



THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA

Independence

Integrity

Professionalism

STRATEGIC PLAN 2020-2024

THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA



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“Take the best and make it better”

Agung Firman Sampurna

Chair of The Indonesian Audit Board (BPK RI)

Foreword

Praise and gratitude to the Almighty God because with His grace and blessings we are able to put together and finalize the Strategic Plan of the Indonesian Audit Board (*Renstra BPK*) for 2020–2024. The Strategic Plan outlines BPK’s vision, missions, objective, strategic goal, policy directions regarding audit and development of corporate governance, regulatory framework, institutional framework, performance targets and their outcome indicators, as well as the funding framework for the next five years.

The Strategic Plan is a prefatory document in BPK’s strategic planning for the 2020–2024 period as a continuing plan of BPK’s Strategic Plan for the previous period. The period covered in the BPK Strategic Plan is aligned with the period of Indonesia’s National Medium-Term Development Plan (*RPJMN/Rencana Pembangunan Jangka Menengah Nasional*) so that policy directions for audits and corporate governance for the next five years are in a better alignment with the national development agenda and with the response to the impacts of the COVID-19 pandemic. BPK takes this approach so that BPK audit results will be useful in the decision-making processes in the representative bodies, the executive government, and other stakeholders for the purpose of achieving state objectives.

In that regard, BPK must improve the quality of its audit results so as to make it useful for the stakeholders to improve governance in state finance. Enhanced quality and usefulness of BPK’s work are strongly needed to gain trust from the stakeholders. The core values of BPK continue to be enforced and strengthened: i.e., independence – is always observed in the performance of duties and responsibilities; integrity – is built by putting forward truthfulness and objectiveness in applying principles and judgments; and, professionalism – is developed by being prudent, diligent, and thorough, as well as by following the applicable standards. Furthermore, BPK quality control system in both audits and corporate governance continues to be better optimized to improve the quality and usefulness of BPK audit results.

All staff and management in BPK were engaged in the preparation of BPK Strategic Plan 2020–2024. Hence, the success of the Strategic Plan shall be determined by the active role of each and every unit within BPK to implement and attain the vision, missions,

objective, strategic goal, and measurement targets. Let us work together to implement BPK Strategic Plan 2020–2024 to help BPK progress and excel through its active role in auditing to foster high-quality and useful state financial governance to achieve state objectives.

THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA
CHAIR,

Dr. Agung Firman Sampurna, S.E., M.Si., CSFA.

Executive Summary

BPK, the Indonesian Audit Board, is an institution that audits state financial management and accountability in a free and independent manner. Its establishment and arrangement are specifically stipulated in Article 23 E, Article 23 F, and Article 23 G of the 1945 Constitution of Indonesia (UUD 1945). Further, Law No. 15 of 2006 on the Indonesian Audit Board was enacted to govern BPK's duties and authorities.

As a state institution, BPK is required to support the attainment of state objectives as outlined in the Preamble of the 1945 Constitution. Therefore, BPK prepares a strategic plan as a part of its contribution to achieve the state objectives by way of auditing the state financial management and accountability.

BPK Strategic Plan lays out BPK's five-year plan to achieve its vision, missions, goals, strategic objective, policy directions, and indicators of success. The rationale for developing a strategic plan takes into account the following: (1) the rationale, which includes state goals, BPK's mandate, stakeholders and public service, quality control, bureaucratic reform, and laws and regulations; (2) current conditions, which include evaluation of previous strategic plans, strategic issues, stakeholders' satisfaction and the audit relevance with stakeholders' expectation, completion of follow-up actions on the audit recommendations, and the strengthening of corporate governance and resources; (3) BPK's strategic environment, i.e. BPK's operating environment, including impacts of national disasters and the COVID-19 pandemic, and BPK's existence as a national and international organization; and (4) what BPK wants to achieve by the end of the 2020–2024 period, including, among others, audit results that respond to strategic issues, recommendations that can be followed up, increased public trust, improved quality of corporate governance and resources, an established center of excellence for education and training for state-finance audit, and an active role in supporting international best practices.

BPK continues to improve its audit quality to provide greater value in improving the accountability of state financial management. BPK shall also play a role in the continuous improvement of development programs through thematic audits at the national

and local level. Given the large number of government programs and limited audit resources, BPK must prepare its audit strategies based on development priorities that are considered as shared concerns/focal points by stakeholders and as critical success factors of government performance.

BPK also needs to enhance synergy with Law Enforcement Agencies (IPH/*Instansi Penegak Hukum*) in responding to requests for investigative audit. To strengthen its audit resources, BPK shall prepare reliable and professional auditors through collaboration with professional organizations. In response to the global issues, BPK has designed audit strategies that would oversee the implementation of Sustainable Development Goals (SDGs).

BPK's vision, as outlined in BPK Strategic Plan 2020–2024 is “To Be a Trusted Audit Institution that Plays an Active Role in Fostering High-quality and Beneficial State Financial Governance to Achieve State Objectives”. Under this vision, BPK shall demonstrate its active role in achieving state objectives through audits as a way to carry out its constitutional mandate. Thus, BPK shall actively undertake activities to protect the entire nation, promote welfare for the public, educate the nation, and contribute to the world order by carrying out its audit mandate.

In order to achieve its vision, BPK has developed 3 (three) missions, i.e. (1) to conduct audits on state financial management and accountability to provide recommendations, viewpoints, and advice; (2) to promote corruption prevention and acceleration of state loss settlements; and (3) to implement a transparent and sustainable organizational governance to become a role model for other institutions.

Such vision and missions are to be delivered with the objective of “Improved quality and benefit of state financial governance”. To achieve this objective, BPK will need to work on its strategic goal of “Increased use of recommendations, viewpoints, and advice on state financial management and accountability, as well as the settlement of state losses, supported by high-performing organizational governance”.

The strategic goal is to be achieved through 5 (five) strategies that are grouped into 2 (two) policy directions prepared in alignment with BPK's budget. The first policy direction

is the increase of synergy and collaboration in audits and state loss settlements in a continuous manner. This policy direction consists of 5 (five) strategies as follows.

- a. Strategy 1: improve the capabilities of modern and dynamic audit organization;
- b. Strategy 2: improve audit quality in a strategic, anticipatory, and responsive manner;
- c. Strategy 3: improve the effectiveness of supervision on state financial audit;
- d. Strategy 4: establish a center of excellence for education and training for state financial audit; and
- e. Strategy 5: strengthen regulatory and legal aspects of state financial audit and state loss settlements.

The second policy direction is the increase of synergy and collaboration in corporate governance. This policy direction consists of a strategy to optimize resource management and cooperation with the stakeholders.

BPK Strategic Plan 2020–2024 is supported by a regulatory framework covering regulations and policies needed by BPK in performing its duties and authorities. An institutional framework is also prepared for capacity building, especially for institutional, managerial, and professional personnel developments. The implementation of BPK Strategic Plan is to be supported by financial resources that are managed and utilized as efficiently as possible while still takes into account the applicable laws and regulations.

The attainment of vision, missions, goals and strategic objectives will be measured using Key Performance Indicators (*IKU/Indikator Kinerja Utama*). An Implementation Plan for the Strategic Plan (*RIR/Rencana Implementasi Renstra*) has also been prepared to help manage the implementation of the strategic plan. The implementation of BPK Strategic Plan 2020–2024 will undergo periodical and stepwise monitoring to ensure that they are achievable and aligned with developments in laws and regulations, the strategic environment, and BPK policy direction. Everything achieved under the strategic plan will become the basis to ensure continuity in BPK organizational development agenda. The strategic plan is a living document that will undergo annual review to be adaptive to developments in laws and regulations, the strategic environment, and BPK's policy directions.

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CHAPTER I

INTRODUCTION

BADAN PEMERIKSA KEUANGAN
REPUBLIK INDONESIA



**BADAN PEMERIKSA KEUANGAN
REPUBLIK INDONESIA**



BPK Strategic Plan 2020–2024 is prepared taking into account the general conditions as well as the emerging strategic issues in the organizational environment. It is essential to identify the current state and to design the desired future state. Understanding the gap between the two states, BPK Strategic Plan 2020–2024 is then prepared to enhance BPK’s roles and usefulness for its stakeholders, supported by a strengthened organizational capacity.

A. General Conditions

The general conditions give an overview of the current state of BPK, which will be the first step in preparing the strategic plan. BPK holds the mandate and authorities as stipulated in the 1945 Constitution and other laws and regulations. The progress achieved under the previous strategic plan will also be taken into account to continue developing the organization’s role in achieving state goals. Further, BPK also carries out a bureaucratic reform to demonstrate its commitment towards organizational improvement. Future BPK organizational development is aimed at increasing the organizational maturity level of the audit institution so that BPK can provide a positive contribution to the public.

1. BPK’s Mandate and Authorities

As a state institution, BPK has the duties and authorities as stipulated in the 1945 Constitution. As such, BPK must consider how it would help achieve the state objectives as well as BPK’s position in performing its duties.

a. State Objectives and BPK’s Position

The Preamble of the 1945 Constitution outlines the objectives of the Government of Indonesia,

i.e.: (1) to protect the entire nation of Indonesia and the territory of Indonesia; (2) to promote welfare for the public; (3) to educate the nation; and (4) to contribute to the world order based on freedom, lasting peace, and social justice. To achieve these objectives, the 1945 Constitution includes provisions on state institutions and state finance. State objectives are expected to be achieved through good governance with the support and control from all state institutions.

BPK is one of the state institutions established under the 1945 Constitution to audit state financial management and accountability in a free and independent manner. As a state institution, BPK is required to support improvements in state financial management and accountability to achieve the abovementioned state objectives. BPK’s position and duties are specifically stipulated in Article 23 E, Article 23 F, and Article 23 G of the 1945 Constitution.

State institutions as stipulated in the 1945 Constitution are the President as the head of government, People’s Consultative Assembly (MPR/*Majelis Permusyawaratan Rakyat*), House of Representatives (DPR/*Dewan Perwakilan Rakyat*), Regional Representatives Council (DPD/*Dewan Perwakilan Daerah*), Supreme Audit Board (BPK/*Badan Pemeriksa Keuangan*), Supreme Court (MA/*Mahkamah Agung*), Constitutional Court (MK/*Mahkamah Konstitusi*), and Judicial Commission (KY/*Komisi Yudisial*). BPK thus has an equal standing with other state institutions as illustrated in figure 1.

The efforts to achieve state objectives in accordance with the 1945 Constitution as well as BPK’s position as a state institution shall serve as the top legal basis in the preparation of BPK Strategic Plan 2020–2024. The Plan is expected to outline policy directions for BPK for the next five



Figure 1. Position of BPK and Other State Institutions in Attaining State Objectives

years to improve state financial management and accountability in achieving state objectives.

b. BPK's Duties and Authorities

In accordance with the mandate stipulated in Article 23 E of the 1945 Constitution, BPK has the duty and function to audit state financial management and accountability in a free and independent manner. Results of state-finance audit are tabled to the House of Representatives (DPR), Regional Representatives Council (DPD), and Regional House of Representatives (DPRD) in accordance with their respective authorities. These audit results will be further followed up by representative bodies and/or institutions in line with the laws.

A set of laws on State Finance has been enacted to support BPK in performing its duties, i.e.: (1) Law No. 17 of 2003 on State Finance; (2) Law No. 1 of 2004 on State Treasury; (3) Law No. 15 of 2004 on Audit of State Financial Management

and Accountability; and (4) Law No. 15 of 2006 on The Audit Board (BPK). Furthermore, Law No. 15 of 2004 on Audit of State Financial Management and Accountability stipulates that BPK audit scope covers all aspects of state finance as referred to in Law No. 17 of 2003 on State Finance. Law No. 15 of 2006 on The Audit Board (BPK) stipulates that BPK has the following duties:

- 1) audit the state financial management and accountability of the Central Government, Regional Governments, other State Institutions, Bank Indonesia (the central bank), State-Owned Enterprises (BUMN/*Badan Usaha Milik Negara*), Public Service Agencies (BLU/*Badan Layanan Umum*), Regional Government-Owned Enterprises (BUMD/*Badan Usaha Milik Daerah*), and other agencies or bodies that manage state funds;
- 2) discuss audit findings with the audited entity in accordance with the State Financial Audit Standards (SPKN/*Standar Pemeriksaan Keuangan Negara*);

- 3) table the audit results on state financial management and accountability to the House of Representatives (DPR), Regional Representatives Council (DPD), and Regional House of Representatives (DPRD) in accordance with their respective authorities;
- 4) deliver the audit results in writing to the President, Governors, Mayors/Head of Districts in accordance with their respective authorities;
- 5) report to the competent authorities when elements of criminal offense are found in the audit, in accordance with the laws and regulations, no later than one month after the elements of criminal offense were discovered; and
- 6) monitor the follow-up actions taken by the relevant officials (the President, governors, mayors/head of districts) on the audit results, and report the monitoring results in writing to the DPR, DPD, and DPRD, as well as to the Government.

In the course of performing these duties, BPK has the authority to:

- 1) determine the audit objects, plan and carry out the audits, determine the timeframe and method of audits, as well as prepare and present the audit reports;
- 2) ask for information and/or documents that must be provided by any person, organizational units of the central/national government, local/regional government, other state institutions, Bank Indonesia (Central Bank), State-Owned Enterprises (BUMN), Public Service Agencies (BLU), Regional Government-Owned Enterprises (BUMD), and other agencies or bodies that manage state funds;
- 3) perform audits in locations where state monies and assets are held, in locations where activities, accounting, and administration of state finance take place, as well as perform audits on any accounts, documents, evidence, bank statements, accountability reports, and other registers related to state financial management;
- 4) specify the types of documents, data, and information on state financial management and accountability that must be shared to BPK;
- 5) in consultation with the central/regional government, set the State Finance Audit Standards (SPKN) to be used in auditing state financial management and accountability;
- 6) set the code of ethics in auditing state financial management and accountability;
- 7) hire experts and/or auditors from outside BPK to work for and on behalf of BPK;
- 8) Manage upgrading for the functional auditors;
- 9) provide advice on government accounting standards (*SAP/standar akuntansi pemerintah*);
- 10) provide advice on the draft of the design of the internal control systems of the central/regional government prior to its issuance by the central/regional government;
- 11) assess and/or determine the amount of state losses stemming from criminal offence perpetrated by government treasurers, management of State-Owned Enterprises (BUMN)/Regional Government-Owned Enterprises (BUMD), and other agencies or bodies that manage state funds;
- 12) monitor the settlements of state/regional losses involving non-treasurer civil servants and other officials;
- 13) monitor the enforcement of restitution payment order as determined by BPK to recover state/regional losses involving government treasurers, BUMN/BUMD management and other agencies or bodies that manage state funds;
- 14) monitor the enforcement of restitution payments as ordered by final and binding court judgement to recover state/regional losses;

- 15) provide viewpoints to DPR, DPD, DPRD, Central/Regional Governments, other State Institutions, Bank Indonesia, BUMN, BLU, BUMD, foundations, and other agencies or bodies;
- 16) provide advice on the settlements of state/regional losses as determined by the Central/Regional Government and/or expert testimony in the court concerning state/regional losses; and
- 17) provide expert testimony in the court concerning state/regional losses.

Of the above mentioned 17 (seventeen) authorities, 4 (four) are additional duties of BPK that should be paid more attention and outlined into BPK Missions 2020–2024 i.e.: 1) provide advice, 2) determine the amount of state losses, 3) provide viewpoints, and 4) provide expert testimony.

2. Outcomes of BPK Strategic Plan 2016–2020

The outcomes of BPK Strategic Plan 2016–2020 include audit-related outcomes covering all three types of audits under BPK’s purview, i.e.: financial audits, performance audits, and special purpose audits. Furthermore, BPK in the previous strategic

plan has set its policy regarding audit themes and audit focuses to assess national development. In implementing Strategic Plan 2016–2020, BPK also measured performance using several indicators and designed new activities as strategic initiatives with significant impacts on the organization’s development. In Strategic Plan 2020–2024, however, BPK discloses the outcomes achieved in the 2016–2019 period in connection with BPK’s decision to change the strategic planning period into 2020–2024 to better align the plan with other state institutions in order to play a more active role in achieving state objectives.

a. BPK Audit Outcomes

BPK has published 4,812 Audit Reports (LHP/ *Laporan Hasil Pemeriksaan*) on state financial management and accountability from 2016 to 2019. These reports consist of 2,606 (54%) Financial Audit Reports, 1,099 (23%) Performance Audit Reports, and 1,107 (23%) Special Purpose Audit Reports. BPK had disclosed 57,561 audit findings in the reports. The detailed number of audit reports and audit findings broken down by year is shown in figure 2.

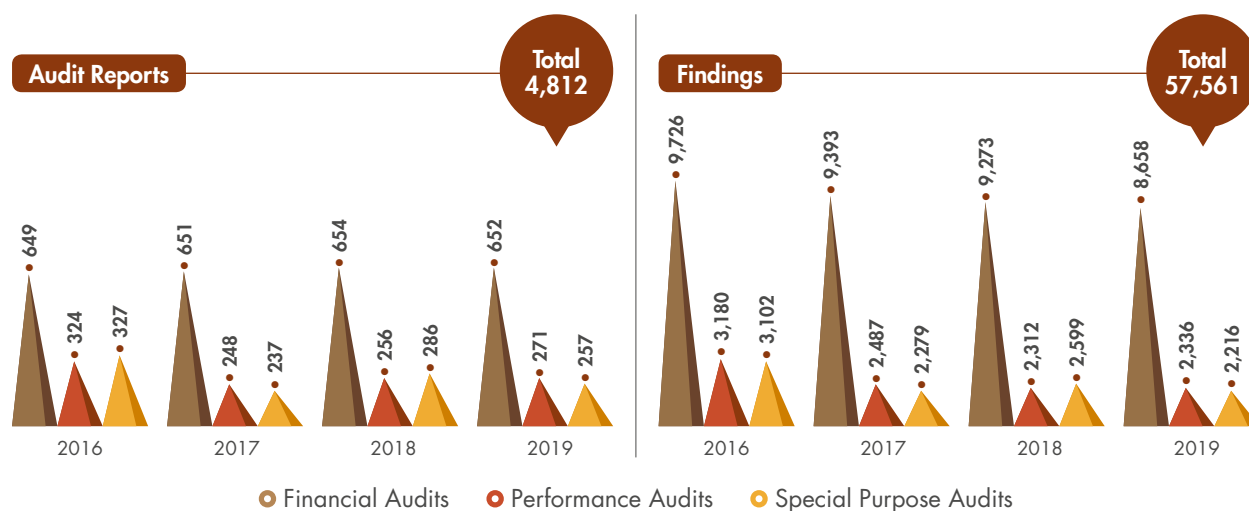


Figure 2. Number of Audit Reports and Audit Findings (2016–2019)

BPK has provided 156,605 recommendations to various entities on issues that have been disclosed in the results of audits in 2016–2019. Between 2016 and 31 December 2019, as many as 89,100 (57%) recommendations have been followed up in line with the recommendations, 44,802 (29%) have been followed up, but not in line with the recommendations, 22,407 (14%) have not been followed up, and the remaining 296 (0,2%) recommendations could not be followed up. Details on the status of follow-up actions on audit recommendations in 2016–2019 are shown in figure 3.

Data on follow-up actions in figure 3 shows that BPK audit results have been useful to improve state financial management. BPK’s recommendations intended as correction or prevention to the identified issues have mostly been followed up by the entities. The number

of follow up actions that had been taken in line with BPK’s recommendations had been trending down from year to year because entities would need some time to take those actions. Thus, recommendations provided in earlier years tend to have been followed up more compared to the later recommendations.

BPK audits have also supported the improvement of accountability in government financial reporting. This is indicated by improvement in the audit opinions on Financial Statements of the Central/Regional Governments within the last 4 (four) years. Financial Statements of the Central Government have been given Unqualified Opinion (WTP/*Wajar Tanpa Pengecualian*) in the past 3 (three) consecutive years after previously been given a qualification, or Qualified Opinion (WDP/*Wajar Dengan Pengecualian*), for Financial Statements of Fiscal Year 2015. Meanwhile, the

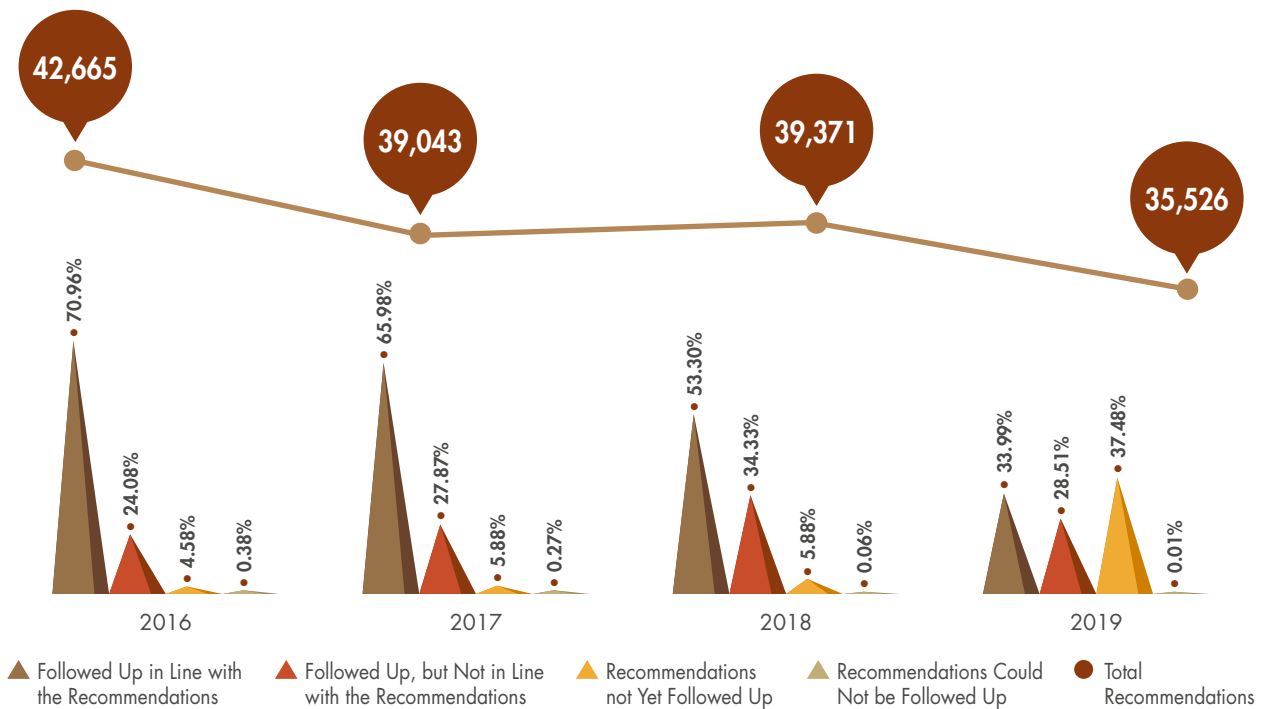


Figure 3. Follow-Up Actions on Recommendations from Audit Results, 2016–2019

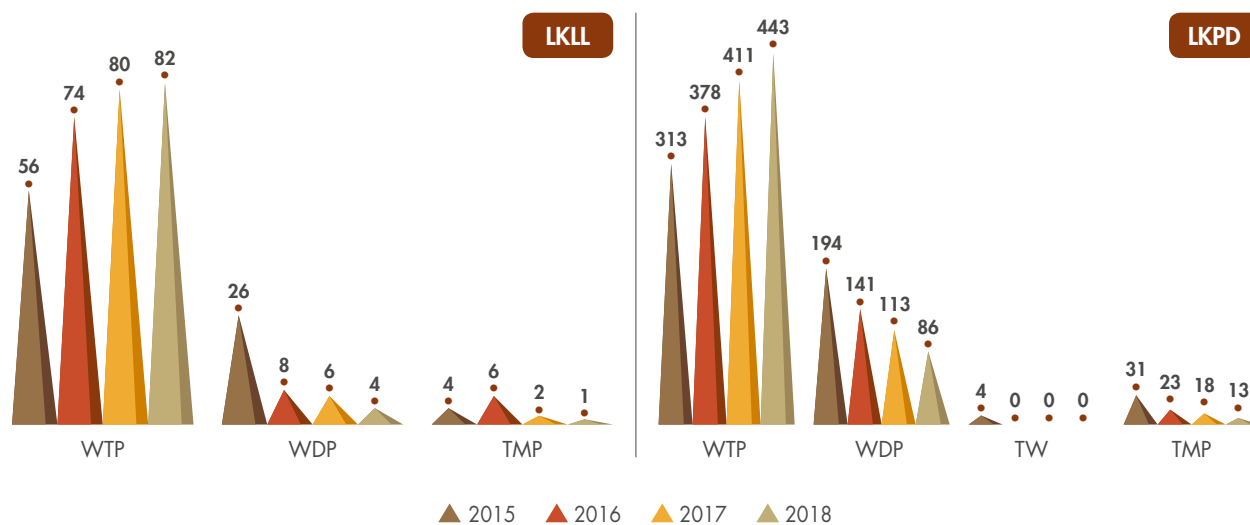


Figure 4. Audit Opinion on LKKL and LKPD in Fiscal Years 2015–2018

number of financial statements of ministries/agencies (LKKL/*Laporan Keuangan Kementerian Lembaga*) and financial statements of regional governments (LKPD/*Laporan Keuangan Pemerintah Daerah*) that have been given Unqualified Opinion (WTP) has been increasing every year as shown in figure 4.

The benefit of BPK audit results is also evident from the monetary values identified in the audit findings. The values embodied in audit findings show how much public funds can be recovered, received, saved, or utilized more effectively to achieve the objectives of government programs. The total value identified in audit findings in 2016–2019 amounted to Rp140.60 trillion. The identified value is quite significant when compared with the value of the central government's realized expenditure in health and education sector for the same period. Compared with the realized expenditure of Rp249.71 trillion by the central government for health sector in FY2016–2019, the total value

of BPK findings is equivalent to 56% of the expenditure. Further, the total value of BPK findings in the 2016–2019 period is equivalent to 25% of the Rp571.76 trillion spent by the central government for education sector in FY2016–2019. The detailed value identified in audit findings broken down by year and by type of issue, as well as the comparison with realized expenditure in the 2016–2019 State Budget are presented in figure 5.

The values in the findings and their comparison with State Budget expenditure show that BPK has contributed in overseeing state financial management by giving recommendations that would bring financial impact to the state. This indicates that BPK audits have provided added value in improving state financial management.

The values identified in the audit findings are also higher than BPK's expenditure budget. BPK's expenditure budget in 2016–2019 was Rp13 trillion, or only around 9% of the total values

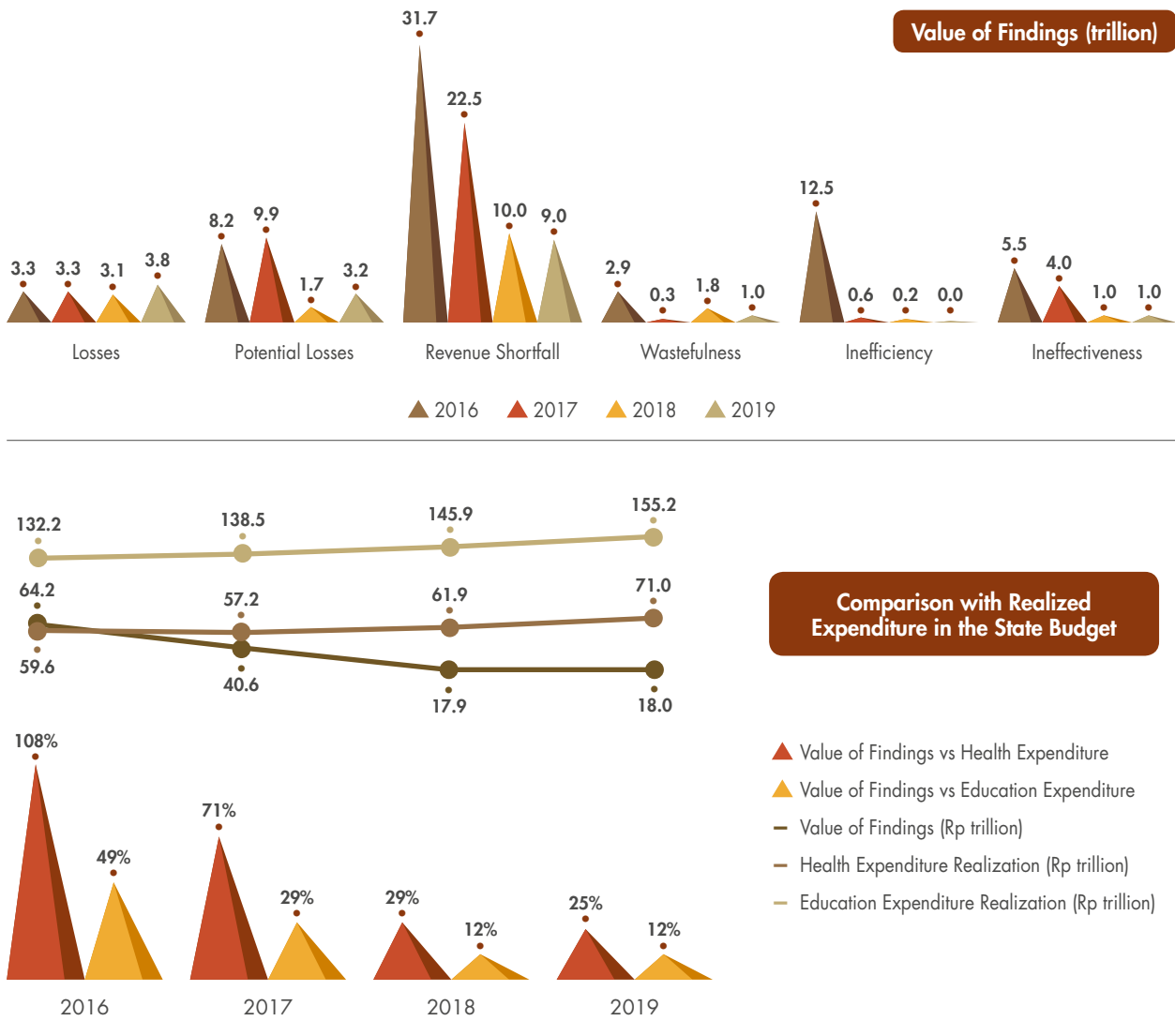


Figure 5. Values Identified in Audit Findings and Comparison with Realized Expenditure in the State Budget

identified in the audit findings. BPK's expenditure budget in 2016–2019 only amounts to 12% of the values of audit findings with financial impact and 68% of the value of recovered state assets based on audit results in the same period. The details concerning values identified in the audit findings, BPK's expenditure budget, and their comparison in 2016–2019 period are shown in figure 6.

b. Results of Policy Implementation on Audit Themes and Audit Focuses

As one of the state institutions, BPK has a strategic role to push forward the government in carrying out its development policies and strategies outlined in the 2015–2019 National Medium Term Development Plan (RPJMN/*Rencana*

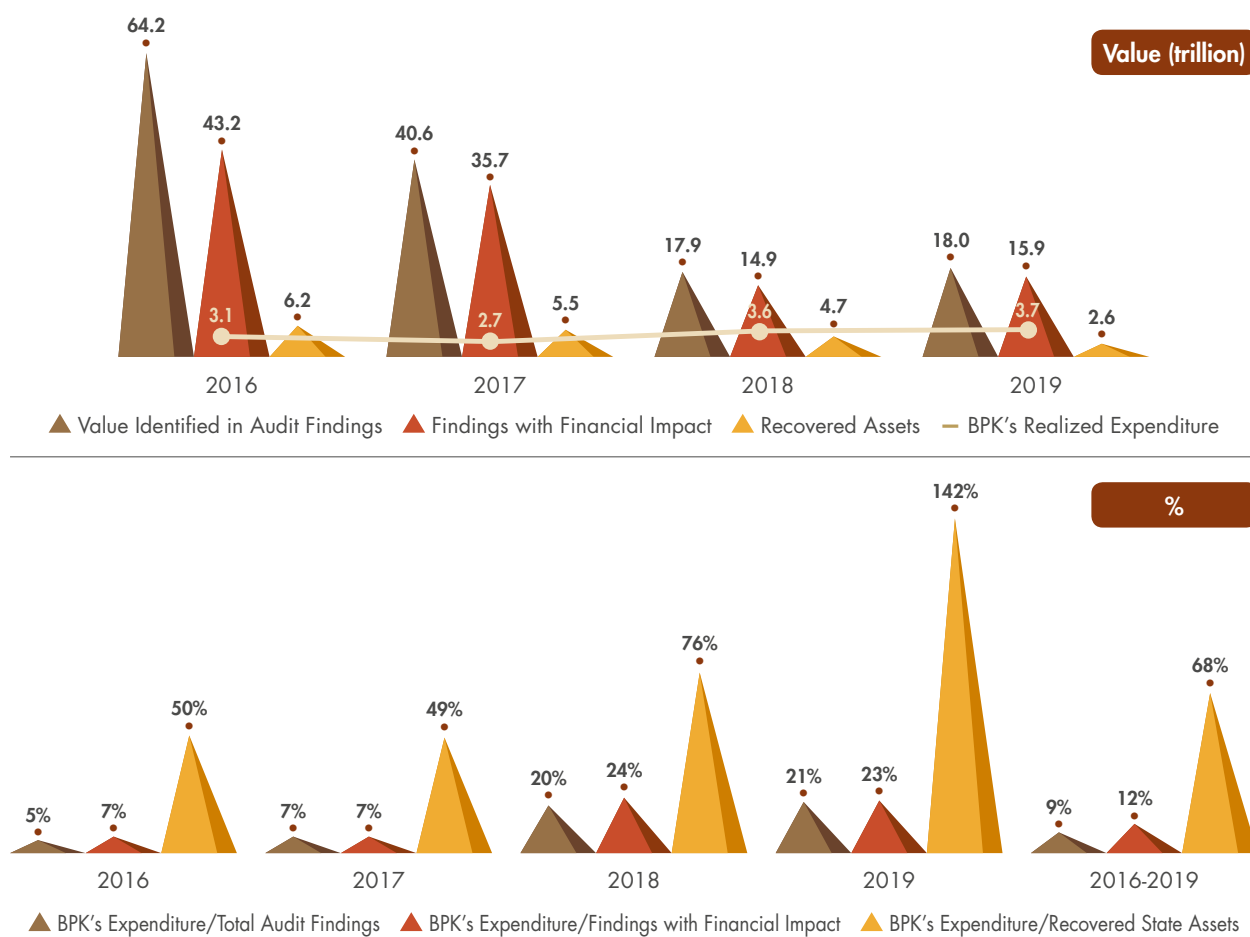


Figure 6. Values Identified in Audit Findings and Comparison with BPK Expenditure

Pembangunan Jangka Menengah Nasional), through BPK audits. By conducting audits, BPK is overseeing and ensuring that national development priority programs are planned, implemented, and reported in a transparent and accountable manner, and also provide benefit for the welfare of Indonesian Citizen. Audits performed in 2016–2019 are aligned with the themes and focuses as prescribed in BPK Strategic Plan 2016–2020 shown in figure 7.

BPK's audit policy that covers 12 (twelve) themes and 18 (eighteen) focuses for its audits is expected to enhance the benefits from BPK audit results

to promote better state financial management in achieving state objectives. In implementing this audit policy, each Principal Auditorate of State Finance (AKN/*Auditorat Utama Keuangan Negara*) coordinates with one another to generate in-depth conclusion or assessment on what has been achieved under the national development priority programs as outlined in the 2015–2019 National Medium Term Development Plan (RPJMN). Nevertheless, as of end of 2019, the Tentative Strategic Audit Objectives (TSAO) outlined in the Audit Focus could not be fully completed. This is because several audits for the TSAO will have only be conducted in 2020.

AUDIT THEMES AND FOCUSES



Figure 7. Audit Themes and Audit Focuses, 2016–2019

Conclusions from the implementation of BPK Audit Focus 2016–2019 as of the First Semester of 2019 have been presented in BPK’s Summary of Audit Reports (*IHP/Ikhtisar Hasil Pemeriksaan*) from 2016 to the First Semester of 2019. Overall, the conclusion from each BPK Audit Focus in 2016–2019 shows that a number of significant issues have been identified and these required attention from the government regarding, among others (a) national defense capacity and stability of national security; (b) complaints/grievances handling, licensing, judiciary, land registry, and accident insurance services; (c) education facilities and infrastructure for Smart Indonesia Program (PIP); (d) budget management and regulatory support related to higher education; (e) funding and target achievement of the National Health Insurance (*JKN/Jaminan Kesehatan Nasional*); (f) the management of population administration; (g) quota setting, financial and operational management, as well as supervision of hajj and umrah pilgrimage registration system; (h) budgeting, supply of land, agricultural machinery, seeds, as well as irrigation management that are not yet accountable in relation to food production; (i) coordination related to availability of water to support food security; (j) availability of infrastructure for New and Renewable Energy (*EBT/Energi Baru Terbarukan*); (k) availability of ports database; (l) alignment implementing regulations of Village Law and updated data and information on development of villages and rural areas; (m) institutional governance in designing regulations and managing borders data data; (n) planning mechanism, facilities and infrastructure for transportation, and establishment of routes eligible for subsidized services under the national connectivity scheme – land, air, and railway transportation; (o) regulations, services, and supporting data of beneficiaries of the National Social Security System (*SJSN/Sistem Jaminan Sosial Nasional*); (p) system, design, planning,

budgeting, execution, and accountability of State Finance; and (q) policies, restructuring, profitability, and the role of State-Owned Enterprises (BUMN) as development agents.

Some of the takeaways from the implementation of BPK Audit Theme and Focus in 2016–2019 is that BPK needs to optimize synergy and collaboration. BPK should strengthen how it manages the audit focus implementation, timeframe for implementation, sample determination, and resources for the audits.

c. Performance Indicator Achievement

BPK Strategic Plan 2016–2020 has defined a number of indicators to measure the utilization of audit results and the quality of quality control system. The outcomes for these indicators are shown in Table 1.

Table 1. Targets and Outcomes of Performance Indicators, 2016–2019

Indicator	Year	Target	Realization
Level of Relevance Between the Audits and the Stakeholders’ Expectations and Needs	2016	3.5	3.88
	2017	3.7	4.06
	2018	4	4.17
	2019	4	4.12
Completion Percentage of follow-up actions towards audit results	2016	60%	54.96%
	2017	65%	57.93%
	2018	65%	63.21%
	2019	75%	75.14%
Auditee Satisfaction Index on the Performance of BPK Auditors	2016	3.6	4.24
	2017	3.7	4.1
	2018	4.1	4.16
	2019	3.9	4.26
BPK Quality Control Index	2016	3.5	4.13
	2017	3.6	3.81
	2018	3.8	3.93
	2019	3.8	3.96

The performance as outlined in Table 1 can be interpreted as follows.

- 1) “Level of Relevance between the Audits and the Stakeholders’ Needs and Expectations” reflects whether BPK audits have touched upon issues of public interest and met stakeholders’ expectations. The score for this indicator has increased from 3.88 in 2016 to 4.12 in 2019;
- 2) Completion Percentage of follow-up actions towards audit results has increased from 54.96% in 2016 to 75.14% in 2019. The indicator has met the specified target;
- 3) Auditee Satisfaction Index on the Performance of BPK Auditors has slightly increased from 4.24 in 2016 to 4.26 in 2019. Therefore, BPK should enhance positive communication in conducting its audit assignments so that audited entities can better understand and follow up the audit results and take corrective actions as recommended by BPK;
- 4) BPK Quality Control Index has fluctuated from 2016 to 2019, going from 4.13 in 2016 to 3.96 in 2019. Although the indicator has met the target, evaluation is still needed to increase its score.

The current performance indicator outcomes will serve as the baseline for organizational development under the strategic plan in this upcoming period. Organizational development is intended to enhance BPK’s role in resolving public issues through audits on state financial management and accountability in achieving state objectives.

d. Strategic Initiative Outcomes

A Strategic Initiative is project-type innovational activity in which implementation would involve

several work units and would have a direct effect on the Achievement of BPK’s benefit as measured through BPK-wide Key Performance Indicators (KPI). BPK has established 6 (six) strategic initiatives, i.e.: (1) forming talent pool; (2) developing an information technology (IT) system for BPK governance; (3) implementing business continuity; (4) more efficient use of facilities and infrastructure through desk sharing; (5) developing a culture of integrity, independence, and professionalism; and (6) developing a strategy for sharing best practices.

Formation of talent pool is intended to increase effectiveness in fostering the employees’ competence so they can contribute to the organization according to their expertise, potency, and talent. An important outcome from this initiative is the completion of guidelines and guidance that will serve as the foundation for developing the talent pool based on merit system, which is implemented in BPK under the strategic plan in this period.

Developing the IT system for BPK governance is intended to integrate applications and databases to better support the entire BPK business processes at all levels in the organization. BPK has implemented the planned activities so that IT development continues as routine activities under BPK Strategic Plan 2020–2024.

Implementation of business continuity is intended to mitigate the effects of events that disrupt BPK operational activities, reduce the risk of financial losses, and increase BPK’s abilities to support recovery from disruptive events as soon as possible. In its Strategic Plan 2016–2020, BPK has carried out all plans to implement business continuity, so this becomes routine activities in the current period of strategic planning.

Implementation of desk sharing is intended to meet the standards on comfortable work space. Through desk sharing, facilities and infrastructure will be used more efficiently and help bring about the full benefit of outcomes achieved under BPK Strategic Plan 2016–2020. BPK has completed the activity plans for facilities and infrastructure efficiency in a number of work units. Within the period of current strategic planning, BPK continues this as a routine activity.

Development of a culture of integrity, independence, and professionalism is intended to support a better exercise of BPK's authorities, and to improve the quality of bureaucratic reform implementation, BPK's accountability, auditors' professionalism, and quality of audit engagement. As of end of the 2016–2020 strategic plan, BPK has completed all activities in implementing this organizational culture and will continue it as a routine activity under the current strategic plan.

Development of a strategy for sharing best practices is prompted by BPK's policy to encourage documentation and dissemination of best practices that have been carried out by various work units within BPK. BPK has completed the development of best practice guidance that serves as a reference to develop this strategy. Furthermore, BPK has given awards to work units where the best practices had originated from. In this current strategic planning period, it is expected that best practices sharing becomes a routine activity and develop into BPK culture.

3. Bureaucratic Reform Outcomes

BPK has prepared the 2016–2020 Roadmap for Bureaucratic Reform based on a Decree of BPK RI Secretary General No. 521/K/X-XIII.2/10/2014. The Roadmap outlines bureaucratic reform programs that are integrated into BPK Strategic

Plan 2016–2020. BPK Bureaucratic Reform Program is expected to provide some impetus to accelerate competence upgrading and to change the employees' mindset in order to enhance the quality of BPK audit results and develop a more mature quality of BPK as an organization through a demonstration of integrity, independence, and professionalism as organizational characteristics.

The 2016–2020 Bureaucratic Reform in BPK has 3 (three) main targets that are in alignment with the reform targets outlined in the 2015–2019 National Bureaucratic Reform, i.e.: a clean and accountable bureaucracy, an effective and efficient bureaucracy, and a bureaucracy with quality public service. To achieve the three targets outlined in its 2016–2020 Bureaucratic Reform, BPK has established areas of changes in the bureaucracy that include: personnel mentality, supervision, accountability, institution, governance, human resources, laws and regulations, and public service. BPK has conducted its own annual internal evaluation, known as the Self-Assessment on Bureaucratic Reform Implementation (PMPRB/*Penilaian Mandiri Pelaksanaan Reformasi Birokrasi*). The PMPRB evaluation showed satisfactory outcomes, with scores of 84.48 in 2016, 87.10 in 2017, 87.14 in 2018, and 88.12 in 2019.

4. Organizational Maturity Model of Audit Institution

BPK Strategic Plan 2020–2024 has taken into account the organization maturity aspect in accordance with the Accountability Organization Maturity Model developed by the US Government Accountability Office and adopted by the International Organization of Supreme Audit Institutions (INTOSAI). The model is designed to help Supreme Audit Institutions (SAIs) to improve

the effectiveness of financial oversight, insight into public policies, and foresight on future alternatives in accordance with the Accountability Organization Maturity Model as shown in figure 8.

The oversight role is carried out to ensure that government entities have exercised good financial governance in state finance and complied with the prevailing laws and regulations. This role is carried out by promoting the eradication of corruption, improving transparency, ensuring accountability, as well as enhancing economy, efficiency, ethics, justice, and effectiveness.

Meanwhile, through its insight role, BPK is expected to provide its viewpoints on programs, policies, and operations that had performed well; suggest best practices as references; suggest actions for agencies to improve cross-sectoral relationships within the government and to create better and more suitable alignment between the government and its

non-governmental partners in order to achieve essential outcomes for the state and the public. This function is carried out by looking further into public policies and issues.

The foresight role is providing an outlook into the future by highlighting long term implications of current government decisions/policies and identifying key trends and challenges faced by the country and the public before they turn into crises. This function is carried out to help the public and decision makers to choose future alternative policies.

Under the previous strategic plan, BPK has carried out financial, performance, and special purpose audits. Through the performance of these duties, BPK has played its part in encouraging the eradication of corruption, improving accountability and transparency, and providing recommendations to improve economy, efficiency, and effectiveness of the audited entities' performance. Furthermore, BPK

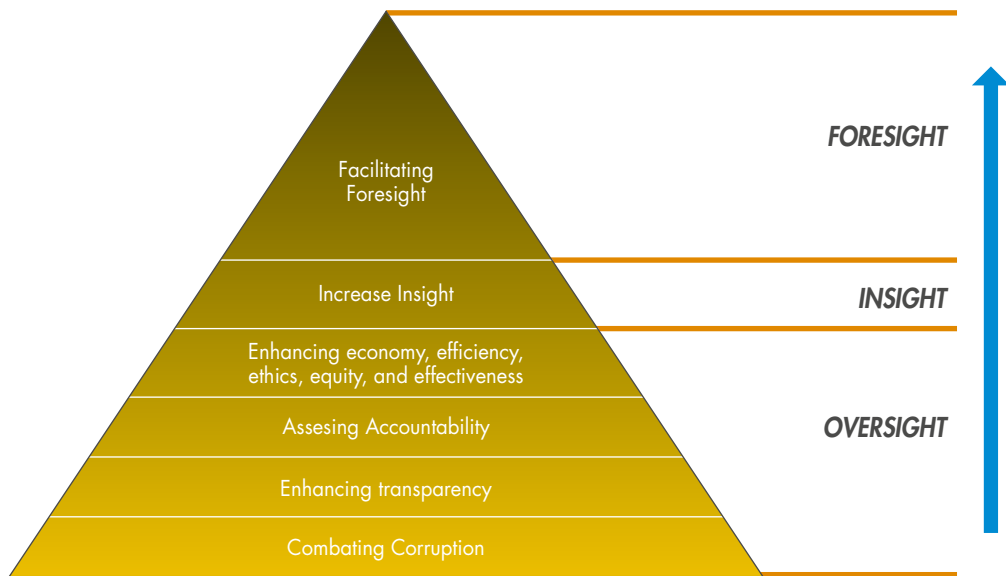


Figure 8. Accountability Organization Maturity Model

has also audited government programs in line with the 2015–2019 RPJMN policies as part of its concern to strategic issues and public policies. Going forward, BPK is committed to further improve organization maturity by providing quality and useful audit results.

B. Strategic Issues and Environment

In formulating its strategic plan, BPK takes into account the internal strategic issues of the organization as well as its strategic environment, which include the national development agenda, implementation of Sustainable Development Goals (SDGs), and international development related to good financial governance in the state finance and best practices in managing the performance of audit institution.

1. Strategic Issues

There are some strategic issues underlying the current state of BPK in the performance of its duties and authorities. These issues form a foundation in setting up the strategies for BPK Strategic Plan 2020–2024. Such strategic issues include:

- a. based on the 2019 Peer Review Report, BPK audits are still output- and outcome-oriented rather than impact-oriented;
- b. the number of audited entities that have completed more than 75% of their follow-up actions on audit result recommendations has only reached 62.35% compared to the 75% target;
- c. several litigations against BPK Audit Reports still remain, which present risks that might lower BPK's reputation;
- d. less than optimal coordination in handling state loss settlements, with cases of state loss having been reported, but not yet decided, and many cases of treasury claim (*tuntutan perbendaharaan*) have not been monitored and reported;
- e. necessary improvements in governance, among others: strengthening IT audits, disseminating knowledge, applying risk management, budget independence, and IT driven strengthening to support business processes, in accordance to the results of BPK peer review;
- f. issues in the management of BPK education and training (diklat) facilities, among others: inadequate quality and quantity of human resources (managers and facilitators), curriculum that has yet to accommodate the link-and-match program, learning media that are not yet comprehensive, stakeholders that are not yet in synergy, and less than optimal governance;
- g. BPK has not fully implemented the merit system (qualification, competence, and performance) to improve BPK human resources management; and
- h. BPK has not fully documented and replicated best practices to support the increase of added value of the organization.

2. National Development Agenda

The Indonesian National Medium-Term Development Plan (RPJMN) 2020–2024 is themed “**Towards A Developed Indonesian Nation that Is Sovereign, Independent, and of Strong Character Based on Mutual Cooperation**”. The 2020–2024 RPJMN is the fourth, or the

last phase, of the 2005–2025 Long Term National Development Plan (RPJPN/*Rencana Pembangunan Jangka Panjang Nasional*), that makes it in achieving the development targets outlined in RPJPN. The target of the current medium-term development phase is to achieve an independent, advanced, just, and prosperous Indonesian society through accelerated development in all sectors with an emphasis on the establishment of strong economic structure on the basis of competitive advantage in various areas supported by high-quality and competitive human resources.

The 2020–2024 RPJMN is supported by 4 (four) pillars, i.e.: (1) robust political and legal institutions; (2) continuously improved public welfare; (3) more advanced and stronger economic structure; and (4) well-preserved biodiversity. Based on these 4 (four) pillars, the Government has set 7 (seven) development agenda in the 2020–2024 RPJMN to achieve the objectives of the last national medium term development plan. The Government then

further lays out the development agenda into Priority Programs, Priority Activities, and Priority Projects.

BPK determines audit themes and designs audit strategies in BPK Strategic Plan 2020–2024 based on the government’s development agenda. The alignment between audit themes and development agenda is expected to increase the usefulness of BPK audit results in achieving national development objectives.

3. Sustainable Development Goals (SDGs)

In September 2015, leaders from 193 UN member countries who attended the United Nations General Assembly agreed to adopt a historic agreement concerning universal goals and targets that are transformative, comprehensive, and long term known as SDGs into a global agenda by 2030. In the declaration, all participating countries are committed to integrate SDGs, consisting of 17 goals and 169 targets, into their respective



Figure 9. Development Agenda of the 2020–2024 RPJMN (4th RPJMN)



West Sumatra BPK Representative Office auditing waste management.

country's national development planning to support social, economic, and environment development.

As one of the countries that supports SDGs program, Indonesia takes part in the effort to achieve Global Development Agenda by integrating SDGs targets and indicators into the national development planning documents through RPJMN and its derivatives. The Government issued Presidential Regulation No. 59 of 2017 on Implementation of Sustainable Development Goals to apply SDGs at the national and regional levels.

In its 2016 congress in Abu Dhabi, INTOSAI agreed that its members should oversee SDGs programs in their respective country. INTOSAI agreed on four approaches in SDGs audits outlined in the first theme of INCOSAI XXII (International Congress of Supreme Audit Institution), i.e.: (1) assessing country preparedness to implement SDGs; (2) undertaking performance audits on the implementation of government programs with SDG aspects; (3) assessing and supporting the implementation of Goal 16 of the SDGs, i.e. effective, accountable and transparent institutions; and (4) acting as a role model

of transparency and accountability in their corporate governance, including in auditing and reporting activities.

In the first semester of 2018, BPK has carried out an audit on the Indonesian government's preparation in implementing SDGs. This audit is intended to identify government preparedness after the issuance of Presidential Regulation No. 59 of 2017 on Implementation of Sustainable Development Goals. The results of this audit have also been presented by BPK at the High-Level Political Forum on Sustainable Development Goals on 15–16 July 2019 at the UN Headquarters in New York, United States. In that event, BPK highlighted the importance of having unified data and effective use of resources as requirements for successful SDGs implementation. One of BPK's recommendations regarding Indonesia's SDGs readiness has been followed up by the Indonesian government with the issuance of Presidential Regulation No. 39 of 2019 on One Data Indonesia dated 17 June 2019.

In the first semester of 2019, BPK has conducted a performance audit on the effectiveness of government programs that contribute to SDGs implementation. The audit has been aligned with the SDGs targets and indicators as adopted in the 2019 Voluntary National Review (VNR) theme, namely *Empowering People and Ensuring Inclusiveness and Equality*, prepared by the Government of Indonesia, i.e., Goals no. 4, 8, 10, 13, 16, and 17 of the SDGs. This puts BPK as one of the forward-moving SAIs in relation to SDGs audit stages as agreed in INTOSAI strategic plan. The audit results are, among others: implementation of government programs related to Goal 4 of the SDGs has not been integrated and right-targeted; implementation

of government programs related to employment have not fully achieved the expected targets and goals; proxy indicators for SDG Target 16.6 should better reflect the outcomes of institutional development; data and information alignment should be improved; and monitoring and evaluation of SDGs in Indonesia have not been fully effective.

The biggest challenge in auditing SDGs implementation is that the criteria are set at the outcome level. With such condition, an audit institution must have strategic planning in bringing together the audits performed within a five-year cycle. Outputs are usually self-evident, but outcomes would require a specific audit methodology.

After auditing SDGs preparedness and implementation, BPK will carry out the next stage of audit approach as agreed by the INTOSAI, i.e., performing the audit and supporting the implementation of Goal 16 of the SDGs, i.e., effective, accountable, and transparent institutions.

4. International Development

BPK fosters bilateral cooperation with audit institutions from other countries as well as with international agencies. This constitutes BPK's active role in the international arena that is in line with state objectives and foreign politics policy as outlined in the 2020–2024 RPJMN. The cooperation may be related to audits, capacity building projects, as well as knowledge exchange and sharing of experience regarding state financial audit. BPK's engagement in international cooperation has brought some effects on its organizational capacity development and organizational governance, among others, as follows.



BPK RI presenting lessons learned from auditing SDG preparedness in Indonesia at the SAI Leadership and Stakeholder Meeting.

a. Audit Standards and Guidelines

As a member of INTOSAI, BPK observes and uses the International Standards of Supreme Audit Institutions (ISSAI) to develop BPK audit standards. Development of ISSAI within the INTOSAI, such as conversion of ISSAI Framework into IFPP-INTOSAI Framework of Professional Pronouncements consisting of INTOSAI Principles, ISSAI, and INTOSAI GUIDE, will influence the development of BPK's audit standards and guidelines.

b. Capacity Development and Organizational Governance Improvement

BPK's engagement and relationship with international organizations and supreme audit institutions from other countries

have led to improved capacity and organization of BPK. This relates to BPK personnel's increased capability, knowledge, and experience acquired from various international activities. Knowledge and experience from international activities could also lead to improved organizational governance and the development of knowledge management systems and best practices for institutional development of BPK. Thus, international activities not only benefit individuals in BPK, but also BPK as an organization.

c. Quality Improvement

The quality of BPK audit results can be improved through an assessment on whether BPK audit standards and practices are in

line with the international standards and guidelines, and through benchmarking, peer review, and exchange of experience with supreme audit institutions from other countries.

d. Credibility Improvement

BPK's role in auditing international agencies and projects financed by international loans and grants has helped increasing the trust and confidence from stakeholders.

5. Supreme Audit Institution Performance Measurement Framework (SAI PMF)

INTOSAI uses the Supreme Audit Institution Performance Measurement Framework (SAI PMF) as a mechanism to measure the performance of supreme audit institution. SAI PMF is an instrument developed by INTOSAI Development Initiative to conduct a comprehensive qualitative and holistic assessment of organizational capabilities using criteria developed from ISSAI and international best practices.

Overall, SAI PMF is divided into 6 (six) major domains that serve as the foundations for a comprehensive organization measurement that support the value and benefits of SAI. The six major domains are:

a. Measurements related to the SAI's Institutional Capacity

1) Domain A: Independence and Legal Framework

This domain is concerned with the framework of independence, constitution, and other legal basis that guarantees the independence and the performance of mandate where the SAI operates.

b. Measurements related to the SAI's overall Organizational Systems and Professional Staff Capacity

2) Domain B: Internal Governance and Ethics

This domain is concerned with the organization's strategic and operational planning, as well as the organization's overall standards of ethics and quality.

3) Domain C: Audit Quality and Reporting

This domain is concerned with the overall quality of audits performed by an audit institution, starting from audit planning, audit field work, to reporting and monitoring of audit result follow-ups.

4) Domain D: Financial Management, Assets and Support Services

This domain is concerned with how an audit institution manages its organizational resources: its finances, assets, infrastructure, and other supporting services to achieve organizational objectives.

5) Domain E: Human Resources and Training

This domain is concerned with how an audit institution manages and develops its human resources to achieve organizational objectives.

6) Domain F: Communication and Stakeholders Management

This domain is concerned with managing relationship between an audit institution and the stakeholders through effective communications.

Overall, these domains are comprised of 25 indicators and 79 dimensions covering various

criteria as basis to assess the performance of supreme audit institution. The SAI PMF measurement has the following nature: (i) qualitative, narrating the organization's condition based on various criteria; (ii) holistic, assessing the organization in a comprehensive manner; and (iii) in alignment with achieving organizational objectives, thus is more useful to detect problem areas in an organization. SAI PMF puts the emphasis on a process approach that measures the main performance of supporting activities. BPK uses the assessment generated under SAI PMF methodology as a basis to formulate its strategic plan and to measure performance in order to improve organizational performance.

6. Development of Information and Communication Technology

The industrial world has now entered an era that often known as Industrial Revolution 4.0. The term of disruptive has emerged and an advancement in information technology has empirically prompted the creation of new business models, with data as a main resource to increase organizational value.

As an institution that works intensively with data, BPK has a strong interest in state financial data and other supporting data. Because of its mandate, it is only fitting that BPK should be the institution with the most complete data



Auditors from BPK Representative Office of South East Sulawesi conducting physical checks.

on state finance. Data from various institutions with diverse forms are an information resource that can be utilized in a full and seamless collaboration among work units to increase the quality of audit results on state financial management and accountability. Data collaboration among work units are the main requirement to establish a comprehensive data architecture on state finance.

Advancement in information technology has enabled BPK to perform its work by combining data obtained under its authority and data obtained from the public domain, such as social media, online news portals, and other data portals. Such diverse data environment has opened up an opportunity for BPK to benefit from big data.

The creation of big data should entail capabilities within BPK to analyze the big data so as to bring added value. Today's information technology has progressed to the point where organizations can use various analytical models based on statistical algorithm in a big data analytics framework to perform a much deeper data analysis than simply applying computer-assisted audit techniques. Further, big data analytics is used in the context of data exploratory analysis to obtain some indications or to discover symptoms of outlier or irregular events by generating patterns from a data set, predicting scores or values, or visualizing a data set. By applying information technology and utilizing big data analytics, BPK is expected to become a center for state-finance analysis.

In addition to its role as the center for state financial analysis, BPK also responds to the impacts of COVID-19 by fostering collaboration, innovation, and development to create added value and improve organizational

agility, effectiveness, and efficiency. These actions are aligned with Law No. 11 of 2008 on Electronic Information and Transaction (*ITE/Informasi dan Transaksi Elektronik*), Presidential Regulation No. 95 of 2018 on Electronic-Based Government System (*SPBE/Sistem Pemerintahan Berbasis Elektronik*), Presidential Regulation No. 39 of 2019 on One Data Indonesia, preparation of Draft Law on Personal Data Protection, and Presidential Regulation No. 18 of 2020 on the National Medium-Term Development Plan (RPJMN) 2020–2024. BPK aligns the use of information technology with the 2020–2024 RPJMN as follows: (1) infrastructure development strategy for digital transformation; (2) streamlined bureaucracy strategy through e-government implementation; and (3) economic transformation strategy through digital and creative economy. Such use of information technology affords BPK with the opportunity to carry out an IT transformation towards e-government and digital government in a measured and incremental manner to improve transparent, accountable, and sustainable institutional governance to become a role model for other institutions.

7. Impacts of the COVID-19 Pandemic

Early in 2020, a global problem emerged in the form of Corona Virus Disease 2019 (COVID-19). According to the World Health Organization (WHO), the first case occurred in 31 December 2019 in the City of Wuhan, Hubei Province, China. The disease spread quickly and massively, giving rise to a total of 7,834 cases in just one month, with 7,736 cases in China and 98 cases in eighteen other countries, and causing 170 deaths. Given the situation, on 30 January 2020, the WHO declared COVID-19 as a global health emergency.



The new normal at BPK RI in dealing with the COVID-19 pandemic.

The pandemic eventually reached Indonesia as the Government officially declared the first case of COVID-19 in the country on 2 March 2020. In response to the situation, the Government has formed Task Forces to Accelerate COVID-19 Handling Management (COVID-19 Task Forces) in accordance with Presidential Decree No. 7 of 2020 on Task Forces to Accelerate COVID-19 Management, as amended by Presidential Decree No. 9 of 2020 on Amendments to Presidential Decree No. 7 of 2020 on Task Forces to Accelerate COVID-19 handling Management. In addition, the Government has also declared COVID-19 as a public health emergency in accordance with Presidential Decree No. 11 of

2020 on Declaration of Public Health Emergency for COVID-19, and as a national non-natural disaster in accordance with Presidential Decree No. 12 of 2020 on Declaration of Non-Natural Disaster of COVID-19 Transmission as a National Disaster. The Government also responded to the rapid spread of COVID-19 by issuing Government Regulation No. 21 of 2020 on Large Scale Social Restrictions to Accelerate COVID-19 Handling Management.

The emergency has affected economic and financial situations in the country. In response to this state of emergency (force-majeure), the Government has issued Regulation in lieu of

APA YG TERJADI SAAT INI?

- PELEMAHAN EKONOMI
- PENGANGGURAN
- KEMISKINAN
- GEJOLAK SOSIAL

Diagram elements:

- Ancaman kesehatan (Health Threats)
- Melemahnya roda ekonomi (Weakening of the economic wheel)
- Menurunnya daya beli masyarakat (Peningkatan Pengangguran dan Kemiskinan) (Decrease in public purchasing power (Increase in unemployment and poverty))

Head of State Financial Audit III as a resource person in a webinar on "Assessing The Performance of Indonesian Government in Handling COVID-19".

Law No. 1 of 2020 on Policies on State Finance and Financial System Stability in Managing the COVID-19 Pandemic and/or in Addressing Threats to the National Economy and/or Financial System Stability. Referencing the Regulation in lieu of Law, the Government subsequently revoked Presidential Regulation No. 78 of 2019 on Posture and Details of State Budget FY2020 and issued Presidential Regulation No. 54 of 2020 on Changes in the Posture and Details of State Budget FY2020. Additionally, in order to regulate regional finance, the Minister of Home Affairs and Minister of Finance have issued a Joint Decree No. 119/2813/ SJ – No. 177/KMK.07/2020 on Accelerated Adjustment for State Budget FY2020 for COVID-19 Handling Management and Safeguarding Public Purchasing Power and National Economy.

The COVID-19 pandemic has also affected BPK's organization and the performance of its duties. After the Government formed COVID-19 Task Forces, BPK started implementing a work from home system. With such arrangement, many processes, including communication, coordination, and exercise of duty rely more on information technology. The audit process has become more agile and adaptive under such condition, with modifications of audit procedures, preparation of alternative procedures, and optimization of technological support. Similarly, the delivery method for education and training as a means to improve personnel competency has also changed from classical/conventional in-person classroom sessions into distance learning (online). BPK has also responded to COVID-19 main impacts on

the organization by: maintaining and monitoring health and safety of its personnel; adjusting strategic, operational, and audit planning to be more adaptive; refocusing and reallocating budget; implementing health protocols in any exercise of its duties.

In addition to internal changes in the organization, the COVID-19 pandemic has also prompted BPK to elevate its role by providing insight and foresight in the form of a review on policy regulations on state finance policy and financial system stability to handle COVID-19. These developments may potentially lead to new operational models within BPK with supporting resources provided in line with the priorities.

C. Rationale for Developing a Strategic Plan

The rationale for developing a strategic plan starts by taking into account the four

issues, i.e., legal basis, strategic environment, current conditions, and expected conditions. The Legal Basis provides a description on BPK's mandate according to the laws and regulations and description of best practices of a Supreme Audit Institution (SAI). The Strategic Environment describes BPK's environment, including its existence as a national and an international organization. Meanwhile, the Current Conditions provides a baseline that describes BPK's conditions when BPK Strategic Plan 2020–2024 was prepared, consisting of among others, evaluation of previous strategic plan output, strategic issues, peer review results, etc. The Current Conditions have been outlined in the above section on Strategic Issues and Environment. The rationale for developing BPK Strategic Plan 2020–2024 is illustrated in figure 10.

Further, upon taking into account the legal basis, strategic environment, and current conditions, the Expected Conditions are then formulated and outlined in BPK Strategic Plan 2020–2024 namely



BPK audit results contribute to the development of maritime economy and sustainable use of marine resources.

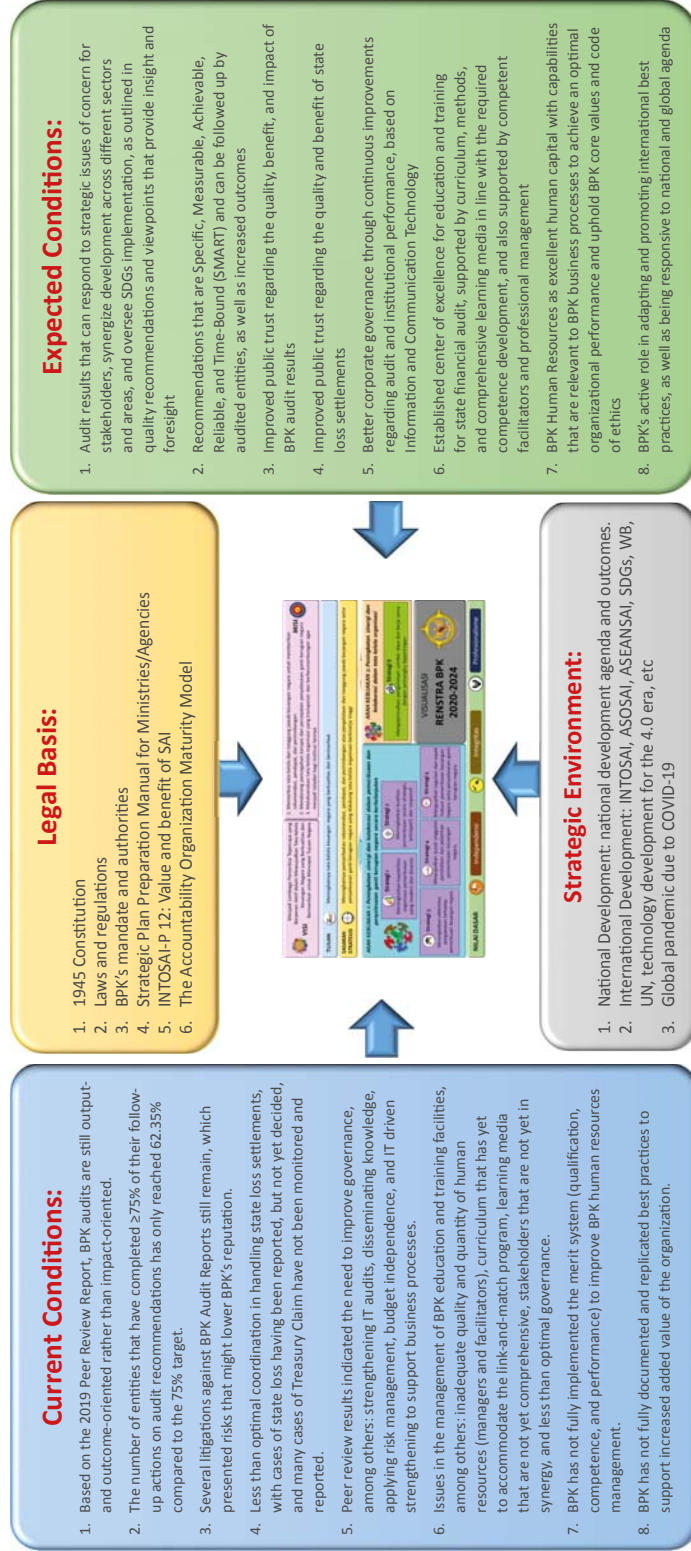



Figure 10. Rationale for Developing BPK Strategic Plan 2020–2024

to transform BPK into “A Trusted Audit Institution that Plays an Active Role in Fostering State Finance with High-Quality and Useful Financial Governance to Achieve State Goals” through, among others:

1. audit results that can respond to strategic issues of concern to stakeholders, synergize development across different sectors and areas, and oversee SDGs implementation, as outlined in quality recommendations and viewpoints that provide insight and foresight;
2. recommendations that are Specific, Measurable, Achievable, Reliable, and Time-Bound (SMART) and can be followed up by audited entities, and increased completion of audit follow-up actions;
3. improved public trust regarding the quality, benefit, and impact of BPK audit results;
4. improved public trust regarding the quality and benefit of state loss settlements;
5. better organizational governance through continuous improvements regarding audit and institutional performance, based on Information and Communication Technology;
6. established center of excellence for education and training for state finance audit, supported by curriculum, methods, and comprehensive learning media in line with the required competence development, and also supported by competent facilitators and professional management;
7. BPK human resources as excellent human capital with capabilities that are relevant to BPK business processes to achieve an optimal organizational performance and uphold BPK core values and code of ethics; and
8. BPK’s active role in adapting and promoting international best practices, as well as being responsive to the national and global agenda.



Through its audits, BPK contributes to ensure the availability and sustainable management of clean water.

CHAPTER II

VISION, MISSIONS,
CORE VALUES,
OBJECTIVE, AND
STRATEGIC GOAL





Taking into account the performance outcomes, strategic issues, potentials and problems, BPK sets a vision that is in continuity with the previous strategic plans. Each of the previous BPK Strategic Plans had a one-year gap with the corresponding RPJMN period. This is because BPK audits are generally performed after the state financial management and accountability have been completed. For the current strategic plan, BPK planning period is moved forward to align with the 2020–2024 RPJMN planning period. The policy to align the two timeframes is intended to match BPK audit strategies with state financial management in accordance and the development program period carried out by the government.

BPK intends to bring about its vision by undertaking missions in line with the laws and regulations, and based on its core values as the morale of BPK employees. To achieve its vision and missions, BPK has set its objective and strategic goals that reflect the expected condition after programs and activities for the 2020–2024 period are completed.

A. BPK’s Vision

The continuity of visions between different strategic plan periods shows the strategic condition that BPK wishes to achieve and its role in state financial development. The following are BPK’s visions from three previous strategic plans, which are also considered in deciding how BPK would manifest itself in the future.

BPK’s stated vision for its Strategic Plan in 2006–2010 is “To be a state financial audit institution that is free, independent, and professional, which actively contributes to accountable and transparent state financial management”. The vision reflects BPK’s efforts to establish a developed organizational governance as supreme audit institution that is free, independent, and professional in accordance with the mandate in Article 23 E paragraph (1) of the 1945 Constitution and Law No. 15 of 2006 on Audit Board.

BPK prepared a number of implementing regulations as well as systems and procedures as required, and built BPK Representative Offices as part of its institutional improvement efforts.



Figure 11. Previous BPK Visions

Furthermore, BPK also worked to increase its role through audits to bring about accountable and transparent state financial management. Thus, in that period, BPK was more focused in improving its internal organization capacity and in fulfilling its mandate in state finance audit in accordance with the mandate as prescribed in the 1945 Constitution.

An enhanced role of BPK shall be achieved through implementation of various programs, such as budget reform, bureaucratic reform, establishment of integrity zones, etc. BPK's vision for its Strategic Plan in 2011–2015 is “To be a credible state financial audit institution which upholds core values to play an active role in promoting accountable and transparent state financial governance”. This vision statement is a continuation of the previous period's vision, namely development of both the organization and the audits as mandated by the laws. In this period, institutional capacity building was carried out by establishing the required systems and procedures, as well as improving human resources management.

A number of developments in auditing were made by improving the quality of financial, performance, and special purpose audits in accordance with the INTOSAI audit standards. Thematic performance audits are conducted in a continuous manner by a number of work units to measure performance outcomes on a wide range of topics or strategic issues and covering multiple audited entities.

BPK's vision for its Strategic Plan in 2016–2019 is “To become the driving force of state financial management to achieve state objectives through high-quality and beneficial audits”. This vision statement shows BPK's dedication to increase its role outside of its organization in line with BPK's duties and responsibilities. In carrying out its

duties and authorities, BPK is expected to be able to increase the quality and benefit of audit results, and support the achievement of state objectives as listed in the preamble of the 1945 Constitution, taking into account the direction of the five-year development planning as outlined in the 2015–2019 RPJMN.

BPK's role in improving governance in state finance includes a shift from its previous role, i.e., from audits that focused more on the administration of state financial management into audits that focused more on the substantive achievements (outcomes) of development programs. The policy for BPK institutional development is directed towards improving audit operations, the quality of relationship with stakeholders, improving organizational governance, and optimizing the use of BPK resources, which includes human resources, facilities and infrastructure, IT usage, knowledge management and organizational culture, as well as financial resources.

Improving the quality and benefit of BPK audit results is intended to provide added value and benefits for the audited entities in order to support the achievement of state objectives through improved public policy and budget quality. In this period, BPK conducted audits on accrual-based financial statements, performance audits on national development priority programs under RPJMN, and special purpose audits focusing on actual issues and upon stakeholder requests.

The achievements of BPK's vision as outlined in its Strategic Plan 2016–2019, namely to promote better state financial management through high-quality and beneficial audits, were demonstrated by the progress in BPK audit opinions. At the beginning of Strategic

Plan 2016–2019, upon completion of financial statement audits in 87 Ministries and agencies, BPK issued Unqualified Opinion (WTP) to 65% of them, but by the end of the period, as many as 94% of Financial Statements of Ministries and Agencies of 2018 had been expressed with Unqualified Opinion. Such improvement was also evident in BPK audits on Financial Statements of Regional Governments (LKPD) where only 58% of 542 regional governments were given Unqualified Opinion at the beginning of the strategic plan period, yet by the end of the period marked with audits of Financial Statements of Regional Governments FY2018, the number had reached 82%. This indicates that BPK has helped improving the quality and benefit of audit result recommendations, so they can be followed up by government entities and can foster a better quality of state/regional financial management.

To maintain continuity with the previous strategic plans, BPK has set its 2020–2024 Vision as follows.

BPK VISION 2020–2024

To Be a Trusted Audit Institution that Plays an Active Role in Fostering High-quality and Beneficial State Financial Governance to Achieve State Objectives

With this vision, BPK aims to optimize its mandate to audit state financial management and accountability in a free and independent manner. As a state institution, BPK shall demonstrate its active role through audits as a way to carry out its mandate and as its core business, which is auditing state financial management and accountability of the Central Government, Regional Governments, other

State Institutions, Bank Indonesia, State-Owned Enterprises (BUMN), Public Service Agencies (BLU), Regional Government-Owned Enterprises (BUMD), and other agencies or bodies that manage state funds. Moreover, BPK shall play an active role in audits at the international level as a form of BPK's involvement in creating world order.

Because of its expanding role, BPK must improve the quality of its audit results so as to make it beneficial to stakeholders to improve governance in state finance. Enhancing the quality and benefits of BPK performance is strongly necessary to gain trust from the stakeholders. Public trust is very important for BPK because this means that the performance of its audit mandate receives positive feedback from the public. Thus, BPK also contributes to the development and the achievement of state goals.

BPK shall carry out its audits in strategic sectors. Furthermore, BPK also promotes improvement of quality in state financial management to support the achievement of state objectives. This constitutes BPK's active role in achieving state objectives. The relationship between the state objectives and various BPK activities is as follows.

1. The first state objective is to protect the entire nation of Indonesia and the territory of Indonesia. In this regard, BPK plays a role through its audits in protecting and overseeing the state assets so they can be used accordingly for the nation's advancement and the welfare of Indonesian people.
2. The second state objective is to promote welfare for the public. Under this state

objective, BPK carries out its audits in alignment with the national and regional development agenda so as to measure success and provide recommendations that helps advance the welfare of the public;

3. The third state objective is to educate the nation. In performing its duties, BPK needs to develop organizational capacity and establish synergy with other parties to support its audit duties. Therefore, BPK will play an active role in improving the management of capacity building for BPK personnel, through official education or formal education, both in-country and overseas. BPK also organizes a center of excellence for education and training for state finance audit for its own employees

and for other institutions that work for and on behalf of BPK. Furthermore, BPK will enhance its public communication activities with more educational contents to improve public understanding regarding audits on state financial management and accountability. BPK carries out its efforts to educate the nation through its Accountability for All program, informing the public about state financial management and accountability, as well as BPK's duties in maintaining state financial accountability;

4. The fourth state objective is to contribute to the world order based on freedom, lasting peace, and social justice. BPK remains committed and is continuing its active role in achieving SDGs to improve world peace and



BPK plays an active role in attaining one of the state objectives, which is to educate the nation.

international cooperation in audits, among others, with the following parties.

- a. Various associations of international audit institutions, such as INTOSAI, Asian Organization of Supreme Audit Institutions (ASOSAI), and ASEAN Supreme Audit Institutions (ASEANSAI). BPK is also actively involved in a number of international working groups on audit development;
- b. International bodies, such as the United Nations, International Atomic Energy Agency (IAEA), International Maritime Organization (IMO), and other international bodies. Such global activities should be developed to uphold Indonesia's reputation and strengthen BPK's role at the international level;

- c. Friendly countries, such as Poland, Kenya, Malaysia, Latvia, Saudi Arabia, and others to work together in developing audits, knowledge sharing, and other cooperative activities. Cooperation with friendly countries should be improved so that BPK and supreme audit institutions of friendly countries can provide mutual or reciprocal benefits.

B. BPK Missions

State objectives provide a direction for all government institutions or organizations in preparing their policies on development program planning in line with RPJPN, RPJMN, and Annual Plan. BPK has the duty to audit state financial management and accountability in a free and independent manner. To maintain its freedom and independence, BPK is required to: (1) conduct audits in accordance with the State Financial Audit Standards (SPKN); (2) comply with auditor's code of ethics; and (3) carry out a quality control system.

To achieve the state objectives and its mandate in accordance with the laws and regulations, BPK has set its Missions to be as follows.



BPK remains committed and is continuing its active role in international cooperation in audits by, among others, becoming an External Auditor of the International Maritime Organization (IMO).

BPK Missions 2020–2024

1. To conduct audits on state financial management and accountability to provide recommendations, viewpoints, and advice
2. To promote corruption prevention and acceleration of state loss settlements
3. To implement a transparent and sustainable organizational governance to become a role model for other institutions

The first mission statement emphasizes BPK's mandate as stated in Law No. 15 of 2006 on The Audit Board that BPK is a state institution that audits state financial management and accountability in a free and independent manner. BPK audits include financial audits, performance audits, and special purpose audits. BPK audit results are expected to be beneficial for its stakeholders in relation to the state financial management and accountability. To maintain the quality and benefits of audit results, BPK is committed to implement its core values as code of ethics, as well as audit standards and guidelines. Products generated by BPK include Audit Reports (LHP), Semi-Annual Summary of Audit Reports (IHPS), Monitoring of Follow-Up Actions on Audit Results, Calculation of State Losses, Outcomes from Settlement of State/Regional Losses, BPK Viewpoints, Expert Testimony, Advice regarding Settlement of State/Regional Losses, Advice regarding Government Accounting Standards (SAP/*Standar Akuntansi Pemerintah*), Advice regarding Government Internal Control System (SPIP/*Sistem Pengendalian Internal Pemerintah*), and BPK Evaluation on audits performed by public accountants, on behalf of BPK. These BPK products include recommendations, viewpoints, and advice with insight and/or foresight that describe the impacts of audit on improving the quality of good state financial governance. BPK's expectation to also improve its organization maturity does not remove the oversight role of BPK to prevent misappropriation and misuse of state funds.

The second mission statement emphasizes BPK's role to promote corruption prevention and to improve accountability, efficiency, and effectiveness of state/regional loss settlements. Corruption harms state finance and violates

public rights so it must be stopped and eradicated. To do so, BPK is optimizing its role through audits by giving recommendations to the audited entities to improve their Internal Control System and to increase their compliance with the laws and regulations. Follow-up actions toward the abovementioned recommendations can prevent any violation of law or any illegal actions resulting in state financial losses. This is in line with BPK's authority to assess and/or determine the amount of state/regional losses as well as to monitor the settlement of the losses incurred by treasurers, BUMN/BUMD management and other agencies or bodies that manage state funds. BPK also monitors the settlement of state/regional losses involving non-treasurer civil servants and other officials, as well as the relevant final and binding court decisions.

The third mission statement emphasizes on improving transparency and accountability of BPK's organizational governance through bureaucratic reform agenda to actualizing good governance. This is carried out by optimizing the organization's resources management, which consists of human capital, information capital, and financial capital. As an audit institution that aspires to become an active player in the continuous improvement of the quality of state financial management, BPK should become a role model for other institutions, both governmental and non-governmental institutions, as well as for supreme institutions in other countries, in state financial management.

C. BPK Core Values

The development of Vision and Missions in BPK Strategic Plan 2020–2024 is based on the core values in the implementation of BPK's duties and



All BPK employees shall continue to uphold the core values of BPK RI i.e. Independence, Integrity, and Professionalism.

responsibilities. All BPK employees shall always uphold the core values of:

1. Independence

The value of independence is constantly upheld in the performance of duties and responsibilities at the institutional, organizational, and individual level. In carrying out every audit engagement, each personnel mentality and attitude must be free from personal, external, and/or organizational impairments to independence.

2. Integrity

The value of integrity is built by putting forward an honest, objective, and assertive attitude in upholding principles, values, and decisions.

3. Professionalism

The value of professionalism is developed by applying the principles of prudence, diligence, and thoroughness, as well as by following the applicable standards.

D. Goal

BPK plays a strategic role through its audits in overseeing state financial management so that national development programs can achieve state objectives. Audit on state finance will provide reasonable assurance towards the audit objects. The audit process covers planning, field work, reporting, and monitoring of follow-up actions on audit results. Audits are carried out to support good state financial management through

reasonable assurance that the state financial management and accountability are already in line with the provisions of the laws and regulations and/or good governance principles.

BPK's strategic role in performing state finance audits in 2020–2024 is elaborated in the vision and missions outlined in BPK Strategic Plan 2020–2024. To ensure that these vision and missions are achieved and implemented, BPK has set the following objective.

BPK OBJECTIVE 2020–2024

Improved quality and benefit of state financial governance

This objective carries along with it a zeal that the fulfillment of mandate to perform audit on state financial management and accountability should bring positive impact for the stakeholders. BPK audit results must lead to improve quality and benefit of state financial governance. Such improvement can be demonstrated through, among others, standardized and regulatory-compliant management, availability of adequate internal control system to manage state budget, achievement of the organization's objectives and outputs in an efficient and effective manner, and that accountability report is adequately presented in accordance with the standards. Thus, state finance can be used to implement government development programs that are beneficial for the public.

E. Strategic Goal

To achieve its vision, missions, and objective, BPK has set its Strategic Goal for 2020–2024 as follows.

BPK STRATEGIC GOAL 2020–2024

Increased use of recommendations, viewpoints, and advice on state financial management and accountability, as well as the settlement of state losses, supported by high-performing organizational governance

Strategic Goal is a condition that shall be achieved in real terms by BPK as reflected in the successful programs and activities of the organization. Audit results that cover recommendations, viewpoints, advice, and settlement of state losses are the outputs of technical programs which make up BPK's main products. Furthermore, BPK is also committed to maintain its organizational governance to become a high-performing organization resulting from the generic programs that support the audits.

With its Strategic Goal, BPK wants to ensure that audited entities and stakeholders are using the audit results. The use of audit results by an entity means that BPK audit results have played an active role in improving state financial management and accountability, hence the audit results can bring impact to all stakeholders.

BPK also wishes to play an active role in stepping up the settlement of state/regional losses incurred by treasurers, BUMN/BUMD management, and management of other bodies/agencies that manage state funds. Improved quality and benefit of such settlements shall be indicated by the amount of state losses that can be recovered.

By increasing utilization of its recommendations, viewpoints, and advice on state financial management and accountability, as well as on the settlement of state losses, BPK ensures that a good government governance is in place. This



BPK's active role in auditing road infrastructure development.

is essential to ensure synergy in the government, by maintaining a constructive collaboration between institutions, state agencies, the private sector, and the general public. Improved quality and benefit of a clean, accountable, and high-performing *organizational governance* is demonstrated by a bureaucratic reform that is in place. Areas of change targeted in the bureaucratic reform are organization, governance, laws and regulations, human resources, supervision, accountability, public service, mindset, and culture set.

To measure whether the Strategic Goal of *“Increased use of recommendations, viewpoints, and advice on state financial management and*

accountability, as well as state loss settlement supported by high-performing organizational governance” is successful, BPK has set the following indicators: (1) level of state financial governance quality and benefit based on BPK audit results; (2) stakeholders’ satisfaction index on the benefit of audit results; and (3) quality assurance score on bureaucratic reform.

Strategic Goal puts into operation what the Vision, Missions, and Objective aim to achieve. To achieve the Strategic Goal, BPK formulates policy directions and strategies. A visualization of the relationships between Vision, Missions, Objective, Strategic Goal, Policy Directions, and Strategies is shown in the following figure.

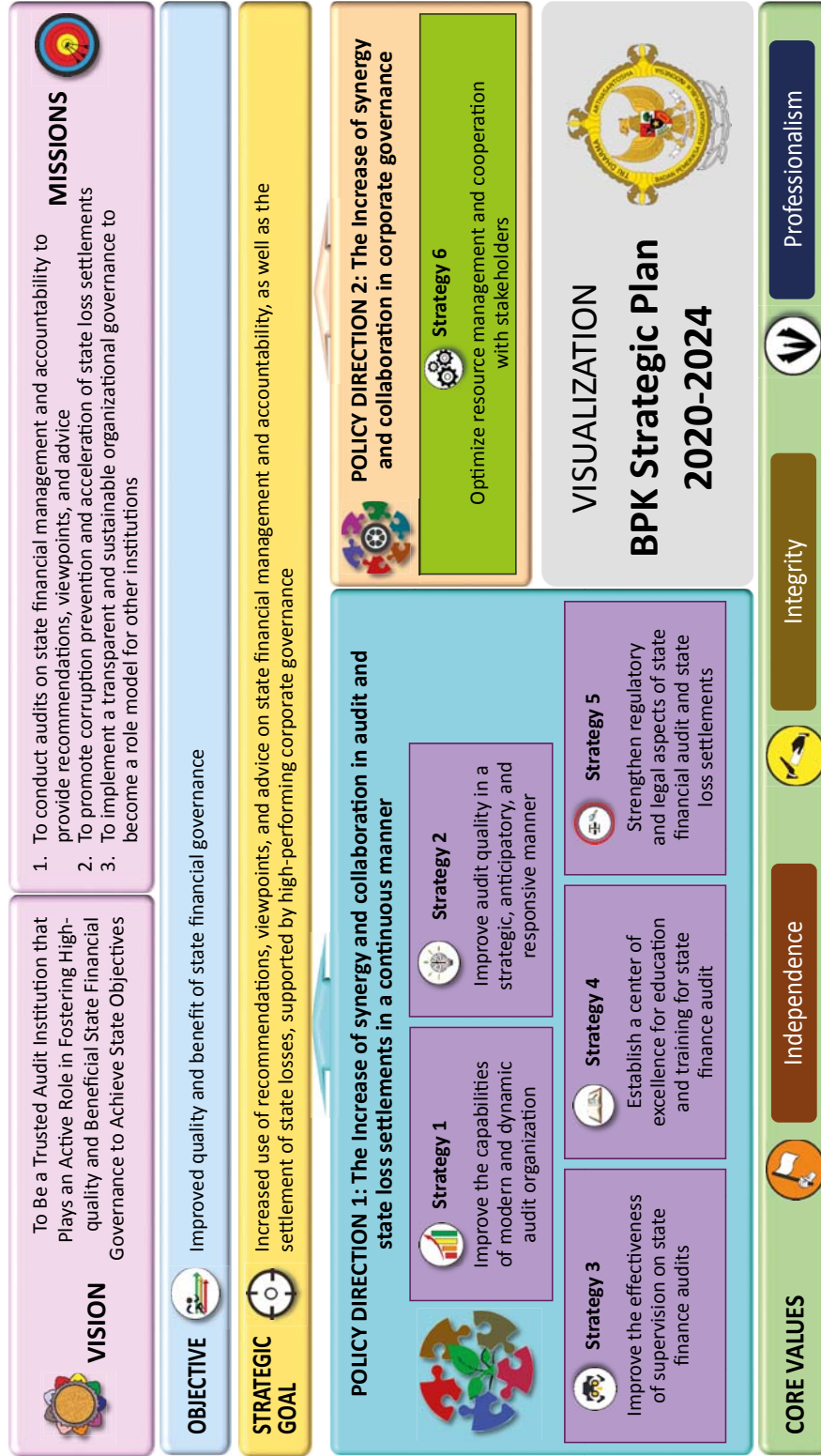


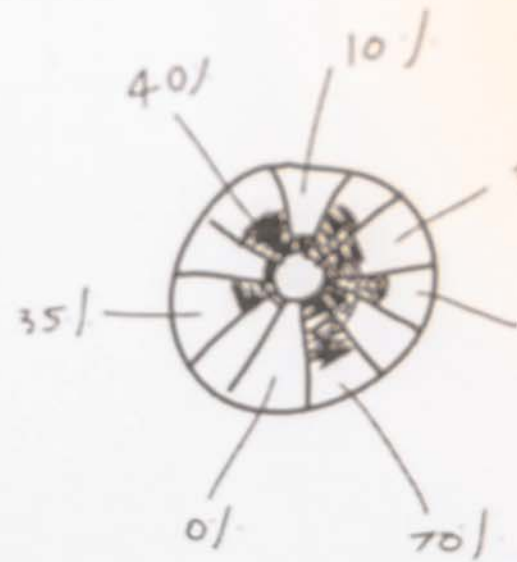
Figure 12. Visualization of BPK Strategic Plan 2020–2024

Success



CHAPTER III

- POLICY DIRECTIONS
- STRATEGIES
- REGULATORY FRAMEWORK
- INSTITUTIONAL FRAMEWORK



Target

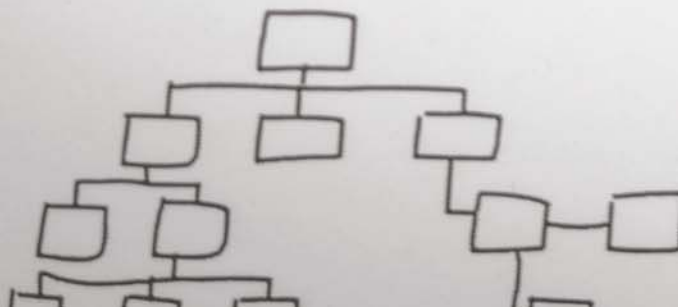


Production

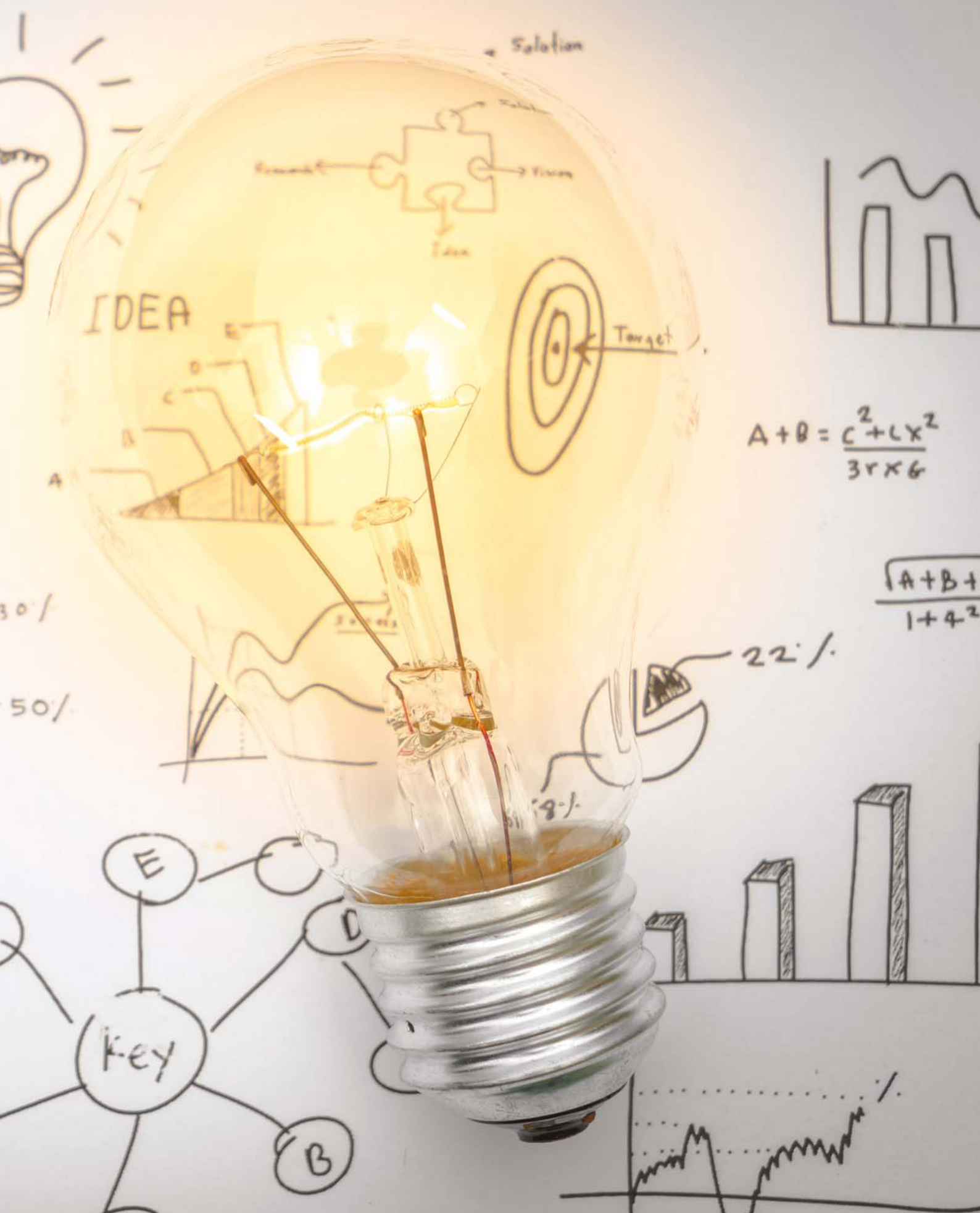


70%

10%



6



Solution

IDEA

Target

$$A+B = \frac{C^2 + CX^2}{3 \times 6}$$

$$\frac{\sqrt{A+B+1}}{1+4^2}$$

22%

E

D

Key

B

To bring about its vision, missions, and strategic goal, BPK formulates its policy directions, strategies, regulatory framework, and institutional framework. BPK policy directions and strategies indicate relationship between programs and hierarchical alignment of activities that will be carried out to ensure that program targets are achieved. A regulatory framework is a plan to draw up regulations to facilitate, foster, and support the realization of BPK vision and missions. An institutional framework is a plan to meet the required organizational functions and structures to improve BPK's performance.

A. BPK Policy Directions and Strategies

Policy directions and strategies are needed to support the achievement of BPK's strategic goal and objective. BPK Strategic Plan 2020–2024 has outlined two policy directions as follows.

1. The Increase of Synergy and Collaboration in Audit and State Loss Settlements in a Continuous Manner

To bring about its vision to become a state institution that plays a trusted and active role in realizing high-quality state financial governance to achieve state objectives, BPK's first policy direction puts the emphasis on improving synergy and collaboration in audits and settlements of state losses in a continuous manner. There are five strategies to be carried out to support this policy direction, detailed as follows.

Strategy 1 – Improve the Capabilities of Modern and Dynamic Audit Organization

This is BPK's strategy to improve its organizational capability and agility as government external audit institution through integrated planning, research,

and development, as well as evaluation and reporting, by taking into account technological development and changes in the internal and external environment of the organization, both at the national and global level.

By implementing this strategy, BPK shall improve and enhance the organization capacity from its current condition. The current condition identified for this strategy is the result of SAI PMF self-assessment in Domain B (Internal Governance and Ethics) and Domain C (Audit Quality and Reporting) that takes into account BPK's strengths, weaknesses, opportunities, and challenges. SAI PMF indicators that are relevant to this strategy include SAI-3 Strategic Planning Cycle, SAI-5 Audit by External Parties, SAI-6 Leadership and Internal Communication, SAI-7 Comprehensive Audit Planning, SAI-8 Audit Scope, SAI-12 Performance Audit Standards and Quality Management, SAI-13 Performance Audit Process, and SAI-14 Performance Audit Result.

Some current conditions that require attention are, among others:

- a. The strategic and operational planning processes have been carried out effectively and have considered stakeholders' needs and expectations. However, the effectiveness of capacity building process in change management and knowledge management, as well as participation in the strategic planning and audit policies preparation process should be improved;
- b. The management systems of organizational performance and individual performance are not yet integrated;
- c. The capacity of human resources in risk management is inadequate;



BPK Chair and other senior officials to open BPK RI Coordination Meeting.

- d. The quality of proposed viewpoints are varied so not all of them can be immediately used as BPK's Viewpoints;
 - e. The preparation of Summary of Audit Reports (IHP) has not yet fully utilized the information system;
 - f. Advice regarding Government Accounting Standards (SAP) have not always been provided to the Government Accounting Standards Committee (*Komite Standar Akuntansi Pemerintahan*) in a timely manner;
 - g. Implementation of knowledge management is less than optimal;
 - h. The use of audit tools and research are less than optimal because BPK has not disseminated all primary audit methodologies, such as implementation guidelines (*juklak*)/ technical guidelines (*juknis*) to all auditors and support units;
 - i. Evaluation on audit reporting has not yet been fully utilized to improve BPK's audit quality.
- Implementation of Strategy 1 is intended to achieve several expected conditions in BPK Strategic Plan 2020–2024. Some of the expected conditions are: (i) implemented comprehensive audit policies and institutional development have been implemented and supported by sustainable knowledge management and change management; (ii) improved organizational performance that is integrated with productive performance of individual linked with fair and competitive rewards; (iii) improved BPK reputation

through the application of risk management which fosters increased added value of the organization, protects core values, and ensures the achievement of organizational objective; (iv) increased number of strategic viewpoints from BPK that provide insight and foresight; (v) Stakeholders actively use the Summary of Audit reports (IHP) in decision making in accordance with their duties and authorities; (vi) BPK's advice regarding Government Accounting Standards (SAP) and Government Internal Control System (SPIP) is provided in a timely manner, thus improving its usefulness in the development and improvement of SAP and SPIP; (vii) BPK as a learning organization through a culture of sharing knowledge and best practices, which are then compiled as the organization's knowledge assets to improve continuous development; (viii) high-quality audit results and good organizational governance based on complete standards and audit tools (guidance/implementation guidelines/technical guidelines/manuals/Standard

Operating Procedures), in line with international best practices, that fulfill users' needs; (ix) increased BPK's contributions at the national and international levels to internalize and externalize audit methodologies and State Financial Audit Standards (SPKN) in line with the best practices; and (x) evaluation on audit results can be used to improve the quality of BPK audit reports.

To bring about the expected conditions, BPK plans a number of activities as follows.

- a. Improve synergy and collaboration with internal and external parties during the strategic plan preparation process, as well as improve organizational capabilities in knowledge management and change management through strategic communication to implement the strategic plan. In carrying out these activities, BPK shall strengthen the audit strategy planning through synergy with government development agency;



Ensuring the state's rights in the management of forest resources.

- b. Build a management system for organizational performance and individual performance based on information and communication technology that is compatible with the merit system. BPK will prepare a performance-oriented planning that reflects the objectives to be achieved by the organization until the cascading process down to each individual employee;
- c. Build risk management tools, organizational capacity, integration with the organization's business processes, and a risk-aware culture.

Risk management is a process of mitigating and exploiting the risks of an organization to an acceptable/expected level in accordance with the organization's goals. Risk management implementation that was initiated through a BPK policy during the previous strategic planning period needs to be refined continuously. The current level of risk management should be measure to gauge its maturity. Overall, there are five maturity levels in risk management, i.e.

- 1) **Level 1 Ad hoc.** Implementation depends on individual personnel;
- 2) **Level 2 Preliminary.** Risks are defined in different ways; managed in silos;
- 3) **Level 3 Defined.** Does the semblance of order start to emerge? The leadership is mindful of the risks for the organization; mitigation plan prioritizes higher-level risks;
- 4) **Level 4 Integrated.** The organization's risk management activities are coordinated throughout the entire business process; use of risk management tools, monitoring of the organization's overall risk, measurement and reporting are standardized;

- 5) **Level 5 Optimized.** Risks are integrated into strategic planning, funding, and daily decision-making. An early warning system lets the leadership or risk owner know whenever risks are above the prescribed threshold (risk tolerance).

Gauging the maturity level of risk management will enable identification of the organization's strengths and weaknesses, which can then be used to improve governance and risk management through, among others, development of risk management tools, capacity building of personnel, integration with the organization's business process, and a risk-aware culture at BPK;

- d. Formulate strategic themes to serve as the guidance for audit work units in preparing proposed BPK viewpoints;
- e. Improve and optimize the mechanisms and utilize information system in preparing the Summary of Audit Reports (IHP). Continuity in improving audit evaluation and reporting supports the increase of its quality by implementing single database mechanism within BPK. Such single database can be supported through the use of integrated IT that is and in line with the Electronic-Based Government System (SPBE/*Sistem Pemerintahan Berbasis Elektronik*) or e-Government;
- f. Accelerate the process in formulating advice for every proposal to improve and develop SAP and SPIP. BPK provides important references by developing high-quality research;
- g. Build a complete and accessible knowledge database related to audit, research, best

practices, and public policies. A culture of sharing which has started in the previous strategic plan period will continue to be developed in the current strategic plan period. The ease of access to knowledge and how well a culture of sharing is run will show the maturity level of knowledge management in identifying how data, information, and knowledge are managed in BPK. According to the American Productivity and Quality Center, there are 5 (five) maturity levels of knowledge management, i.e., initiate, develop, standardize, optimize, and innovate. Each maturity level of knowledge management has the following characteristics.

- 1) **Initiate:** growing awareness of the importance of knowledge management;
 - 2) **Develop:** knowledge management practices that are localized and repeated;
 - 3) **Standardize:** knowledge management methods and processes are commonly used;
 - 4) **Optimize:** knowledge management processes are measured and adaptive;
 - 5) **Innovate:** continuously improved knowledge management processes.
- h. Update knowledge regarding developments of standards, audit guidelines, and international best practices to develop audit tools to meet BPK's internal and external needs to be more adaptive, agile, and IT-based. These activities will be supported by public relations and international cooperation activities which provide some channels between BPK and the stakeholders, especially international institutions;
- i. Improve and develop methodologies and research in line with the best practices that support audit and institutional policies. In this activity, BPK shall internalize international best practices (adopting international audit tools or best practices into BPK's organization) and externalize them in accordance with BPK's internal experiences (promoting BPK's audit tools and best practices to the international community) as reference for other institutions. Internalization is carried out by, among others, (1) updating the knowledge about international audit guidelines, such as ISSAI, (2) identifying the needs to develop BPK audit guidelines, (3) identifying international audit guidelines, or practices is in line with BPK's needs, and (4) adopting them into BPK's audit guidelines. Externalization is carried out by, among others, (1) updating the knowledge about international audit guidelines, such as ISSAI, (2) identifying BPK's audit guidelines, or practices that could be implemented in other countries and have not yet to be a part of the internationally-recognized audit guidelines, and (3) promoting BPK's practices and audit guidelines, to the international community;
- j. Prepare policies on and make improvements about/regarding the evaluation process on BPK audit reporting;
- k. Enhance the response to audit environment impacted by COVID-19 by formulating audit policy proposals, benchmarking audit policies with the applicable best practices from international and national organizations, preparing more applicable audit guidance improving business processes and audit guidelines, to be more effective and adaptive against the dynamics of global change, implementing virtual communication and coordination to increase



The Summary of Audit Reports (IHPS) Semester II 2019 tabled to the President.

the effectiveness of audit evaluation and reporting, and other dynamic activities. Furthermore, BPK shall prepare operational models and recalculate the required resources to adjust to the new situation after the COVID-19 pandemic.

The success in achieving Strategy 1 can be measured from the following indicators: (a) satisfaction level on planning integration; (b) maturity level of knowledge management; (c) maturity level of risk management; (d) maturity level of change management; (e) completion rate of BPK viewpoints; (f) stakeholders' satisfaction index on the Summary of Audit Reports (*Ikhtisar Hasil Pemeriksaan*); (g) completion level of advice

on SAP or SPIP; (h) organization quality index; (i) level of applicability of audit tools and for the institutional; (j) quality of BPK audit reporting.

Strategy 2 – Improve Audit Quality in a Strategic, Anticipatory, and Responsive Manner

BPK will look more closely into public issues and policies, taking into account the strategic issues of concern for the public or stakeholders. This is intended to increase organization maturity to the insight and foresight level, as well as reinforcing BPK's role to become the focal point in its contribution to oversee the implementation of the 2020–2024 RPJMN and the implementation of SDGs as international agenda.

To achieve this, BPK needs to improve its audit quality as mandated, meet stakeholders' request and conduct audits that take into account the public issues in a strategic, anticipatory, and responsive manner. BPK audit strategies are strategic in nature because they take into account the thematic, holistic, integrated, and spatial elements that characterize the national development agenda as outlined in the 2020–2024 RPJMN. Taking into account those elements, BPK will be able to carry out its audits comprehensively, starting from planning, field work, and evaluation in all relevant ministries/agencies by optimizing all work units within BPK in line with their respective authorities and portfolios. This will result in higher quality audit recommendations and viewpoints, as well as having significant impact in helping the government to improve in the future.

The strategic audits are characterized as:

- a. Thematic – Related to specific themes. BPK aligns the themes of audits with the development agenda and extraordinary events, including national and global crisis and disaster, such as the COVID-19 pandemic, so that BPK audit results would be more actual and optimum in overseeing strategic Government programs, thus providing the largest benefit for the public.
- b. Holistic – Comprehensive, from planning to evaluation. BPK audits shall be performed in a holistic manner, starting from planning up to monitoring and evaluation, by looking into the implementation of all development priorities in alignment with the SDG principle of “no one left behind”. Holistic audits will also make it easier for BPK to identify root causes of the problems and to provide more comprehensive

recommendations to stakeholders for future improvements.

- c. Integrated – Integrated across sectors, internally and externally. BPK audits shall assess and evaluate Government policies in an integrated manner in all ministries/agencies across different sectors, thus requiring synergy of all resources in BPK that is in line with the their respective portfolios. Synergy between work units can be optimized by, among others, utilizing big data analytics and automating audit business processes using various applications. Thus, the audit conclusions and recommendations from BPK will cover all ministries/agencies that play a part in the audited policies/programs.
- d. Spatial – Taking into account the spatial aspect and the location of policy/program implementation. BPK audits shall take into account the spatial aspect of where policies/programs are implemented to ensure that those policies/programs would be successful in each area.

BPK audits have the character of being anticipatory by way of capturing/auditing an issue before that particular issue grows into a concern. Thus, BPK can play its role to anticipate the impacts of a government policy and to predict the risks that will arise in the medium/long term. Furthermore, BPK must also be responsive to the strategic issues that emerge in both national and international environment, as well as consider stakeholders' requests while still maintaining BPK independence.

BPK audits are also responsive in capturing strategic issues and requests from stakeholders. As an independent audit institution, BPK has the freedom and independence in planning, conducting, and reporting the results of an audit.

However, BPK can also carry out audits based on requests from representative bodies, conduct investigative audits, calculate state losses, and provide expert testimony based on requests from Law Enforcement Agencies or other stakeholders. Going forward, BPK will be more responsive to capture strategic issues that emerge in the public and to follow up the stakeholders' requests for audit and investigation to accelerate the realization of clean, transparent, and corruption-free financial management.

According to the mandate enshrined in Article 23 E, Article 23 F, and Article 23 G of the 1945 Constitution, BPK shall carry out audits on 86 Ministries/Agencies, 542 Regional Governments, and 115 SOEs/BUMN (not counting the subsidiaries). Such a large number of entities to be audited poses a challenge as BPK only has 4,059 auditors. Therefore, to ensure that audit quality can be maintained at the desired level, BPK would

set a standard of audit man-days which will be calculated according to each auditor's work load, by taking into account the complexity of the audited entity and the available resources. The more complex an audit entity, the more resources will be needed to carry out the audit. The application of the man-day standard will have an impact on BPK's audit management, audit report as the output, and distribution arrangement of BPK auditors among work units.

All BPK audit activities in the future, it financial, performance, or special purpose audits, will use more of big data analytics and Risk-Based Audit (RBA). Under the RBA approach, auditors determine the audit focus by identifying higher-risk audit areas due to inherent risk and control risk. The use of RBA in audits would increase the auditors' performance as they can carry out their duties more effectively, efficiently, and focused on higher-risk areas.



BPK audits shall be performed in a holistic manner to maintain alignment with the SDG principle of "no one left behind".

Audit strategies will be implemented in BPK audits with the following details.

a. Implementation of Mandated Audits

BPK has the mandate to conduct audits on, among others, Financial Statements of the Government, Financial Services Authority (*Otoritas Jasa Keuangan*), the Central Bank (*Bank Indonesia*), and Indonesia Deposit Insurance Corporation (*Lembaga Penjamin Simpanan*). BPK also has the mandate to conduct audits on accountability reports of financial support received by political parties as governed by Law No. 2 of 2011 on Political Party, conduct audits on the accountability of the printing, issuance, and disposal of rupiah bank notes in line with Law No. 7 of 2011 on Currency, conduct audits on financial accountability of General Election administration by the General Election Commission (KPU) in line with Article 14 and Article 20 of Law No. 7 of 2017 on General Election, and act as an external supervisor for the management of hajj and small hajj pilgrimages as mandated in Law No. 8 of 2019 on Hajj and Small Hajj Management.

In carrying out these mandates, BPK needs to prepare its strategies and allocate adequate resources to allow some anticipate and react to the strategic issues that might develop during the audit. BPK also needs to prepare strategies to anticipate additional audit mandates besides its current mandates. Such strategies are needed to ensure that all mandated audit entities can be audited in line with the prescribed standards and the stipulated time frame.

b. Implementation of Thematic Audits

In BPK Strategic Plan 2020–2024, BPK’s role in achieving state objectives through audits

will continue to be enhanced. As better audit opinions are expressed for the financial statements of central government and regional governments, BPK can focus more on thematic audits to assess and encourage improvements in government development programs.

One of the efforts BPK will make to assess and encourage improvements in government development programs is to align BPK audit themes with development agenda as focused in the 2020–2024 National/Regional Medium Term Development Plan (RPJMN/RPJMD), taking into account the implementation of SDGs agenda for each of the development agenda. In auditing SDGs, BPK applies the guidelines of IDI’s SDGs Audit Model (ISAM) that was drawn up based on ISSAI.

Themes alignment for national thematic audits shall be focused on issues of common concern (focal point) among stakeholders, and issues that cut across different work units to enhance synergy and collaboration between work units within BPK to generate more comprehensive recommendations, viewpoints, or advice as illustrated in the following figure 13.

As the figure shows, alignment of BPK audit themes with 2020–2024 RPJMN/RPJMD will be carried out through national/local thematic audits and other significant audits. Based on the 2020–2024 RPJMN, there are 7 (seven) national development agenda with details as follows:

- 1) The economic resilience strengthening agenda has a number of targets, i.e., first, improved support capacity and economic resources quality as the means to sustainable economic development. The first target will be achieved through:

(a) meeting energy needs by prioritizing New and Renewable Energy (EBT); (b) increasing water quantity/availability to support economic growth; (c) increasing the availability of, access to, and quality of food consumption; and (d) improving maritime and marine management. The second target is improved added value, employment, export, and economic competitiveness, which covers: (a) strengthening entrepreneurship and Micro, Small, and Medium Enterprises; (b) increasing added value, employment, and investments in the real sector, and industrialization; (c) increasing highly value-added exports and strengthening the Level of Domestic Content; and (d)

strengthening growth pillars and economic competitiveness.

2) The regional development agenda is intended to improve economic growth and fulfil basic services by taking into account harmonization between development plans and spatial use. The targets are: (a) improved equitable development across regions (between western and eastern Indonesia, and between Java and outside Java); (b) improved competitive advantage of regional growth centers; (c) improved quality and access to basic services, competitiveness, and regional self-sufficiency; and (d) improved synergy on spatial use and area utilization.

National Development Agenda and Audit Strategies for the BPK's Strategic Plan 2020-2024

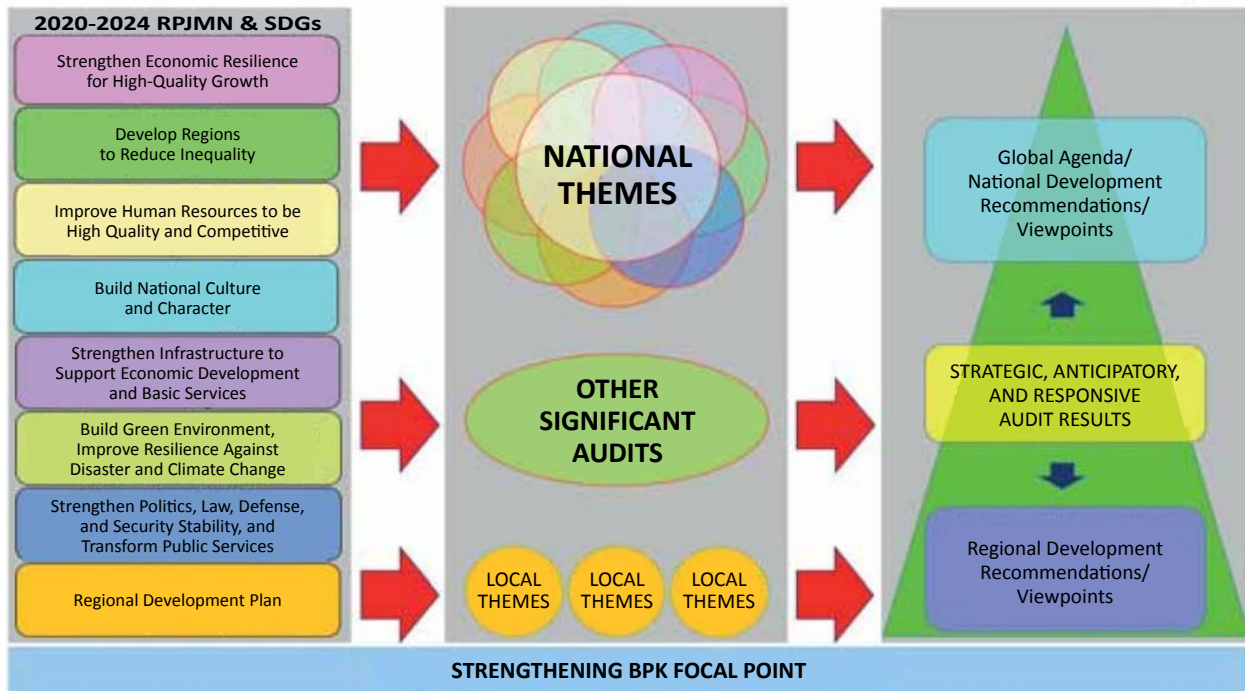


Figure 13. Rationale for Audit Strategy in BPK Strategic Plan 2020-2024



Audit on the seaworthiness of maritime highway pioneer ships as a form of support for cross-sector and cross-regional development.

- 3) The human resources development agenda is carried out to increase the quality and competitiveness of human resources, i.e., human resources that are healthy and smart, adaptable, innovative, skilled, and have good characters. This agenda is targeting: (a) population control and strengthened population administration; (b) improved social protection for all residents; (c) delivery of basic services; (d) improved quality of children, women, and youths; (e) reduced poverty; and (f) increased productivity and competitiveness.
- 4) The “mental revolution” and cultural development agenda is intended to bring about a nation-state that is advanced, modern, superior, competitive, and able to compete with other nations. This agenda is targeting: (a) strengthened “mental revolution” and fostering the Pancasila ideology; (b) improved cultural promotion; (c) improved public quality of life and social cohesion; (d) strengthened religious moderation; (e) improved resilience; and (f) increased literacy.
- 5) The infrastructure strengthening agenda is intended to support economic activities and push for equitable national development, which targets: (a) improved national connectivity; (b) increased Information and Communication Technology development index; (c) increased management and utilization of water resources; (d) provision of livable, safe, and affordable housing for households; and (e) fulfillment of the national energy needs.
- 6) The environmental development agenda has the following targets: (a) improved environmental quality; (b) improved

disaster and climate resilience; and (c) low carbon development.

- 7) The political stability, law, defense and security strengthening and public service transformation agenda indicate the presence of the state to protect and provide security to the whole nation and to provide high-quality public services to all citizens. This agenda is targeting: (a) realization of democracy consolidation; (b) realization of bureaucratic and governance reform; (c) optimization of foreign policy; and (d) national law enforcement.

To accelerate the achievement of the above mentioned development agenda, the government has also mainstreamed and adapted the SDGs agenda into the 2020–2024 RPJMN. Six innovative approaches are being mainstreamed to function as catalyst for equitable and adaptive national development. The six mainstreamed approaches are: gender, good governance, sustainable development, disaster and climate change, social and cultural capital, and digital transformation.

The government has also prepared Strategic Priority Projects, which are Major Projects with strategic value and high leverage to achieve development priority targets. These Strategic Priority Projects are developed to make RPJMN more concrete in addressing development issues, measurable, and able to provide direct benefits that can be understood and admitted by the public. There are 41 major projects in the 2020–2024 RPJMN which are grouped into projects to promote growth, develop human resources, and strengthen stability and disaster mitigation.

Further, government commitment to adapt SDGs Global Agenda is reflected in the national development agenda within RPJMN and other planning documents, as well as the preparation of implementation mechanism in the form of National Road Map, National Action Plan, and Regional Action Plans.

Based on the national development agenda, mainstreamed approaches, and strategic priority projects in the 2020–2024 RPJMN as well as the SDGs implementation described above, BPK determines the themes and designs the audit strategies in BPK Strategic Plan 2020–2024. The alignment between audit themes and development agenda is expected to increase the benefits/usefulness of BPK audit results in achieving national development objectives.

At the national level, BPK will conduct national thematic audits to be performed once every year to audit one or more national development agenda as outlined in the 2020–2024 RPJMN by involving all BPK audit work units in accordance with their respective portfolios. Successful national thematic audits will require good synergy in auditing, both internal and external, given that implementation of a development program or theme would involve many relevant sectors or parties.

With such synergy, BPK audits are expected to be more holistic that cover major aspects related to the theme, as the audits are conducted jointly with as many relevant audit work units as possible whose portfolio include the entities related to the audit theme, and supported by the use of big data analytics as an information source that is integrated

across sectors. This needs to be done so that audit results, in the form of conclusions, recommendations, and viewpoints provided by BPK can be more accurate and comprehensive to improve development program implementation.

Further, BPK will implement local thematic audits to oversee development and strategic issues at the regional level. Such local thematic audit policy shows BPK's active role in implementing SDGs under the spirit of "no one left behind" for continuous improvements at the regional and local levels. Local thematic audits will be aligned with development programs in regional medium-term development plan (RPJMD) and strategic issues of concern for people in the region. Results from local thematic audits are expected to provide benefits in resolving local issues and achieving regional development goals.

Local thematic audits may involve one or more BPK Representative Offices to work on local issues at a regional scope or national scope. Each BPK Representative Office is targeted to conduct at least one local thematic audit in the period of BPK Strategic Plan 2020–2024. Local themes of local thematic audit will be determined in accordance with the Government priority programs for each year throughout the period of BPK Strategic Plan 2020–2024.

Furthermore, BPK also anticipates changing situations and conditions during the strategic planning period, as well as other strategic issues of growing concern to, by accommodating other significant audits. Such audits can be carried out thematically at the national or local level, taking into account the

sufficiency of available resources and budget capacity. In the context of responding to the COVID-19 pandemic, BPK can carry out a Thematic Audit on the COVID-19 Pandemic handling in a comprehensive manner to look at how the pandemic is handled as well as the governance aspect in addressing the pandemic's impacts, including the National Economic Recovery program, refocusing and reallocating the government budget, as well as the governance in the discharge of government duties during post pandemic period.

c. Investigative Audits and Audits Requested by Stakeholders

BPK will develop a center for state financial forensics as a proactive and responsive effort to prevent and eradicate corruption. This will be developed by utilizing the main functions and supporting functions of BPK investigative work unit. The main functions cover forensic analysis, investigative audit, calculation of state loss, and expert testimony. To support the main functions, BPK will develop a certified digital forensic laboratory that can be used internally and externally, develop a forensics knowledge management center as a facility to share knowledge, experience, and data related to state financial management irregularities, as well as improve forensic consultation role to provide inputs for other work units.

Improving the capacity and capability of investigative audit should be supported by increasing the synergy between BPK and Law Enforcement Agencies when responding to requests for investigative audit on state financial management and accountability, calculation of state/regional losses, and expert testimony provided



BPK shall align the themes of audits with the development agenda, thus providing the largest benefit for the public.

for Law Enforcement Agencies to support corruption prevention as specified in BPK missions.

In addition to the investigative audits, BPK also needs to respond to audit requests from stakeholders (on call). Such audit requests may come from the legislative, law enforcement agencies, or the public in relation to emerging problems or issues of concern. Upon receiving such request, BPK should independently determine the priority of which audit requests would be followed up by considering the significance of its impact,

availability of resources, and alignment with BPK mandate.

d. **Follow-Up Actions on Audit Recommendations and Audit on the Follow-Up Actions**

The effectiveness of follow-up actions on BPK audit result recommendations is a proof that BPK audit quality is beneficial in making improvement. Follow-up actions are also a form of appreciation shown by audited entities, so that recommendations are regarded as one of the drivers in improving state financial management.

The Developments in the organization's internal and external environment show the strategic issues concerning follow-up on audit recommendations that would require attention, as follows.

- 1) commitment and active role of Heads of Work Units to increase the completed follow-up actions on audit recommendations (TLRHP);
- 2) accuracy of TLRHP database;
- 3) level of IT utilization, such as the Audit Management System (SMP/*Sistem Manajemen Pemeriksaan*) and monitoring on Follow-Up Actions System (SiPTL/*Sistem Pemantauan Tindak Lanjut*), needs to be optimized;
- 4) guidelines and/or manuals that support the monitoring of follow-up actions on audit recommendation should be adjusted to current developments;
- 5) enhancements on mechanisms in managing confidential audit reports to representative bodies;
- 6) integration of BPK information system; and
- 7) the development of organizational culture.

Efforts to increase the effectiveness of follow-up actions on audit result recommendations should also be carried out through audits on such follow-up actions. This will be useful to: (i) accelerate the actions on follow up BPK audit recommendations; (ii) measure the impacts of follow-up actions on BPK recommendations; (iii) identify problems in the process of follow-up actions; and (iv) adjust recommendations to be aligned with the latest developments and can be followed up by audited entities.

e. Contracting out the Publik Audit Firms in Financial Audit

BPK has an extensive scope of audited entities that include the central government, regional governments, and SOEs (BUMN/BUMD). This is a challenge for BPK due to its limited availability of human resources. Furthermore, the policies and development directions of BPK are aimed at becoming an organization with insight and foresight, so BPK shall collaborate with experts and professionals to carry out audits for and on behalf of BPK. This is in line with BPK's authority based on Law No. 15 of 2004 on Audit on State Financial Management and Accountability and Law No. 15 of 2006 on the Audit Board that stipulates the use of experts and/or auditors from external Parties to work for and on behalf of BPK.

BPK started to engage Public Accounting Firms in 2012 to perform audits for and on behalf of BPK on the financial statements of central government/regional governments. The use of Public Accounting Firms continues in the 2016 to 2019 period as detailed in figure 14.

The figure shows that except for 2017, the number of entities whose financial statements are audited by Public Accounting Firms continues to increase. The latest number for 2019 shows that BPK hired Public Accounting Firms to audit financial statements of 54 entities. The use of Public Accounting Firms will continue to be increased in accordance with BPK's missions towards insight and foresight as outlined in BPK Strategic Plan 2020–2024. In ensuring the quality of Public Accounting Firms, BPK continuously evaluates the requirements for such firms to be registered with BPK.

When Public Accounting Firms are engaged, the quality assurance system is carried out during the planning process and after the audits have been performed. In the planning process, some members of the Public Accounting Firm audit team are required to demonstrate their collective competence as state financial auditors. This is implemented by requiring some of the Public Accounting Firm auditors to be certified as state finance auditors, with certification issued by the Training Body on State Finance Audit (*Badan Diklat PKN*). Additionally, Public Accounting Firm auditors that work for and on behalf of BPK are particularly required to attend a pre-audit engagement training course that equips them with knowledge about the structure of Government Financial Statements and BPK audit methodologies. Upon attending the course, audit results from these Public Accounting Firm auditors are expected to meet the standards and quality that would sufficiently satisfy the stakeholders.

After the audits have been performed for and on behalf of BPK, a quality assurance system will be implemented by assessing the performance of each Public Accounting Firm auditor. The results of such assessment will be used as information in selecting Public Accounting Firm auditors in the following year.

f. Audit Management

BPK prepares an audit management to maintain quality, consistency, and alignment between the audit plan and the audit conclusion. Audit management should be adjusted to prevent conflict of interest in the planning, field work, and reporting stages, respectively.

During the audit planning stage, BPK shall establish strategic decisions, such as audit policy as the basis to prepare an Annual Audit Plan (*RKP/Rencana Kegiatan Pemeriksaan*). Audit policy covers the audit scope in accordance with BPK's mandate, themes, stakeholders' requests, and other significant audits.

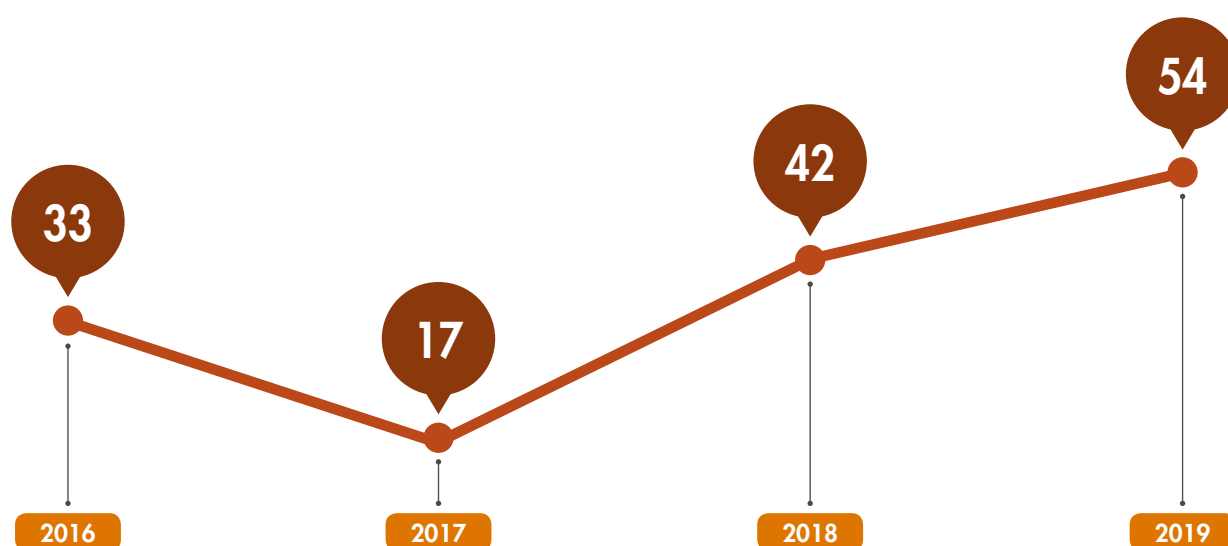


Figure 14. Number of Entities Audited by Public Accounting Firms as of 2019



BPK audits shall take into account the spatial aspect to ensure the success of policies/programs in each region.

In conducting audit as mandated, BPK identifies strategic issues related to the audit object. Furthermore, BPK prepares a strong audit methodology to enhance the quality and enefit of audit results. In performing the audits, BPK shall involve a management process that promotes synergy and collaboration supported by information technology.

in accordance with the national thematic audits, BPK shall set the audit themes and objectives for at least 1 (one) national development agenda each year. Implementation of national thematic audit

shall involve all work units in accordance with their respective portfolios.

Aside from the national themes, BPK shall empower its representative offices' work units to carry out local thematic audits at least once during the strategic plan period. Local thematic audits shall take into account the regional development plan and strategic issues of growing concern in the respective regions.

In the reporting stage, the combined audit reports on the Financial Statements of the Central Government (LKPP), national

themes, and BPK Viewpoints will go through a BPK approval process, and then delivered directly to the Government. Such reporting sequence from Audit Report to BPK Opinion is expected to strengthen BPK focal point on the achievement of state goals. BPK can also play an active role to encourage continuous improvement in the Government to subsequently provide better services for the public.

From the activity description above, BPK outlines the activities to be carried out under BPK audit strategy in the future. These activities will be adjusted to the results of SAI PMF self-assessment and taking into account the organization's strengths, weaknesses, opportunities, and challenges. The relevant SAI PMF includes: Domain B (Internal Governance and Ethics) and Domain C (Audit Quality and Reporting) with indicators that include SAI-3 Strategic Planning Cycle, SAI-4 Organization Control Environment, SAI-5 Audit by External Parties, SAI-6 Leadership and Internal Communication, SAI-7 Comprehensive Audit Planning, SAI-8 Audit Scope, SAI-9 Financial Audit Standards and Quality Management, SAI-10 Financial Audit Process, SAI-11 Financial Audit Result, SAI-12 Performance Audit Standards and Quality Management, SAI-13 Performance Audit Process, SAI-14 Performance Audit Result, SAI-15 Compliance Audit Standards and Quality Management, SAI-16 Compliance Audit Process, and SAI-17 Compliance Audit Result.

Activities under this strategy are, among others:

- a. plan and implement audits as a response to its mandate and stakeholders' expectations, and conduct national/local thematic audits in alignment with RPJMN/RPJMD programs and SDGs, as well as prepare BPK Viewpoints on national/local thematic audits;
- b. increase synergy and collaboration between audit work units and other relevant parties to ensure that audit quality is in accordance with the standards and best practices;
- c. develop regulations, auditors' capacity, technology, and database to use big data analytics in audits;
- d. improve audit quality control and audit quality assurance to ensure applying the standards/best practices consistently at every stage of audit;
- e. being proactive and responsive in the prevention and eradication of corruption;
- f. prepare Specific, Measurable, Achievable, Reliable, and Time-Bound (SMART) recommendations, establish more effective discussions on follow-up action plan for audit recommendations, and optimize Follow-Up Actions Monitoring System (SiPTL);
- g. perform audits on follow-up actions on audit recommendations to assess the impact of audit results on state financial management quality improvements; and
- h. perform audits on state financial management, particularly in response to impacts of COVID-19 on the economic growth and state finances, as well as provide recommendations that are able to anticipate risk of losses due to failure in state financial management when responding to COVID-19, recommendations for post-pandemic fiscal sustainability



On-site, physical checks in the audit of public health facilities are part of BPK's efforts to ensure the quality and access to basic service for the public.

and recovery from budget deficit, and for risk management implementation by the Government. Further, audits will be performed by involving technology that includes, among others, artificial intelligence, cloud computing, paperless documentation, virtual communication and coordination during the audits. This will help to improve business processes in auditing for all three types of audits and improve auditors' competency, particularly those related to information technology..

Activities in the audit strategy above are expected to address several current conditions related to audits that still require some attention from BPK, among others:

- a. the audits need to better respond to strategic/public issues that are of concern of stakeholders;
- b. the audits should be supported with best practices implementation and increased consistency in applying the standards;
- c. audit synergy and collaboration between work units and other relevant parties should be better optimized;
- d. implementation and utilization of big data analytics should be better optimized;
- e. BPK's involvement in corruption eradication needs to be increased to gain public trust;

- f. outcomes concerning completed follow-up actions on audit recommendations remain low; and
- g. there is still no mechanism in place to monitor the impact of audit results.

At the end of the BPK Strategic Plan 2020–2024 period, these conditions are expected to improve, resulting in:

- a. audit results that can respond to strategic issues that are of concern of stakeholders, synergize development across different sectors and areas, and oversee SDGs implementation, as outlined in recommendations and viewpoints that provide insight and foresight;
- b. audits that are high quality and synergized in line with the standards and best practices;
- c. audits that are more effective and supported by the use of big data analytics;
- d. increased stakeholders' trust on BPK's performance in corruption prevention and eradication;
- e. recommendations that are SMART and can be followed up by audited entities, as well as high number of completed follow-up actions; and
- f. stakeholders to acknowledge the impact of audit results.

The success of such audit strategy will be measured using the following indicators: (a) level of audit strategy implementation; (b) percentage of audit recommendations that have been followed up; (c) level of completion the stakeholders' requested audits that have

been completed; (d) utilization level of big data analytics; (e) utilization of audit results; (f) completion level of audit quality control and quality assurance; and (g) utilization of investigation results.

Strategy 3 – Improve the Effectiveness of Supervision on State Finance Audit

Under this strategy, BPK is committed to ensure that supervision on state financial audit can be beneficial in improving audit and institutional quality for all Work Units within BPK. Implementation of this strategy is expected to provide optimum improvement in BPK's organizational performance and corporate governance.

To bring about a more effective supervision on state financial audit, there are several current conditions that BPK should address. BPK identified the current condition based on results of SAI PMF self-assessment in Domain B (Internal Governance and Ethics) for the SAI-4 indicator (Organization Control Environment) by taking into account the organization's strengths, weaknesses, opportunities, and challenges.

Current conditions that require BPK's attention are, among others:

- a. maturity level and the effectiveness of BPK Internal Control System, and the establishment and internalization of Audit Quality Framework still require some improvement;
- b. the mechanism for measuring and implementing BPK core values has not been fully understood. This condition has given rise to various perceptions on the implementation of BPK core values in BPK work units, thus



A flag-raising ceremony at BPK's 73rd Anniversary.

affecting the development and internalization of the culture of integrity, independence, and professionalism at BPK;

- c. the capacity and capability of internal auditors/supervisors have not been fully optimized to deliver results from their supervision that are useful in improving the quality of organizational performance and audit performance;
- d. follow-ups on [internal] audit/supervision results have not been optimized, affecting improvement in the quality of audit performance and institutional performance;
- e. improvements in the evaluation of the Public Accounting Firm's audit report on BPK's

Financial Statements prior to being tabled to the House of Representatives (DPR), as well as utilization and follow-up actions on the results of peer review to improve the performance of work units, have been less than optimal;

- f. less than optimal capability in conducting self-assessment on BPK's performance. BPK takes part in international activities, in which one of those activities is conducting peer review on other SAIs, and thus BPK needs to continuously increase its capacity in accordance with international best practices; and
- g. less than optimal utilization of [internal] audit/supervision results on audit performance

and institutional performance as continuous improvement on the quality of corporate governance.

The success of this strategy shall be reflected when BPK is able to achieve its expected conditions in the future. The expected conditions to be achieved from Strategy 3 implementation are:

- a. the maturity level of BPK's Internal Control System (SPI/*Sistem Pengendalian Internal*) at Level 4 (Managed and Measured), and an audit quality framework that refers to international best practices;
- b. providing mechanisms to measure and implement BPK Core Values that are easier to understand and to apply so as to internalize the culture of integrity, independence, and professionalism;
- c. having internal auditors/supervisors with relevant, adaptive, and IT-based (industry 4.0) competencies with supervisory business processes, so they can provide beneficial outcomes from their supervision to improve the quality of institutional performance and audit performance;
- d. high responsiveness in following up information related to violations of Code of Ethics and/or discipline of State of Civil Servants (*ASN/Aparatur Sipil Negara*);
- e. formulation of SMART recommendations to improve audit performance and institutional quality;
- f. utilization of results from peer review in improving performance at each work unit to provide added value for the organization;

- g. Providing mechanisms to continuously improve the capability in carrying out self-assessment on BPK's performance by taking into account the international best practices; and
- h. establishment of better corporate governance through continuous improvements from the results of supervision on audit performance and institutional performance.

To bring about the expected conditions as described above, BPK plans to undertake the following steps:

- a. Implement and conduct self-evaluation on the application of Internal Control System (SPI) and risk management, and review and validate assessment of SPI maturity level within BPK

Improving the self-evaluation on SPI and risk management that carried out by assessing SPI Maturity and mapping the SPI tools from each business process that is complemented by risk management at BPK, while review on the effectiveness of SPI implementation is to ensure compliance and maturity of SPI within BPK. Furthermore, BPK will validate assessment on SPI maturity level to maintain reliability.

- b. Prepare the measurement mechanisms and activities, and internalize the culture of integrity, independence, and professionalism by applying risk management.

This activity is to ensure that measurement and internalization of core values have taken into account the risk factors that will be encountered as well as mitigations that will be conducted within BPK.

- c. Improve internal auditors /supervisors' capacity and capability to increase the quality of supervision results.

Supervision results that can be used by BPK is a supervision result that has high quality and can provide added value to the organization. One of the ways to do this is by increasing internal supervisors' capacity and capability. Improving internal auditors /supervisors' capacity and capability can be conducted by, among others, preparing audit tools that can support the fulfillment of criteria in 6 (six) key process areas (KPA) on Internal Audit Capability Model (IACM), which include Role and Services of Internal Audit, People Management, Professional Practices, Performance Management and Accountability, Organizational Relationships and Culture, and Governance Structures. These six key process areas must be present and continuously maintained. IACM itself is a framework describing the necessary foundations for effective internal supervision in the public sector. The model framework is built on five progressive levels, which are:

- 1) **Level 1 – Initial.** Not sustained, depend on individual efforts;
- 2) **Level 2 – Infrastructure.** Sustainable and repeated internal audit procedures and practices;
- 3) **Level 3 – Integrated.** Professional practices and internal audit management is uniformly applied;
- 4) **Level 4 – Managed.** Internal audit integrates information from across the organization to develop governance and risk management;
- 5) **Level 5 – Optimizing.** Internal audit learns from inside and outside the organization for continuous improvement.

The levels in IACM start from the lowest Level 1, 2, and up to Level 5. The lower level serves as a foundation for the next level. Each level describes certain characteristics and capabilities of internal audit activities. Furthermore, capacity and capability improvements are also supported by the preparation and establishment of a Quality Assurance System (SPKM/*Sistem Pemerolehan Keyakinan Mutu*) that has been adjusted to BPK's Quality Control System (SPM/*Sistem Pengendalian Mutu*).

- d. Improve the quality in handling violations of discipline and code of ethics by, among others, increasing the effectiveness of Whistle Blowing System (WBS), Graft Control Program (PPG/*Program Pengendalian Gratifikasi*), examination and administration of the Ethics Panel (MKKE/*Majelis Kehormatan Kode Etik*).

Improving the quality in handling violations of discipline and code of ethics is carried out through several activities, among others, examination of violations, coordination with work units and relevant institutions, preparing tools to address violations, monitoring of follow-up actions after examination of violations, and administration of the Ethics Panel (MKKE). To support improving the quality of how violations of discipline and code of ethics are handled, BPK also built and developed Whistle Blowing System (WBS), Graft Control Program (PPG), and a code of ethics. Additionally, BPK has prepared Information System on Disciplinary Violation (*Sistem Informasi Pelanggaran Disiplin*) and Information System on Code of Ethics Violation (*Sistem Informasi Pelanggaran Kode Etik*).



Head of State Financial Audit I monitoring rapid tests administered by the State Intelligence Agency (BIN) for BPK's personnel.

- e. Ensure that the results of audit quality control review and peer review are followed up by the relevant work units by, among others, monitoring the follow-ups and auditing the follow-ups

To ensure that the quality of audit on state financial management and accountability is in line with the standards, BPK quality control system will be reviewed by other audit institution (SAI) from another country which is a member of international financial audit institution. This kind of review is conducted in the form of periodic peer review. To ensure that the peer review results provide benefits

that would add value to the organization, BPK will ensure that the audit quality control review and peer review results will be followed up.

- f. Improve resource capability to conduct self-assessment on BPK's performance, among others, through Government Institution Performance Accountability System (SAKIP/ *Sistem Akuntabilitas Kinerja Instansi Pemerintahan*) and SAI PMF, by preparing audit tools and trainings

BPK is expected to have resources that support self-assessment of BPK's performance in

accordance with international best practices by, among others, undertaking Government Institution Performance Accountability System (SAKIP) and SAI PMF evaluations. Thus, BPK needs to prepare the audit tools and carry out trainings to increase the capability of resources to conduct self-assessment. This activity is useful for self-assessment in BPK and to support the preparation for peer reviewing other country's audit institution.

- g. Improve the role of internal auditors/supervisors as driving agents to increase the quality of corporate governance and the quality of audits

Internal audit/supervision in BPK plays a substantial role in increasing the quality of audits and corporate governance. Activities that can be performed include, among others, providing technical guidance and internal assessment to gain the status as Corruption Free Zone (WBK/*Wilayah Bebas dari Korupsi*) or Clean and Service-Providing Bureaucracy Zone (WBBM/*Wilayah Birokrasi Bersih dan Melayani*), disseminating information concerning supervisory activities, conducting self-assessment on the implementation of Bureaucratic Reform, assessing the Government Institution Performance Accountability System (SAKIP), providing consultation services, audit quality control review, and giving awards on audit reports. Furthermore, internal audit/supervision also participates in activities related to the National Strategy for Corruption Prevention and Eradication as the national policy direction that outlines the corruption prevention focus and targets.

- h. Improve the scope and effectiveness of audit quality assurance

The COVID-19 pandemic has massively increased the use of information technology in audits. Because of this new development, BPK must ensure that the effectiveness of control exercised through IT-based audit application has been sufficient so that the audit scope and the effectiveness of quality assurance can be increased. Therefore, implementation of quality assurance on alternative procedure aspects, acquisition of sufficient audit evidence to support audit reports, and increasing the number of real-time reviews should also utilize information technology through the use of audit application in BPK.

BPK's success in increasing the effectiveness of internal audit/supervision on state financial audits can be measured using the following indicators: (a) maturity level of BPK Internal Control System; (b) effectiveness index for internal supervision implementation; (c) number of work units gaining the status as Corruption Free Zone (WBK) and Clean and Service-Providing Bureaucracy Zone (WBBM); (d) level of enforcement on code of ethics and discipline; (e) level of completed follow-up actions on internal audit/supervision recommendations; and (f) level 4 criteria of Internal Audit Capability Model (IACM) that have been met.

Strategy 4 – Establish a Center of Excellence for Education and Training for State Financial Audit

High-quality education and training in BPK would require support from competent human resources, comprehensive curriculum and learning methods, adequate facilities and infrastructure, and professional education and training management. Education and training are

expected to produce greater benefits as reflected in the facilitation for students' learning process, improved students' competence upon attending the training courses, and implementation in the organization of the lessons learned from the training courses to subsequently improve BPK's performance. BPK is working to create a Center of Excellence in managing education and training, certifying specialist, and accrediting courses on state finance audit courses that would apply internally in BPK and externally at both national and international levels. Such Center of Excellence will produce experts in state finance audit and provide accreditation to other state finance education institutions. In establishing the Center of Excellence, BPK is faced with the following challenges.

- a. Accreditation concerning the organization of education and training courses for state finance audit has not been conducted

This is a particular challenge because in the future, BPK shall organize education, training, and certified courses for state financial audit to meet the internal needs and external demands, such as for government internal supervisors/internal auditors (*APIP/aparat pengawas internal pemerintah*), Public Accounting Firms, and others.

- b. Human resources capacity and capability of facilitators and managers have not been fully sufficient

The lack number of civil servant instructors (*widyaiswara*) will lead to teaching loads that exceed normal capacity to deliver lessons as well as inadequate competence in delivering particular course subjects. This, in turn, will limit the opportunities of the instructors to update their knowledge on audit methodologies and governance matters.



Education and training of Civil Servant Candidates (CPNS) for BPK at Yogyakarta Training Center.

- c. The curriculum, methods, and learning media have yet to be comprehensive and fully integrated with the needs for competence development

At the moment, the curriculum and methods have not fully placed an emphasis on practical exercise. Practice-based (hands-on) learning is possible, but in a proportion that is smaller than transfer of knowledge regarding concepts and theories. As a discipline that is derived from practice, the role of a senior/leader in transferring their knowledge to their juniors is essential.

- d. Planning and management in education and training needs to be improved

BPK will face a constantly growing demand to deliver education and training to meet internal and external needs. Therefore, BPK will rearrange the organizational structure of education and training delivery.

- e. Facilities and infrastructure for education and training have not met the demands

Currently, more facilities and infrastructure are still needed to improve the quality of education and training courses to meet participants' demands.

These conditions are in line with the results of SAI PMF self-assessment, especially in Domain E (Human Resources and Training) for SAI-23 indicator (Training and Professional Development) that BPK's development should be supported by an education and training planning informed by inputs from work units in order to have a comprehensive education and training strategy.

A successful implementation of this strategy is expected to help establish a center of excellence for education and training on state finance audit (PKN/*pemeriksaan keuangan negara*) with the following characteristics.

- a. Satisfaction and trust from stakeholders on education and training processes and results, certification, and accreditation

Satisfaction will be achieved if students admit that their expectations and needs have been met upon their attendance in the courses. Furthermore, to increase trust from stakeholders, BPK encourage that all accredited education and training institutions for state finance audit (PKN) to deliver similar level of satisfaction.

- b. Competent facilitators and a professional management

BPK will ensure that the existing facilitators are qualified to deliver training materials in the education and training organization. Personnel in the education and training organization will follow the applicable administrative rules to ensure the service level would satisfy all parties.

- c. Providing of curriculum, methods, and comprehensive learning media fulfill the required competence development

All teaching and learning aspects in the education and training organization are designed to provide as much knowledge as possible to course participants.

- d. Establishment of an education and training institution that supports the organizational capacity development. Improving the capacity

of the education and training organization is aimed at increasing its efficiency, effectiveness, and responsiveness to support the performance of organization.

- e. Availability of facilities and infrastructure that support education and training processes

Concerning this, BPK shall ensure the availability of tools that can improve the quality of education and training courses to meet stakeholders' expectations.

To bring about the characteristics as described above, BPK should carry out the following steps.

- a. Continuous delivery of education and training courses

Various education and training activities will be carried out continuously throughout 2020–2024 with the following details.

Table 2. Education and Training Activity Plan for 2020–2024

Type of education and training course	Quantity
Functional Auditors Course	115 classes
Human Resources Skills Upgrading Course	985 classes
Technical Course for External Parties	55 classes
Education and Training Certification Course for Public Accountants – Planned	60 classes
Internal Supervisor/Auditor Course	305 classes
Basic Education and Training Course for Civil Servant Candidates	2250 people
Leadership Course	15 classes
Non-Auditor Functional Officers Course	435 people

To support the delivery of education and training courses, BPK will conduct five activities to determine the training plan, 20 activities on education and training information management, and 40 activities on development of instruments and evaluation implementation.

- b. Synergize with stakeholders in education and training, certification and accreditation activities

BPK shall develop collaboration with stakeholders regarding education and training. This will be useful to increase the effectiveness of education and training, and to meet the increasing demand for education and training. Furthermore, BPK also conducts certification to support the quality of audits on state financial management and accountability. Synergy is also pursued in the accreditation process of education and training institution to provide some assurance on the standardized delivery and adequacy of facilities and infrastructure to support education and training.

- c. Organize the CSFA (Certified State Finance Auditor) Certification

To maintain the quality of state finance audit, BPK conducts CSFA certification. Through this certification, BPK's capacity to conduct state finance audit shall increase as this would expand engagement with external parties. Such expansion requires standardization of competence and hence BPK administers the certification program.

- d. Improve human resources capacity and capability of facilitators and managers/officers



BPK shall improve human resources capacity and capability of facilitators from within BPK and bring in outside facilitators who are working as academics and professionals. BPK shall also improve the competence of course managers in organizing education and training courses, and subsequently increase course participants' satisfaction. Further, although competence development for civil servant instructors (*widyaiswara*) have been carried out, it should be complemented with adding more instructors to take place gradually and immediately.

- e. Improve the curriculum, methods, and learning media to align with organizational needs and developments

BPK prepares the curriculum, methods, and learning media related to and in accordance with the needs in audits of state financial management and accountability. For that reason, BPK shall carry out gap analysis with multiple parties as a basis to design education and training programs that are aligned (linked and matched) with organizational needs and developments. In the 2020–2024 period, BPK targets to develop 276 curriculum and syllabus, and 483 teaching material and modules. Improvements in learning methods are also carried out by designing distance learning for the delivery of courses which combines self-learning and virtual teaching. Such improvements would require IT support and

the establishment of a learning culture, so that the courses can be delivered without in-person classroom sessions. Both are aligned with the demands of industrial revolution 4.0, the era we facing currently. Additionally, in connection with the COVID-19 pandemic, BPK has responded proactively and deftly by providing education and training materials on state financial management and accountability, as well as materials on audit of actual and strategic issues.

- f. Improve business processes in education and training on state finance audit

BPK shall improve its organizational structure and work procedures for BPK's employees, which has yet to accommodate its business processes. Organizational improvement shall be carried out by creating a structure tasked with managing data center, teaching and technology, evaluation, and development. In addition, BPK shall develop two separate managements for organizing the courses in order to fulfill the needs and demands for education and training. BPK shall also strengthen the education and training support functions to enable a more optimal and effective distribution of duties. To improve its business processes, BPK plans for the development of 98 education and training courses standardization throughout 2020–2024.

- g. Fulfill the facilities and infrastructure requirements to support education and training needs

The fulfillment of facilities and infrastructure is intended to enhance the quality of education and training courses as well as

the employees' work. Such facilities and infrastructure include buildings, classrooms, laboratories, employees housing, information and communication technology, teaching equipment, recording studio, means of transport, etc. Additionally, to fulfill education and training needs and demands in eastern Indonesia, it is necessary to develop an Education and Training Center in Bali, in which the preparation includes land acquisition, construction of classrooms, main gates and access road, means and facilities for sports. To enhance the delivery of education and training courses, BPK also plans to add another building in the education and training facility in Kalibata, to build employees' housing, to procure and maintain building facilities, and to organize outdoor classes.

BPK shall measure the level of success in establishing a center of excellence for education and training for state finance audit. For that purpose, the indicators relevant to the successful implementation of Strategy 4 success are as follows: (a) level of improvement of work unit performance; (b) percentage of training graduates with increased performance; (c) level of stakeholder satisfaction on the performance of education and training graduates; (d) percentage of education and training participants that graduate with at least "satisfactory" predicate; (e) satisfaction index of education and training participants and certification participants; (f) level of completion of certification and accreditation programs; (g) stakeholder satisfaction index on the performance of Education and Training Body for State Financial Audit (*Badiklat PKN/Badan Pendidikan dan Pelatihan Pemeriksaan Keuangan Negara*).

Strategy 5 – Strengthen Regulatory and Legal Aspects of State Financial Audit and State Loss Settlements

BPK formulates this strategy because its duties and authorities are closely related to the legal aspect of state financial audit. In addition, BPK needs to expedite the settlement of state losses so the recovered assets can be immediately used for the benefit of the people. Several aspects in this strategy can be explained as follows.

- a. **Strengthened Regulation in State Financial Audit**
This strategy is related to the efforts to actively provide advice on the drafts as well as the laws and regulations on state finance audit that would impact on the implementation of BPK's duties and authorities as well as on the improvement of the quality of state financial management.
- b. **Strengthened Legal Aspects in State Finance Audit**
This strategy is related to the efforts to strengthen the legal aspects in state finance audit, so that the audit process by BPK is in consistent with the applicable laws and regulations, and mitigated against the risk of legal claims/litigations from other parties.
- c. **Settlement of State Losses**
This strategy is related to the efforts to step up the active role of BPK in settlements of state losses caused by treasurers, non-treasurers, and other officials.

Implementation of the above strategy is expected to improve and enhance BPK's current condition. The current condition is the result of SAI PMF self-assessment based on criteria set by SAI PMF, especially in Domain A (Independence and Legal

Framework) for the SAI-1 indicator (Independence) and SAI-2 indicator (Mandate), and taking into account the organization's strengths, weaknesses, opportunities, and challenges. Several current conditions that require attention are, among others:

- a. The legal framework guarantees BPK's independence in carrying out its duties and functions. However, BPK needs to increase its active role and coordination with the relevant ministries/agencies in preparing drafts of laws and regulations in state finance and state financial management and accountability audit. Law No. 15 of 2004 on Audit of State Financial Management and Accountability states that BPK's independence include human resources, budget, and other supporting facilities. However, BPK continues to be constrained with limited budget since 2015 as the budget appropriation has always been lower than the proposed budget. Law No. 17 of 2003 on State Finance and Law No. 15 of 2006 on Audit Board stipulates that BPK's planning and budgeting process shall be treated similar with other ministries or agencies. Their derivative regulations, i.e., Government Regulation No. 90 of 2010 on Preparation of Work Plan and Budget at Ministries/ Agencies and Government Regulation No. 17 of 2017 on Synchronization of the National Development Planning and Budgeting Process, do not specifically govern budget independence. BPK needs an explicit legal framework that states BPK's independence in requesting budget directly to the House of Representatives. Further, BPK also has constraints in fulfilling its needs for human resources as it is still bound by policies set by the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB);

- b. BPK has a wide-ranging mandate on audits and should improve the settlement of cases on state losses to be more optimal;
- c. BPK needs to improve the settlement of state losses caused by Treasurers, BUMN/BUMD managers, non-treasurer civil servants (PNS), other officials, and third parties; and
- d. The legal framework guarantees the right for access to information for the purpose of performing audits. However, BPK needs to optimize supporting mechanisms/ implementation guidelines to deal with any denial or restriction of information, legal aspects to anticipate litigation against audit results, and communication and coordination mechanisms between legal work units, both internally within BPK and with institutions/ agencies/law enforcement outside BPK (external).

Implementation of this strategy is expected to strengthen BPK in carrying out its duties and authorities in accordance with the laws and regulations in a free and independent manner, which include adequate human resources, budget, and other supporting facilities. BPK is expected to uphold the mandate of Law No. 15 of 2006 on the Audit Board, which stated that BPK budget shall be expensed in a separate budget section in the State Budget. The 2019 peer review on BPK has also recommended that BPK considers legal solutions on the budget preparation process to improve its independence. Furthermore, budget independence for audit institutions was also discussed in international best practices. Principle No. 8 in INTOSAI-P 10 states that an audit institution should have sufficient financial resources and that the legislative body (in this case, the national parliament/DPR) is responsible to ensure that the audit institution is provided with a sufficient budget.

Aside from having independence of resources as an audit institution, BPK also hopes to bring about other expected conditions. Those conditions include, among others.

- a. BPK being able to perform its duties and authorities in accordance with the laws and regulations in a free and independent manner;
- b. BPK audit results can be legally held accountable, and more optimal legal service can be realized. BPK audits are expected to have more optimal legal support so that litigation on BPK audit results would be low. Further, communication and coordination mechanisms between legal work units are well-developed to support legal services optimization;
- c. BPK being able to increase the recovery of assets from state/regional losses. Settlements of state losses implicating Treasurers, BUMN/BUMD managers, non-treasurer civil servants (PNS), other officials, and third parties can be optimized so more state losses can be recovered. This is in line with BPK's authority as specified in Law No. 15 of 2006 which stipulates that BPK shall assess and/or make the determination of the amount of state losses as well as monitor the settlement of state losses determined by the Government, the enforcement of restitution payment as determined by BPK and court decision to ensure that the payment of restitution is enforced;
- d. Any write-off of the accounts receivable related to state/regional losses shall be carried out in accordance with the laws and regulations.



BPK provides assistance in the form of expert testimony in court proceedings.

To address some of the problems above, BPK has planned the following activities.

- a. Play an active role in harmonizing the draft laws and the prevailing laws and regulations related to BPK's freedom and independence to perform its duties and authorities

BPK actively conducts reviews and analyses of drafts laws and prevailing laws and regulations related to state finance and state finance audit, particularly regulations that have direct impact on BPK's duties and authorities in auditing state financial management and accountability.

- b. Improve legal services and strengthen coordination with legal work units throughout BPK's entire audit cycle

BPK provides legal opinion related to audit findings to address key problems raised by the auditors in their audit findings. To improve quality assurance on audit results, BPK prepared a strategic plan for legal consultation and actively provide legal consultation services through document reviews by engaging legal experts (on desk) or document reviews during audit field work (on site), as well as analysis on legal issues inquired through the Legal Management System (on line).

In relation to legal cases pertaining to its duties to audit state financial management and accountability, BPK deals with cases that fall under the jurisdiction of civil law and state administrative law. In dealing with such cases, BPK may engage professional and competent academics and practitioners (legal aid organizations/lawyers) as resource persons. In addition, BPK also provides some assistance for criminal law cases, including in case preparation, providing statements to law enforcement agencies, providing expert testimony in court. Further, BPK shall improve internal coordination with the requesting entity in gathering the required data and information to provide comprehensive and right-targeted legal advice.

c. Step up the settlement of state/regional losses

BPK also improves internal communication and coordination to enhance the function and the role of State/Regional Loss Settlement Team (TPKN/TKPD – *Tim Penyelesaian Kerugian Negara/Daerah*) in expediting the settlement of state/regional losses. A number of efforts that will be carried out are as follows.

- 1) Optimize the settlement of state losses caused by treasurers, BUMN/BUMD managers, and other bodies or agencies that manage state funds
- 2) BPK undertakes the administrative aspect of state/regional losses to provide support to the hearings before the Treasury Claims Panel (*Majelis Tuntutan Perbendaharaan*) on state/regional losses settlement. BPK also has the authority to

monitor the enforcement of state/regional loss settlements on SOEs (BUMN/BUMD). To optimize this duty, BPK shall prepare technical guidelines on the Procedures for State/Regional Loss Settlements Involving BUMN/BUMD Managers and a draft on Advice to Consider in the State/Regional Loss Settlements.

- 3) Encourage the settlement of state/regional losses implicating non-treasurer civil servants and other officials, as well as third parties

BPK has the authority to monitor settlement of state/regional losses that has been determined by the Government against non-treasurer civil servants as well as against other officials to ensure that loss settlements are paid.

- d. Provide recommendations to write off receivables on state/regional losses

To support the expedited process of settlement for state/regional losses, BPK provides some advice on requests to write off the receivables in relation to Indemnification Claim (*Tuntutan Ganti Rugi*) submitted to BPK by external institutions. Before BPK can issue a Letter of Recommendation to Write Off Receivables, a legal consideration shall be required to ensure that the recommendation is consistent with the applicable regulations. This exercise is intended to expedite the settlement process of state/regional losses.

- e. Take an active role in analyzing laws and regulations on state finance and their impacts on the implementation of BPK's duties as well as on state financial management and accountability

The COVID-19 pandemic has impacted laws and regulations on state finance. The Government has enacted a number of regulations into law, such as Government Regulation in lieu of Law No. 1 of 2020 which has been enacted into Law No. 2 of 2020 on the Enactment of Government Regulation in lieu of Law No. 1 of 2020 on Policies on State Finance and Financial System Stability in Managing the COVID-19 Pandemic and/or in Addressing Threats to the National Economy and/or Financial System Stability. Some of these regulations have contents that may risk disharmony with other regulations, such as the regulation on state finance and mandatory spending. Further, BPK also conducted analysis on various regulations related to COVID-19 that impacts governance and the implementation of BPK's duties. The situation continues to develop and might impact state financial management and accountability. Therefore, BPK should play an active role so that laws and regulations on state finance can serve as the means to optimally bring prosperity to the people.

The success in achieving the above strategy can be measured using these indicators: (a) the adoption of BPK's advice on drafts and laws and regulations related to the implementation of BPK duties; (b) the completed preparation and improvement of BPK regulations; (c) the provision of legal aid support and legal consultation services in BPK Audits; (d) the resolution of cases of state losses implicating treasurers and BUMN/BUMD/BLU/BLUD managers; and (e) the adoption of BPK's advice on write-off of receivables on state/regional losses from Treasury Claims/Indemnification Claims (*Tuntutan Perbendaharaan/Tuntutan Ganti Rugi*).

2. The Increase of Synergy and Collaboration in Corporate Governance

The policy direction on audit will only be successful if it is supported by good corporate governance. Therefore, the second policy direction shall be focused on improving synergy and collaboration in corporate governance at BPK. The strategy to be carried out under this policy direction is as follows.

Strategy 6 – Optimize Resource Management and Cooperation with Stakeholders

This strategy is BPK's focus in optimizing resources as the prerequisite for a successful organization. BPK resources include human resources, information and communication technology, facilities and infrastructure, and financial resources.

Further, BPK is also working to optimize cooperation with stakeholders. The stakeholders include the general public, groups, communities, or individuals that have direct or indirect relationship with and interest in BPK, which include representative bodies, the government, audited entities, competent authorities, statutory agencies, community organizations and professional associations, and international agencies. A good relationship between BPK and its stakeholders can be mutually beneficial through synergy and collaboration in the performance of audit duties and state financial management.

The work to optimize resources and engagement with the stakeholders are expected to bring improvements and enhancements in BPK's current condition. BPK Strategic Plan 2020–2024 has identified and integrated the current condition with the results from



BPK in a meeting with Commission XI of the House of Representatives (DPR) to discuss audit results.

SAI PMF self-assessment in Domain A (Independence and Legal Framework) for SAI-1 indicator (Independence), Domain B (Internal Governance and Ethics) for SAI-3 indicator (Strategic Planning Cycle), Domain D (Financial Management, Assets and Support Services) for SAI-21 indicator (Financial Management, Assets and Support Services), Domain E (Human Resources and Training) for SAI-22 indicator (Human Resources Management) and SAI-23 indicator (Training and Professional Development), and Domain F (Communication and Stakeholders Management) for SAI-24 indicator (Communication with the Legislative, Executive, and Judiciary) and SAI-25 indicator (Communication with the Media, Citizens, and Civil Society), by taking into account the organization's strengths, weaknesses,

opportunities, and challenges. Some of the current conditions identified that are related to this strategy are as follows.

- a. Response to BPK policy implementation should be enhanced

Based on Domain B (Internal Governance and Ethics) for SAI-6 indicator on Leadership and Internal Communication, it was identified that BPK leadership and the entire management have carried out internal communication, including by giving directives pertaining to achieving BPK's vision and core values, both directly and through various media. However, BPK still needs to develop a formal mechanism in relation to delegation of authority from the

Board (BPK) to the Heads of Representative Offices in signing off the audit engagement letters and Audit Reports. Thus, the current condition on resources management and stakeholder engagement is that the responses to BPK policy implementation still require some improvement, including by providing directives towards achieving the vision and core values, directly or through various media.

- b. The quality of communication and cooperation with stakeholders should be improved

Based on the results of SAI PMF self-assessment, some current conditions were identified in relation to the quality

of communication and cooperation with stakeholders, among others:

- 1) BPK has published its Audit Standards, but core audit methodologies, such as implementation guidelines (*juklak*) and technical guidelines (*juknis*), should also be disseminated to all auditors and support units. This is in accordance with the result of SAI PMF self-assessment in Domain B (Internal Governance and Ethics) for SAI-3 indicator on strategic planning cycle;
- 2) BPK Communication Strategy should be prepared as a separate (detailed) document while remaining as an integrated part of the work unit strategic



Press release as one of the forms of communication from BPK to its stakeholders.

plan. This is in line with the results of SAI PMF self-assessment in Domain F (Communication and Stakeholders Management) for SAI-24 indicator on Communication with the Legislative, Executive, and Judiciary;

- 3) BPK has carried out routine meetings with stakeholders, particularly the government; however, the meeting agenda must be pre-defined in a specific document detailing the timeframe and the message to be conveyed. This is the result of SAI PMF self-assessment in Domain F (Communication and Stakeholders Management) for SAI-24 indicator on Communication with the Legislative, Executive, and Judiciary;
- 4) BPK should increase media interaction in relation to audit results via, among others, its website, its Information and Communication Center (*PIK/Pusat Informasi dan Komunikasi*) service, and publication of BPK Annual Report that covers BPK's activities in auditing and as an organization. This is part of the efforts to provide information and accountability to communicate the benefits/usefulness of BPK to the public/stakeholders;
- 5) BPK has published its outputs on its website in the form of semi-annual summary of audit reports. However, BPK has yet to have a publication mechanism that facilitates public access to and understanding of significant audit findings. This is the result of SAI PMF self-assessment in Domain F (Communication and Stakeholders Management) for SAI-25 indicator on Communication with the Media, Citizen, and Civil Society.

Based on the SAI PMF self-assessment result, it can be stated that the quality of communication and cooperation with stakeholders should be improved.

- c. BPK's role at the international level should be improved

BPK has carried out audits on international institutions as part of its active role in maintaining world order. Furthermore, BPK also has the opportunity to share its knowledge with international institutions, which would be useful to make BPK stronger. This activity should be increased so that the international community's trust in BPK will increase. BPK should also use the opportunities to adapt international best practices to strengthen its audit business processes and its organization. On the other hand, international institutions have also not fully adopted practices and experiences from BPK which can potentially be useful.

- d. Personnel management has not been based on qualification, competence, and performance.

Based on the result of SAI PMF self-assessment in Domain E (Human Resources and Training), some current conditions were identified in relation to personnel management, among others:

- 1) BPK already has a blueprint for Human Resources management, commonly referred to as the Human Resources Plan (HR Plan), complemented with the corresponding information system. However, SAI PMF self-assessment especially for SAI-22 indicator related to human resources management states

that HR Plan needs to be updated and complemented with an assessment of the quantity and quality of personnel required to support BPK Strategic Plan 2020–2024. HR plan should be complemented with indicators, basis, and targets. HR plan should be periodically communicated and reviewed;

- 2) Every personnel should be supported with a development plan based on their annual individual assessment. BPK has not yet integrated career pathways and talent management with other human resources systems that would be useful to design the process of personnel's transfer and promotion. One of the personnel management systems in BPK is the MAKIN (*manajemen kinerja*) system to measure the performance of work units. At the moment, MAKIN is not yet able to integrate the measured performance of work units and of personnel. This will be part of the SAI PMF self-assessment for SAI-23 indicator related to training and professional development;
- 3) The result of SAI PMF self-assessment for SAI-23 indicator also states that BPK has applied a cascading cadre (or talent) system of auditors taking the form of a hierarchy of functional auditors' roles and positions. However, the system still needs to be further developed by establishing the links between cadres (or talents) and their specific skill sets by audit type. In preparing the personnel recruitment and transfer plans, BPK has not taken into account the level of work complexities and challenges in each audited entity. Therefore, BPK shall optimize its database on audited entities for the purpose of

planning, recruitment, and transfer of auditors. Currently BPK still needs to prepare the competence standards for specific audit types, among others, financial audits, performance audits, and special purpose audits, as a way of implementing talent management.

- e. The quality of financial management has not been consistent across BPK's management and personnel

In accordance with the mandate in Law No. 17 of 2003 on State Finance, which has been further regulated through, among others, Government Regulation No. 90 of 2010 on Preparation of Work Plan and Budget at Ministries/Agencies, ministries/agencies shall prepare their budget by referring to the three pillars of budgeting system, i.e. Integrated Budgeting, Performance-Based Budgeting (PBK/*Penganggaran Berbasis Kinerja*), and Medium Term Expenditure Framework (KPJM/*Kerangka Pengeluaran Jangka Menengah*). As an institution that manage state finance, BPK is not exempt from the state financial management and accountability system that is run by the Ministry of Finance. This shows that BPK's planning and budgeting processes are not yet independent from government intervention, especially regarding decision on BPK's budget allocation.

Ideally, BPK's Planning and Budgeting Process should be consistent with the explanation of Article 35 Paragraph (1) of Law No. 15 of 2006 on the Audit Board which states that in order to support effective implementation of its duties and authorities, BPK should be provided with a sufficient budget in line with state financial capacity. Therefore, BPK must anticipate the evolution of such system or

even taking some initiatives to involve itself in the process so that BPK can become a role model for other institutions.

The result of SAI PMF self-assessment in Domain A (Independence and Legal Framework) for SAI-1 indicator related to independence shows that, like other state institutions, BPK has a budget ceiling assigned by the Ministry of Finance in the State Budget and BPK shall control the use of their budget in line with the budget ceiling. However, BPK needs an explicit legal framework that states BPK's independence in requesting budget directly to the House of Representatives.

Regardless of not being independent just yet, BPK has applied transparent and accountable financial management. Each year, BPK measures and evaluates its budget performance in terms of its Work Plan and Budget (*RKA/Rencana Kerja dan Anggaran*) implementation, and the results have so far been good. BPK is also committed to increase the quality of its treasury function by improving its score on budget execution performance indicator, which has been appreciated by the Ministry of Finance. As a result, Financial Statements of BPK were unqualified (having been expressed with Unqualified Opinion, or WTP) for five consecutive years. This encouraged BPK to continue increasing the quality of its budgeting, budget execution or treasury function, and financial accounting and reporting. Work units in BPK must implement internal control on financial reporting (*PIPK/Pengendalian Internal atas Pelaporan Keuangan*) to provide reasonable assurance on financial statements of BPK. BPK requires the involvement of all management and employees in managing financial resources

in a transparent and accountable manner. Transparent and accountable financial management requires a reliable and modern management system.

Thus, the current condition related to BPK's financial management is that the quality of financial management has not been consistently applied across BPK by its management and personnel, especially in the preparation of an explicit legal framework that states BPK's independence in requesting budget directly to the House of Representatives.

- f. Data integration and data security need to be continuously improved by utilizing the potencies of IT to run BPK business processes

BPK's business processes had not been integrated into an information system, and this becomes a challenge in the process of managing BPK's information resources. In the time being, some resources are managed using separate IT systems. Therefore, BPK needs to integrate the IT systems to become a driver in running BPK's business processes. BPK should also be mindful of data security to prevent and address system disruptions that can harm the organization.

- g. Facilities and infrastructure in BPK need to be utilized effectively and efficiently

The management of facilities and infrastructure in BPK has not been effective, among others:

- 1) BPK owns 699,995 m² of land assets, with 155,547 m² of land assets located in Jakarta and 544,448 m² in cities in the provinces where BPK Representative

Offices are located. Today, the office buildings at BPK Head Office can no longer optimally accommodate the demands from each work unit. Work space and other supporting facilities are urgently demanded as the number of employees grows. Based on facilities and infrastructure standards, the existing space does not meet the standards. However, the functional auditors will spend more than 70% of their time working outside BPK offices, thus the existing space are not used optimally. Furthermore, office equipment is not properly organized and may interfere with the employee's flow of work and communication. Thus, BPK should address this by integrating its policies and operations for less investment in space-and-place through a flexible working space policy;

- 2) BPK has built the facility buildings for Education and Training Body (*Badan Diklat/Badan Pendidikan dan Pelatihan*) in the provinces of Jakarta, North Sumatera, Yogyakarta, and South Sulawesi to support the upgrading of employee competence. Furthermore, BPK has also built archive building(s) which complies with the National Archiving standards. However, some BPK Representative Offices and Education and Training Centers (*Balai Diklat/Balai Pendidikan dan Pelatihan*) are yet to have archive buildings, such as BPK Representative Offices in North Sumatera, West Kalimantan, South Sulawesi, North Kalimantan, *Badan Diklat* in Kalibata, and *Balai Diklat* in North Sumatera and South Sulawesi. BPK will also renovate its Representative Office buildings that have been damaged due to disasters or other factors;

- 3) BPK has also built housings for Echelon II to Echelon IV officials and built houses to temporarily accommodate employees of BPK Representative Offices that have not yet found a place of residence. However, there are still eight BPK Representative Offices without such temporary accommodation for its personnel;
- 4) Based on data as of June 2020, BPK has 733 units of motorized vehicles, distributed across the Head Office, Representative Offices, and the Education and Training Facilities (*Badan Diklat* and *Balai Diklat*). Based on the economic period classification of vehicles, as of Fiscal Year 2020, as many as 347 units of vehicles are still fit for use. The fit-for-use criteria is defined as having useful life of 7 years up to 2020;
- 5) Based on SIMAK data as of 30 June 2020, BPK has equipment and machineries assets that include, among others, 3,565 units of Personal Computers, 7,465 units of Notebook Computers, and 4,425 units of printers.

Going forward, BPK expects to have better conditions regarding resources and cooperation with stakeholders, among others, as follows.

- a. BPK policies are implemented in a timely manner

BPK policies, which are set by the top management, should be managed properly to ensure that they are implemented down to employee level. To achieve the condition, active communication between work units is essential. Further, follow-up actions on policy implementation should be monitored and



- reported to BPK leadership for feedbacks and further directions.
- b. Established public awareness and trust towards BPK
- Resource management and cooperation with stakeholders are expected to increase public awareness regarding BPK's roles and duties. The strategy is expected to improve the quality of communication and cooperation with stakeholders. Improved communication and cooperation would be useful to establish synergy and collaboration between BPK and the stakeholders to oversee state finance in order to achieve state goals.
- c. Improved BPK's role in auditing and in sharing best practices at the international level
- BPK's involvement at the international level is a manifestation of its active role in maintaining world order. BPK must maintain and enhance its participation in auditing international institutions as well as in international audit working groups. Furthermore, BPK also needs to adopt international best practices and disseminate best practices currently conducted within the organization. Under this strategy, BPK hopes that the shared best practices will contribute to the international knowledge sharing and serve as a reference for supreme audit institutions in other countries. Therefore,

BPK will be more active and responsive in fulfilling requests from the international community. This will be useful to strengthen BPK's audits and business processes.

d. Personnel management is based on qualification, competence, and performance

BPK is managing its human resources based on the regulations and policies pertaining to State Civil Apparatus (ASN/*Aparatur Sipil Negara*). Law No. 5 of 2014 on State Civil Apparatus (i.e., the Civil Service) was developed as part of the bureaucratic reform program, so the approach to civil service (ASN) management has transformed from mere administration of personnel to human capital. In implementing the merit system, some aspects of human resources management in BPK have been identified, which include: demand planning, procurement, career development and competence upgrading, transfers and promotions, performance management, payroll, rewards and discipline, protection and service, as well as availability of a support system.

By implementing the merit system, the employees' appointments, transfers, promotions, salaries, rewards, and career developments are based on the employee's qualification, competence, and performance. The merit system shall instill a sense of fairness among employees so as to encourage an improved competence and performance. Some of the ideal conditions expected to be achieved under the BPK Strategic Plan 2020–2024 period are, among others, as follows.

- 1) ASN demand planning
BPK has a five-year plan for State Civil Apparatus (ASN) demands based on job

analysis and workload analysis, prepared based on the number, job rank, and qualification of existing employees, taking into account the employees who will soon retire.

- 2) ASN recruitment
BPK expects to have an internal policy in meeting the demand for employees in an open and competitive manner, from different channels including the Civil Servant Candidates (CPNS recruitment scheme), Government Contract Employees (PPPK/*Pegawai Pemerintah dengan Perjanjian Kerja*), and Civil Servants from other institutions.
- 3) Career development and competence upgrading
BPK has career development policies and programs, starting from talent mapping and talent pool, gap analysis of competence and performance, strategies and programs to address these gaps, and succession planning.
- 4) Transfers and promotions
BPK has policies on objective and transparent promotions and transfers, based on the right fit of qualification, competence, and by utilizing the talent pool.
- 5) Performance management
BPK is expected to implement performance management, starting from setting the performance targets, evaluating performance periodically using objective methods, analyzing and designing mitigation strategies regarding performance gap, and using results from performance assessment to

make decisions on promotion, transfer, demotion, and education and training. The following are the expected conditions related to performance management, among others:

- a) setting measurable performance contracts;
- b) implementation of objective and measurable performance assessment method;
- c) implementation of periodic performance assessment;
- d) analysis of performance issues and strategies to resolve them;
- e) policy to use performance assessment results for management decision making in mentoring and career development.

6) Payroll, rewards, and discipline

BPK has already linked both performance assessment and discipline to the payment of performance allowance and been giving rewards to employees, as well as enforcing core values, code of ethics, and code of conduct. The following are ideal conditions expected in relation to financial and non-financial compensations, among others:

- a) policy to pay performance allowance based on performance assessment results;
- b) policy to give financial and non-financial rewards to employees with extraordinary performance;
- c) enforcement of discipline, code of ethics, and code of conduct of the civil service (ASN) in the institution; and
- d) management of data related to any violations of discipline, code of ethics, and code of conduct violations by the employees.

7) Protection and services

BPK has adequate protection and services programs for employees. Currently, BPK is enrolled in the national health insurance program, work accident insurance program, and pension program. In addition, BPK also sets employee protection policies by way of preparing and issuing internal regulations that include providing support for expert witnesses, pre-retirement briefings, medical check-ups for Structural Officials and Functional Auditors (ranked Associate Auditor/*Pemeriksa Madya* and higher), and employee counseling. BPK also provides facilities to accommodate provision of services for employees by, among others, putting in place systems for payroll, rank promotion processes, pension, health insurance, leave, as well as preparing relevant BPK regulations, among others:



Chair of BPK awarding Satya Lencana Karya Satya medal to BPK employee.

- a) guidance for counseling services at BPK Employee Care Center;
- b) guidance for special care of employees with physical and psychological issues;
- c) guidance for services to resolve divorce issues;

8) Availability of a Support System in Human Resources Management

BPK has a Human Resources Information System (SISDM/*Sistem Informasi SDM*) that is integrated to the performance assessment, discipline enforcement, and employee mentoring systems, and has built and used assessment centers to assess and select Senior Executive Officers (JPT/*Jabatan Posisi Tinggi*). However, BPK has yet to implement e-performance. BPK already uses e-office (SISDM and Mail Applications) in its personnel administration service and other services.

e. Established public trust on BPK's performance and financial accountability

As an institution with the mandate to audit state financial management and accountability, BPK expects to establish public trust on its performance and financial accountability. A reliable, transparent, accountable, and modern financial management in line with the requirements from stakeholders within and outside BPK can be a source of information in decision-making.

f. Information technology has prompted the IT-driven implementation of business processes and guaranteed data security in the information system

The era of industrial revolution 4.0 has a wide impact on many aspects of life. The

use of digital systems and cutting-edge IT is expected to boost productivity and efficiency. The industrial revolution 4.0 is an era where many business models are changing, from physical location-based into internet-based (cyber) business models. Such changes will create new innovations for operating models, supported by rapidly growing technology and innovation. The application of industrial revolution 4.0 will boost great benefits as well as challenges in the future.

The industrial revolution 4.0 has also influenced corporate governance in the public sector, one of which is the implementation of e-government aimed at improving government organization performance in accordance with its duties and responsibilities. Organizations will continue to shift into a high-efficiency model, eliminating manual data gathering, and moving to big data technologies and automated activities. Integrated use of big data will facilitate faster, accurate, and up-to-date policy-making.

The use of information technology will be even more important after the COVID-19 pandemic, so BPK should prioritize investment in technologies that support the implementation of its duties in high mobility. The use of cloud computing in audits and organizational administration shall be made more effective. Furthermore, BPK needs to design virtual means of communication and coordination that are modern, stable, and secure.

This shows the importance of implementing an electronic-based work system and management of information technology resources to meet the need for government

digital transformation. By implementing e-government and optimizing the management of information technology resources, BPK expects that its business processes can be run by optimal use of IT and by meeting the principles of secure data access. Data and information security is very helpful in increasing the trust from audited entities and stakeholders on BPK. Furthermore, information system management shall integrate the entire management of the organizational resources, turning information technology into the main driver (IT-driven) and enabler of business processes in BPK.

- g. Established work space that is safe, comfortable, and efficient

BPK applies the eco-office concept that creates significant efficiency and even independently produces energy. BPK is expected to save and produce electricity by providing renewable energy for electrical power. BPK is also expected to save and recycle water usage to meet its own needs in the office environment. BPK needs to have a waste management policy to be able to generate recycled waste and organic waste that can be beneficial for the environment. BPK is integrating a desk-sharing concept in its eco-office to create a comfortable work space for its employees.

BPK is also expected to apply smart office that understands the needs of individual employees using technological support so that all employees can bring out their potential for the good of the organization. BPK has started to apply the smart office concept by, among others, using an office security system with, among others, face

identification which will detect the faces of people passing through the office entrances. This shall minimize trespassing by people who are not authorized to access BPK area.

In its eco-office and smart office policies, BPK plays an active role in implementing SDGs to manage the facilities and infrastructure within the government. The eco-office and smart office concepts support the implementation of SDGs, among others:

- 1) Goal 6. Clean water and sanitation
By making bio-pores around the office environment, BPK supports groundwater conservation to maintain sustainability of clean water around BPK office.
- 2) Goal 7. Clean and affordable energy
By installing electrical panels in the office environment, BPK supports clean and affordable energy generation in BPK office.
- 3) Goal 12. Responsible consumption and production
BPK supports the implementation of responsible consumption and production by, among others, using modern space layout, issuing policy to reduce printing of documents, and carrying out procurement in line with needs.

In addition, BPK also responded to the impacts of the COVID-19 pandemic with comprehensive policies on health and new normal protocols in all BPK offices to ensure the health and safety of its personnel. These policies include the implementation of flexible working space by mixing work from home and work from office arrangement.

An optimal resources management will be achieved if there is a synergy between BPK internal elements and collaboration with stakeholders. Some of the activities that will be carried out by BPK to achieve success in the organization's resources management program are as follows.

a. Improve the monitoring of BPK policy implementation

Some activities to be carried out to support this activity goal are, among others:

- 1) preparing and providing data and information as requested by BPK leadership;
- 2) coordinating activities by the Leadership Secretariat (*Setpim/Sekretariat Pimpinan*) and the relevant work units to drive BPK policy implementation;
- 3) providing services for BPK leadership's activity with internal and external parties in monitoring BPK policy implementation; and
- 4) organizing BPK board meetings and preparing the minutes of meeting so that the policies generated from such meetings can be implemented by the relevant work units.

b. Conduct coordinated and high-quality communication and information management

BPK actively communicates with the stakeholders through public awareness programs on BPK's roles and duties. Further, BPK would also improve public awareness of state finance through the Accountability for All program. BPK shall initiate the program by engaging various institutions to bring about high-quality and useful state financial management and accountability.

Public awareness raising and Accountability for All programs will be delivered through various media and collaborative activities with public institutions to increase understanding about state finance and BPK's duties. BPK will also manage information in a coordinated manner so the public can receive whole information and be avoided from misperceptions.

c. Carry out active diplomacy to enhance BPK's role and offer best practices sharing in international activities

BPK is quite active in regional and international activities. BPK is a member of three multilateral associations: ASEANSAI, ASOSAI, and INTOSAI. BPK shall increase its international role in various international working groups, such as the Working Group on Extractive Industry, Working Group on Environmental Audit, and Working Group on Big Data. As part of its active contribution and knowledge sharing in the international community, BPK is also sharing best practices by sending resource persons or Subject Matter Experts to various activities organized by international institutions.

In the previous period, BPK was trusted to become IAEA's external auditor for the 2018–2019 fiscal year. Such trust also placed BPK as a member of the UN Panel of External Auditors. In that role, BPK provides inputs to the UN Secretary General in improving financial management in the UN community.

Aside from collaborations at regional and international levels, BPK also has bilateral cooperation with audit institutions from other countries. BPK currently has 22 bilateral

cooperation with audit institutions from other countries, with 14 active cooperation agreements and 8 agreements pending renewal. Furthermore, BPK plans to enter into five more bilateral cooperation agreements with SAIs from Saudi Arabia, Thailand, Tanzania, Italy, and Tunisia.

Through international cooperation, BPK can develop its organization by applying best practices in the development of audit methodology and international audit standards. This would be useful to improve audit quality and state financial management. BPK will also disseminate best practices it has already put in place. Such activities are in line with the policy in

international politics through cooperation and leadership in the international forum and by playing an active role in world peace.

BPK's role in responding to the global issues is needed to foster transparency, accountability, and improvement in governance. Similar to the situation during the COVID-19 pandemic, BPK can contribute through cooperation at the bilateral and regional level, and push for the establishment of INTOSAI Task Force on Accountability and Audit of Pandemic Fund by sharing its experience and preparing audit guidelines and standards, as well as governance in disaster management.



The signing of Memorandum of Understanding by Chair of BPK and President of GAB Saudi Arabia.



Head of State Financial Audit IV and Auditor General of JAN Malaysia signing the agreement on topics of bilateral cooperation.

d. Managing human resources based on a merit system

Under BPK Strategic Plan 2020–2024, BPK shall prepare career development and competence upgrading policies in accordance with the ideal conditions in a merit system. Such policies would include talent mapping, competence and performance gaps analysis, strategy to address those gaps, forming talent pools, and succession plan. BPK has identified activities to be carried out regarding the eight aspects of the merit system as follows.

1) ASN demand planning

Every year, BPK updates its recruitment plan by submitting a recruitment request to the Ministry of Administrative and Bureaucratic Reform. The Ministry then sends its response in the form

of a general permission (*izin prinsip*) document to be used as the basis to recruit Civil Servant Candidates (CPNS) for BPK.

BPK will update its State Civil Apparatus (ASN) demand planning under BPK Strategic Plan 2020–2024, taking into account the number, title, qualification of existing employees, and employees who will soon retire, and to adjust it to the organization policy and government policy.

2) ASN (civil service) recruitment

Under BPK Strategic Plan 2020–2024, BPK shall prepare its recruitment plan to recruit State Civil Apparatus (ASN) and Government Contract Employees (PPPK) as needed, taking into account the number, rank, qualification of existing

employees, and by considering employees who will soon retire.

3) Career development and competence upgrading

BPK has policies to upgrade the competence of its human resources, among others, as follows.

a) Managing study assignments

BPK supports competence upgrading for all employees through scholarships from various sources including, among others, BPK's budget, other government institutions, and other parties such as the Education Endowment Fund Management Agency (LPDP/*Lembaga Pengelola Dana Pendidikan*), National Development Planning Agency (BAPPENAS/*Badan Perencanaan Pembangunan Nasional*), Australia Awards Scholarships, Korea International Cooperation Agency, Nanjing Agricultural University of China, Lee Kuan Yew, etc. This will also be supported by competence upgrading activities, i.e., management and monitoring of study assignments, and selection for educational scholarships and short courses within and outside the country.

b) Participating in specialist certification

BPK selects and prepares qualified employees to take part in various specialist certification tests. Such certification is expected to increase the employee's competence that are relevant and beneficial to the needs of the organization, such as those related to developments in internal

audits, financial statements audits, investigative audits, information technology audits, performance audits, and state finance audits.

c) Career Development

In developing its employees' career, BPK applies functional title and executive title career pathways for its personnel. Employees classed as auditors will follow a career pathway as functional auditors. Meanwhile, employees classed as non-auditors will follow a career pathway for other functional positions and executive positions. As of the end of 2019, BPK has implemented 5 other types of functional positions, and in 2020 would add another 9 types of functional positions.

Employees who are not holding functional positions will follow a career pathway for executive positions. By offering other functional positions, it is expected that all employees can have the opportunity to develop their careers in accordance with their competence and interests.

4) Transfers and promotions

To maintain BPK's core values of Independence, Integrity, and Professionalism, BPK has a policy for periodic employee transfer. Such transfers, rotations, promotions for each position shall refer to the internal regulation on career pathways. BPK is currently preparing a draft internal regulation concerning career pathways, pending the issuance of the national career pathways by the Ministry of Administrative and

Bureaucratic Reform. Further, in BPK Strategic Plan 2020–2024, BPK will start looking into its independence of human resources management.

5) Performance management

In performance management, BPK shall implement policies and mechanisms regarding analysis of performance issues and the strategies to address them. Furthermore, BPK will also create mechanisms to link performance assessment with decisions regarding promotions, transfers, and demotions. BPK will also adopt INTOSAI-P 12 and SAI PMF to formulate assessment systems for individual performance and organizational performance.

6) Payroll, rewards, and discipline

BPK shall develop an employee compensation mechanism based on individual performance that links the results of performance assessment and discipline, which would affect performance allowance and rewards for employees. The compensation policy shall be prepared simultaneously with the implementation of performance management. Meanwhile, performance allowance will be implemented once the system which connects the performance management and performance allowance is in place.

7) Protection and services

With regard to employee protection and services programs for employees, BPK has and shall continue to implement the pre-retirement preparation program, employee consultation and coaching program, and health services

management program in the form of dissemination of health information and education on Prevention and Suppression of Drug Abuse and Illegal Distribution of Drugs. Furthermore, as a preparation to mitigate risks and to respond to crises or natural and non-natural disasters, such as the COVID-19 pandemic or other future crises, BPK should prepare a general policy to provide protection and services to its employees.

8) Availability of support systems

BPK already has and shall develop its Human Resources Information System (SISDM) to support the establishment of a merit-based State Civil Apparatus (ASN) management. To enhance the system, BPK will develop an e-performance application to link employee’s performance with their performance allowance.

e. Manage BPK finances in a reliable, transparent, accountable, and modern manner

UN resolution, INTOSAI principles, and peer review results all recommended for BPK budget independence. Thus, for BPK Strategic Plan 2020–2024, BPK shall take follow-up actions by evaluating the existing regulations on planning and budgeting, and preparing proposed changes thereof.

BPK shall also continue to prepare some steps to enhance the focus and efficiency of activities to improve the quality of planning and budgeting. BPK has started to implement comprehensive evaluation on the budget requirement of work units, starting from planning the budget as required by the work units to achieve

the planned performance. BPK applies a combination of zero-based budgeting and performance-based budgeting in preparing its budget in order to perform its duties and functions, as well as to achieve target performance needed to attain BPK vision and missions.

Further, modernization of financial management is also needed by the organization in line with the need to develop the competence of finance officers/managers. Thus, within the next five years, BPK shall prepare to modernize its IT-based financial management system and develop reliable and high-quality finance officers/managers.

- f. Implement an operational model based on information system along with enhanced security in the access to data and information, in line with the maturity of the organization's information technology culture

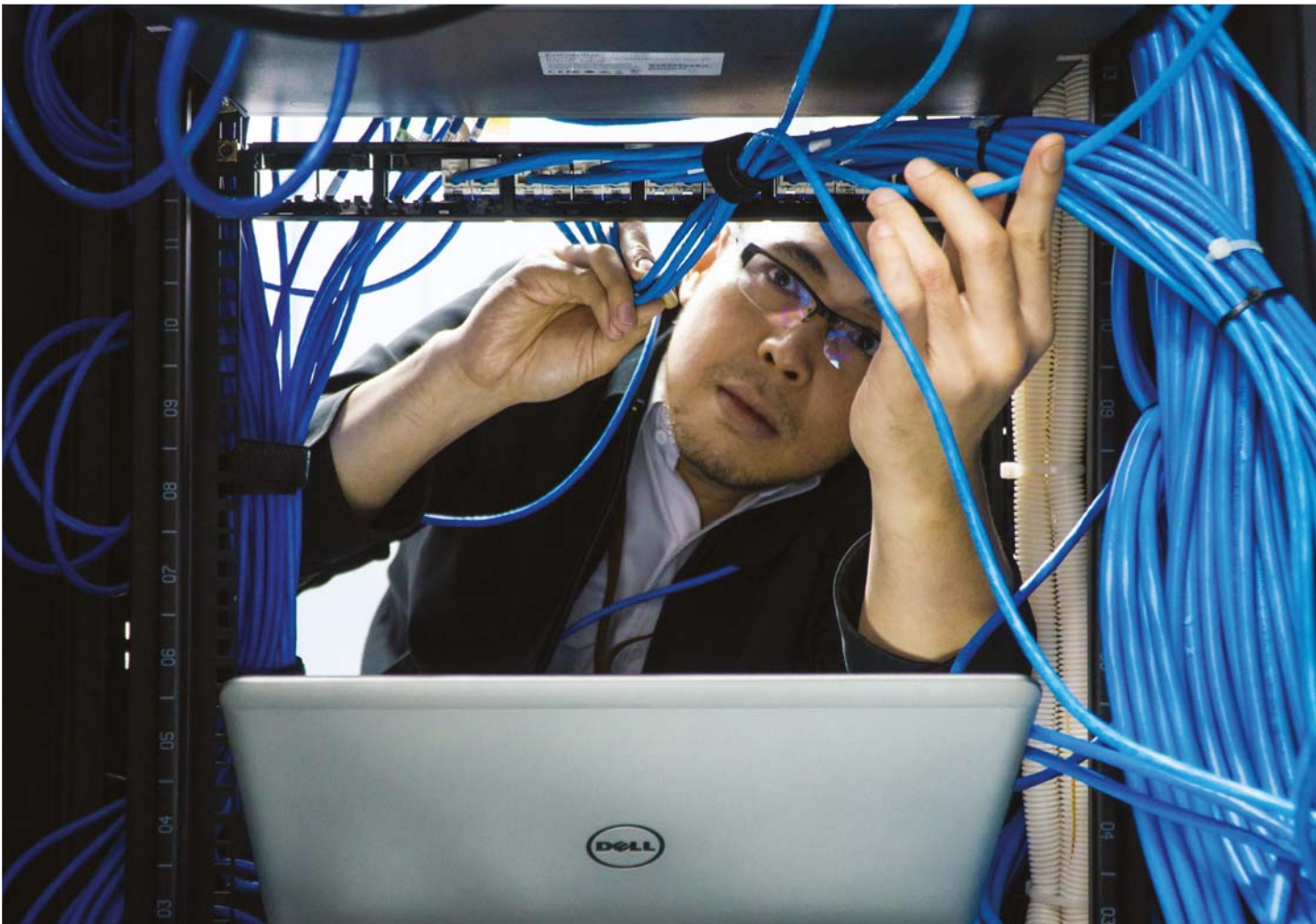
IT development in BPK continues to be improved in the application of Electronic-Based Government System (SPBE), or e-Government, in implementing the business process. The use of integrated information and communication technology is intended to increase services and information disclosure in an effective and efficient manner. Application of SPBE is essential to support the role of IT to drive business process development within BPK. Successful application of SPBE within BPK requires readiness in terms of IT utilization regulations/policies, development of IT-based business processes, implementation of big data and artificial intelligence, development of applications for audit purposes and organizational purposes, increased security awareness, change

management, and budget sufficiency. The following are activities that will be carried out by BPK to apply information system-based operational model.

- 1) Improve data and information security
Data security is a priority in every information system activity in BPK. Particularly since many auditors work from outside their offices, a reliable and secure integration is needed for good access to data and information. This activity is supported by replacing and overhauling devices that are approaching the end of their service life.
- 2) Establish the Business Continuity Plan (BCP) and Disaster Recovery Center (DRC) that can be activated in the event of a disaster to support business process continuity

As a country that is geographically located in the ring of fire, Indonesia is prone to natural disasters. To mitigate the risks and ensure that BPK business processes would continue to run well despite disruptions, BPK needs to have BCP and DRC that can be activated in the event of a force majeure. BCP is a plan and a framework to ensure that business processes can continue to run in an emergency. DRC is a quick recovery measure after a force majeure to minimize losses for an organization.

The prepared BCP should not simply cover the information technology risks caused by damaged facilities/infrastructure in a natural disaster, but also cover operational risks caused by non-natural disasters such as the COVID-19 pandemic.



BPK shall implement an operational model based on information system along with enhanced security in the access to data and information.

- 3) Increase BPK-wide integration of information system

BPK should integrate its entire information system to meet both the audits and non-audit requirements. This activity requires hardware and software support, increase in storage capacity as needed, replacement and addition of network infrastructure devices.

- 4) Increase availability and continuity of IT services

BPK should improve and evaluate its IT services periodically so as to support operational activities and bring about IT-driven business processes in the organization. This requires planning on procurement, repair, and updating of IT devices.

- 5) Develop applications for audit and organizational purposes based on data analytics

IT developments have changed data processing to be more integrated, so BPK needs to develop better applications for audit and organizational purposes. As such, BPK plans to develop applications based on data analytics so that various data sources can be comprehensively obtained and easily processed to generate useful information in audits and corporate governance.

- 6) Prepare a roadmap to develop human resources for BPK IT managers and propose technical training and education, as well as certification for BPK IT managers

Human resources development for BPK IT managers is required for them to keep up with the latest development. Therefore, BPK prepares a roadmap on human resources development for BPK IT managers and proposed technical training and certification for BPK IT managers.

- 7) Draw up a projection of the needs for software, bandwidth, and hardware.

To support availability of software with adequate infrastructure to support its entire activities, BPK shall make a projection regarding its software, bandwidth, and hardware needs.

- 8) Reorganize the IT audit unit

To gain a more comprehensive IT support in the audits and for the organization, BPK shall reorganize the IT audit unit in line with capacity and requirement.

- g. Manage facilities and infrastructure towards eco-office and smart office

Eco-office is an environmentally friendly work space. In applying this concept, BPK shall build installations that generate renewable electricity. BPK shall also build water and organic waste recycling installations for use in its offices. Further, BPK shall develop an energy- and water-saving culture as a manifestation of its care for the environment.

BPK shall implement the smart office concept to meet the needs of individual employees in carrying out their office duties with IT support. In addition, BPK shall also combine the smart office, eco-office, and desk sharing concepts to enhance employees' comfort.

The application of eco-office and smart office shall be reflected in the form of facilities and infrastructure utilization programs, among others, as follows:

- 1) making specific task to be performed more intensively through remote communication in order to reduce costs for adding new office building/office space;
- 2) optimization of workspace and equipment usage through workspace layout and desk sharing. Workspace layout is based on organizational structure to facilitate the flow of work and communication. Desk sharing is useful to increase teamwork culture and space efficiency;
- 3) ensuring that facilities and infrastructure are available for use as needed and can improve organizational performance;

- 4) care and maintenance to prevent unexpected breakdown and to keep facilities and infrastructure ready for use;
- 5) improved services for use and repair of facilities and infrastructure; and
- 6) implementation of an integrated security system.

To measure the success of strategies of optimum resource management and cooperation with stakeholders, the indicators used are, among others: (a) satisfaction level of stakeholders on the quality of communication; (b) assessment on the merit system implementation; (c) audit opinion on BPK Financial Statements; (d) level of BPK budget performance; (e) assessment on SPBE (e-Gov) application; and (f) employee happiness index.

B. Regulatory Framework

A regulatory framework is required to support the achievement of vision, missions, objective, and goal stipulated in BPK Strategic Plan 2020–2024. The regulatory framework includes identification of regulatory and policy reviews, both internally and externally, which are needed by BPK to carry out its duties and authorities. Article 23 E of the 1945 Constitution mandated BPK to audit state financial management and accountability in a free and independent manner. BPK's duties and authorities are further stipulated in more details in Law No. 15 of 2006 on the Audit Board, Law No. 17 of 2003 on State Finance, Law No. 1 of 2004 on State Treasury, and Law No. 15 of 2004 on Audit of State Financial Management and Accountability.

With regard to the performance its duties and authorities, BPK issues BPK Regulations that are binding for the internal and external stakeholders. Further, BPK also issues BPK Decrees to govern its internal organization.

In BPK Strategic Plan 2020–2024, a regulatory framework shall be prepared in reference to the national legislation program, which cover Draft Law (RUU) and Draft Government Regulation (RPP), among others:

1. Draft Law on the Amendments to Law No. 15 of 2006 on the Audit Board; and
2. Draft Government Regulation (RPP) on Planning and Budgeting Process at BPK/State Institutions.

BPK Legislation Program 2020–2024

Formation of laws and regulations is essentially a process that starts from planning, preparation, drafting, formulation, discussion, enactment, promulgation, and dissemination. Law No. 15 of 2006 on the Audit Board stipulates that BPK Regulations are legal regulations issued by BPK that are generally binding and published in the State Gazette of the Republic of Indonesia. The drafting of BPK regulation should be carried out in a planned, integrated, and systematic manner, taking into account the existing priorities in line with the requirements to carry out BPK duties and authorities.

BPK Legislation Program (*Proleg/Program Legislasi*) is prepared to produce BPK Regulations that meet the organization's needs, support the discharge of BPK duties, do not overlap with other laws and regulations and other existing BPK internal regulations (horizontally), and do not conflict with Pancasila,

1945 Constitution, and other higher laws and regulations (vertically). BPK Legislation Program is regulated in BPK Regulation No. 3 of 2018 on Preparation of Regulations, Instructions, Circular Letters, Decrees, and Announcements in the Supreme Audit Board. BPK Legislation Program constitutes a plan to establish BPK Regulations that set out the priorities for Medium Term and Annual Legislation Programs, that are prepared in a well-planned, integrated, and systematic manner by BPK in accordance with the proposals submitted by the work units. BPK Legislation Program is prepared once every 5 (five) years based on a set of priorities to

create BPK Regulations as mandated by law or BPK Regulations required to administer BPK authorities. Taking into account the changes in the laws and regulations, as well as the changing needs of the organization, the proposed BPK regulations in BPK Legislation Program may be evaluated to accommodate new proposals and the changing priorities in terms of the time frame for completion.

BPK Strategic Plan 2020–2024 has identified several proposed BPK Regulations to be included in BPK legislation program, among others, as follows.



BPK ensures that RPJMN is right-targeted by reducing regional disparity through strengthened connectivity.

1. Monitoring of State/Regional Loss Settlements;
2. Investigative Audit, State/Regional Loss Calculation, and Expert Testimony;
3. Amendments to BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units;
4. Amendments to BPK Regulation No. 4 of 2010 on Functional Auditors at BPK;
5. Management of Electronic System, Electronic Information, and Electronic Documents Within BPK;
6. Audit on Financial Statements of the Central Government;
7. Amendments to BPK Regulation No. 3 of 2011 on Public Information Management in BPK;
8. Amendments to BPK Regulation No. 1 of 2008 on Engaging Auditors and/or Experts from Outside BPK;
9. Amendments to BPK Regulation No. 1 of 2016 on Qualifications of Public Accountants in Public Accounting Firms that Audit the State Finance;
10. Amendments to BPK Regulation No. 2 of 2015 on Audit on Financial Support Received by Political Parties;
11. Implementation of State Financial Audit Standards (SPKN) for Public Accountants conducting statutory audits; and
12. State/Regional Loss Settlements Involving BUMN/BUMD Managers.

C. Institutional Framework

Institutional framework is intended to demonstrate the linkage between capacity development and BPK's strategic environment. Capacity development will influence 3 (three) aspects in the organization, i.e.: (i) governance, (ii) organization, and (iii) human resources.

1. BPK Governance and Organization

Law No. 15 of 2006 on the Audit Board stipulates that in carrying out its duties and authorities, BPK is supported by BPK Executives, which are the Secretariat General, executive units for audit duties, executive units for supporting duties, representative offices, auditors, and other officials appointed by BPK as needed. As such, the overall organization of BPK consists of: (i) Secretariat General, (ii) audit units, (iii) supporting units, (iv) BPK Representative Offices, (v) Auditors, and (vi) other officials appointed by BPK as needed.

Each BPK Executive Unit has its own roles and functions in accordance with BPK duties and functions. Developments in the organization's strategic environment, both internal and external, affect BPK's organizational development. The internal factors that affect the organization are, among other, developments in the scope of BPK duties and functions, policies of the organization's leadership, and results from periodic evaluation of the business processes and quality control system. The external factors that affect BPK include political, economic, and socio-cultural conditions, as well as information technology. Actors which may affect BPK's organization include representative bodies, government, audited entities, association of audit institutions, professional associations, and the general public.

The following are elements of strategic environment that might affect BPK's organizational development.

a. Laws and Regulations

Article 23 of the 1945 Constitution is the constitutional basis for a free and independent BPK. The derivative laws, i.e., Law No. 15 of 2004 on Audit of State Financial Management



Head of State Financial Audit VII supervising the audit on the procurement of electric train cars by PT KCI.

and Accountability and Law No. 15 of 2006 on the Supreme Audit Board stipulate that the audit mandate held by BPK shall be the audit of state financial management and accountability. State financial management is the full range of activities carried out by officials who manage state finance in accordance with their positions and authorities, which include planning, implementation, supervision, and accountability.

State financial accountability is a form of state financial management, implemented in a manner that is organized, comply with the laws and regulations, efficient, economical, effective, and transparent, while observing fairness and propriety. Amendments to laws and regulations on state financial management may affect the organizational structure and work procedures within BPK.

b. Stakeholders' Expectations

Stakeholders' expectations are closely related to the values and benefits contributed by BPK, which are, among others, strengthening accountability, transparency, and integrity of the Government and public agencies. BPK audit results are expected to provide a high degree of usefulness and relevance for the public and representative bodies. Ultimately, BPK is expected to become a role model for other ministries/agencies in good governance, excellence, and high-quality service.

c. BPK Policies

BPK internal policies as outlined in the strategic plan and its Implementation Plan (RIR) as well as the Annual Plan shall provide key guidance to set the course of development of BPK's organizational structure and governance. Furthermore, BPK's audit policies as outlined in the strategic plan could also affect BPK's organization. This is related with the audited entities that are constantly moving and dealing with dynamic changes in connection with strategic issues in the national development as determined by the Government. BPK's policies also ensure that every initiative to enhance the organizational structure will always be within the corridor of quality assurance system in both auditing and institutional aspects.

d. Best Practices in International Audit Institutions

In carrying out institutional reorganization, one of the aspects to be considered shall be the best practices in international audit institutions. As the international organization of supreme audit institution, INTOSAI provides guidance in the form of better practice guide which outlines the good audit practices in various SAIs that can serve as a role model to develop organizational capacity.

2. Developing the Organizational Structure of BPK Executive Units

To ensure the performance of duties and functions of BPK Executive Units, a BPK Regulation was issued to define the Organization and Work Procedures (OTK/ *Organisasi dan Tata Kerja*). The applicable Organization and Work Procedures of BPK Executive Units is outlined in BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units as amended by BPK Regulation No. 2 of 2020 on Amendment to BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units. Continuous enhancement in BPK Executive Units' Organization and Work Procedures (OTK) is needed to improve the organizational capacity in various functions, namely the Secretariat General, audit units, and support units, which are closely related to audits conducted by BPK.

The audit process is a cycle that consists of planning, implementation, and audit reporting. Active participation from various BPK executive units is needed in the audit cycle. Subsequently, capacity development of BPK executive units should be continuously implemented and improved to support synergy and collaboration in the audit cycle.

Capacity development shall be directed at:

a. Strengthening the Secretariat General Functions

As one of BPK's Executive Units, the Secretariat General has the authority to organize and coordinate administrative support and resources for the smooth running of BPK duties and functions, and for other BPK

Executive Units. This function is reflected in its work units, among others: (i) Bureau of Management Secretariat (*Biro Setpim*), (ii) Bureau of Public Relations and International Cooperation, (iii) Bureau of Human Resources, (iv) Bureau of Finance, (v) Bureau of Information Technology, dan (vi) Bureau of General Affairs. The additional roles and duties assumed by some Bureaus need to be aligned with BPK's needs. The alignment is reflected in strategy 6, i.e., to optimize resource management and cooperation with stakeholders.

b. Strengthening the Audit Executive Units

The audit executive units in this case are the Principal Auditorates of State Finance (AKN)

and Representative Offices that perform the audit on state financial management and accountability in audited entities under their purview. Organizational development shall be adjusted with the needs of audited entities under BPK's purview. In performing the audit duties, it is necessary to strengthen the synergy and collaboration with other executive units, particularly in coordinating the resources, in the planning and up to the reporting, as well as in terms of audit quality.

Improving human resources quality for auditing is a priority, therefore an effective communication should be established between audit executive units and support executive units to organize education and training. Advice from the



Head of State Financial Audit II delivers the Audit Report on 2019 Financial Statements of the Ministry of Trade.



Head of State Financial Audit VI receives the 2019 Unaudited Financial Statements of the Ministry of Health, Ministry of Education and Culture, and Food and Drugs Supervisory Agency.

Secretariat General should also be taken into account in Auditors' coaching and career development.

c. Strengthening the Support Executive Units

The support executive units in BPK Executive Units are the Education and Training Body for State Finance Audit (*Badiklat PKN/Badan Pendidikan dan Pelatihan Pemeriksaan Keuangan Negara*), Principal Inspectorate (*Itama/Inspektorat Utama*), Principal Directorate of Planning, Evaluation, and Development

for State Finance Audit (*Ditama Revbang/Direktorat Utama Perencanaan, Evaluasi dan Pengembangan Pemeriksaan Keuangan Negara*), and Principal Directorate of Legal Development and Supervision for State Finance Audit (*Ditama Binbangkum/Direktorat Utama Pembinaan dan Pengembangan Hukum Pemeriksaan Keuangan Negara*). Capacity development on governance, organization, and human resources shall be tailored to BPK internal policy as outlined in Policy Direction I, i.e., Improve Synergy and Collaboration in Audits and Settlements of State Losses in a Continuous

Manner. The emphasis for capacity development shall be based on the respective authorities as stipulated in the provisions on the Organization and Work Procedures (OTK). The following are the authorities of each support unit.

1. Education and Training Body for State Finance Audit (*Badiklat PKN*)

Badiklat PKN's authorities are in education and training, and certification of state finance auditors for both BPK Executive Units and entities outside BPK, as well as accreditation of education and training units for state finance audit. The main priority is alignment of human resources development. BPK auditors and all BPK employees in other Support Units shall receive human resources development programs. Officials/auditors outside BPK shall also receive human resources development programs if BPK delegates some power to them to function as BPK Executive Unit. Support for the development of governance, organization, and human resources at Badiklat PKN shall be aligned with Strategy 4, i.e., to establish a center of excellence for education and training for state finance audit.

2. Principal Inspectorate (*Itama*)

The Principal Inspectorate's authority is to supervise the performance of duties and functions of all BPK Executive Units. Such supervision includes: (i) quality assurance on audit performance; (ii) internal audit and quality assurance on organizational performance; and (iii) evaluation of fraud control system, integrity enforcement, and supervisory support. Support for the development of governance, organization, and human resources in the Principal Inspectorate

shall be aligned with Strategy 3, i.e., to improve the effectiveness of supervision on state finance audit.

3. Principal Directorate of Planning, Evaluation, and Development for State Finance Audit (*Ditama Revbang*)

Ditama Revbang's authority is to formulate strategic planning and performance management, audit reporting evaluation, and research and development. Strategic planning leads to the formulation of BPK's institutional and audit policies. Ditama Revbang cannot work alone in formulating those policies, thus the active role and participation of other work units are essential. This would include designing performance targets to be achieved as well as the strategic steps to achieve those targets. In terms of BPK audit policies, it is expected that the audit policies are developed based on data and information from audit units, or assessment results from research and development unit, or audit report evaluation results. Support for the development of governance, organization, and human resources in Ditama Revbang shall be aligned with Strategy 1, i.e., to improve the capabilities of modern and dynamic audit organization.

4. Principal Directorate of Legal Development and Supervision for State Financial Audit (*Ditama Binbangkum*)

Ditama Binbangkum's authority is to provide legal consultation, legal assistance, legal information service, legislation, legal research and development, and the administration in state/regional loss settlements. Support for the development of governance,

organization, and human resources in Ditama Binbangkum shall be aligned with Strategy 5, i.e., strengthen regulatory and legal aspects of state financial audit and state loss settlements.

3. Human Resources Management in BPK

The main policy in comprehensive human resources development is to ensure that the human resources are managed based on the merit system. The application of merit system

is intended to create a recruitment process that is transparent and able to bring out the best performance, improve employee's competence, and create clear linkage between performance, reward, and recognition.

a. Current Condition of BPK Human Resources

The total number of BPK RI human resources as of 22 July 2020 is 6,869 people, which fall under the following categories:

1) By civil service ranking/title:

Table 3. Number of Human Resources by Civil Service Ranking/Title (n = person)

No	Work Unit	I	II	III	IV
1	Secretariat General	3	116	622	75
2	Expert Staff				5
3	Badiklat PKN (Training Centre)		21	110	24
4	Itama (Principal Inspectorate)	0	4	59	29
5	Ditama Revbang (Planning, Evaluation, Development)	0	2	121	33
6	Ditama Binbangkum (Legal Development & Supervision)	0	2	61	10
7	Principal Auditorate of State Finance (AKN), Principal Auditorate of Investigation (AUI), BPK Representative Offices	0	249	4,530	793
Number of Employees by Classification		3	394	5,503	969

2) By occupational group:

Table 4. Number of Human Resources by Occupational Group (n = person)

No	Work Unit	Echelon I.A	Echelon I.B	Echelon II.A	Echelon III.A	Echelon IV.A	Total
1	Secretariat General	1	0	6	18	60	85
2	Expert Staff	0	5	0	0	0	5
3	Badiklat PKN	1	0	2	8	9	20
4	Itama	1	0	3	7	17	28
5	Ditama Revbang	1	0	3	10	21	35
6	Ditama Binbangkum	1	0	2	6	12	21
7	Principal Auditorate of State Finance (AKN), Principal Auditorate of Investigation (AU), BPK Representative Offices	7	0	53	168	196	424
I	Structural Officials from Echelon I to Echelon IV	12	5	69	217	315	618
II	PFP/ Functional Audit Officials						4,059
III	Executive Title						2,192

3) Distribution by gender:

Table 5. Number of Human Resources by Gender

No	Work Unit	Male	Female	Total
1	Secretariat General	485	331	816
2	Expert Staff	5	0	5
3	Badiklat PKN	73	82	155
4	Itama	36	56	92
5	Ditama Revbang	58	98	156
6	Ditama Binbangkum	39	34	73
7	Principal Auditorate of State Finance (AKN), Principal Auditorate of Investigation (AU), BPK Representative Offices	3,293	2,279	5,572
	Total			6,869

4) Distribution by age group:

Table 6. Number of Human Resources by Age Group

No	Work Unit	<25	26-30	31-40	41-50	51-55	>55	Total
1	Secretariat General	3	73	475	179	46	40	816
2	Expert Staff	0	0	0	1	4	0	5
3	Badiklat PKN	0	13	65	47	21	9	155
4	Itama	0	4	31	44	8	5	92
5	Ditama Revbang	0	10	84	51	10	1	156
6	Ditama Binbangkum	0	6	46	16	5	0	73
7	Principal Auditorate of State Finance (AKN), Principal Auditorate of Investigation (AUI), BPK Representative Offices	336	869	2,608	1,302	281	176	5,572
Total								6,869

b. Human Resources Projected Demand for 2020-2024

To support BPK's vision in Strategic Plan 2020-2024, BPK has prepared a projection, based on job analysis and workload analysis, on the number and occupational roles of personnel (ASN/State Civil Apparatus) required in the next 5 (five) years detailed yearly based on demand

priority. The detailed yearly ASN demand is based on occupational role mapping in each work unit that describes the availability and number of required ASN for each position level. The number of required ASN is outlined in BPK RI Secretary General Regulation No. 80 of 2019 on occupational role mapping. The total number of BPK employees required for 2020-2024 is 9,566 people with the following details.

Table 7. Human Resources Projected Demand for 2020-2024

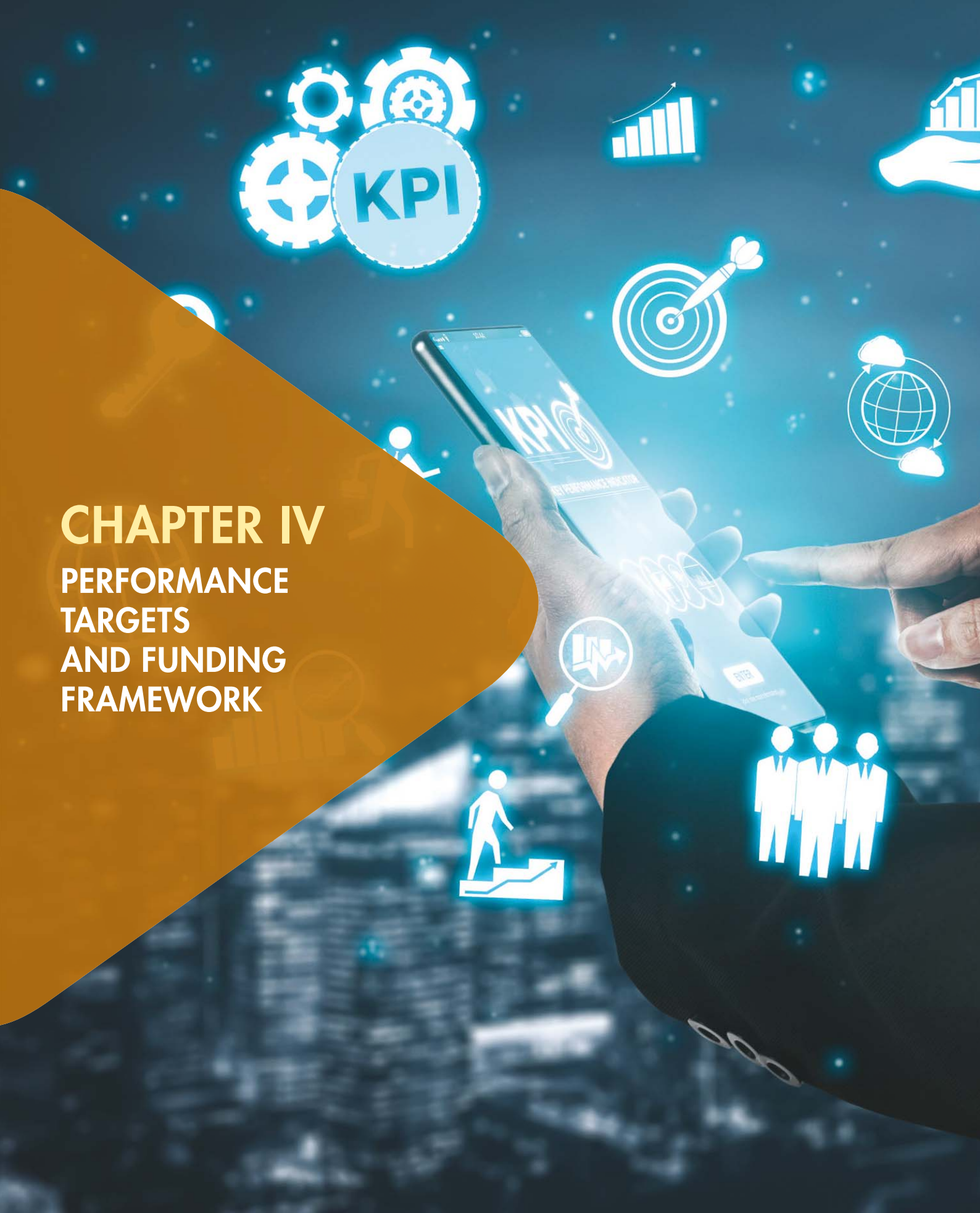
No	Description	Required Employee	Current Employee	GAP	Recruitment Plan				
					2020	2021	2022	2023	2024
1	Junior Auditor	6,418	3,420	2,998	600	600	600	599	599
2	Executive Positions (Japel) and Other Functional Positions (JFL)	3,148	2,336	812	164	162	162	162	162
Total		9,566	5,756	3,810	764	762	762	761	761



BPK takes part in achieving SDG goals to build cities and human settlements that are inclusive, safe, resilient, and sustainable through its audits.

BPK shall update its projected demand on human resources under BPK Strategic Plan 2020–2024, taking into account the number, title, qualification

of existing employees, and employees who will soon retire, and adjust it to the organization policy and government policy.



CHAPTER IV
PERFORMANCE
TARGETS
AND FUNDING
FRAMEWORK



Performance targets are set after the performance indicators are developed using the SMART (Specific, Measurable, Attainable, Relevant, dan Time-Bound) approach. These targets represent the outcomes and unit of measurement to be attained from each performance indicator, including strategic goal performance indicators, program performance indicators, and activity performance indicators.

In addition to performance targets, BPK also needs to prepare a funding framework that outlines the overall funding requirement to attain targets of strategic goals, program goals, and activity goals.

A. Performance Targets

To realize its 2020–2024 vision and missions, BPK has set one objective and one strategic goal to be measured with the following key performance indicators (table 8):

The strategic objectives shall be achieved through the implementation of two programs with six program targets, with the following details.

1. State Finance Audit Program targets (outcome):
 - a. improved capabilities of modern and dynamic audit organization;
 - b. improved audit quality in a strategic, anticipatory, and responsive manner;
 - c. improved effectiveness of supervision on state finance audit;
 - d. establishment of a center of excellence for education and training for state finance audit; and
 - e. strengthened regulatorion and legal aspects of state finance audit and state loss settlements.
2. Support Program for the Management Program target (outcome): optimized resource management and cooperation with stakeholders

Table 8. Key Performance Indicator Targets, 2020–2024

Objective	Strategic Goal	KPI	Target				
			2020	2021	2022	2023	2024
Improved quality and benefit of state financial governance	Increased use of recommendations, viewpoints, and advice on state financial management and accountability, as well as the settlement of state losses, supported by high-performing organizational governance	1. Level of State Financial Governance Quality and Usefulness Based on BPK Audit Results	73%	76%	79%	82%	85%
		2. Stakeholders' Satisfaction Index on the Usefulness of Audit Results	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)	Very Satisfactory (4.50)
		3. Quality Assurance Score on Bureaucratic Reform	(A) 88.42	(A) 88.72	(A) 89.02	(A) 89.32	(A) 89.62

B. Funding Framework

To implement each and every strategy and performance target that have been set, BPK requires sufficient funding support and commitment from the leadership and stakeholders. BPK funding source comes from the State Budget channeled through two BPK Programs, i.e., State Financial Audit Program as a technical program, and Support Program for the Management as a generic program.

Funding framework for BPK Strategic Plan 2020–2024 is prepared by combining two budgeting approaches. In the first stage, BPK prepares its budget with zero-based budgeting. This approach is used to calculate BPK’s basic budget requirement to run its programs and activities in accordance with its main duties and functions. In the second stage, BPK calculates the budget required to achieve the performance targets of its programs and activities annually throughout the BPK Strategic Plan 2020–2024 period using

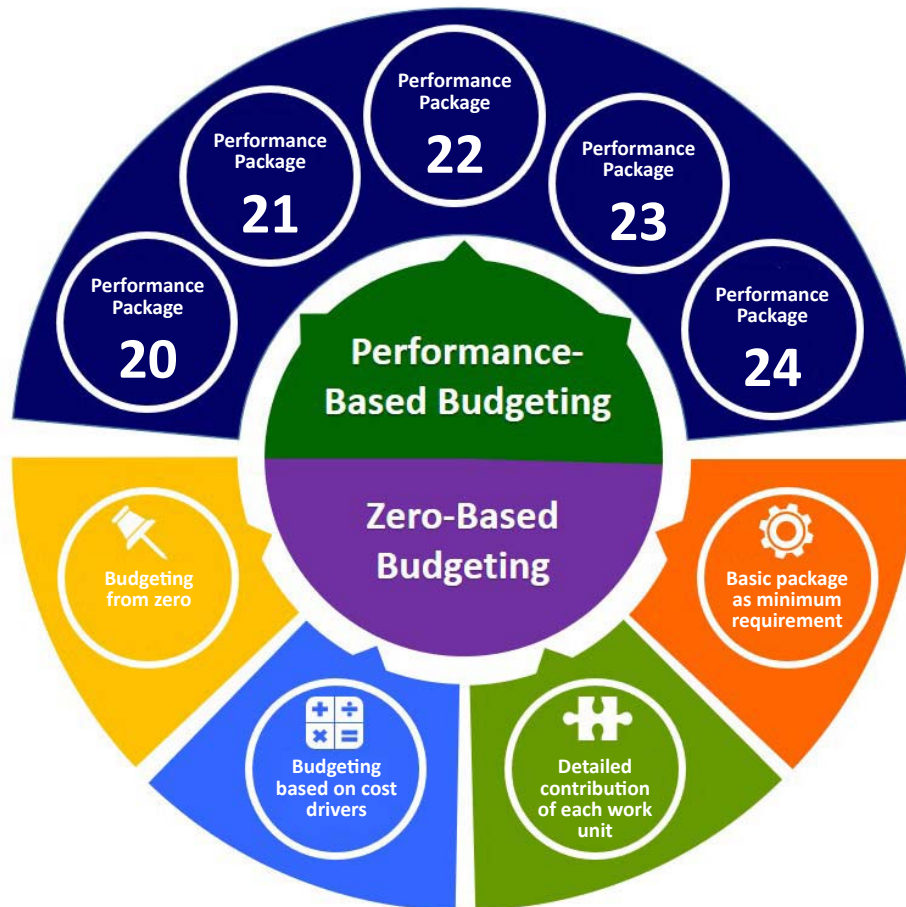


Figure 15. Funding Framework with Zero-Based Budgeting Approach and Performance-Based Budgeting Approach

performance-based budgeting. The basic funding requirement or budget derived from the zero-based budgeting is then added to the annual funding requirement or budget derived from the performance-based budgeting. The final result from the combined two approaches is BPK total funding requirement over the next five years in line with the strategic plan period to carry out its programs and activities.

Under zero-based budgeting approach, BPK does not use the previous year's budget as the baseline to prepare baseline funding framework or the minimum budget requirement. BPK calculates its basic budget requirement from the starting point or from point zero. Calculation is made by reassessing the budget needs in accordance with the duties and functions of work units or task units in charge of programs and activities. Therefore, in preparing the funding framework, BPK engages all work units in identifying activities that require funds or budget. Budget preparation is based on identifying cost drivers or activities that trigger the budget

requirement in each work unit. The zero-based budgeting approach generates a basic package (baseline) of BPK budget requirement that reflects the minimum budget required to perform its duties and functions via programs and activities.

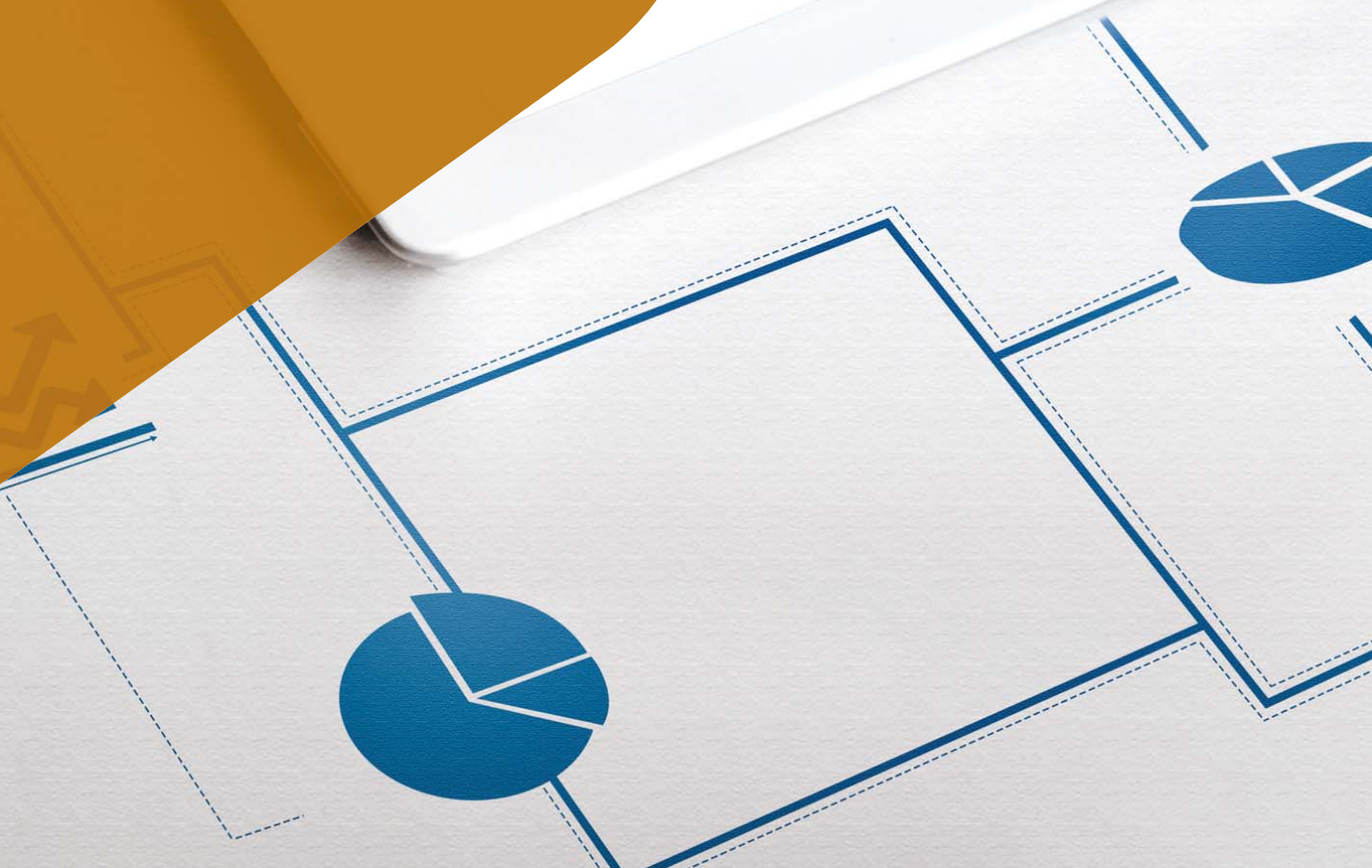
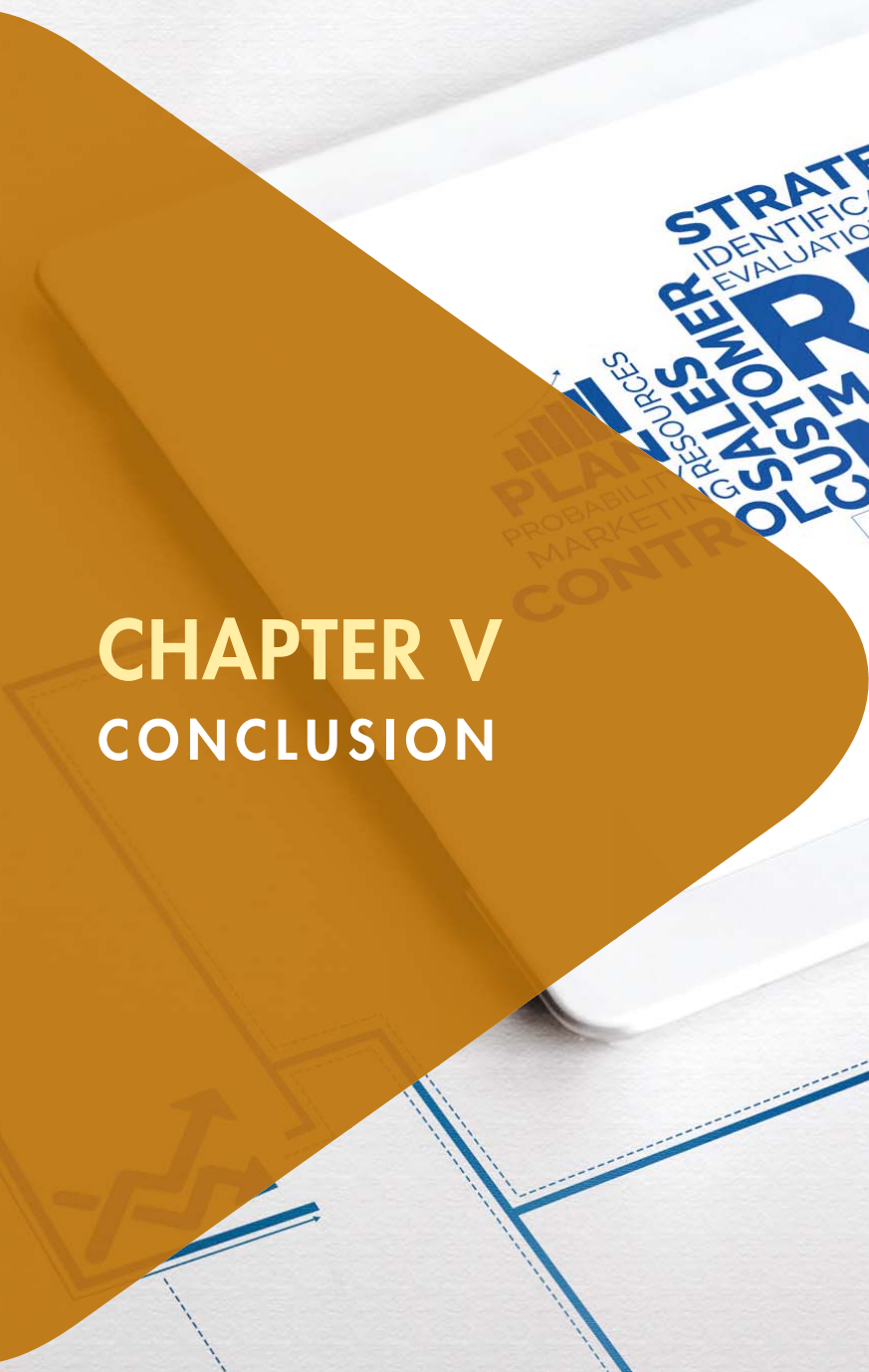
Once the baseline budget requirement is set, the required funding or budget need for each year throughout the strategic plan period shall be prepared using the performance-based budgeting approach, by identifying cost drivers affecting BPK performance in accordance with the performance targets as specified for each program and activity. Identification of cost drivers and budget required to finance routine and strategic activities that affect program and activity performance shall be carried out for every work unit in BPK. Thus, BPK budget requirement is prepared to support the realization of BPK vision, missions, and strategies in 2020–2024.

A summary of BPK funding requirement for 2020–2024 is indicated as follows.

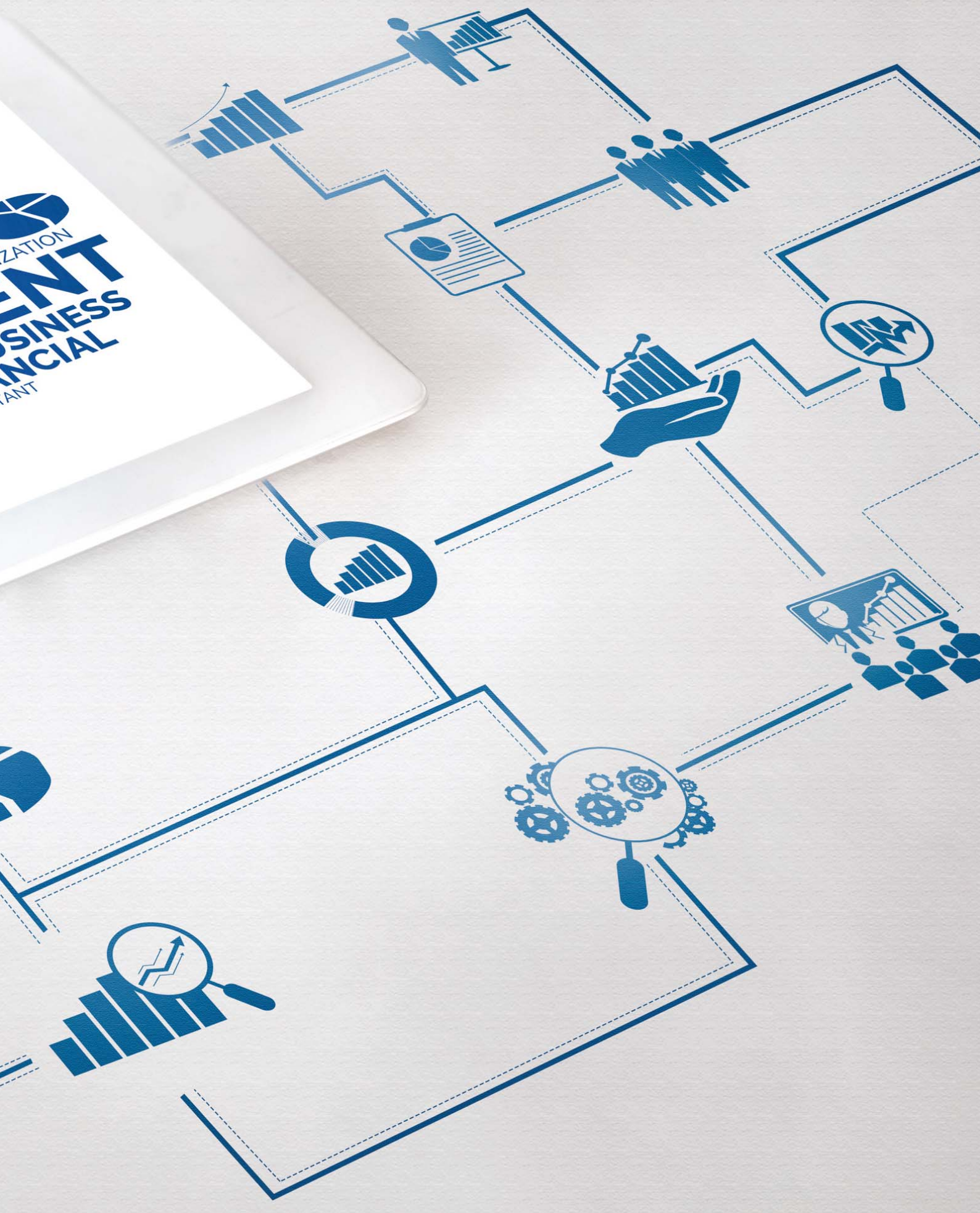
Table 9. BPK Funding Requirement 2020–2024

Program/Activity	Funding Requirement (in Million Rupiah)				
	2020	2021	2022	2023	2024
Total Funding Requirement	3,537,737	4,420,171	4,591,607	4,688,985	3,691,647
State Financial Audit Program	2,880,409	3,558,802	3,691,647	3,829,566	3,986,160
• State Financial Audit and Monitoring of State Loss Settlements	1,104,235	1,493,910	1,498,888	1,499,283	1,506,106
• Supervision by the Inspectorate	12,123	13,433	13,433	15,178	17,234
• Legal Consultation Service and Administration of State/Regional Losses	3,887	4,639	4,662	4,686	4,709
• Legislation Services, Development, and Legal Assistance	4,695	5,117	5,117	5,117	5,117
• Strategic Planning and Performance Management	7,279	8,593	8,759	8,610	8,876
• Audit Results Evaluation and Reporting	4,231	5,868	5,169	5,169	5,981
• Research and Development for State Financial Audit	4,193	8,431	7,165	8,999	7,733
• Human Resources Management for State Financial Audit	1,622,651	1,802,007	1,962,762	2,088,245	2,203,173
• Education and Training for State Financial Audit	94,871	176,623	145,512	154,098	187,050
• Investigation on State Financial Management	22,244	40,180	40,180	40,180	40,180
Support Program for the Management	657,328	861,369	899,960	859,419	874,816
• Secretariat, Public Relations, and International Cooperation Services	38,798	47,500	46,887	47,500	46,887
• Human Resources Management	325,074	394,350	392,868	387,580	385,361
• State Financial Management and Accountability	21,164	21,471	20,768	20,812	22,753
• Management of Facilities and Infrastructure, and General Services	150,522	223,374	283,763	239,853	273,741
• BPK Secretariat Services	76,180	79,638	79,638	79,638	79,638
• System and Information Technology Management	45,590	95,036	76,036	84,036	66,436

CHAPTER V CONCLUSION



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The implementation of BPK Strategic Plan 2020–2024 needs to be supported by an implementation framework that includes risk management, change management, knowledge management, as well as synergy and sustainability.

Furthermore, monitoring and evaluation are needed to ensure that BPK Strategic Plan 2020–2024 is in line with the latest developments. Monitoring and evaluation are also needed to ensure that implementation of the strategic plan remains on the proper track and able to attain the prescribed performance targets.

A. Strategic Plan Implementation Framework

1. Risk Management

To achieve its organizational objective, BPK is required to adopt risk management as a

coordinated effort to steer and control the organization’s activities against any potential risks. These risks must be analyzed and managed as part of the organization’s strategy. When risk management becomes an integral part of the strategic planning process, the identified strategies will be stronger when faced with uncertainties as well as more flexible. Through risk management, BPK can identify potential risks, determine how much risks it can take, and determine the mitigation steps.

In mitigating the risks, the use of risk management can increase BPK’s capability to exploit existing opportunities to give added value to the organization. Additionally, risk management must also be able to anticipate risks with negative impacts and to guard the upholding of BPK core values, i.e., Independence, Integrity, and Professionalism. The integration of risk management and the strategic plan is illustrated in figure 16.

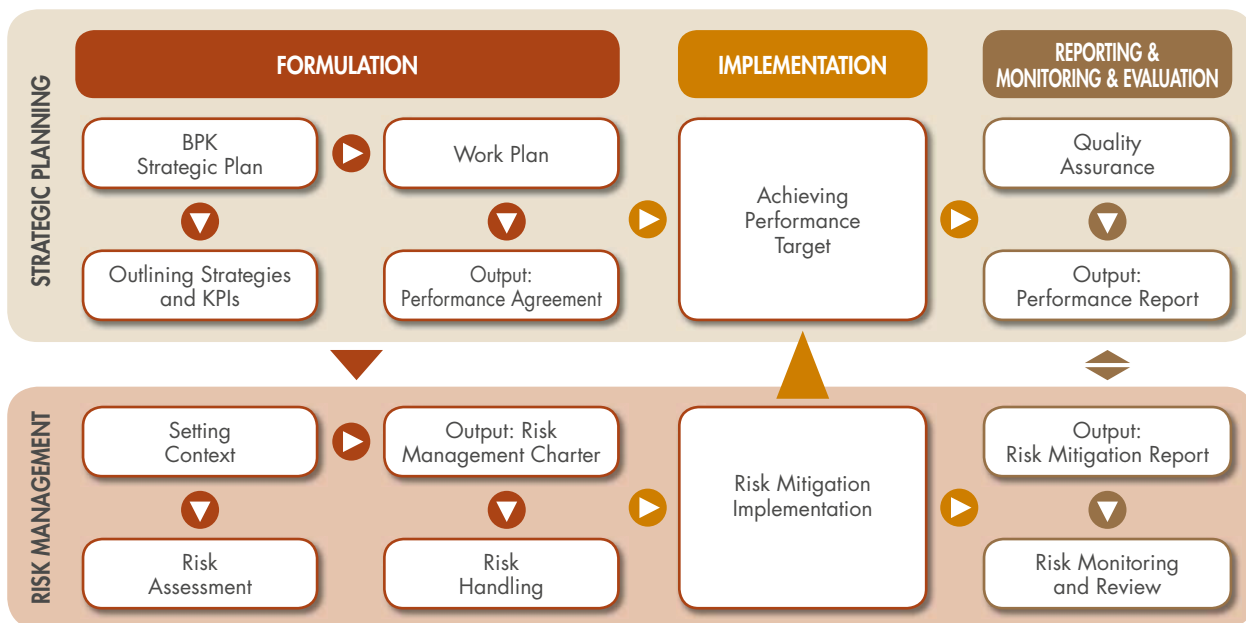


Figure 16. Risk Management Integration into Strategic Plan Preparation

Risk management starts alongside the process of strategic plan formulation. The strategic plan formulation process includes context setting, risk assessment, and plans to handle risks, which will later be outlined in a risk management charter. Subsequently, as the strategic plan is implemented, risk mitigation will also be implemented. The implementation process shall be monitored and evaluated to be reported periodically. In the reporting process, risks will be monitored and reviewed, with the results explained in a risk mitigation report.

Implementation of Risk Management in BPK is supported by BPK Decree No. 6/K/I-XIII.2/8/2018 on Policy on Risk Management Implementation in BPK and BPK Decree No. 7/K/I-XIII.2/9/2018 on Risk Management Implementation Guidance in BPK. These two regulations are the legal umbrella for risk management in BPK.

Risk management is one of the important factors in the strategic plan implementation framework and has been implemented in an integrated manner in strategic planning. For the next five years, BPK will gradually integrate risk management and strategic planning with other management systems, including information management system, quality management, anti-bribery management, work unit operations, supervision, legal, personnel health and safety, etc. in accordance with the requirements, capacity, and priority.

Having experienced natural and non-natural disasters on both national and global scales, such as COVID-19, BPK will strive to maintain continuity of its organization duties. Thus, BPK prepares and implements its Business Continuity Plan (BCP) and Disaster

Recovery Center (DRC) at its organizational and operational levels in a comprehensive, structured, and systematic manner. BPK's response against crisis and disaster will also be focused on personnel health and safety, handling information technology disruptions, and work environment recovery.

2. Change Management

Change management is a systematic process in applying knowledge, means, and resources required by the organization to move from the current conditions to expected conditions, namely towards better performance and to manage individuals that will be affected by the change. In an organization, these would include changes in the structure, process, people, mindset, and work culture. Changes may potentially spark resistance from individuals in an organization. Thus, transparency, communication, and engagement of all parties in the change process are necessary to reduce resistance.

To oversee the strategic plan implementation in order to achieve the specified organizational objective, BPK shall prepare its action plan and implement change management so that the strategic plan can be adopted by all elements in BPK and can guide the preparation of work unit activity planning during the strategic plan period. Furthermore, change management should be implemented so that all parties, both inside and outside BPK, can accept and support the implementation of BPK Strategic Plan 2020–2024.

Change management approach is used to manage changes that are required to increase awareness of the parties targeted in the changes. Such change management is needed because



Figure 17. Rationale for Change Management

strategic plan implementation may not impact on individual or organizational behavioral changes as required. Therefore, it is necessary to have a management that focuses on the human side so that individuals and the organization can transform itself and perform better or is not resistant to any changes.

Through change management, BPK expects to adopt changes in the behaviors of individuals and organization from the current conditions to the expected conditions and that such changes for the better would persist. BPK's efforts to become an active player in achieving state goals require strong commitments from each element in the organization. In addition, synergy and collaboration with the stakeholders are also very important to strengthen and leverage BPK resources in the implementing the strategic plan.

In general, a change management process involves 3 (three) steps: preparing the change plan,

managing the change, and reinforcing the change. The process is illustrated in figure 18.

Change management in BPK Strategic Plan 2020–2024 is carried out through various activities, i.e., communication, sponsorship, mentoring and coaching, training, and managing resistance to change. Communication is carried out in a comprehensive manner by involving all elements in the organization. Communication with stakeholders should also be developed to highlight BPK's role as well as to support the implementation of BPK Strategic Plan 2020–2024. Support for the strategic plan is needed, especially from the leadership and external parties with significant influence to improve BPK's image. Mentoring and coaching are delivered thoroughly by leveraging all work units, various communities, and communication channels within BPK. Change efforts through trainings will be designed in coordination with the education and training authority in BPK. Resistance-to-change management is carried out by identifying

CHANGE MANAGEMENT PROCESS

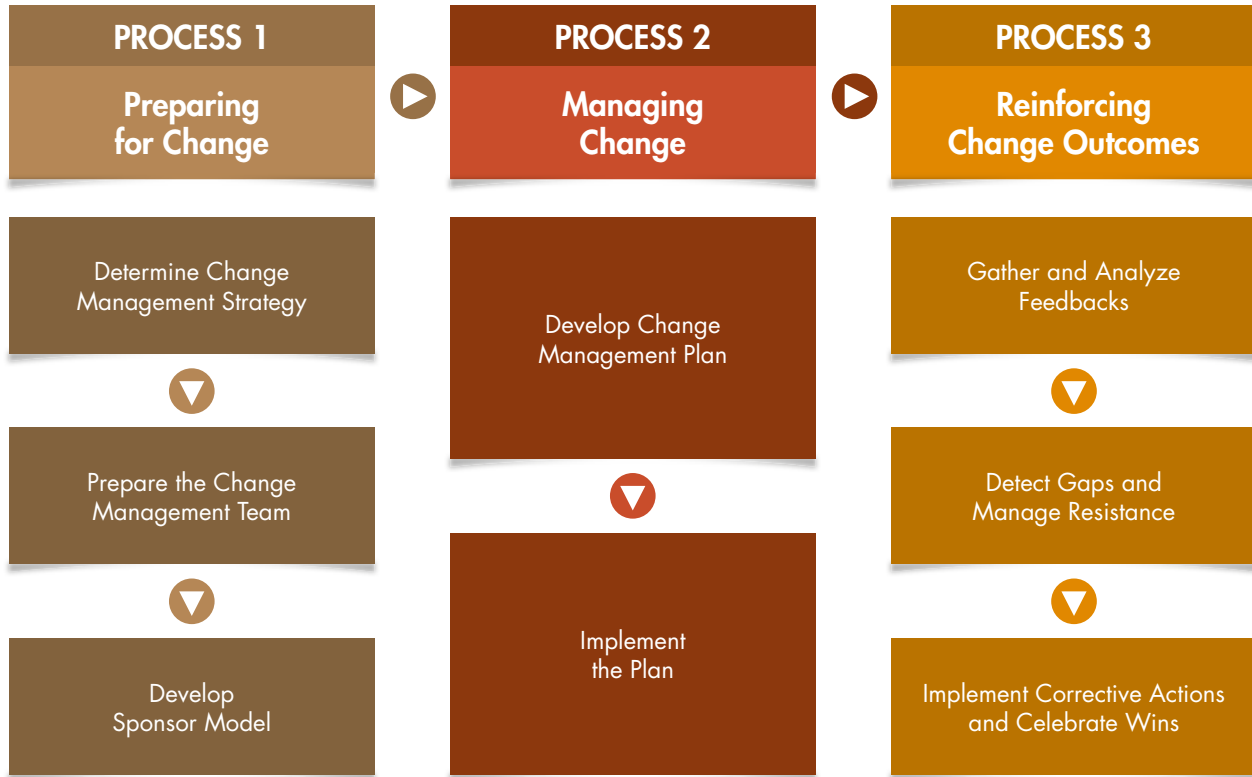


Figure 18. Change Management Process

and stratifying levels of resistance, and then to address them through continued persuasive measures.

To evaluate the implementation of change management, BPK shall evaluate the strategic plan's level of adoption to identify how much its employees have embraced the strategic plan. There are five components used to measure the level of adoption: Awareness, Desire, Knowledge, Ability, and Reinforcement (ADKAR). Activities to achieve the components being measured are communication, sponsorship, coaching, training, and management of resistance.

3. Knowledge Management

Knowledge management is structured and systematic efforts to develop and utilize the existing retained knowledge to support decision-making process in improving organizational performance. Knowledge management includes efforts to acquire, store, process and retrieve, utilize and disseminate, as well as evaluate and enhance the knowledge as an intellectual asset of the organization.

BPK shall manage the knowledge it possesses to the best of its ability to help achieve the



Figure 19. Change Management Plan

organization's objectives. The important rationale for BPK's knowledge management include, among others: (1) demand for increased quality performance and decision making; (2) mitigating the risk of loss of knowledge; (3) mitigating the risk of repeating the same work; (4) mitigating the risk of errors in carrying out its work; (5) demand for a standardized human resources competence; and (6) demand for increased productivity and innovation. Knowledge management provides the opportunity for BPK to address risks and to meet demands. Moreover, developing knowledge management is also useful to increase business process efficiency within BPK, enable broader access to information across

work units, and encourage better collaboration between BPK's Leadership and its Executive Units, and also among BPK Executive Units themselves.

Some measures to support knowledge management in BPK under this strategic plan period are, among others:

- a. optimize the infrastructure and IT to manage organizational knowledge;
- b. develop BPK's policies on knowledge management;
- c. increase human resources competence; and
- d. manage change to develop a knowledge-sharing culture.

4. Synergy and Sustainability

To ensure that the strategic plan can be properly implemented, synergy between work units must be developed and improved. Synergy means to build and ensure a productive collaboration and harmonious coordination with stakeholders to generate high-quality and beneficial performance. Synergy is an effort to fill in and complement one another to achieve results that are greater than the sum of its parts. The concept of synergy can be described as, among others.

- a. oriented towards results and positivity;
- b. multi-perspective, replacing or complementing paradigm;

- c. work with each other and having similar objectives and agreement; and
- d. work effectively and is a process.

BPK needs to build synergy with internal and external parties. BPK's internal synergy includes collective efforts to achieve BPK's vision, missions, and goals by all work units within BPK, by building collaboration and improving communication and coordination between work units. Synergy with external parties includes BPK's relationship with the stakeholders to align BPK's audit activities with stakeholders' expectations and needs to bring about high-quality and beneficial state financial governance to achieve state goals.



Professionalism in BPK is developed by applying the principles of prudence, diligence, and thoroughness, as well as by following the applicable standards.

For a stronger implementation of the strategic plan, the synergy should also be supported by continuous improvement so that the strategic plan is implemented dynamically and can be adjusted to the latest situations and conditions. Continuous improvement is needed as it is important for the organization to maintain its performance quality. Such continuity ensures that the current practices are managed in ways that would benefit the organization today and into the future. Therefore, a cycle of continuous improvement is needed, as illustrated in figure 20.

Building an organization’s capacity to make it sustainable means defining the organization’s current state and future state, describing what BPK already has in place and what BPK needs

to have so as to achieve the desired future. BPK needs to have an explicit framework to set a clear course for the organization, with clear-cut milestones or measurements and execution of strategies. Thus, the strategic plan needs to be translated into a more detailed annual plan to enable better implementation, followed by monitoring and assessment to determine whether any corrective and prevention actions are required. This process (plan, do, check, act) should be carried out continuously to sustain the implementation of BPK Strategic Plan.

Furthermore, as the COVID-19 pandemic has shown, a sustained implementation requires support through synergy, collaboration, innovation, and risk mitigation. Good cooperation requires synergy and collaboration with all relevant



Figure 20. Continuous Improvement Cycle

stakeholders. BPK will also continue to initiate innovations to improve its business processes, including new breakthroughs supported by increasing use of information technology. COVID-19 brings a cross-cutting impacts on all operational levels and risks. Therefore, each executive work unit must be mindful of such impacts when preparing Implementation Plan (RIR) and carrying out the plan.

B. Monitoring and Evaluation

1. Implementation of Monitoring and Evaluation

Activities to implement the strategic plan will be evaluated periodically in a hierarchical manner from work unit level up to the organization level. The purpose of evaluating the level of outcomes of BPK's institutional development plan is as follows:

- a. to identify the outcomes in terms of KPIs, activities, employees' adoption of output, identification of existing problems, identification of alternative solutions to emerging problems for better implementation in the subsequent years or development period;
- b. the accurate evaluation results can be used to prepare baseline data and to properly determine the next period's targets, as well as to monitor the strategic plan and its Implementation Plan (RIR); and
- c. to identify lessons learned in organizational development.

The progress of strategic plan implementation is indicated from processed data derived from the

application system that monitors the progress of activities initiated by work units, monthly reports from work units, and key indicator outcomes. The evaluation mechanism is illustrated in the following scheme.

Evaluation of organizational development is carried out periodically in accordance with the corresponding hierarchy, i.e., monthly evaluation in the Echelon II and Echelon I work units, and quarterly, semi-annually, and annually at BPK level. The data used in the evaluation is gathered from the monthly reports of the work units and of the Strategic Initiative (*IS/Inisiatif Strategis*) managers, survey results, calculation of KPI achievements, education and training evaluations, as well as reviews from the Principal Inspectorate.

Evaluation shall be carried out on the activity outcomes with monitoring focused on the timeliness of activity implementation progress, budget accuracy, and outputs. Evaluation is also conducted on KPI achievements, on employees' level of adoption, as well as evaluation on strategic policies to ensure relevance between the activities and the strategic plan, the quality of outputs, impacts or benefits that have been realized, effectiveness and efficiency in activity implementation, as well as to ensure the sustainability of changes made under the strategic plan agenda.

Discussions of the evaluation outcomes are conducted through various meeting forums, among others, technical meetings, Echelon I Forums, BPK Executive Unit Coordination Meetings, BPK Executive Unit Work Meetings, and Technical Coordination Meetings at the Echelon I work unit level. The evaluation described is evaluation on the implementation of strategic plan. Furthermore, BPK shall conduct annual

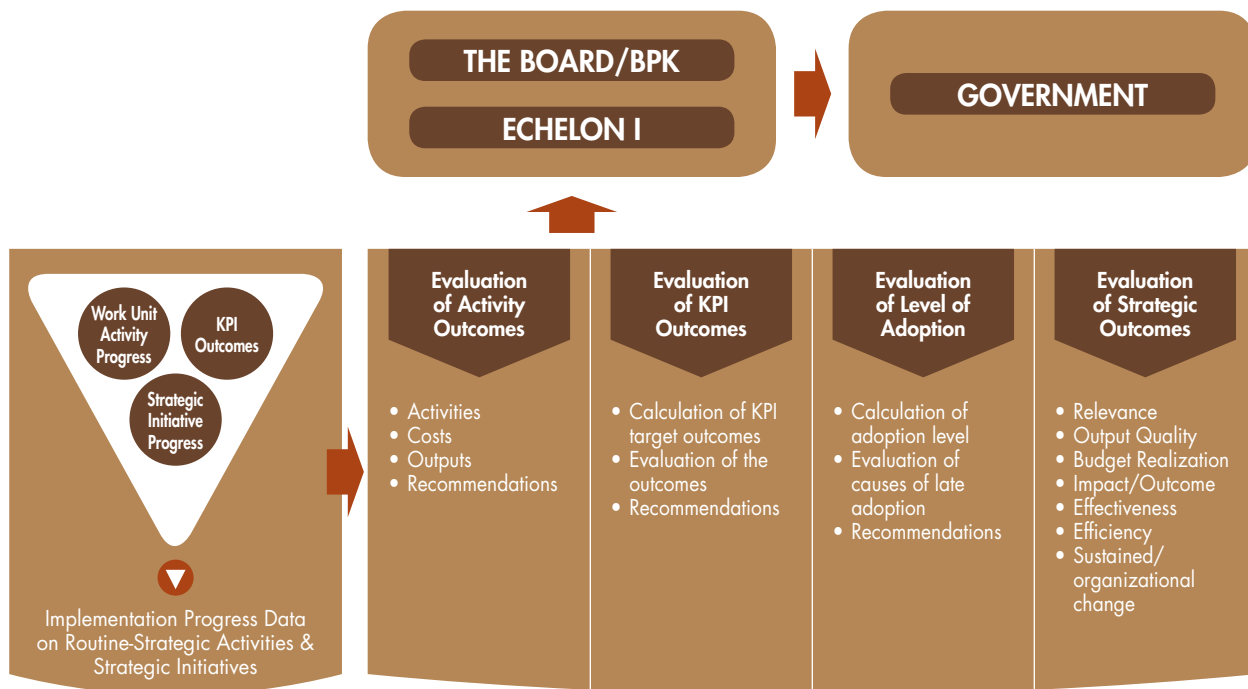


Figure 21. Monitoring and Evaluation

reviews and evaluations of the strategic plan to ensure that BPK’s Strategic Plan remains relevant with the current conditions inside and outside of the organization. The results of the strategic plan reviews may change the formulation of objective, strategic goal, policy directions, strategies, or the formulation of key performance indicators and their targets.

2. Improvements and Amendments to the Strategic Plan

The strategic plan is a living document that will undergo annual review to allow adjustments to be made in line with developments in laws and regulations, the strategic environment, and BPK’s policy directions. In the event of any changes taken by the Leadership, whether stemming

from BPK Board Meetings or Coordination/Work Meetings, which caused revisions in policies, performance targets, or budget, or stemming from recommendations after evaluation by Itama (Principal Inspectorate) and external parties, such documented changes will be an integral part of this strategic plan document. Therefore, it is expected that BPK would have a medium term (a five-yearly period) planning document for BPK development that is fully updated and relevant with those developments and BPK policy directions.

As a continuation of BPK Strategic Plan 2020–2024 and strategic plans from earlier periods, the achievements of vision, missions, objective, and strategic goal, as well as the strategic plan indicator targets, shall be considered in the

preparation of the subsequent strategic plan for the next five years. As such, BPK Strategic Plan for the next period should be prepared before the BPK Strategic Plan 2020–2024 period ends.

Based on the current strategic planning, every work unit and personnel in BPK shall contribute

in implementing BPK Strategic Plan 2020–2024 in the course of their duties. Their contributions will support BPK in becoming a trustworthy audit institution that plays an active role in fostering state finance with high-quality and useful financial governance to achieve state goals.

Issued in Jakarta
On [Insert Date]

CHAIR OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA,

signed

AGUNG FIRMAN SAMPURNA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NO. 197

This copy conforms to the original
THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
Head of the Principal Directorate of Legal Development and Supervision
in State Financial Audit,

signed

Blucer Welington Rajagukguk

LIST OF ACRONYMS

A

ADKAR	: Awareness, Desire, Knowledge, Ability, and Reinforcement
AKN	: <i>Auditorat Keuangan Negara</i> (Auditorate of State Finance)
APBN	: <i>Anggaran Pendapatan dan Belanja Negara</i> (State Budget)
APIP	: <i>Aparat Pengawasan Intern Pemerintah</i> (Government Internal Auditors)
ASEANSAI	: ASEAN Supreme Audit Institutions
ASN	: <i>Aparatur Sipil Negara</i> (Civil Servants)
ASOSAI	: Asian Organization of Supreme Audit Institutions
AUI	: <i>Auditorat Utama Investigasi</i> (Principal Auditorate of Investigative Audit)

B

BADIKLAT	: <i>Badan Pendidikan dan Pelatihan</i> (Education and Training Body)
BCP	: Business Continuity Plan
BI	: Bank Indonesia
BPK	: <i>Badan Pemeriksa Keuangan</i> (The Audit Board/Indonesian SAI)
BUMN (SOE)	: <i>Badan Usaha Milik Negara</i> (State-Owned Enterprises)
BUMD (RGOE)	: <i>Badan Usaha Milik Daerah</i> (Regional Government-Owned Enterprises)
BLU	: <i>Badan Layanan Umum</i> (Public Service Agency)
BLUD	: <i>Badan Layanan Umum Daerah</i> (Regional Public Service Agency)

C

COVID-19	: Corona Virus Disease 2019
CSFA	: Certified State Finance Auditor

D

DPD	: <i>Dewan Perwakilan Daerah</i> (Regional Representatives Council)
DPR	: <i>Dewan Perwakilan Rakyat</i> (House of Representatives)
DPRD	: <i>Dewan Perwakilan Rakyat Daerah</i> (Regional House of Representatives)
DRC	: Disaster Recovery Center
DITAMA REVBANG	: <i>Direktorat Utama Perencanaan, Evaluasi, dan Pengembangan Pemeriksaan Keuangan Negara</i> (Principal Directorate of Planning, Evaluation, and Development for State Finance Audit)
DITAMA BINBANGKUM	: <i>Direktorat Utama Pembinaan dan Pengembangan Hukum Pemeriksaan Keuangan Negara</i> (Principal Directorate of Legal Development and Supervision for State Finance Audit)

E

EBT	: <i>Energi Baru Terbarukan</i> (New and Renewable Energy)
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I

IAEA	: International Atomic Energy Agency
IHP	: <i>Ikhtisar Hasil Pemeriksaan</i> (Summary of Audit Reports)
IPH	: <i>Instansi Penegak Hukum</i> (Law Enforcement Agencies)
INCOSAI	: International Congress of Supreme Audit Institution
INTOSAI	: The International Organization of Supreme Audit Institutions
ISSAI	: International Standards of Supreme Audit Institutions
ITAMA	: <i>Inspektorat Utama</i> (Principal Inspectorate)
IKU	: <i>Indikator Kinerja Utama</i> (Key Performance Indicators)

J

JKN	: <i>Jaminan Kesehatan Nasional</i> (National Health Insurance)
JPT	: <i>Jabatan Pimpinan Tinggi</i> (Senior Executive Officers)

K

K/L	: <i>Kementerian/Lembaga</i> (Ministries/Agencies)
KAP	: <i>Kantor Akuntan Publik</i> (Public Accounting Firm)
Kemenkumham	: <i>Kementerian Hukum dan Hak Asasi Manusia</i> (Ministry of Law and Human Rights)
KY	: <i>Komisi Yudisial</i> (Judicial Commission)

L

LHP	: <i>Laporan Hasil Pemeriksaan</i> (Audit Report)
LK	: <i>Laporan Keuangan</i> (Financial Statements)
LKKL	: <i>Laporan Keuangan Kementerian dan Lembaga</i> (Financial Statements of Ministries and Agencies)
LKPD	: <i>Laporan Keuangan Pemerintah Daerah</i> (Financial Statements of Regional Governments)
LKPP	: <i>Laporan Keuangan Pemerintah Pusat</i> (Financial Statements of the Central Government)

M

MA	: Mahkamah Agung (Supreme Court)
MAKIN	: Manajemen Kinerja (Performance Management)
MK	: Mahkamah Konstitusi (Constitutional Court)
MKKE	: Majelis Kehormatan Kode Etik (Ethics Panel)
MPR	: Majelis Permusyawaratan Rakyat (People's Consultative Assembly)

O

OTK	: Organisasi Tata Kerja (Organizational and Work Procedures)
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P

PBB	: Perserikatan Bangsa-Bangsa (The United Nations)
PDTT	: Pemeriksaan Dengan Tujuan Tertentu (Special Purpose Audit)
PERMENPAN dan RB	: Peraturan Menteri Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (Regulation of Minister of Administrative and Bureaucratic Reform)
PKN	: Pemeriksaan Keuangan Negara (State Finance Audit)
PMPRB	: Penilaian Mandiri Pelaksanaan Reformasi Birokrasi (Self-Assessment of Bureaucratic Reform Implementation)
PUSRENGGAR	: Pusat Perencanaan dan Penyelenggaraan Pendidikan dan Pelatihan Pemeriksaan Keuangan Negara (Planning and Organizing Center for Education and Training for State Finance Audit)
PUSTANDEV	: Pusat Standarisasi dan Evaluasi Pendidikan dan Pelatihan Pemeriksaan Keuangan Negara (Standardization and Evaluation Center for Education and Training for State Finance Audit)
PPG	: Program Pengendalian Gratifikasi (Graft Control Program)

R

RB	: Reformasi Birokrasi (Bureaucratic Reform)
RBA	: Risk-Based Audit
Renstra	: Rencana Strategis (Strategic Plan)
RIR	: Rencana Implementasi Renstra (Strategic Implementation Plan)
RKP	: Rencana Kegiatan Pemeriksaan (Annual Audit Plan)
RPJMD	: Rencana Pembangunan Jangka Menengah Daerah (Regional Medium Term Development Plan)
RPJMN	: Rencana Pembangunan Jangka Menengah Nasional (National Medium Term Development Plan)
RPJPN	: Rencana Pembangunan Jangka Panjang Nasional (National Long Term Development Plan)
RPP	: Rancangan Peraturan Pemerintah (Draft Government Regulation)
RUU	: Rancangan Undang-Undang (Draft Law, Bill)

S

SAI	: Supreme Audit Institutions
SAI PMF	: Supreme Audit Institution Performance Measurement Framework
SAKIP	: Sistem Akuntabilitas Kinerja Instansi Pemerintah (Government Institution Performance Accountability System)
SAP	: Sistem Akuntansi Pemerintah (Government Accounting System)
SDGs	: Sustainable Development Goals
SDM	: Sumber Daya Manusia (Human Resources)
SETPIIM	: Sekretariat Pimpinan (Management Secretariat)
SIPTL	: Sistem Pemantauan Tindak Lanjut (Follow-Up Actions Monitoring System)
SISDM	: Sistem Informasi SDM (HR Management Information System)
SJSN	: Sistem Jaminan Sosial Nasional (National Social Security System)
SMART	: Specific, Measurable, Achievable, Reliable, and Time-Bound
SMP	: Sistem Manajemen Pemeriksaan (Audit Management System)
SPBE	: Sistem Pemerintahan Berbasis Elektronik (Electronic-Based Government System/e-Gov)
SPI	: Sistem Pengendalian Intern (Internal Control System)
SPIP	: Sistem Pengendalian Intern Pemerintah (Government Internal Control System)
SPKM	: Sistem Pemerolehan Keyakinan Mutu (Quality Assurance System)
SPM	: Sistem Pengendalian Mutu (Quality Control System)

T

TI	: Information Technology
TLRHP	: Tindak Lanjut Rekomendasi Hasil Pemeriksaan (Follow-Up Actions on Audit Recommendations)
TSAO	: Tentative Strategic Audit Objectives

U

UU	: Undang-Undang (National Law)
UUD	: Undang-Undang Dasar (The Indonesian National Constitution)

W

WBS	: Whistle Blowing System
WDP	: Wajar Dengan Pengecualian (Qualified Audit Opinion)
WHO	: World Health Organization
WTP	: Wajar Tanpa Pengecualian (Unqualified Audit Opinion)

Annex 1.
Regulatory Framework Matrix in BPK RI Strategic Plan 2020–2024

No	Direction of Regulatory Framework and/or Regulatory Requirement	Urgency for the Regulation Based on Evaluation of Existing Regulation, Review, and Research	Unit-in-Charge	Relevant Unit/ Institution	Completion Target
1	Draft Law on the Amendments to Law No. 15 of 2006 on The Audit Board.	Proposed changes to Law No. 15 of 2006 are focused on three main aspects, i.e.: 1. Authority to calculate state loss; 2. Independence (budget and Human Resources); 3. Transparency of BPK Audit Results.	1. Secretariat General; 2. Ditama Revbang; 3. Ditama Binbangkum.	1. Ministry of State Secretariat; 2. Ministry of Finance; 3. Ministry of Law and Human Rights.	2024
2	Draft Government Regulation (RPP) on Planning and Budgeting Process at BPK/State Institutions.	1. Follow-up of Law No. 17 of 2003 on State Finance; 2. Support BPK's independence in budget planning.	1. Secretariat General; 2. Ditama Revbang; 3. Ditama Binbangkum.	1. Ministry of State Secretariat; 2. Ministry of Finance; 3. Ministry of Law and Human Rights.	2024
3	Monitoring of State/ Regional Loss Settlements.	1. Article 10 paragraph (3) point a, point b, and point c of Law No. 15 of 2006; 2. Technical Guidelines on Procedures to Monitor State/Regional Loss Settlements are no longer compatible with organizational development and requirements outlined in BPK Regulation No. 1 of 2019 as amended by BPK Regulation No. 2 of 2020; 3. Development of information system in monitoring state/regional loss settlements.	Ditama Revbang	Ditama Binbangkum	2020
4	Investigative Audit, Calculation of State/ Regional Losses, and Expert Testimony.	1. Article 13 of Law No. 15 of 2004 and Article 11 point c of Law No. 15 of 2006; 2. Regulations and Technical Guidelines on Integrity Enforcement (PI), State Financial Audit (PKN), and Expert Testimony (PKA) are no longer compatible with developments in organizational requirements.	Principal Auditorate of Investigative Audit (AUI)	1. Ditama Revbang; 2. Ditama Binbangkum.	2020
5	Amendments to BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units.	1. Changes in ministry nomenclature due to the formation of Onward Indonesia Cabinet (Kabinet Indonesia Maju); 2. The need to develop organizational structure and work procedures at a number of Work Units in BPK means that some provisions in BPK Regulation No. 1 of 2019 must be reviewed and adjusted.	Ditama Revbang	Ditama Binbangkum	2020
6	Amendments to BPK Regulation No. 4 of 2010 on Functional Auditors at BPK.	The issuance of several regulations related to staffing/personnel and functional positions: 1. Law No. 5 of 2014 on State Civil Apparatus; 2. Government Regulation (PP) No. 11 of 2017 on Management of State Civil Employee; 3. Regulation of the Minister of Administrative and Bureaucratic Reform No. 49 of 2018 on Auditor Functional Position; 4. Regulation of the Minister of Administrative and Bureaucratic Reform No. 13 of 2019 on Proposing, Appointing, and Coaching for Civil Servant Employee Functional Positions.	Ditama Revbang	1. Secretariat General; 2. Ditama Binbangkum.	2020

No	Direction of Regulatory Framework and/or Regulatory Requirement	Urgency for the Regulation Based on Evaluation of Existing Regulation, Review, and Research	Unit-in-Charge	Relevant Unit/ Institution	Completion Target
7	Management of Electronic System, Electronic Information, and Electronic Documents Within BPK.	<ol style="list-style-type: none"> 1. Government Regulation No. 71 of 2019 on Administration of Electronic System and Transaction; 2. Presidential Regulation No. 95 of 2018 on Electronic-Based Government System (e-Gov); 3. Presidential Regulation No. 39 of 2019 on One Data Indonesia; 4. Easier digitalization of Audit Working Paper (KKP) and other official documents; 5. Authentication of electronic documents. 	Secretariat General	<ol style="list-style-type: none"> 1. Ditama Revbang; 2. Ditama Binbangkum. 	2020
8	Audit on Financial Statements of the Central Government.	<ol style="list-style-type: none"> 1. Advances in IT require integration and automation in audit-related data submission; 2. Considerable number of audited entities and tight audit schedule. 	AKN II	<ol style="list-style-type: none"> 1. Ditama Binbangkum; 2. Ditama Revbang. 	2021
9	Amendments to BPK Regulation No. 3 of 2011 on Public Information Management in BPK.	<ol style="list-style-type: none"> 1. BPK Regulation No. 3 of 2011 is incomplete (a more detailed mechanism is outlined in a standard operating procedure); 2. Organizational development (PPID-Information and Documentation Managers/ Officers). 	Secretariat General	Ditama Binbangkum	2021
10	Amendments to BPK Regulation No. 1 of 2008 on Engaging Auditors and/or Experts from Outside BPK.	<p>There have been no detailed provisions that clarify the following:</p> <ol style="list-style-type: none"> 1. The performance of statutory audits by Public Accountants based on law (Public Accountants that audit, among others, Government-Owned Enterprises (BUMN/BUMD), Public Service Agencies (BLU/BLUD)); 2. Engaging auditors from outside BPK, i.e., to have government internal auditors (APIP) to perform audits for and on behalf of BPK; 3. Experts from outside BPK who work for and on behalf of BPK; 4. Public Accountants and Public Accounting Firms that audit financial statements of BPK. 	Ditama Revbang	Ditama Binbangkum	2021
11	Amendments to BPK Regulation No. 1 of 2016 on Qualifications of Public Accountants in Public Accounting Firms that Audit the State Finance.	<ol style="list-style-type: none"> 1. BPK Regulation No. 1 of 2016 is no longer suitable for current organization's needs related to, among others, certifications in education and training and maintaining competence for Public Accountants and auditors at Public Accounting Firms; 2. The issuance of BPK Regulation No. 1 of 2017; 3. Advances in technology that facilitate electronic registration process. 	Ditama Revbang	Ditama Binbangkum	2021
12	Amendments to BPK Regulation No. 2 of 2015 on Audit on Financial Support Received by Political Parties.	Issuance of Government Regulation (PP) No. 1 of 2018 on Second Amendment to Government Regulation No. 5 of 2009 on Financial Support to Political Parties that stipulates submission deadlines and the Accountability Report (LPJ/ Laporan Pertanggungjawaban) format for financial support received by political parties.	Ditama Revbang	<ol style="list-style-type: none"> 1. Ditama Binbangkum; 2. AKN V; 3. AKN VI. 	2022

No	Direction of Regulatory Framework and/or Regulatory Requirement	Urgency for the Regulation Based on Evaluation of Existing Regulation, Review, and Research	Unit-in-Charge	Relevant Unit/ Institution	Completion Target
13	Implementation of State Financial Audit Standards (SPKN) for Public Accountants conducting audits based on the laws.	<ol style="list-style-type: none"> 1. BPK Regulation No. 1 of 2017 on State Financial Audit Standards (SPKN) stipulates that audits by public accountants are based on provisions in the laws and under the guidance of Public Accountant Professional Standards (SPAP) and State Financial Audit Standards (SPKN); 2. Paragraph 24 of the 2017 State Financial Audit Standards (SPKN) Conceptual Framework stipulates that BPK shall provide the guidelines for public accountants to use SKPN. 	Ditama Revbang	Ditama Binbangkum	2023
14	State/Regional Loss Settlements Involving BUMN/BUMD Managers.	<ol style="list-style-type: none"> 1. Article 10 paragraph (1) of Law No. 15 of 2006; 2. Step up the settlement of state/regional losses in BUMN/BUMD. 	Ditama Binbangkum	<ol style="list-style-type: none"> 1. Ditama Revbang; 2. AKN V; 3. AKN VI; 4. AKN VII. 	2024

Issued in Jakarta
On [Insert Date]

CHAIR OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA,

signed

AGUNG FIRMAN SAMPURNA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NO. 197

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Head of the Principal Directorate of Legal Development and Supervision
in State Financial Audit,

signed

Blucer Welington Rajagukguk

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
7	Completion level of advice on SAP or SPIP	100%	100%	100%	100%	100%						
8	Organization Quality Index (on a scale of 5)	Satisfactory (3.90)	Satisfactory (3.90)	Satisfactory (3.95)	Satisfactory (3.95)	Very Satisfactory (4.00)						
9	Level of applicability of practice notes for audits and for the organization	Easily Applicable (4.00)	Easily Applicable (4.10)	Easily Applicable (4.10)	Easily Applicable (4.20)	Easily Applicable (4.20)						
10	Quality of BPK audit reporting	100%	100%	100%	100%	100%						
Program Outcome 2: Improved audit quality in a strategic, anticipatory, and responsive manner												
Indicator:												
1	Level of audit strategy implementation	100%	100%	100%	100%	100%						
2	Percentage of audit result recommendations that have been followed up	75%	75%	75%	75%	75%						
3	Level of stakeholders' requested audits that have been completed	100%	100%	100%	100%	100%						
4	Utilization level of big data analytics	40%	50%	65%	80%	90%						
5	Utilization of audit results	40%	50%	65%	80%	90%						
6	Completion of audit quality control and quality assurance	100%	100%	100%	100%	100%						
7	Utilization of investigation results	80%	85%	90%	95%	100%						
Program Outcome 3: Improved effectiveness of supervision on state financial audit												
Indicator:												
1	Maturity level of Internal Control System	Level 3 (3.4)	Level 4 (3.7)	Level 4 (3.7)	Level 4 (4.0)	Level 4 (4.0)						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
	2 Effectiveness index for internal supervision	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)	Very Satisfactory (4.50)						
	3 Number of work units gaining the status as Corruption Free Zone (WBK) and Clean and Service-Providing Bureaucracy Zone (WBBM)	100% (3 work units)	100% (3 work units)	100% (3 work units)	100% (3 work units)	100% (3 work units)						
	4 Level of enforcement on code of ethics and discipline	100%	100%	100%	100%	100%						
	5 Level of completed follow-up actions on recommendations from internal supervision	95%	96%	97%	98%	100%						
	6 Level 4. criteria of Internal Audit Capability Model (IACM) that have been met	40%	60%	100%	100%	100%						
Program Outcome 4: Establishment of a center of excellence for education and training for state financial audit												Badiklat PKN
Indicator:												
	1 Level of improvement of work unit performance	100%	100%	100%	100%	100%						
	2 Percentage of training course graduates with increased performance	50%	51%	52%	53%	54%						
	3 Level of stakeholder satisfaction on the performance of education and training graduates	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.80)	Satisfactory (3.90)	Very Satisfactory (4.00)						
	4 Percentage of education and training participants that graduate with at least "satisfactory" predicate	50%	55%	60%	65%	70%						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
5	Satisfaction index of education and training participants and certification	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
6	Level of completion of certification and accreditation programs	85%	90%	95%	100%	100%						
7	Stakeholder satisfaction index on the performance of Education and Training Body for State Financial Audit (Badiklat PKN)	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
Program Outcome 5: Strengthened regulatory and legal aspects of state financial audit and state loss settlements												
Indicator:												
1	Completion level of materials for BPK advice on drafts and laws and regulations related to the implementation of BPK duties	100%	100%	100%	100%	100%						
2	Level of completion for the preparation and enhancement of BPK regulations	100%	100%	100%	100%	100%						
3	Level of fulfillment in the provision of legal support and legal consultation services in BPK audits	100%	100%	100%	100%	100%						
4	Level of completion of cases related to state losses implicating treasurers and BUMN/BUMD/BLU/BLUD managers	100%	100%	100%	100%	100%						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit	
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024		
	Completion of BPK advice for accounts receivable write-off on state/regional losses from Treasury Claims/Indemnification Claims (Tuntutan Perbendaharaan/Tuntutan Ganti Rugi)	100%	100%	100%	100%	100%							
	5	100%	100%	100%	100%	100%							
	Indemnification Claims (Tuntutan Perbendaharaan/Tuntutan Ganti Rugi)												
	Activity 1043: State Financial Audit and Monitoring of State Loss Settlements						1,104,235	1,493,910	1,498,888	1,499,283	1,506,106		Auditorates and Representative Offices
	Activity Output 1: Increased number of high-quality audits												
	Indicator:												
	1	Completion of audit quality control and quality assurance	100%	100%	100%	100%							
	2	Completion level of audit results that meet engagement expectation	100%	100%	100%	100%							
	3	Percentage of audit result recommendations that have been followed up	75%	75%	75%	75%							
	4	Fulfillment level of work units' involvement in national thematic audits	100%	100%	100%	100%							
	5	Level of stakeholders' requested audits that have been completed	100%	100%	100%	100%							
	6	Fulfillment level of work units' involvement in local thematic audits	100%	100%	100%	100%							
	Activity Output 2: Improved quality of audit management												
	Indicator:												
	1	Satisfaction level on audit management support	Satisfactory (3.30)	Satisfactory (3.50)	Satisfactory (3.80)	Satisfactory (3.90)	Very Satisfactory (4.00)						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
2	Utilization level of monitoring and evaluation of follow-up monitoring of audit results	100%	100%	100%	100%	100%						
	Utilization level of strategic issue analysis and audit policies	100%	100%	100%	100%	100%						
							12,123	13,433	13,433	15,178	17,234	Inspectorate of Integrity Enforcement (PI), Internal Audit & Institutional Quality (PIMK), and Audit Quality Assurance (PMKP)
Activity 1153: Supervision by the Inspectorate												
Activity Output 1: Increased supervision to enforce BPK core values												
Indicator:												
1	Index of integrity enforcement measures	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)	Very Satisfactory (4.50)						
2	Number of work units gaining the status as Corruption Free Zone (WBK) and Clean and Service-Providing Bureaucracy Zone (WBBM)	100% (3 work units)	100% (3 work units)	100% (3 work units)	100% (3 work units)	100% (3 work units)						
3	Level of enforcement on code of ethics and discipline	100%	100%	100%	100%	100%						
Activity Output 2: Increased institutional quality assurance												
Indicator:												
1	Effectiveness index of institutional quality assurance review	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)	Very Satisfactory (4.50)						
2	Level of completed follow-up actions on recommendations from internal audit/internal review on institutional quality	95%	96%	97%	98%	100%						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
3	Level of completed follow-up actions on peer review recommendations	40%	65%	75%	85%	100%						
4	Level of completion for internal audit and institutional quality control review	100%	100%	100%	100%	100%						
5	Level of units/work units with "satisfactory" accountability	100%	100%	100%	100%	100%						
6	Level of utilization of advice on institutional quality control aspect	100%	100%	100%	100%	100%						
Activity Output 3:												
Improved quality of audit performance												
Indicator:												
1	Effectiveness index of audit quality assurance review	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)	Very Satisfactory (4.50)						
2	Level of completed follow-up actions on recommendations from quality assurance review on audit performance quality	95%	96%	97%	98%	100%						
3	Fulfillment level of audit quality control	65%	67%	69%	71%	73%						
4	Level of utilization of advice on audit quality control	100%	100%	100%	100%	100%						
Activity 1154: Legal Consultation Service and Administration of State/Regional Losses												
Activity Output:												
Improved capacity of legal consultation service for state/regional financial audit and administration services for State/Regional losses												
Indicator:												
1	Fulfillment level of legal consultation service	100%	100%	100%	100%	100%	3,887	4,639	4,662	4,686	4,709	Directorate of Legal Consultation and State/Regional Loss Administration (KHK)

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
2	Timeliness of legal opinion on audit-related legal aspects	100%	100%	100%	100%	100%						
3	Satisfaction index on the quality of legal consultation services	Very Satisfactory (4.2)	Very Satisfactory (4.4)	Very Satisfactory (4.4)	Very Satisfactory (4.5)	Very Satisfactory (4.5)						
4	Timeliness of draft case materials on treasury claims (tuntutan perbendaharaan)	100%	100%	100%	100%	100%						
5	Level of settlements on loss cases implicating treasurers and BUMN/BUMD/BLU/BLUD managers	100%	100%	100%	100%	100%						
6	Fulfillment of BPK advice for accounts receivable write-off on state/regional losses from Treasury Claims/Indemnification Claims (Tuntutan Perbendaharaan/Tuntutan Ganti Rugi)	100%	100%	100%	100%	100%						
Activity 1155: Legislation Services, Development, and Legal Assistance												Directorate of Legislation, Development, and Legal Assistance (LPBH)
Activity Output:												
Improved quality of legislation and legal information services, development, and legal assistance												
Indicator:												
1	Fulfillment level of legal assistance services	100%	100%	100%	100%	100%						
2	Index of quality regarding legal advisory services for state finance and audit	4.1	4.2	4.4	4.4	4.5						
3	Index of quality of services on legislation and legal information	Very Satisfactory (4.2)	Very Satisfactory (4.4)	Very Satisfactory (4.4)	Very Satisfactory (4.5)	Very Satisfactory (4.5)						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target				Allocation (in million rupiah)				Executive Organization Unit						
		2020	2021	2022	2023	2024	2020	2021	2022		2023	2024				
	4 Average time to complete legislation services	14 days	14 days	13 days	13 days	12 days										
	5 Timeliness to complete legal information services	100%	100%	100%	100%	100%										
	6 Completion level of materials for BPK advice on drafts and laws and regulations related to the implementation of BPK duties	100%	100%	100%	100%	100%										
	7 Level of completion for the preparation and enhancement of BPK regulations	100%	100%	100%	100%	100%										
Activity 1156: Strategic Planning and Performance Management											7,279	8,593	8,759	8,610	8,876	Directorate of Strategic Planning & Performance Management (P5MK)
Activity Output: Integrated planning is in place																
Indicator:																
1	Satisfaction level on planning integration	Satisfactory (3.70)	Satisfactory (3.80)	Satisfactory (3.80)	Satisfactory (3.90)	Satisfactory (4.00)										
2	Maturity level of knowledge management	Standardize (Level 3)	Optimize (Level 4)	Optimize (Level 4)	Optimize (Level 4)	Innovate (Level 5)										
3	Availability of planning documents	100%	100%	100%	100%	100%										
4	Satisfaction level on planning services	3.90	4.00	4.10	4.20	4.20										
5	Level of completed follow-up actions of recommendations from planning reviews	100%	100%	100%	100%	100%										
6	Maturity level of risk management	Defined (Level 3)	Defined (Level 3)	Defined (Level 3)	Integrated (Level 4)	Optimized (Level 5)										
7	Maturity level of change management	Multiple Projects (Level 3)	Multiple Projects (Level 3)	Multiple Projects (Level 3)	Organizational Standards (Level 4)	Organizational Competency Level (Level 5)										

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Activity 1157: Audit Results Evaluation and Reporting												
Activity Output: Improved quality of audit results evaluation and reporting												
Indicator:												
1	Completion level of draft viewpoints	100%	100%	100%	100%	100%						
2	Timeliness of audit report evaluation submission	100%	100%	100%	100%	100%						
3	Completion level of audit results evaluation	100%	100%	100%	100%	100%						
4	Satisfaction level on audit results evaluation	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.60)	Satisfactory (3.70)	Satisfactory (3.70)						
5	Stakeholders' satisfaction index on the Summary of Audit Reports (IHP)	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)						
Activity 1158: Research and Development for State Financial Audit												
Activity Output: Improved quality of research and development for state financial audit and institution												
Indicator:												
1	Level of applicability of practice notes for audits and for the organization	Easily Applicable (4.00)	Easily Applicable (4.10)	Easily Applicable (4.10)	Easily Applicable (4.20)	Easily Applicable (4.20)						
2	Utilization level of research and development information system	95%	95%	95%	95%	95%						
3	Participation level in the science or professional field	100%	100%	100%	100%	100%						
4	Satisfaction level on results of studies	Satisfactory (3.50)	Satisfactory (3.50)	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.60)						
5	Fulfillment level of audit and organizational practice notes	60%	60%	60%	65%	65%						
							4,193	8,431	7,165	8,999	7,733	Directorate of Research and Development

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit	
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024		
	6	100%	100%	100%	100%	100%							
	7	18	20	22	24	26							
Activity 1159: Human Resources Management for State Financial Audit													
Activity Output: Improved effectiveness of human resources management based on qualification, competence, and performance													
Indicator:													
1	Fulfillment level of required employees based on job formation	50%	55%	60%	65%	70%							
2	Fulfillment level of employee placement and job title in line with their qualification, competence, and performance	35%	40%	45%	50%	55%							
3	Fulfillment level of career pathways based on qualification, competence, and performance	35%	40%	45%	50%	55%							
4	Fulfillment level of performance allowance calculation that takes into account individual performance	25%	100%	100%	100%	100%							
Activity 1167: Education and Training for State Financial Audit													
Activity Output 1: Improved education and training that are high-quality, useful, and trusted													
Indicator:													
1	Level of completion of education and training courses target outcomes	95%	96%	97%	98%	99%							
							94,871	176,623	145,512	154,098	187,050		Bureau of Human Resources Standardization and Evaluation Center (Pustandev) and Planning and Organizing Center (Pusrenggar)

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
2	Satisfaction level on the education and training course delivery	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
3	Fulfillment level of facilitators' standards	100%	100%	100%	100%	100%						
4	Satisfaction level on services of the education and training facilities and infrastructure	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
5	Satisfaction level of Planning and Organizing Center (Pusrenggar) and Secretariat working partners	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
Activity Output 2: Increased standardization, evaluation, certification, and accreditation that are high-quality, useful, and trusted												
Indicator:												
1	Fulfillment level of certification being organized	100%	100%	100%	100%	100%						
2	Fulfillment level of evaluation being organized	100%	100%	100%	100%	100%						
3	Fulfillment level of accreditation apparatus	100%	100%	100%	100%	100%						
4	Satisfaction level of education and training participants on learning media	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
5	Level of stakeholder satisfaction on the fulfillment of education and training needs	Satisfactory (3.50)	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.60)	Satisfactory (3.70)						
6	Satisfaction level of Standardization and Evaluation Center (Pustandev) working partners	Very Satisfactory (4.20)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
Activity 1032: Public Relations and International Cooperation Services												
Activity Output: Increased coordinated and high-quality communication and information management												
Indicator:												
1	Public information disclosure	Towards Informative (83)	Towards Informative (87)	Informative (90)	Informative (93)	Informative (96)						
2	Number of visits to BPK research library for research activities	24 visits	36 visits	48 visits	60 visits	72 visits						
3	Level of response on negative news coverage associated with BPK	100%	100%	100%	100%	100%						
4	Satisfaction index of stakeholders on the quality of communication	Very Satisfactory (4.00)	Very Satisfactory (4.00)	Very Satisfactory (4.00)	Very Satisfactory (4.00)	Very Satisfactory (4.00)						
5	Level of quality of BPK's MoUs with stakeholders	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.70)	Satisfactory (3.80)	Satisfactory (3.90)						
6	Quality in facilitating internalization/ externalization of BPK's role to stakeholders	Satisfactory (3.50)	Satisfactory (3.60)	Satisfactory (3.70)	Satisfactory (3.80)	Satisfactory (3.90)						
7	Externalization of BPK's capacity at the international level	14	15	16	16	16						
8	BPK's role as external auditor of international agencies	1	2	2	1	1						
9	Satisfaction index for museum service	Satisfactory (3.00)	Satisfactory (3.00)	Satisfactory (3.00)	Very Satisfactory (4.00)	Very Satisfactory (4.00)						
Activity 1033: Human Resources Management												
Activity Output: Improved effectiveness of human resources management based on the merit system												
Indicator:												
1	Fulfillment level of required employees based on job formation	50%	55%	60%	65%	70%						
							325,074	394,350	392,868	387,580	385,361	Bureau of Human Resources

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
	Fulfillment level of employee placement and job title in line with their qualification, competence, and performance	35%	40%	45%	50%	55%						
	Fulfillment level of career pathways based on qualification, competence, and performance	35%	40%	45%	50%	55%						
	Fulfillment level of performance allowance calculation that takes into account individual performance	25%	100%	100%	100%	100%						
Activity 1034: Management and Accountability of State Funds												
Activity Output: Improved quality of reliable, transparent, accountable, and modern financial management												
Indicator:												
1	Budget Performance Evaluation (EKA/ Evaluasi Kinerja Anggaran) Score	80%	81%	82%	83%	84%						
2	Budget Implementation Evaluation (EPA/ Evaluasi Pelaksanaan Anggaran) Score	94%	94%	95%	95%	95%						
3	Satisfaction index on services by the Bureau of Finance	Very Satisfactory (4.00)	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)	Very Satisfactory (4.40)						
Activity 1152: Management of Facilities, Infrastructure, and General Services												
Activity Output: Improved effectiveness of facilities and infrastructure management to realize smart office and eco-office (Safe, Comfortable, Efficient, and Environmentally Friendly)												
Indicator:												
1	Employee satisfaction index on the effectiveness of facilities and infrastructure management	Satisfactory (3.90)	Very Satisfactory (4.00)	Very Satisfactory (4.10)	Very Satisfactory (4.20)	Very Satisfactory (4.30)						
							150,522	223,374	283,763	239,853	273,741	Bureau of General Affairs

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target					Allocation (in million rupiah)					Executive Organization Unit
		2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	
	2 Efficiency of electricity usage	Sufficiently Efficient (14)	Efficient (13)	Efficient (12)	Efficient (11)	Efficient (10)						
	3 Archiving supervision score	Very Good (70)	Very Good (73)	Very Good (75)	Satisfactory (81)	Satisfactory (83)						
	4 Level of recency on State Assets (BMN) data updates	100%	100%	100%	100%	100%						
Activity 2045: BPK Secretariat Services												
Activity Output: Improved monitoring function on BPK policy implementation												
Indicator:												
	1 Satisfaction index on service for the senior executive leadership	Very Satisfactory (4.00)	Very Satisfactory (4.10)	Very Satisfactory (4.15)	Very Satisfactory (4.20)	Very Satisfactory (4.25)						
	2 Level of follow-up actions on BPK Board Meeting results	65%	65%	67%	67%	70%						
	3 Fulfillment level of protocol services	100%	100%	100%	100%	100%						
Activity 2046: Systems and Information Technology Management												
Activity Output: Work behavior based on a secure and reliable information system												
Indicator:												
	1 Employee satisfaction index on information technology services	Satisfactory (3.9)	Very Satisfactory (4.0)	Very Satisfactory (4.1)	Very Satisfactory (4.15)	Very Satisfactory (4.2)						
	2 Level of information technology network service availability	98%	98%	98%	98%	98%						
	3 Level of follow-up actions on user complaints	90%	95%	95%	100%	100%						
	4 Level of fulfillment of applications in line with integrated BPK business processes	80%	85%	90%	95%	100%						
							45,590	95,036	76,036	84,036	66,436	Bureau of Information Technology

Program/ Activity	Program Outcome/ Activity Output/Indicator	Target				Allocation (in million rupiah)				Executive Organization Unit			
		2020	2021	2022	2023	2024	2020	2021	2022		2023	2024	
Expert Staff	1	2	3	3	4	4							
	2	40 participation hours	40 participation hours	40 participation hours	40 participation hours	40 participation hours							
	3	15 days	20 days	25 days	30 days	35 days							
	4	100%	100%	100%	100%	100%							
	5	83%	83.5%	84%	84.5%	85.7%							

Issued in Jakarta
On [Insert Date]

CHAIR OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA,
signed

AGUNG FIRMAN SAMPURNA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NO. 197

This copy conforms to the original
THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
Head of the Principal Directorate of Legal Development and Supervision
in State Financial Audit,

signed

Blucer Welington Rajagukguk



**REGULATION OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA
NO. 3 OF 2020
ON
THE AUDIT BOARD STRATEGIC PLAN 2020–2024**

BY THE GRACE OF GOD ALMIGHTY

THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA,

- Considering
- a. that in accordance with the provisions of Article 19 paragraph (2) of Law No. 25 of 2004 on National Development Planning System, it is stipulated that the Strategic Plan of Ministries/Agencies shall be issued by a Regulation of the respective Ministers/Head of Agencies after being adjusted to the National Medium-Term Development Plan;
 - b. that based on the provisions as referred to in point a and with the issuance of Presidential Regulation No. 18 of 2020 on the 2020–2024 National Medium-Term Development Plan, the Audit Board shall prepare and issue its BPK Strategic Plan 2020–2024 with reference to Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 5 of 2019 on Procedures to Prepare the Strategic Plans of Ministries/Agencies for 2020–2024 as amended by Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 6 of 2020 on Amendments to Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 5 of 2019 on Procedures to Prepare the Strategic Plans of Ministries/Agencies for 2020–2024;
 - c. that based on considerations as referred to in point a and point b, it is necessary to issue the Audit Board Regulation on The Audit Board Strategic Plan 2020–2024;
- In view of
1. Law No. 17 of 2003 on State Finance (State Gazette of the Republic of Indonesia of 2003 No. 47, Supplement to the State Gazette of the Republic of Indonesia No. 4286);
 2. Law No. 15 of 2004 on Audit on State Financial Management and Accountability (State Gazette of the Republic of Indonesia of 2004 No. 66, Supplement to the State Gazette of the Republic of Indonesia No. 4400);
 3. Law No. 25 of 2004 on National Development Planning System (State Gazette of the Republic of Indonesia of 2004 No. 104, Supplement to the State Gazette of the Republic of Indonesia No. 4421);

4. Law No. 15 of 2006 on The Audit Board (State Gazette of the Republic of Indonesia of 2006 No. 85, Supplement to the State Gazette of the Republic of Indonesia No. 4654);
5. Law No. 17 of 2007 on the 2005–2025 National Long-Term Development Plan (State Gazette of the Republic of Indonesia of 2007 No. 33, Supplement to the State Gazette of the Republic of Indonesia No. 4700);
6. Government Regulation No. 40 of 2006 on Procedures to Prepare National Development Plan (State Gazette of the Republic of Indonesia of 2006 No. 97, Supplement to the State Gazette of the Republic of Indonesia No. 4664);
7. Presidential Regulation No. 18 of 2020 on the 2020–2024 National Medium-Term Development Plan (State Gazette of the Republic of Indonesia of 2020 No. 10);
8. BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units (State Gazette of the Republic of Indonesia of 2019 No. 62) as amended by BPK Regulation No. 2 of 2020 on Amendment to BPK Regulation No. 1 of 2019 on Organization and Work Procedures of BPK Executive Units (State Gazette of the Republic of Indonesia of 2020 No. 197);
9. Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 5 of 2019 on Procedures to Prepare the Strategic Plans of Ministries/Agencies for 2020–2024 (Official Gazette of the Republic of Indonesia of 2019 No. 663) as amended by Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 6 of 2020 on Amendments to Regulation of the National Development Planning Minister/Head of National Development Planning Agency No. 5 of 2019 on Procedures to Prepare the Strategic Plans of Ministries/Agencies for 2020–2024 (Official Gazette of the Republic of Indonesia of 2020 No. 635)

HAS DECIDED:

To issue REGULATION OF THE AUDIT BOARD (BPK) ON THE AUDIT BOARD STRATEGIC PLAN 2020–2024.

Article 1

BPK Strategic Plan 2020–2024 expands upon BPK’s vision, missions, objective, strategic goal, policy directions, and strategies, which provides the foundation and guidance to prepare, implement, and evaluate programs, policies, and activities for all work units within BPK for the 2020–2024 period, as listed in the Annexes which is an integral part of this BPK Regulation.

Article 2

BPK Strategic Plan 2020–2024 as referred to in Article 1 contains:

- a. introduction;
- b. vision, missions, core values, objective, and strategic goal;
- c. policy directions, strategies, regulatory framework, and institutional framework;
- d. performance targets and funding framework; and
- e. conclusion.

Article 3

Data and information regarding the performance of BPK Strategic Plan 2020–2024 stored in the KRISNA–Renstra Information System are an integral part of BPK Strategic Plan 2020–2024 document as referred to in Article 2.

Article 4

This BPK Regulation shall become effective on the date of its promulgation and has retroactive power up to 27 January 2020.

For public cognizance, this BPK Regulation shall be promulgated in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 2 November 2020

CHAIR OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA,

signed

AGUNG FIRMAN SAMPURNA

Promulgated in Jakarta
on 3 November 2020

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NO. 246

This copy conforms to the original
THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
Head of the Principal Directorate of Legal Development and Supervision
in State Financial Audit,

signed

Blucer Wellington Rajagukguk



VISION

To Be a Trusted Audit Institution that Plays an Active Role in Fostering High-quality and Beneficial State Financial Governance to Achieve State Objectives



MISSIONS

1. To conduct audits on state financial management and accountability to provide recommendations, viewpoints, and advice
2. To promote corruption prevention and acceleration of state loss settlements
3. To implement a transparent and sustainable organizational governance to become a role model for other institutions

OBJECTIVE



Improved quality and benefit of state financial governance

STRATEGIC GOAL



Increased use of recommendations, viewpoints, and advice on state financial management and accountability, as well as the settlement of state losses, supported by high-performing corporate governance

POLICY DIRECTION 1: The Increase of synergy and collaboration in audit and state loss settlements in a continuous manner



Strategy 1

Improve the capabilities of modern and dynamic audit organization



Strategy 2

Improve audit quality in a strategic, anticipatory, and responsive manner



Strategy 3

Improve the effectiveness of supervision on state finance audits



Strategy 4

Establish a center of excellence for education and training for state finance audit



Strategy 5

Strengthen regulatory and legal aspects of state financial audit and state loss settlements



POLICY DIRECTION 2: The Increase of synergy and collaboration in corporate governance



Strategy 6

Optimize resource management and cooperation with stakeholders



VISUALIZATION

BPK Strategic Plan 2020-2024



CORE VALUES



Independence



Integrity



Professionalism



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Jl. Jenderal Gatot Subroto No.31
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Telp : (021) 25549990 Ext. 3265
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