateral cooperation between SAV and BPK in 2023. It aims to serve as a forum for sharing experience and knowledge between the two institutions in an effort to develop audit capacity and capabilities at both institutions.

Representing BPK, Normas Andi Ahmad, auditor at Audit Department IV presented on the topic, while Le Tung Lam, Director general of Specialized Audit Department III, was representing SAV.



In her speech, BPK Chair expressed her appreciation to SAV for their dedication and efforts in organizing the workshop. She acknowledged that the forum serves as the right momentum for the two institutions to learn from each other in order to increase capacity and improve audit quality with an impact on the society.

BPK is also honored to be trusted as a partner and mentor to SAV in efforts to develop the capacity and capability of SAV auditors in various audit fields. In particular, BPK has agreed to provide a training on forensic audit to SAV auditors in the fourth quarter of 2023 in SAV Office, Hanoi.

In his remarks, SAV Auditor General conveyed his sincere thanks and gratitude to BPK for the commitment in mentoring SAV to develop its audit capacity in various topics.

Lastly, as a continuation of the bilateral cooperation, the two SAls proposed holding another joint workshop on the topics "big data analytics" and "digital transformation". ~



# BPK to Follow Up Results of Meeting with SAI Thailand



## THE COMMISSIONER OF SAO THAILAND EXPRESSES HIS GRATITUDE FOR THE BPK'S SUPPORT IN IMPROVING THE SAO THAILAND'S CAPACITY, ESPECIALLY IN DEVELOPING ITS EDUCATION AND TRAINING CENTER.

The Audit Board of the Republic of Indonesia (BPK) will follow up the results of the meeting with the Supreme Audit Institution (SAI) of Thailand, the State Audit Office of the Kingdom of Thailand (SAO Thailand). Some of the planned activities include discussions on the cooperation concept in agreed areas, starting from cooperative audits, workshops on future audits, to the development of the education and training center. A Memorandum of Understanding (MoU) will also be signed as a basis for cooperation.

The meeting between BPK and SAO Thailand was held at BPK Head Office and BPK Training Institute of State Financial Audit in Jakarta,

from Tuesday, 29 August 2023 to Thursday, 31 August 2023. The visit aims to increase organizational and institutional capacity.

The visit was initiated with the hold of a courtesy meeting conducted at the BPK Head Office on Tuesday. BPK Chair Isma Yatun, accompanied by Vice Chair Hendra Susanto, Secretary General Bahtiar Arif, Director General of the BPK Training Institute Suwarni Dyah Setyaningsih, and other officials, met SAO Thailand Commissioner Orapin Phonsuwan Sabyeroop, who led his delegates of 39 people in total. The Commissioner was also accompanied by Deputy Auditor General Klednatee Manosan and Director of International Affairs Office Sutthi Suntharanurak.

The BPK Chair welcomed the entire delegates and appreciated the trust as partners in developing audit and institutional capacities. "As a friend, BPK welcomes the SAO Thailand's request to exchange knowledge and experiences in conducting post-Covid-19 audits, foresight functions, digital transformation, as well as in developing the education and training center," the BPK Chair said.

The Commissioner of the SAO Thailand expressed his gratitude for the BPK's support in developing the capacity of the SAO Thailand, especially in developing the education and training center. He also hoped that the bilateral cooperation between the two SAIs will be increased more on various topics currently becoming the SAO Thailand's priorities.

The SAO Thailand's visit is divided into two forms of activities, namely study visit and cooperative visit, which are conducted at BPK Head Office and Training Institute. The cooperative visit is followed by seven people led by the SAO Thailand Commissioner. The visit is intended to learn how to develop the training and education center while discussing future cooperation with BPK.



“**As a friend, BPK welcomes SAO Thailand's request to exchange knowledge and experiences in conducting post-Covid-19 audits, foresight functions, digital transformation, as well as developing the education and training center.**”

On the other hand, the study visit consists of 32 people, who are mostly new directors in various working units in the SAO Thailand. Led by the Deputy Auditor General of the SAO Thailand, the visit aims to increase the capacity in various relevant topics.

During the visit, the SAO Thailand Commissioner also has the opportunity to deliver a presentation entitled "Introduction to Public Sector Audit and Fiscal and Financial Discipline in Thailand". It covers principles of state financial regulations, function and authority of the SAO Thailand in relation to fiscal and financial discipline in Thailand, and the SAO Thailand's efforts in implementing INTOSAI-P 12 and INTOSAI-P 50.

The study visit conducted at the BPK Training Institute brings about the topic of local government, resilience strategy (foresight) and big data/IT. The two SAIs shared experiences in adapting to the post-pandemic (next normal). ~



# BPK Vice Chair Talks about BIDICS in Cairo

THE VICE CHAIR EXPLAINED BPK'S THREE STRATEGIC PLANS IN DIGITAL TRANSFORMATION.

The Audit Board of the Republic of Indonesia (BPK) shares knowledge and experiences with various Supreme Audit Institutions (SAIs) when the Vice Chair Hendra Susanto attended the 7th Meeting of the International Organization of Supreme Audit Institutions Working Group on Big Data (INTOSAI WGBD) in Cairo, Egypt, 13-15 September 2023. The event, which was attended by more than 65 participants from 26 SAIs, also identified challenges and opportunities faced in the audit field related to big data.

The meeting was opened by the host, SAI Egypt, and Chair and Secretariat of INTOSAI WGBD, SAI China.

In the meeting, the BPK Vice Chair presented "Operationalization of Big Data Analytics", explaining BPK's three strategic plans in digital transformation. Those include implementations of digital business processes, information technology management and big data analytics (BIDICS).

He mentioned that BIDICS is a big data implementation platform built in-house by BPK. It is a mean of disseminating data analysis practices to all employees. The components consist of BIDICS Dashboard, BIDICS Self-Service Analytics, BIDICS Engine, BIDICS Development and BIDICS Knowledge Management.

At the end of his presentation, the Vice Chair suggested three ways to increase synergy and collaboration among SAIs. First, designing international training



**The third is exchanging experts among Member SAIs to accelerate the implementation of big data and further development.**

on big data, including knowledge on data analytics and artificial intelligence (AI). Second, designing big data implementation management leading to designing the AI management, especially for audits of government institutions.

"The third is exchanging experts among Member SAIs to accelerate the implementation of big data and further development," he said.

Taking the topic of "Application of Big Data in Auditing", the meeting featured 16 presentations. On the sidelines of the meeting, the Vice President of SAI Egypt, El Faisal Yousef, invited the BPK Vice Chair to an executive meeting, which was also attended by the Deputy Auditor General of SAI China, Wang Benqiang, the Deputy Comptroller and Auditor General of SAI India, RG Viswanathan, the Deputy Auditor General of SAI Vietnam, Bui Quoc Dung, the Deputy Auditor of SAI Kenya, Isaac Kamau Nganga, and Ministro of SAI Brazil, Johnathan Pereira de Jesus. ~



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# BPK Plays a Role in Succeeding the Vision of a Golden Indonesia 2045

THE GOVERNMENT HAS UNDERGONE VARIOUS TRANSFORMATION AND REFORM TO PROMOTE THE GOLDEN INDONESIA VISION.



■ Coordinating Minister for Economic Affairs Airlangga Hartarto

Coordinating Minister for Economic Affairs Airlangga Hartarto says that the government currently targets the Golden Indonesia Vision 2045. Through this vision, Indonesia is focusing on entering the rank of high-income countries or becoming a developed country by 2045.

The government has undergone various transformation and reform to promote the Golden Indonesia Vision. Airlangga emphasizes that this transformation requires support from the Audit Board (BPK) as an independent external auditor.

"BPK's role is very important in supporting the national vision for the future. The improvements in governance, accountability, evaluation and financial and transparency monitoring are important in order to create a just, advanced, sovereign and prosperous society," Airlangga said while attending the Annual BPK Executive Working Meeting 2023 in Jakarta in the end of August.

Regarding the target of becoming a developed country, Airlangga says that Indonesia has already equipped itself to support the vision of Golden Indonesia. The latest data shows that Indonesia's growth in the second quarter of 2023 reached 5.17 percent. Over the last seven quarters, he says, Indonesia's growth has always been above 5 percent.

These results make Indonesia return to being an upper-middle income country. "At the end of this year, it is expected that our per capita income will reach 4,700 USD and next year, it is estimated at 5,500 USD," he said.

This achievement is also supported by the successive increase in the IMD World Competitiveness Ranking, which rose 10 levels from 44 to 34. This position is better than Japan, which ranked 35, India 40, the Philippines 52 and Brazil 60.

"Various rating agencies also maintain investment grade rating status for Indonesia and a low inflation performance. So this is showing that the economy is on the right track," he said.

Apart from that, social indicators have also improved. For example, the unemployment rate fell to 5.45 percent in February 2023. The Gini or inequality ratio also fell to 0.39 in March 2023 and the poverty rate became 9.4 percent.

Likewise, the extreme poverty, which once reached 5.8 percent, fell to 1.12 percent. The economic outlook can also be seen from the consumption index of above 100, which is at an optimistic level of 123.5.

Airlangga adds that the foreign debt ratio is still at 29.3 percent and foreign exchange reserves are 137.7 billion USD. "Well, we also look at economic fundamentals, this is a good basis for future targets. Among other countries, we see that our growth is only below that of the Philippines and Uzbekistan and the inflation rate is also relatively low," he said.

In accordance with the National Long Term Development Plan (RPJPN) 2025-2045, the target Indonesia wants to achieve by 2045 is to have a nominal GDP of 9.8 trillion USD or to be the top five in world GDP and a GNI per capita of 30,300 USD. The middle income portion of the population is 80 percent, the manufacturing industry's contribution to GDP has increased from the current 19 percent to 28 percent, and the employment rate is 25.2 percent.



**BPK's role is very important in supporting the national vision for the future. The improvements in governance, accountability, evaluation and financial and transparency monitoring are important in order to create a just, advanced, sovereign and prosperous society.**

"Well, to achieve a high income country in the period of 2038 to 2041, a 5 percent annual growth is not enough. We need to have 6 to 7 percent growth," Airlangga said.

He is grateful that Indonesia also has various capital to achieve the vision of a Golden Indonesia, such as the human resources, which will approach the demographic peak in the next 13 years. "Therefore, we cannot just wait or be passive, we have to be active, so that we can achieve this 13-year demographic bonus," he said.

Indonesia also has natural resource capital, including 125.57 million hectares of forest area, mineral energy resource reserves and new renewable energy potential of 3,716 gigawatts.

"The government also continues to encourage the national strategic program (PSN). Currently there have been 158 PSN completed in the last eight years with an investment value of IDR 1,263 trillion," Airlangga said.

The government, Airlangga emphasizes, is increasing competitiveness by down streaming, increasing exports and applying foreign exchange proceeds from exports.

"The foreign exchange proceeds from this export are intended as the mandate of the Constitution, which is especially stated in Article 33 mentioning that Earth, Water and Natural Resources are for the full national interest, not only physical forms, but also the results. So far, the results have only been physical results, which are only being parked (allocated) in New York or Singapore. But these natural resources are the most important that we should first capture them domestically," he said.

Surely, the policy of the foreign exchange proceeds from exports has many challenges from various industrial sectors, especially extractive industries. However, everything must be started. It is the first time for Indonesia to be introducing the policy beside the two other countries, namely Singapore and the United States. ~



BPK Head Office is Awarded the First Rank of

## **The Best Budget Implementation for the First Semester of 2023**

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# Overseeing National Development

## through Collaborative Thematic Audit

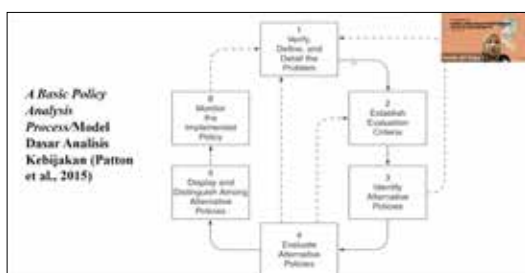
IN ACCORDANCE WITH  
THE STRATEGIC PLAN, BPK CARRIES  
OUT THEMATIC AUDITS ON  
SEVEN NATIONAL DEVELOPMENT  
AGENDAS AS STATED IN THE 2020-  
2024 NATIONAL MEDIUM TERM  
DEVELOPMENT PLAN (RPJMN).

**B**PK holds a Knowledge Transfer Forum (KTF) themed "Policy Model of Collaborative Thematic Audit on the National Development Agenda". The KTF, which was held on Thursday, 13 July 2023, is hosted by the Head of the Performance Audit Evaluation and Reporting Section I, Eni Triana Yuliani.

Eni says that the background to the discussion begins with the thematic audit policy established by BPK in 2016-2020 Strategic Plan and 2020-2024 Strategic Plan. In the two strategic planning periods, the thematic audit is aligned with the RPJMN for the same period. The audit policy serves as a guideline for all audit working units in BPK. The alignment of the Strategic Plan with the RPJMN is an effort to encourage evaluation and improvement of government development programs.

In the 2020-2024 Strategic Plan, thematic audit of the national development agenda is carried out in the form of audit of the seven national development agendas as stated in the 2020-2024 RPJMN.

She explains that based on the evaluation of the previous Strategic Plan, when compiling the Summary of Audit Results (IHP), auditors are generally not able to conclude activities into one whole focused theme. "What we suggested at that time are points of important problems to be delivered and the recommendations," she said.



**What we suggested at that time are points of important problems to be delivered and the recommendations.**



Based on the result of the research she conducted using Patton's Basic Model of Policy Analysis, there are six steps that must be followed to analyze thematic audit policy, namely defining, verifying and detailing policy problems; creating evaluation criteria; identifying policy alternatives; evaluating policy alternatives; presenting and differentiating policy alternatives; and monitoring and evaluating implemented policies.

"From this approach, I try to dissect them, present them one by one, but maybe I give a little insight into the process. So this is the process I went through in this research, and I conducted internal and external interviews," she said.

From the results of the research collaborating with Patton's model approach, she is able to conclude several things related to thematic audit policies.

First, define, verify and detail the policy problem. There were several problems she concluded, not representing activities as a whole. Some of the problems include limited resources, specifically human resources and budget. The many development agendas with seven national priorities and various priority programs, priority activities, priority projects and main projects is inversely proportional to resources owned by BPK.

Second, the scope of the audit is less extensive. BPK cannot examine all programs/activities implemented by the government in all ministries/institutions/regional governments. In addition, there are expectations regarding the audit presentation. Public inquiries regarding sampled programs/decisions and audit objects/entities selected lies on whether or not they have been able to represent a national priority, which is the focus of the thematic audit at this time.

Then, another problem is the absence of a methodology for presenting conclusions. "The methodology referred to here is presenting conclusions for several audit reports, not per type of audit, but rather how to present conclusions for one big theme that we are bringing," she said.

Until now, she said, BPK still does not have formalized standard guidelines regarding the methodology for drawing conclusions that will be presented in the audit results to be policy makers' guidance. The problem lies in the BPK's outputs not being adjusted to the entities' needs. BPK must be able to identify entities and their needs by reviewing planning, implementation and reporting, which is the final output of an audit process.

Furthermore, BPK has not carried out many follow-up audits. In fact, a follow-up audit is needed to find out the progress made by the entity during the audit at the beginning of the Strategic Plan period. Through follow-up audits, it can also be seen that the same problems are still occurring, have been resolved, and/or have had a positive impact according to BPK recommendations. Because this follow-up methodology only exists for performance audits, not yet for special-purposed audits (PDTT).

Then finally, the problem that usually arises is the lack of communication and coordination between audit work units. The difference in audit focus and the entity being inspected such as ministries/institutions, regional governments, state-owned companies and other bodies, result in a fairly long communication span, especially between the center and the regions, and often cause communication and coordination to be hampered.



**EVALUATION CRITERIA**

Evaluation criteria are a solution to problems in thematic audits. Followings are several points related to evaluation criteria.

- Coordination**  
Improving coordination with all work units related to thematic audit of the Development agenda.
- Strategy**  
Using project-based audit strategies by optimizing existing resources.
- Approach**  
Maximizing the risk-based audit approach and Risk-Impact-Auditability-Significant method (RIAS).
- Selecting focus**  
Selecting the focus of the audit by involving the audit work unit that understands the field better.
- Methodology**  
Determining the methodology for drawing conclusions and formalize it into a legal document.
- Survey**  
Creating a survey aimed at users of BPK audit reports.
- Follow up audit**  
Planning and carrying out follow up audits.

Eni says, several problems such as resources and lack of audit coverage could be answered by various evaluation criteria that are developed. For example, related to limited resources, it can be resolved with the strategy and approach used. "So the strategy used is actually from the previous 2016-2020 Strategic Plan and the current 2020-2024 Strategic Plan actually changes the strategy. In the past, with focus themes or TSAO (Tentative Strategic Audit Objective), there were 12 themes and 18 focuses. BPK used a strategy of long range audit. The theme is determined at the beginning, then the implementation of the audit continues until the Strategic Plan period," she explained.

**PROJECT-BASE AUDIT**

Currently, through the evaluations that have been carried out, BPK auditors use the Project-Base Audit approach, in which each audit focus is divided per year. However, in its implementation, it does not ignore other national priorities (PN). "That is actually one of the solutions to save resources, both budget and human resources," she said.

In addition, BPK maximizes the RIAS method for performance audits. "So we maximize that at the beginning, during planning, so that it meets public expectations," she said.

The next step in evaluation is related to selecting the focus. When selecting or sorting the focus before the audit has been carried out, the involvement of auditors in the field is actually very important. The reason is that people in the field understand better on what is in the field. Therefore, coordination among audit work units can be carried out with a coordination work center.

Next is methodology. Auditors need a methodology to draw conclusions, which will then be formalized into a legal document. She asks auditors not to abandon the survey. Surveys are very important especially for the government as the audit entity. The survey is important to be conducted at the beginning to carry out thematic policy audit to determine auditees' needs.

The following step is the follow-up audit. "Regarding this matter, unfortunately, we only have implementation instructions and technical audit instructions for performance audits," Eni said.

The last thing is coordination. She emphasizes that it is very important for auditors to improve coordination. The reason is that current government major programs are directed across ministries/institutions. "When they design their development agenda, we also have to adapt," she said.

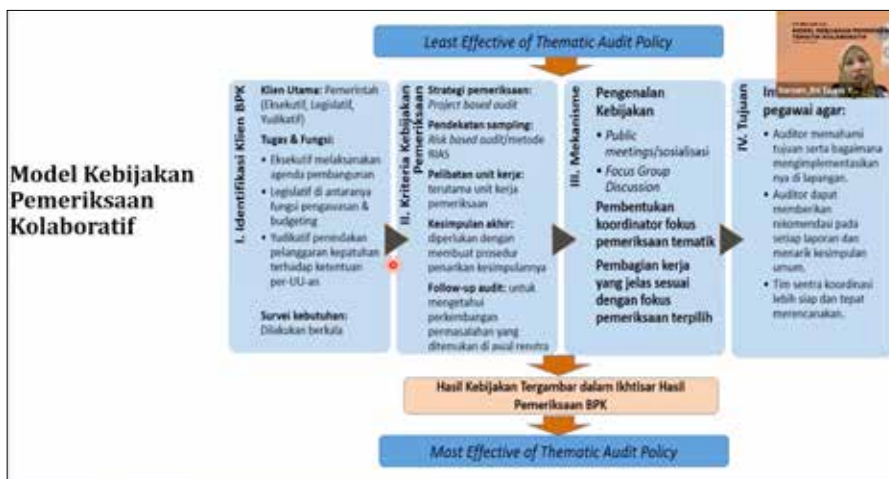
**POLICY ALTERNATIVES**

Another result of the evaluation, she said, is identifying policy alternatives. BPK auditors actually have several policy alternatives to implement in carrying out thematic audits related to the national development agenda. The first alternative is an integrative audit policy. It focuses on the continuity of a theme that will be raised in one Strategic Plan period.

The other alternative is the collaborative audit policy. The thematic audit policy emphasizes collaboration among audit work units in BPK.

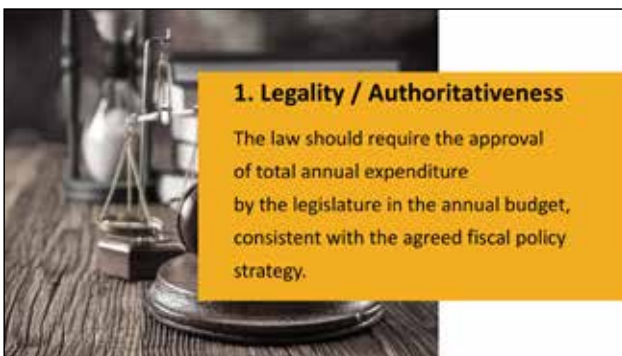
Lastly, there is also the decentralized audit policy. It is an audit policy in which audit focuses are returned to audit work units in accordance with their respective portfolios. "So, there are at least three alternatives which I then tried to weight in a grid analysis using the criteria I have conveyed. The thematic audit of the National Development agenda at this time is more appropriate to use a collaborative thematic audit policy," she said. ~

**The methodology referred to here is presenting conclusions for several audit reports, not per type of audit, but rather how to present conclusions for one big theme that we are bringing.**



# SAO Thailand Explains 10 Principles of State Budget Regulations in the Country

THE LAW IN THAILAND AUTHORIZES SAO TO IMPOSE ADMINISTRATIVE SANCTIONS.



The Audit Board of the Republic of Indonesia (BPK) receives a visit from the delegates of the Supreme Audit Institution (SAI) of Thailand or the State Audit Office of the Kingdom of Thailand (SAO Thailand). The reception takes place at BPK Head Office and BPK Training Institute of State Financial Audit in Jakarta. Aiming at increasing organizational and institutional capacities, the visit lasts from Tuesday, 29 August, to Thursday, 31 August 2023. One of the session of the meeting is sharing knowledge on state financial regulations in Thailand.

The SAO Thailand Commissioner, Prof. Dr. Orapin Phonsuwan Sabyeroop, explains the 10 Principles of Budget Law or 10 principles that guide the state budget law.

The first principle is Legality/Authority. Legality or authority means that a regulation or law requires approval from the legislative body on

the total annual expenditure budget, which is consistent with the agreed fiscal policy strategy.

In addition to budget, in terms of taxes, expenditures and revenues cannot be decided without approval from the legislative body. "This means that taxes cannot be collected and used without a legislative approval," Orapin said.

She explains that spending or government expenditures also has legal regulations. Although having the authority, the approval to use the budget can only be done by members of the parliament. "There is no use of taxes without the approval of the people's representatives," she said.

The second is Annuality. This principle requires every budget and medium-term future projection to be always available every year. She says that each year, an estimated annual budget and expenditures should be made and submitted to the parliament.



**There is no use of taxes without the approval of the people's representatives.**

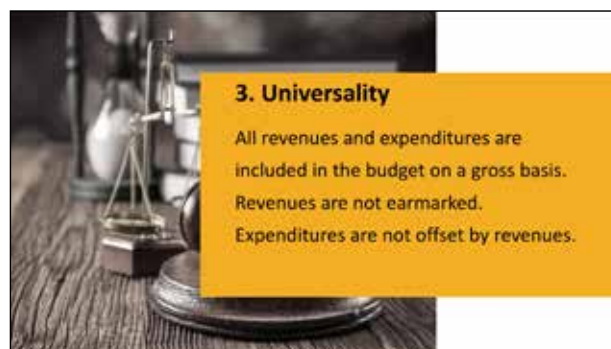
"The state budget documents are submitted to the parliament from time to time to be approved periodically," she said.

The third principle is Universal or Universality. It means that all income and expenditures are included in the gross basis. Income is also not allocated for specific purposes (earmarked).

The fourth principle is Unity. In principle, she says, the presentation of the state budget, including requests for approval, receipts and payments, is carried out at the same time. It is all in one document.

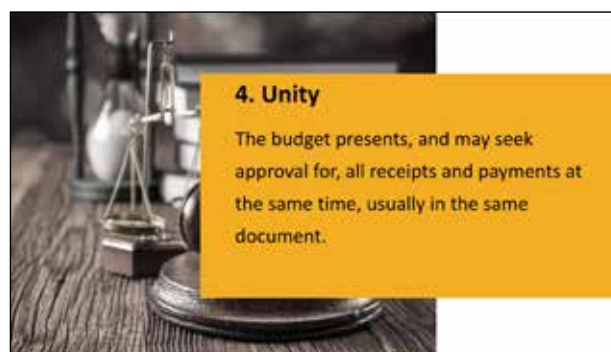
The fifth principle concerns on the specificity. In this principle, income and expenditures are shown specifically in the state budget plan. The spending authorizations indicate maximum spending for certain purposes.

"The sixth principle is balance. The budget expenditure is balanced with income and financing."



### 3. Universality

All revenues and expenditures are included in the budget on a gross basis. Revenues are not earmarked. Expenditures are not offset by revenues.



### 4. Unity

The budget presents, and may seek approval for, all receipts and payments at the same time, usually in the same document.



### 5. Specificity

Revenues and expenditures are shown with some detail in the budget estimates. Spending authorizations show legally binding maximum expenditures for particular purposes.



The seventh principle is accountability. The government or the executive provides an official explanation on the accountability of the budget use to the parliament or the legislative body. Responsibilities of budget managers within the executive must be well explained.

"Accountability is a new but very necessary guideline, it includes the need for a supreme audit institution," she said.



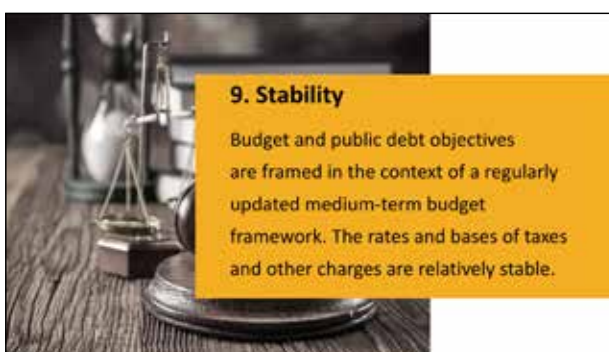
The eighth is openness or transparency. The roles of various bodies or institutions must be known or clear. Information on budget or financial and non-financial uses must be shown to the general public. The various terms used in the budget law must also be defined clearly.

The ninth principle is stability. Budget and public debt are prepared within a medium-term budget framework, which must be updated periodically. Tax rates and other levies must also be stable.



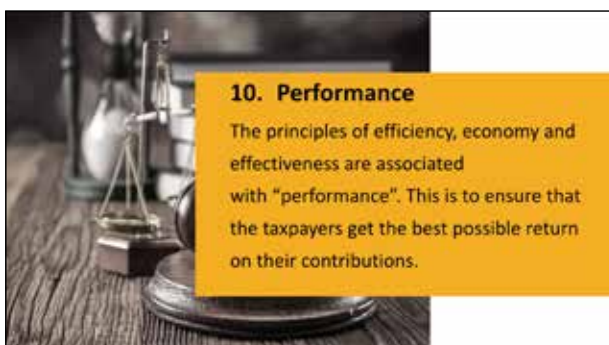
Then, the tenth principle is performance. The performance is closely related to efficiency, effectiveness and economic conditions. This is to ensure that tax payers get what they deserve according to their contributions.

"The 10 guidelines in the Budget Law used in Thailand and perhaps other countries are adapted to the sociopolitical, economic and unique conditions of a country," she said.



### **SAO THAILAND'S FUNCTIONS AND DUTIES**

Prof. Orapin explains that, like in other democratic countries, the government runs according to provisions of the law. The law exists as a sign and a guide for every individual and institution in Thailand. According to him, one of the institutions that operates according to legal guidelines is the State Audit Commission.



The State Audit Commission functions as a guardian and a guide for the government. The authority is as stated in Article 27, sub-articles 4 and 5 of the 2018 State Audit Law. Based on the regulation, the State Audit Commission actively advises, recommends and proposes the government spending to ensure the compliance with the law. It can also impose sanctions for violations of state fiscal and financial discipline.



■ Prof. Dr. Orapin Phonsuwan Sabyeroop

“**The 10 guidelines stated in the Budget Law used in Thailand and perhaps in other countries are adapted to sociopolitical, economic and unique conditions of a country.**”

The authority to supervise state finances is also based on Article 27 of the State Audit Law. It states that the State Audit Commission's task is to establish state financial audit policies and standards guiding the Auditor General's steps.

In addition, the State Audit Commission oversees state audit activities to ensure the compliance with state financial discipline policies, standards and laws. The Quasi Jurisdiction of the State Audit Commission is a reflection of the important role of the institution in maintaining the discipline in financial uses in each state institution.

Laws in Thailand authorize the audit institution the power to impose administrative sanctions through three forms of punishment according to the level of severity of the error. The first is the letter from the legal institution, second is the public disclosure of errors, and third is administrative fines.

"If you think of the state as a sailing ship, the State Audit Commission is a compass that ensures that the ship is heading to the right direction," she said. ~



# Towards DIGITAL BY DEFAULT

ALL STAFFS' ACTIVITIES ARE EXPECTED TO BE UNDERTAKEN ON A DIGITAL PLATFORM. NOT ONLY IN THE AUDIT PROCESS, BUT ALSO NON-AUDIT PROCESS.



**A**udit Board of the Republic of Indonesia (BPK) continues to carry out transformation, including in digital technology. Digital transformation is in accordance with the mandate of the BPK Strategic Plan 2020-2024.

"In accordance with the 2020-2024 Strategic Plan, BPK is carrying out digital transformation to move towards digital by default," said Deputy Director of Information, Rudi Hermawan in the Knowledge Transfer Forum, recently

So, what does digital by default mean? According to Rudi, digital by default means that all staffs' activities are expected to run on a digital platform. Not only in the audit process, but also non-audit process

In carrying out this process, the Information Technology (IT) Bureau collaborates with all working units at BPK to implement digital transformation. The IT Bureau has several stages in the digital transformation process towards digital by default.

## **BPK Digital Transformation Stages**

1. Digital transformation framework
2. ICT master plan framework
3. Digital framework by default
4. Application architecture
5. Inspection information system
6. IT innovation
7. IT security awareness



With regard to the digital transformation framework, the IT Bureau, in accordance with strategic plan mandate, embodies this through RINTIK or BPK's ICT Master Plan. "Our foundation remains the same in RINTIK, we continue to uphold the basic values of the BPK, namely independence, integrity and professionalism," he said.

The BPK's digital transformation framework has a vision and mission, of making data and information the driving force for a trusted audit institution that plays an active role in realizing quality and useful state financial governance. Meanwhile, its mission is to encourage the implementation of digital transformation in all BPK business processes.

After that, IT governance and data management are implemented which cover various aspects of control in a transparent and consistent manner. Meanwhile, the last step is the use of big data analytics in BPK audit activities.

"Not only in audits, but also in non-audits as well as in auditor," he said.

This framework has a strategic objective, to increase the benefits of the data and information analysis result as a basis for decision making and policy determination. "We want data and information to drive BPK's vision and mission," he said.

### **DIGITAL BY DEFAULT**

According to him, in the transformation process, the IT Bureau actually did not do anything new, but carried out the existing design which is according to information technology activities. According to the design, data or audit activities use audit applications, such as SMIP, SMART, PRISMA and so on.

"This means that when you use an institutional application, it will be saved. Apart from that, we also use data from one web and one apps called BPK Go," he said.

The data is then collected into Digital Support Systems, and it is expected that in the future, decision making will be purely based on data. "If all this is done, then we will become digital by default," he explained.

With regard to the design of the information system at BPK, Rudi explained that there are three forms, namely audit, audit support and e-stakeholders. In the audit system, there are several applications, called audit management system, which are SIAP, Covid Portal, and Inspection Monitoring.

In addition to that, there is inspector general (ITAMA) review management system or WASMA. Further, there is also an Investigation Audit System with the Catch-Inquiry application.

To support the audit, there are SIPTL, SIKAD, SIKAP and SMART applications. "Currently there is a new SIKAD application that has been launched," he said.

Meanwhile, for stakeholders related to audit, there are EAUDITEE, SIKAD, SIPTL, SIAP CONNECT, E-KAP, CATCHES, IHPS Portal and International Relations.

Apart from audits, IT Bureau also has many applications in Institutional Information Systems, both internal and external, like at the Ministry of Finance. The Institutional Information System

consists of several clusters, namely Management, Strategic Planning, Evaluation and Development, Management of legal products and services, financial management and budgeting, communication management, IT management, management of leadership activities and services, education and training management, internal control management, document management, assets and household, as well as HR management.

**AUDIT RESOURCE PLANNING.**

From these applications, data is then collected into auditing resource planning. Auditing resource planning itself is a platform consisting of various information systems that automate and integrate audit business process functions, starting from planning, implementation, reporting and audit support.

The purpose is to provide visibility in the decision-making process, integrating applications and data to increase the effectiveness and efficiency of increasingly complex business processes. Next, it increases collaboration and communication, increases information accessibility and reduces information technology costs and investments. "This will all support the transformation process to become digital by default."

Rudi added that BPK also has BPK GO integrated with the applications in BIDICS or BPK Big Data Analysis. Some of them are SISDM KELOLA TUGAS as a human resources information system, and the IHPS Portal which is an application for preparing and compiling conclusions or summaries of audit results reports.

**We want to be data and information as the driver force of BPK's vision and mission.**



### Kenapa Perlu Kewaspadaan Keamanan Informasi

- Keamanan informasi dibangun dalam rantai **People – Process – Technology**  
 People merupakan mata rantai terlemah  
 Satu akun dicuri, berpotensi membocorkan data pegawai lain (daftar email, NIP, nomor handphone)
- Informasi yang dikelola BPK memiliki nilai tinggi
- Sistem informasi di BPK saling terhubung  
 Risiko sumber dan target serangan luas
- Infrastruktur keamanan harus didukung dengan kewaspadaan keamanan

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He explained that BPK GO is an application developed in web and mobile versions. BPK GO Web will be developed to be the main working medium for office automation, which makes it easier to access all BPK internal applications. Meanwhile, BPK GO Mobile was developed of making it easier for BPK employees to access various applications that are often used in carrying out daily tasks via mobile devices.

### Jenis Serangan

- Phishing Email**  
 Penipuan melalui email, bertujuan untuk mengambil informasi kredensial (username dan password) atau data pribadi lainnya dengan teknik pengalihan
- Wisk, Trojan, Worm**  
 Program berbahaya (malware) yang bertujuan untuk merubah atau menghancurkan data atau sistem daya dari sistem
- Ransomware**  
 Salah satu bentuk malware, biasanya mengenkripsi file di komputer dan meminta tebusan dalam bentuk cryptocurrency untuk mengembalikan file yang terenkripsi

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Meanwhile, BIDICS also includes BPK's DNA as a digital enterprise architecture. BPK DNA is a BPK organizational governance platform that was built using a framework that is aligned with the Supreme Audit Institution Performance Measurement Framework (SAI-PMF) to provide direction for achieving goals efficiently, as well as integrating the Government Risk Compliance (GRC) concept.

### Tindakan Pencegahan

- Selalu meng-update sistem operasi (Windows, MacOS)
- Gunakan password yang kuat, jaga password dengan baik
- Menjaga keamanan data
- Hati-hati dengan attachment dan link di email
- Menjaga keamanan fisik dan akses perangkat
- Mempelajari terus-menerus tentang keamanan informasi
- Melaporkan kejadian mencurigakan ke Biro TI

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BPK's DNA aims to improve the quality of organizational data by implementing governance standards in data management and processing to support the achievement of BPK's objectives. Then, it will increase the effectiveness of performance evaluation and analysis, compliance, risk and standard business process implementation guidelines.

In addition, it will also increase the effectiveness of business processes by comprehensively modeling business processes, the efficiency of the application service portfolio, and measuring the quality of application services to support the implementation of BPK business processes. ~

### CATCH, CATHES dan INQUIRY

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### DUKUNGAN KELEMBAGAAN

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### BPK Big Data Analytics (BIDICS)

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# Slamet Edy Purnomo Officially a BPK Member

THE INAUGURATION OF BPK MEMBER IS BASED ON THE DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA NUMBER 60 OF 2023 DATED 19 JULY 2023, WHICH STIPULATES THE HONORABLE DISMISSAL AND APPOINTMENT OF BPK MEMBERS.



Slamet Edy Purnomo officially assumed the position as a Member of the Audit Board of the Republic of Indonesia (BPK) on Tuesday (1/8/2023). The oath taking ceremony was guided by the Deputy Chief of Justice of the Supreme Court for Judicial Affairs, Sunarto, at the Supreme Court building in Jakarta.

The inauguration is based on the Decree of the President of the Republic of Indonesia Number 60 of 2023 dated 19 July 2023, which stipulates the honorable dismissal and appointment of BPK Members. The Decree states that the President of the Republic of Indonesia formalized the honorable dismissal of Agus Joko Pramono as Member of BPK for 2018-2023 period. He then formalized the appointment of Slamet Edy Purnomo as BPK Member for the period 2023-2028.

Before his appointment as BPK Member, Slamet Edy Purnomo underwent a fit and proper test. Furthermore, through a voting mechanism by members of Commission XI DPR RI, Slamet Edy Purnomo was elected as a member of BPK on May 31, 2023.

In the Plenary Meeting of the House of Representative (DPR) chaired by the Deputy Speaker of DPR, Lodewijk Preidrich Paulus, Slamet Edy Purnomo was approved as a BPK Member. The election of BPK Member is based on Article 14 Paragrah



(1) of Law Number 15 of 2006, which states that BPK Members are elected by the DPR taking into account the considerations of Regional Representative Council of Indonesia (DPD RI).

After the oath taking ceremony, BPK Members are currently in full team with 9 Members; the other eight members being Isma Yatun, Nyoman Adhi Suryadnyana, Daniel Lumban Tobing, Achsanul Qosasi, Haerul Saleh, Ahmadi Noor Supit, Pius Lustrilanang, and Hendra Susanto. After Slamet's inauguration, the division of duties and authority among BPK Members will be determined at the BPK Members Meeting, in accordance with BPK Regulation Number 3 of 2017 concerning Amendments to BPK Regulation Number 1 of 2015 concerning the division of duties and authority of BPK Chair, Vice Chair, and Members. ~

# Implication of the Application of Presidential Decree Number 53 of 2023 Which Change the Regional Pricing Standards for DPRD Leaders and Members Regarding the Implementation of Follow-up Recommendations in the BPK LHP



**ETTY HERAWATI**



**PUTERI ANGGUN AMIRILLIS**

Redaksi Majalah *Warta Pemeriksa* mengharapkan kontribusi dari rekan-rekan pembaca untuk mengirimkan tulisan dengan tema pemeriksaan maupun keuangan negara/daerah. Tulisan format doc minimal 7.000 karakter dapat dikirimkan melalui email [wartapemeriksa@bpk.go.id](mailto:wartapemeriksa@bpk.go.id) dengan subjek 'Rubrik Kolom'.

Cantumkan nama lengkap, instansi/unit kerja dan nomor yang bisa dihubungi. Bagi artikel terpilih untuk dimuat akan diberikan apresiasi berupa fee menulis sebesar Rp750.000.

**IDEALLY, EVERY REGULATION IS MADE WITH MUTUAL AGREEMENT BETWEEN THE GOVERNMENT AND THE PEOPLE'S REPRESENTATIVES, AND THIS AGREEMENT IS A FORM OF STATE RECOGNITION OF THE PEOPLE'S SOVEREIGNTY.**

## INTRODUCTION

The President has stipulated Presidential Decree Number 33 of 2020 concerning Regional Unit Price Standards which was promulgated and came into effect on February 20 2020. This Presidential Regulation determines regional unit price standards which include unit costs: honorarium, domestic official travel, meetings/gatherings inside and outside the office, procurement of official vehicles, and maintenance costs. Regional unit price standards is used in planning and implementing Regional Income and Expenditure Budget.

In budget planning, regional unit price standards function as: the highest limit whose amount cannot be exceeded in the preparation of regional government work unit budget work plan, a reference for preparing advanced forecast projections, and a material for calculating the Regional Income and Expenditure Budget indicative ceiling. Meanwhile, in budget implementation, regional unit price standards function as: The highest limit whose amount cannot be exceeded in the implementation of budgets and estimates is the highest estimated cost amount which can be exceeded due to certain conditions , including due to an increase in market prices.

Furthermore, on September 11 2023, the President issued Presidential Decree Number 53 of 2023 which amended Presidential Decree Number 33 of 2020. This Presidential Decree regulates changes to Presidential Decree Number 33 of 2020 concerning Regional Unit Price Standards. Between Article 3 and Article 4, 1 (one) article is inserted, namely Article 3A, which states that responsibility for domestic official travel costs as intended in Article 1 paragraph (2) letter b is carried out at cost (real cost). Accountability for domestic official travel for leaders and members of the Regional People's Representative Council (DPRD) is carried out on a *lump sum basis* by taking into account the principles of efficiency, effectiveness, propriety, fairness and accountability .

When Presidential Regulation 53 of 2023 was enacted, Audit Board of the Republic of Indonesia (BPK) had issued an Audit Result Report (LHP) containing audit findings relating to responsibility for domestic official travel costs for DPRD Leaders and Members. The audit findings used Presidential Decree Number 33 of 2020 as the audit criteria. For conditions where payments for official travel costs exceed the standard regional unit price as regulated in Presidential Decree Number 33 of 2020, the BPK discloses the excess payment as a finding with a recommendation that the deposit be made to the regional treasury.

### PROBLEM

In connection with the enactment of Presidential Decree Number 53 of 2023 which changes the provisions regarding standard domestic official travel costs for DPRD leaders and members, questions arise regarding the implementation of the BPK recommendations, namely:

1. Are the BPK recommendations based on Presidential Decree 33 of 2020, which have undergone changes, still valid?
2. Can the implementation of follow-up actions on BPK's LHP recommendations using Presidential Decree Number 33 of 2020 be adjusted using the standards regulated in Presidential Decree Number 53 of 2023?

### LITERATURE REVIEW

#### 1. Audit of BPK

The authority of BPK after the Amendment to the 1945 Constitution of the Republic of Indonesia is further regulated in Law Number 15 of 2006 concerning Badan Pemeriksa Keuangan. In Article 1 point 1 it is stated that BPK is a state institution whose task is to examine the management and responsibility of state finances. Audits under the authority of the Financial Audit Agency have limited authority to audit financial reports, performance audits, and audits with specific objectives based only on applicable laws and policies. Based on the Financial Audit Agency Regulation Number 1 of 2017 concerning State Financial Audit Standards, audits by the Financial Audit Agency encourage the management of state finances to achieve state goals, one of which is increasing compliance with statutory provisions.

#### 2. Principle of Legality

Legality has existed since the Criminal Code was imported by the Dutch, which later became the legal system in Indonesia. Article 28I paragraph (1) Second Amendment to the 1945 Constitution of the Republic of Indonesia, namely:

*"...the right not to be prosecuted based on laws that apply retroactively is a human right that cannot be reduced under any circumstances."*

#### 3. Legal certainty

The idea of legal certainty was introduced by Gustav Radbruch in his book entitled *"Einführung in die Rechtswissenschaften."* Radbruch wrote that in law there are 3 basic values, namely Justice (*Gerechtigkeit*), Benefit (*Zweckmassigkeit*), and Legal Certainty (*Rechtssicherheit*). These three basic values work together and have a form or purpose. The principle of legal certainty is a form of protection for justice seekers against arbitrary actions. Meanwhile, the principle of justice can be interpreted as meaning that each case is viewed separately and has a balance between the interests being protected. The principle of expediency accompanies the principle of legal certainty and the principle of justice as well as being the general principles of good governance as stated in Article 10 of Law Number 30 of 2014 concerning Government Administration. Implementation of the law is the implementation of these three principles.

#### 4. Enforceability and Binding Force of Legislative Regulations

The binding force of a regulation arises when a regulation has been promulgated, because promulgation is a form of recognition of the sovereignty of the people. Ideally, every regulation is made with mutual agreement between the government and the people's representatives, and this agreement is a form of state recognition of the people's sovereignty. However, the development of the Indonesian legislative system has given rise to many types of implementing regulations that are enacted without the approval of the people's representatives. So promulgation is a solution to accommodate the development of the legislative system while maintaining recognition of people's sovereignty.

The Enforceability of a legal regulation exists if the norm is formed by a higher norm or an institution that has the authority to form it. Article 87 of Law Number 12 of 2011 states that statutory regulations come into force and have binding force on the date of promulgation, unless otherwise specified in the statutory regulations.

**LEGAL BASIS**

1. Law Number 15 of 2004 concerning Examination of Management and Responsibility of State Finances.

*Article 20:*

*(1) Officials are required to follow up on recommendations in the inspection report.*

*(2) Officials are required to provide answers or explanations to the BPK regarding follow-up actions to recommendations in the audit results report.*

*(3) The answer or explanation as intended in paragraph (2) is submitted to the BPK no later than 60 (sixty) days after the audit report is received.*

*(4) BPK monitors the implementation of follow-up to audit results as intended in paragraph (1).*

*(5) Officials who are found not to carry out the obligations as intended in paragraph (1) may be subject to administrative sanctions in accordance with the provisions of laws and regulations in the field of personnel.*

*(6) The BPK notifies the results of follow-up monitoring as intended in paragraph (4) to the representative institution in the results of the semester examination.*

*Article 26 paragraph (2):*

*Any person who does not fulfill the obligation to follow up on the recommendations submitted in the audit report as intended in Article 20 shall be punished with imprisonment for a maximum of 1 (one) year and 6 (six) months and/or a fine of a maximum of IDR 500,000,000.00 (five hundred million rupiah).*

2. Law Number 12 of 2011 concerning the Establishment of Legislative Regulations as amended by Law Number 15 of 2019 and Law Number 13 of 2022.

*Article 87:*

*Legislative Regulations come into force and have binding force on the date of promulgation, unless otherwise specified in the relevant Legislation.*

3. Presidential Decree Number 33 of 2020 concerning Regional Unit Price Standards as amended by Presidential Decree Number 53 of 2023 concerning Amendments to Presidential Decree Number 33 of 2020 concerning Regional Unit Price Standards Regional Unit Price Standards

*Article 4 paragraph (1):*

*Specifically, the provisions regarding standard costs for overseas official travel for regional governments refer to the provisions of statutory regulations regarding input cost standards that apply to the budgets of state ministries/institutions.*

4. Presidential Decree Number 53 of 2023 concerning Amendments to Presidential Decree Number 33 of 2020 concerning Regional Unit Price Standards Regional Unit Price Standards.

*Article 3A paragraph (2):*

*Liability for domestic official travel for leaders and members of the Regional People's Representative Council is carried out on a lump sum basis by taking into account the principles of efficiency, effectiveness, propriety, fairness and accountability.*

*Article II number 1:*

*Provisions regarding responsibility for domestic official travel for leaders and members of the Regional People's Representative Council on a lump sum basis will be used no later than the 2024 fiscal year.*

*Appendix I Presidential Decree Number 53 of 2023 page 32:*

*official travel for DPRD leaders and members is accounted for on a lump sum basis.*

*Appendix I Presidential Decree Number 53 of 2023 page 37:*

*Domestic accommodation costs for DPRD leaders and members are accounted for on a lump sum basis.*

**JURIDICAL ANALYSIS****1. Changes to Regulations on Domestic Official Travel Expenses for DPRD Leaders and Members.**

In principle, Presidential Decree Number 53 of 2023 regulates that financing for domestic official travel is carried out at cost (real cost) as confirmed in the provisions of Article 3A paragraph (1) which states that:

*Accountability for domestic official travel costs as referred to in Article 1 paragraph (2) letter b is carried out at cost (real costs).*

However, Presidential Decree Number 53 of 2023 provides privileges or special privileges for DPRD leaders and members in using and being responsible for official travel costs, as regulated in paragraph (2) of the same article, as follows:

*Liability for domestic official travel for leaders and members of the Regional Ralryat Representative Council is carried out on a lump sum basis by taking into account the principles of efficiency, effectiveness, propriety, fairness and accountability.*

The provisions of Article 3A paragraph (2) have changed the provisions regulated in Presidential Decree Number 33 of 2020 which stipulate that official travel activities are accounted for *at cost* which applies to all without exception, so that *at cost accountability* also applies to the leadership and members of the DPRD.

The comparison of regulatory content regarding official travel costs for DPRD leaders and members in Presidential Decree Number 33 of 2020 and Presidential Decree Number 53 of 2023 can be described as follows:

| No | Perpres Nomor 33 Tahun 2020   | Perpres Nomor 33 Tahun 2020   |
|----|---|---|
| 1. | -   | Article 3A: (New article)<br>(1) Accountability for domestic official travel costs as referred to in Article 1 paragraph (2) letter b is carried out <i>at cost</i> (real costs).<br>(2) Liability for domestic official travel for leaders and members of the Regional Ralryat Representative Council is carried out on a lump sum basis by taking into account the principles of efficiency, effectiveness, propriety, fairness and accountability.   |
| 2. | Article 4 paragraph (2):<br>Provisions regarding procedures for carrying out domestic and overseas official travel for regional governments are regulated by a Ministerial Regulation that administers domestic government affairs after coordinating with the minister who administers government affairs in the financial sector. | Article 4 paragraph (2):<br>Provisions regarding procedures for implementation and accountability for domestic and overseas official travel for regional governments are regulated in the Regulation of the Minister who administers domestic government affairs after coordinating with the minister who administers government affairs in the field of state finance.   |
| 3. | Article 7:<br>This Presidential Regulation comes into force on the date of promulgation.  | Article II: (new article)<br>1. Provisions regarding responsibility for domestic official travel for leaders and members of the Regional People's Representative Council on a <i>lump sum basis</i> will be used no later than the 2024 fiscal year.<br>2. This Presidential Regulation comes into force on the date of promulgation.   |
| 4. | Promulgated in Jakarta on February 24, 2020.  | Promulgated in Jakarta on September 11, 2023.   |
| 5. | Appendix I p. 32:<br>Official travel consists of the following components:<br>a. daily money;<br>b. transport fee;<br>c. lodging cost; and<br>d. official travel representation money.  | Appendix I p. 32:<br>Official travel consists of the following components:<br>a. daily money;<br>b. transport fee;<br>c. lodging cost; And<br>d. official travel representation money.<br>official travel for DPRD leaders and members is accounted for on a <i>lump sum basis</i> .  |
| 6. | Appendix I p. 32 - 33:<br>Attachment I to Presidential Decree Number 33 of 2020 contains Table 1.2. The daily unit costs for domestic official travel, detailed in 34 provinces, include standard daily allowances outside the city, within the city and training.  | Appendix I p. 32 - 33:<br>Attachment I to Presidential Decree Number 53 of 2023 contains Table 1.2. The daily unit costs for domestic official travel, detailed in 38 provinces, include standard daily allowances outside the city, within the city and training.<br><br>There are the addition of 4 provinces, namely: Southwest Papua, Central Papua, South Papua and Mountain Papua. The last 3 provinces have the highest standard of out-of-town daily allowance, namely IDR 580,000.00 (above DKI Jakarta Province). |

| No | Perpres Nomor 33 Tahun 2020  | Perpres Nomor 33 Tahun 2020   |
|----|--|---|
| 7. | <p>Appendix I p. 34-36:</p> <p>The lodging cost unit for domestic official trips is a cost unit used to plan lodging costs for the implementation of domestic official trips. Meanwhile, the unit cost of lodging for domestic business trips is detailed in Table 1.4.</p> <p>Table 1.4. Attachment I to Presidential Decree Number 33 of 2020 contains Standards for Domestic Travel Accommodation Costs in 34 Provinces, with different upper limits for each province.</p> <p>The highest limits are set in 5 levels, namely standards for:</p> <ol style="list-style-type: none"> <li>Regional Head/Chairman of DPRD/Echelon I Official;</li> <li>DPRD Members/Echelon II Officials;</li> <li>Echelon III/Group IV officials;</li> <li>Echelon IV/Class III officials;</li> <li>Group I/II .</li> </ol> <p>In the event that a business trip does not involve lodging costs, <i>lump sum lodging costs are given 30% (thirty percent) of the accommodation rate in the destination city.</i></p>  | <p>Appendix I p. 35-37</p> <p>The lodging cost unit for domestic official trips is a cost unit used to plan lodging costs for the implementation of domestic official trips. The Unit Costs for Domestic Official Travel Accommodation are detailed in Table 1.4.</p> <p>Table 1.4. Attachment I to Presidential Decree Number 53 of 2023 contains Standards for Domestic Travel Accommodation Costs at 38 Provinces, with different upper limits for each province.</p> <p>There are the addition of 4 provinces, namely: Southwest Papua, Central Papua, South Papua and Mountain Papua .</p> <p>The highest limits are set in 4 levels, namely standards for:</p> <ol style="list-style-type: none"> <li>Regional Head/Chairman of DPRD/Echelon I Official;</li> <li>DPRD Members/Echelon II Officials;</li> <li>Echelon III/Group IV officials;</li> <li>Echelon IV/Group III, II, and I officials.</li> </ol> <p>Domestic official travel accommodation costs apply <i>at cost</i> (real cost).</p> <p>In the event that a business trip does not involve lodging costs, <i>lump sum lodging costs are given a maximum of 30% (thirty percent) of the accommodation rate in the destination city.</i></p> <p>Domestic accommodation costs for DPRD leaders and members are borne in a <i>lump sum</i>.</p> |
| 8. | <p>Appendix II p.13:</p> <p>Unit cost of airline ticket for official travel:</p> <ol style="list-style-type: none"> <li>Airline ticket costs for round-trip domestic official travel (PP) apply <i>at cost</i> (real cost).</li> <li>Travel airline tickets can be carried out in excess of the standard cost of domestic official travel airline tickets in Table 2.2, as long as it is supported by proof of real expenditure (responsibility <i>at cost</i>).<br/>Table 2.2. contains 316 domestic official travel routes.</li> <li>The cost of plane tickets for round-trip domestic official travel (PP) for DPRD leaders/members is accounted for as a <i>lump sum</i> .</li> </ol> <p>Unit cost of taxi for domestic business trips:</p> <ol style="list-style-type: none"> <li>Taxi costs for domestic business trips apply <i>at cost</i> (real cost).</li> <li>Financing for domestic official travel taxis can be carried out in excess of the standard costs for domestic official travel taxis in Table 2.3, as long as it is supported by evidence of real expenditure (accountability <i>at cost</i>).</li> <li>Taxi costs for domestic official travel for DPRD leaders/members are accounted for on a <i>lump sum basis</i>.</li> </ol> | <p>Appendix II p. 15:</p> <p>Unit cost of airline ticket for official travel:</p> <ol style="list-style-type: none"> <li>Airline ticket costs for round-trip domestic official travel (PP) apply <i>at cost</i> (real cost).</li> <li>Travel airline tickets can be carried out in excess of the standard costs for domestic official travel airline tickets in Table 2.2, as long as it is supported by evidence of real expenditure (accountability <i>at cost</i>).<br/>Table 2.2. load 316 domestic official travel routes .</li> <li>The cost of plane tickets for round-trip domestic official travel (PP) for DPRD leaders/members is accounted for as a <i>lump sum</i>.</li> </ol> <p>Unit cost of taxi for domestic business trips:</p> <ol style="list-style-type: none"> <li>Taxi costs for domestic business trips apply <i>at cost</i> (real cost).</li> <li>Financing for domestic official travel taxis can be carried out in excess of the standard costs for domestic official travel taxis in Table 2.3, as long as it is supported by evidence of real expenditure (accountability <i>at cost</i>).</li> <li>official travel taxi costs for DPRD leaders/members are accounted for on a <i>lump sum basis</i>.</li> </ol>   |

From a comparison of the regulations regarding official travel costs for DPRD leaders and members in Presidential Decree Number 33 of 2020 and Presidential Decree Number 53 of 2023, it is known as follows:

- There is a change in the method of state financial accountability for units of lodging costs for domestic official travel for DPRD leaders and members from previously using *the at cost method to a lump sum*.
- There is no change in the method of state financial accountability for domestic official travel transportation costs for DPRD leaders and members, both tickets and planes and taxis, that is, they are still accounted for on a *lump sum basis*.
- There are additional standard arrangements for official travel costs for the new provinces that have been expanded from Papua Province, namely Southwest Papua, Central Papua, South Papua and Mountainous Papua.

## 2. Implications of Changes in Domestic Official Travel Expense Regulations for DPRD Leaders and Members on the Implementation of BPK LHP Recommendations Using Presidential Regulation Number 33 of 2020 as Audit Criteria

Based on the provisions of Article 20 and Article 26 of Law Number 15 of 2004, every "official" is obliged to follow up on BPK recommendations. What is meant by "official" is an official who is examined and/or who is responsible, namely one or more people who are entrusted with the task of managing state finances (Article 1 point 4 of Law Number 15 of 2004).

For the follow-up that has been carried out, the official is obliged to provide an answer or explanation regarding the follow-up to the recommendations in the BPK LHP no later than 60 days after receiving the BPK LHP. Under certain conditions, namely there are valid reasons, officials are given the freedom to follow up within 60 days. Valid reasons that the time period for following up on recommendations can be longer than 60 days include:

- a. force majeure, namely a situation of war, riot, revolution, natural disaster, strike, fire, and other disturbances which result in follow-up actions not being carried out;
- b. illness as proven by a doctor's certificate;
- c. become a suspect and be detained;
- d. become a convict; or
- e. reasons based on statutory provisions.

Next, the BPK reviews the answers or explanations to determine the status of follow-up, namely:

- a. the follow-up has been in accordance with the recommendations, namely if the BPK recommendations have been followed up adequately by the Officials;
- b. the follow-up is not in accordance with the recommendations, namely if the follow-up to the BPK recommendations is still being processed by the Officials or has been followed up but not fully in accordance with the recommendations;
- c. recommendations have not been followed up, namely if the BPK recommendations have not been followed up by officials;

- d. recommendations that cannot be followed up, namely recommendations that cannot be followed up effectively, efficiently and economically based on BPK's professional considerations.

This valid reason does not relieve the Official from the obligation to follow up on recommendations from the examination results. Officials who do not follow up on BPK recommendations may be subject to administrative sanctions in accordance with civil service regulations and be subject to a maximum prison sentence of 1.5 years and/or a maximum criminal sanction of IDR 500,000,000.00.

The BPK monitors the implementation of the follow-up to the BPK audit results and notifies the monitoring results to the representative institution in the semester audit results.

Based on the provisions governing the implementation of follow-up actions to the BPK's LHP recommendations, it is known that the BPK's recommendations are final and binding, that is, they must be implemented by officials and if they are not implemented, the officials may be subject to administrative and/or criminal sanctions.

Then, what is the BPK's recommendation regarding the audit findings in the form of domestic official travel for DPRD leaders and members which uses Presidential Decree Number 33 of 2020 as examination criteria, whereas currently the provisions for domestic official travel for DPRD leaders and members have undergone changes as regulated in Presidential Decree Number 53 of 2023?

Official travel costs for DPRD leaders and members follow the standards listed in Attachment I to Presidential Decree Number 53 of 2023. This Presidential Decree Number 53 of 2023 changes the provisions for implementation and accountability for official travel costs. in the country for DPRD leaders and members, what was originally *at cost* (real) became a *lump sum*.

Based on the provisions of Article II of Presidential Decree Number 53 of 2023, this Presidential Decree is effective from the date of promulgation, September 11 2023 and the *lump sum* responsibility for domestic official travel for DPRD leaders and members is used no later than Fiscal Year 2024 . With these provisions then:

- a. Domestic official travel for DPRD leaders and members carried out before September 11 2023 is accounted for in accordance with the Presidential Decree that was in effect before Presidential Decree Number 53 of 2023 was enacted, namely based on the Regional Unit Price Standards regulated in Presidential Decree Number 33 of 2020.

- b. Official travel for DPRD leaders and members carried out from 11 September 2023 can be accounted for in accordance with the Regional Unit Price Standards as regulated in Presidential Decree Number 53 of 2023.
- c. For domestic official travel for DPRD leaders and members after September 11 2023, use no later than the 2024 fiscal year and accounted for in accordance with the Regional Unit Price Standards regulated in Presidential Decree Number 53 of 2023.

The provisions of Article 87 of Law Number 12 of 2011 concerning the Establishment of Legislative Regulations as amended by Law Number 15 of 2019 and Law Number 13 of 2022 regulate that "Legislative Regulations come into enforceability and have binding force on the date of promulgation, unless otherwise specified in the relevant Legislation. This is in line with the principle of legality and legal certainty, namely that in principle no individual can be prosecuted on the basis of laws that apply retroactively. Cannot be retroactive. In the event that a regulation is to be applied retroactively, then the regulation must regulate the treatment of a legal matter or event which is still based on the old regulation and the retroactive provisions do not apply to criminal regulations/compensation claims.

Presidential Decree Number 53 of 2023 in Article II expressly stipulates that the Presidential Decree comes into force on the date of promulgation, September 11 2023. Therefore, it is in accordance with the provisions of Article 87 of Law Number 12 of 2011 concerning the Establishment of Legislative Regulations as amended by Law Number 15 of 2019 and Law Number 13 of 2022, then Presidential Decree Number 53 of 2023 comes into force and has binding force on September 11 2023. Using *the a contra rio interpretation*, domestic official travel activities for DPRD leaders and members carried out before September 11 2023 must be guided by the Regional Unit Price Standards regulated in Presidential Decree Number 33 of 2020.

The implementation of Presidential Decree Number 53 of 2023 is in accordance with the activity tempo, namely when domestic official travel activities are carried out by the leadership and members of the DPRD. In this case, the responsibility for domestic official travel costs which is based on Regional Unit Price Standards Presidential Decree Number 53 of 2023 is domestic official travel for DPRD leaders and

members which will be implemented from September 11 2023.

This means that the Regional Unit Price Standards accountability standards of Presidential Decree Number 53 of 2023 cannot apply to domestic official trips for DPRD leaders and members carried out before September 11 2023. For domestic official trips for DPRD leaders and members carried out before September 11 2023, the responsibility is remains guided by the Regional Unit Price Standards regulated in Presidential Decree Number 33 of 2020.

For example, Therefore, regarding the findings of the BPK audit which revealed problems with domestic official travel costs for DPRD leaders and members based on the SHSR as regulated in Presidential Decree Number 33 of 2020 as audit criteria, then follow-up action must be carried out in accordance with the BPK recommendations which are based on Presidential Decree Number 33 of 2020.

## CONCLUSION

Based on the provisions of Articles 20 and 26 of Law Number 15 of 2004, Article 87 of Law Number 12 of 2011 concerning the Formation of Legislative Regulations as amended by Law Number 15 of 2019 and Law Number 13 of 2022, Presidential Decree Number 33 of 2020 as amended by Presidential Decree Number 53 of 2023, and in line with the principle of legality of statutory regulations, based on the findings of the examination of official travel costs for DPRD leaders and members in the BPK LHP which uses Presidential Decree Number 33 of 2020 as audit criteria, the following will be carried out as follows:

- a. The issuance of Presidential Decree Number 53 of 2023 cannot change the recommendations in the BPK's LHP.
- b. Presidential Decree Number 53 of 2023 which took effect on 11 September 2023 cannot be applied retroactively so it cannot be used as a guideline for carrying out financial accountability for activities carried out before 11 September 2023.
- c. Recommendations in the BPK LHP regarding findings on official travel of DPRD leaders and members who use Presidential Decree Number 33 of 2020 as examination criteria, must still be implemented according to the recommendations stated in the BPK LHP using the Regional Unit Price Standards regulated in Presidential Decree Number 33 of 2020. ~



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4

**1-4** Consultation Meeting between BPK and Commission XI of the House of Representatives (DPR) attended by BPK Chair, Isma Yatun, Board Member I, Nyoman Adhi Suryadnyana, Board Member II, Daniel Lumban Tobing, Board Member VII, Hendra Susanto, 4 July 2023.



5

**5** BPK Chair, Isma Yatun, has a courtesy call with the Chair of the Institute of Indonesia Chartered Accountants (IAI), Ardan Adiperdana, 4 July 2023.



6

**6-8** Board Member IV, Haerul Saleh, and Board Member V, Ahmadi Noor Supit, are certified as State Finance Auditor (CSFA). BPK Chair Isma Yatun attended the certification, 31 July 2024.



7



8



**9** Board Member I, Nyoman Adhi Suryadnyana, handed over the Audit Report of the National Resilience Institute (Lemhannas) to Governor Andi Widjajanto, 5 July 2023.



**10** Board Member II, Daniel Lumban Tobing, delivered the Audit Report of the Ministry of Trade to Minister Zulkifli Hasan, 11 July 2023.



**11** The Audit Report of the Coordinating Ministry for the Economy is handed by the BPK Board Member II, Daniel Lumban Tobing, to Minister Airlangga Hartarto, 12 July 2023.



**12** The Handover of the Audit Report of the Ministry of Cooperatives and SMEs attended by BPK Board Member II, Daniel Lumban Tobing, and Minister of Cooperatives and SMEs, Teten Masduki, 12 July 2023.



**13** Board Member VI, Pius Lustrilanang, handed the Audit Report of the Food and Drug Monitoring Agency (BPOM) to the Head of BPOM, Penny K. Lukito, 3 July 2023.



**14** The Audit Report of the Ministry of Health is handed by BPK Board Member VI, Pius Lustrilanang, to Minister Budi Gunadi Sadikin, 3 July 2023.



**15-17** Board Member VII, Hendra Susanto, attended the Compliance Audit Entry Meeting at PT Timah Tbk, the Subsidiaries and other related agencies in Bangka Belitung, DKI Jakarta and Kepulauan Riau, 28-29 July 2023.



**18-19**

BPK Chair Isma Yatun and Vice Chair Hendra Susanto attend the Ceremony of the 78th Independence of the Republic of Indonesia at the State Palace, Jakarta, 17 August 2023.



**20**

Hearing between BPK Chair Isma Yatun and soft tennis' teams and athletes, 23 August 2023.



**21-22**

CSFA Seminar attended by BPK Chair Isma Yatun, Vice Chair Hendra Susanto, and Board Member V Ahmadi Noor Supit, 24 August 2023.

**23-24**

BPK Chair Isma Yatun attended the House of Representatives (DPR) Plenary Meeting at the Nusantara II Building in Senayan, Jakarta, 29 August 2023.





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25

**25**  
 BPK Board Member I Nyoman Adhi Suryadnyana handed over the Audit Report of the General Elections Commission (KPU), 3 August 2023.



26

**26-28**  
 BPK Board Member II Daniel Lumban Tobing and Board Member VII Slamet Edy Purnomo met the State Financial Accountability Agency (BAKN) in a consultation meeting on 30 August 2023.



27



28



29

**29**  
 BPK Board Member V Ahmadi Noor Supit promoted for Doctorate Candidate at Merdeka University Malang, 9 August 2023.



30

**30**  
 The meeting between BPK Board Member VI Pius Lustrilanang and the Rector of Pattimura University, 23 August 2023.



31

**31**  
 Courtesy meeting between BPK Board Member VII Slamet Edy Purnomo and Mind ID and PT Antam, 22 August 2023.



32

**32**  
 BPK Board Member VII Slamet Edy Purnomo attended a courtesy meeting with SKK Migas, 22 August 2023.



33

**33**  
 Courtesy meeting between BPK Board Member VII Slamet Edy Purnomo and President Director of Bank BTN, 25 August 2023.



**34-37**

The Chairman of BPK RI attended the Inter-Ministry/Agency Table Tennis Match which took place at the BPK RI Auditorium, September 2, 2023. The match was attended by representatives from 16 ministries/institutions, namely BPK RI, DPR RI, Cabinet Secretariat, Ministry of Foreign Affairs, Ministry of Social Affairs, BPKP, BPS, BNPT, BNN, BKN, LAN, BSSN, BP2MI, BIG, BAKAMLA, and BMKG.



**38-39**  
Audience of BPK Chair Isma Yatun with staff from the Ministry of Transportation, Ministry of Foreign Affairs, and Ministry of Finance on September 5, 2023.

**40**  
BPK Chair Isma Yatun had an audience with Korwas Itama BPK, September 13, 2023.





**41-45**  
Focus Group Discussion and Consultation Meeting between the Chairman of BPK RI and Commission XI DPR RI took place at the Auditorium of BPK RI, September 27, 2023.

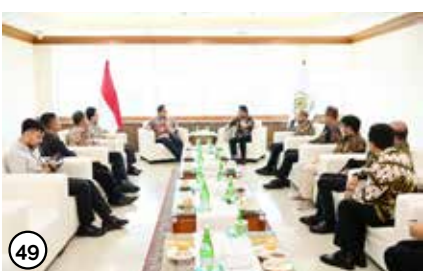


**46-48**  
The trial and physical check of the Jakarta-Bandung High Speed Train was attended by BPK Board Member VII Slamet Edy Purnomo, September 19, 2023.



**49**  
Courtesy meeting of BPK Board Member VII Slamet Edy Purnomo with Directors of Telkom and Telkomsel, September 12, 2023.

**50-51**  
BPK Secretary General Bahtiar Arif attended a Hearing Meeting with Commission XI of the House of Representatives, September 14, 2023.





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