Peer Review Report

on the Audit Board of the Republic of Indonesia
Badan Pemeriksa Keuangan

2024

Bundes
rechnungshof

R
H
Rechnungshof
Österreich
Unabhängig und objektiv für Sie.

EIDGENÖSSISCHE FINANZKONTROLLE
CONTRÔLE FÉDÉRAL DES FINANCES
CONTROLLO FEDERALE DELLE FINANZE
SWISS FEDERAL AUDIT OFFICE

Foreword

As President of the German Federal Court of Auditors, President of the Austrian Court of Audit, and President of the Swiss Federal Audit Office, we have the pleasure of presenting the Peer Review Report on THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA, Badan Pemeriksa Keuangan (BPK).

As Supreme Audit Institutions, we welcome the opportunity to share experience and gain mutual insights to follow the INTOSAI motto *"experientia mutua omnibus prodest"* (mutual experience benefits all) in its best way. This Peer Review was conducted in accordance with Article 33 section (1) of the Law of the Republic of Indonesia Number 15 of 2006 regarding BPK and INTOSAI GUID 1900 regarding Peer Review Guidelines. In conducting the Peer Review, we prepared questionnaires and organized video conferences with BPK over several weeks. During the field visit of our Peer Review Team in Jakarta, we were able to conduct discussions with BPK's Chair, the Vice-Chair, Members of the Board, the Secretary General and Director General level, the Director level and employees from several working levels of BPK including regional office staff.

We would like to take this opportunity to thank BPK's Chair and entire BPK for preparing, implementing and supporting the Peer Review Project. This was an important basis for the successful work which resulted in the Peer Review Report now presented here. The Peer Review Team was honored and delighted to get in contact with many friendly and dedicated staff members during its work. The collaboration between the Supreme Audit Institutions was conducted with mutual high respect.

In addition, we are particularly grateful to have had the opportunity to discuss important aspects of our Peer Review with honorable Members of Parliament of THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA, in particular Members of the Committee XI on Finance, National Development Plan, Banking and Non-Bank Financial Institutions Affairs.

We are sure that we have not only strengthened the close bond of solidarity with this work. We have also all had the opportunity to gain important insights into the work within our organizations. The areas examined – Human Resources, Ethics and Integrity Management, as well as Information Technology – are fundamental areas of Supreme Audit Institutions. The degree of professionalism and the level at which we work in these areas show the overall level we have reached as institutions. This is the basis for effective audits.

The documented results of our Peer Review demonstrate the high standard that BPK has already achieved in some areas, but also show that in certain areas there is still room for further development. Sharing experiences during the Peer Review will contribute to making improvements to all our institutions. Given the excellent collaboration, it would be a pleasure for us to continue our cooperation with BPK bilaterally and on an international level in the future.

Kay Scheller

President of the German Federal Court of Auditors
(*Präsident des Bundesrechnungshofes*)

Dr. Margit Kraker

President of the Austrian Court of Audit
(*Präsidentin des Rechnungshofes Österreich*)

Pascal Stirnimann

President of the Swiss Federal Audit Office
(*Direktor der Eidgenössischen Finanzkontrolle*)

Table of Contents

0   Executive Summary

The Peer Review Project began in July 2023 based on the Memorandum of Understanding signed by representatives of the Audit Board of the Republic of Indonesia, Badan Pemeriksa Keuangan (BPK), the German Federal Court of Auditors, the Austrian Court of Audit and the Swiss Federal Audit Office. In accordance with BPK´s request, the subject areas reviewed were BPK's Human Resources (SAI Germany), Ethics and Integrity Management (SAI Austria) and Information Technology (SAI Switzerland). During the preliminary review stage, from September 2023 to December 2023, the Peer Review was conducted remotely via video conferences and correspondence between the Peer Review Team and BPK. Subsequently, in May 2024, the Peer Review Team spent two weeks in Jakarta for an on-site field visit. The Peer Review Team had insightful conversations with representatives of BPK and has taken their comments into account. The main results of the Peer Review are highlighted in this Executive Summary. A list of all 25 recommendations is attached to this report (Attachment I).

Overall, BPK has demonstrated high standards of its Internal Control Systems especially in the areas reviewed consisting of Human Resources, Ethics and Integrity Management and Information Technology. However, the Peer Review has also found room for improvement and further development in some of the areas reviewed as summarized below.

Human Resources and Human Resources Management

Human Resources are essential for the effective and efficient fulfillment of tasks in any organization. As BPK's mission is also important for the community and crucial for the state's finances, it is enshrined in the Constitution. Therefore, Human Resources are of particular importance for BPK. As of 30th April 2024, BPK has employed 8,517 staff members and has managed its Human Resources well and professionally. BPK has faced challenges in managing its workforce in order to conduct its mandates and achieve planned goals. In addressing these challenges, BPK needs to improve its recruitment system, senior-junior employee distribution to working units, rotation implementation, capacity development, official communication facilities, proactive engagement on HR laws and regulations, awards and appreciation as well as its workforce assessment.

0.1   The Peer Review Team holds that a well-functioning personnel structure should consist of the most appropriate combination of both young and well-experienced employees. Young employees inevitably lack professional experience. The experience of senior employees can enhance the quality of work products. Different perspectives based on different life stages and professional experiences can promote innovative approaches and a creative working atmosphere. The Peer Review Team recommends that BPK considers to apply the most appropriate combination of well-educated junior employees and senior professional experienced staff members across its working units and to enlarge the number of senior professional staff members according to existing laws and regulations in order to further strengthen its outstanding and important position as a Supreme Audit Institution within the Indonesian governmental system.

0.2   BPK conducted its recruitment centralized by the national recruitment system. In the recruitment process, BPK has also engaged with external parties through psychological assessment and mental health testing. However, in order to make sure whether employees are actually capable and willing to fulfill their duties and are likewise motivated and dedicated to pursue their job with integrity and loyalty, BPK should also conduct internal interviews with the candidates. The Peer Review Team recommends that BPK supplements its recruitment process by job interviews conducted by BPK as the last step in order to get a personal impression of the candidates applying for BPK's challenging jobs.

0.3   The Peer Review Team considers regular rotations accompanied by relocations to be a means to secure the integrity of audits and to prevent fraud and corruption. However, this can be arranged efficiently without causing high costs. In addition, according to some employees, the current staff rotation should be applied consistently. The Peer Review Team recommends that BPK implements a better rotation system. That can be done by studying the remote or flexible working arrangement that enables BPK to safeguard the integrity of its staff members, and that makes the system cost-efficient and effective as well as convenient to employees.

0.4   Many of the Peer Review Team's interview partners mentioned that they use their private mobile phones for business purposes. The Peer Review Team is of the opinion that using private mobile phones for business purposes means a significant risk for the integrity and confidentiality of state-related data. Moreover, a Supreme Audit Institution should also protect its employees' privacy. The Peer Review Team recommends that BPK transforms its electronical communication systems by providing official mobile phones if these communication equipments are used for business purposes only. The official mobile phones are envisaged to be provided gradually.

0.5   BPK has received several awards in various areas. BPK also gives awards annually to audit teams on the quality of audit reports for financial audits, performance audits, as well as for specific purpose audits. However, those awards do not have any financial benefit to the recipients. The Peer Review Team recommends that BPK extends its appreciation and reward system so that it enables outstanding employees to get direct benefits in terms of financial or non-financial matters to keep motivation on a high level and to promote outstanding performance.

0.6   The Human Resources Management Bureau has to deal with an increasing variety of professional certification degrees. At the same time, BPK observes an increasing awareness of employees for professional competences and for fulfilling the preconditions for professional certification degrees. The Peer Review Team fully supports any awareness for professional competences. However, for BPK's employees, an increasing variety of professional certification degrees means that they have to be more selective in choosing the certification they want to hold. The Peer

Review Team recommends that BPK prioritizes its professional qualifications needed for its work and at the respective level. BPK should concentrate on these qualifications and only promote these qualifications when training its employees.

0.7 BPK stated rapid changes in law and regulations in the area of Human Resources Management as a major challenge. BPK's organization and, thus, its employees have to respond very quickly to any changes and to adapt the relevant processes. Constantly changing working conditions complicate the work and consume valuable financial, material, and personnel resources. Additionally, they can affect the predictability of decisions and, consequently, their long-term acceptance among employees. The Peer Review Team recommends that BPK actively engages relevant parties for newly developed or revised laws and regulations affecting BPK´s Human Resources Management at an early stage.

0.8 As of 30th April 2024, BPK's formation of total staff for the period from 2021 to 2025 is 14,234 (comprising 9,348 auditors). The current number of auditors is 5,614. BPK decided to reassess the number of BPK's workforce as it presumes that there are less auditors necessary to fulfill BPK's audit duties.The Peer Review Team recommends that BPK ensures that any adjustment in its workforce as a result of the reassessment does not reduce the quality and quantity of its products. Any potential adjustment of its workforce should then be used by BPK as a starting point for a new strategic plan for the years to come.

Ethics and Integrity Management

In Ethics and Integrity Management, BPK has a long track record of measures to safeguard its values and has developed several instruments for this purpose. These include the establishment of a Code of Ethics in 2007, the introduction of a Whistleblowing System in 2011 and of a Gratification Control System in 2014, as well as several internal and external assessments. Since 2018, BPK has been working on coordinating the different tools of Integrity Management in a single framework. In 2020, this endeavor was included in the five-year strategic plan, in 2022, a conceptual framework was developed, in 2023, it was approved, and in 2024, it was enacted as the Integrity Management Framework by BPK's Board.

The Peer Review Team acknowledges that BPK's Ethics and Integrity Management is well developed. BPK also fully implemented recommendations from earlier Peer Reviews. BPK overall fulfills the relevant criteria of the Performance Measurement Framework for Supreme Audit Institutions on ethics. However, there are two performance indicators with room for improvement: alignment of the Code of Ethics with ISSAI 130 and assessment of vulnerability in the form of an external fraud risk assessment. There is also room for improvement to strengthen the Integrity Management System as BPK operates in a difficult environment with ethical and integrity challenges.

0.9   Although BPK places a significant focus on ethical behavior and high standards of integrity, cases of ethical misconduct also occurred within BPK. In November 2023, there was a high-profile case of an alleged integrity violation leading to the dismissal of one Member of the Board. This, and a more recent case in May 2024 of another alleged high-profile integrity violation, have been reported by the media as being indicative of difficulties in the audit work of BPK, in particular concerning issuing incorrect audit opinions. BPK explained that the media coverage was untrue and biased.

0.10   The Peer Review Team therefore considers it important that BPK responds decisively to maintain public trust in its activities. The Peer Review Team emphasized the importance of a well-functioning Integrity Management System given that Supreme Audit Institutions can contribute to the target of the United Nations Sustainable Development Goal 16 (Strong Institutions) in the dimensions of transparency, accountability, and anti-corruption.

0.11   Partly in response to these challenges, BPK took several measures, including the following: BPK Board Members communicated to BPK's employees the importance of integrity and BPK launched additional trainings for more than 7,000 employees from January to March 2024. BPK also started the introduction of an Anti-Bribery Management System Certification, decided to revise its Whistleblowing Complaint Management System and initiated the development of a Crisis Management System. Moreover, BPK increased its monitoring of compliance with asset reporting obligations. In addition to that, BPK has also started an evaluation of internal control measures and developed a guideline for reviewing the implementation of Integrity Management.

0.12   The Peer Review Team supports the steps that BPK has taken to address the recent challenges in its Integrity Management. It holds that measures in four areas can further strengthen the existing endeavors:

        a) In the area of leadership, the Peer Review Team recommends that BPK raises the awareness of the Board, adapts working procedures of the Board to integrate checks and balances and strengthens the conflict-of-interest rules in the Code of Ethics.

        b) The Peer Review Team recommends that BPK reinforces its Crisis Management System in case of a possible violation of the Code of Ethics, establishes a comprehensive reporting system on the functioning of the Integrity Management System and explains its oversight and quality control processes to the public in more detail and with more transparency in order to maintain public trust.

        c) The Peer Review Team also recommends that BPK focuses its measures to strengthen the Integrity Management System by safeguarding BPK´s core product:

the audit opinion. By adapting its strategies of the annual planning, targeting specific audit roles and high-risk audits as well as optimizing oversight, the Peer Review Team holds that BPK could reduce the risk of issuing incorrect audit conclusions, in particular audit opinions. In addition, BPK should conduct an external fraud risk assessment to improve its audit processes.

d) Finally, the Peer Review Team recommends that BPK makes several adaptations to rules and regulations with regard to aligning the Code of Ethics with ISSAI 130, introduces mandatory continuing education on Integrity Management, and implements the conflict-of-interest rules.

Information and Technology

With regard to Information Technology overall, the IT Architecture and its Management and future organization have been set up systematically to fit BPK's IT needs. BPK has developed an ambitious ICT Master Plan (RINTIK) during the 2020-2024 strategy period. BPK successfully achieved its goals by implementing IT Governance, digitizing core business processes, establishing a Big Data Analytics environment, and adopting a "digital-by-default" approach. However, there exists room for improvement in several areas of BPK's Information Technology.

0.13   BPK's key business processes are for the most part appropriately supported by information technology, and the level of IT awareness throughout BPK is very high. This is largely due to the various tools developed within BPK by the IT Bureau, but also due to the desire to develop the appropriate use of IT as part of BPK's overall strategy. Indeed, the IT theme was thoroughly integrated throughout the entire 2020-2024 Strategic Plan.

0.14   BPK has reached a high level of maturity in the various areas under review (IT Strategy, IT Architecture, etc.). Nevertheless, BPK is working very transparently on IT issues/challenges and continues to strive to improve the IT environment. In particular, this is the case in the areas of security and data analysis, while keeping in mind the need to continue developing/improving the rest of the IT environment (architecture, business applications, etc.). As such, process automation and integration of Artificial Intelligence into the data analysis system will be part of the next ICT Master Plan.

0.15   The Peer Review Team provided some recommendations within the IT area. Two of them are particularly important. The first one concerns the risk-based replacement of aging IT infrastructures and the second relates to the implementation of an operational data life cycle management to handle the ever-growing volume of data. In addition, the Peer Review Team provided recommendations on enhancing the Standardized and Integrated Audit Process (SIAP) system for improved communication and audit efficiency, on implementing regular IT security trainings, and on applying a consistent approach for IT audits within BPK.

1.
About Badan Pemeriksa Keuangan and the Peer Review

1   About BPK and the Peer Review Project

1.1   BPK's Legal Foundation and Organizational Structure

The Audit Board of the Republic of Indonesia or Badan Pemeriksa Keuangan (BPK) has its mandate based on Article 23E, Article 23F, and Article 23G of the 1945 Constitution of Indonesia (UUD 1945). The Constitution states that in auditing state financial management and accountability, a free and independent audit board was established. This mandate is then regulated into Law Number 15 of 2006 on BPK. The Constitution and BPK law describe clearly BPK authorities, duties, and functions as well as its structure. As a Supreme Audit Institution (SAI), BPK is also adhered to various national regulations, and BPK considers international standards and best practices as references for its standards and guidelines as well as operations. BPK's main mandate is to audit management and accountability of state finances, and its audit results are submitted to the House of Representatives and the Regional Representatives Council. Audit results then shall be followed up by the representative institutions or other bodies with their respective authorities.

BPK members are selected and appointed by the House of Representatives taking into account considerations from the Regional Representatives Council. Based on the House of Representatives' appointment, the President of the Republic of Indonesia will then issue a decree regarding BPK members´ appointment. Then, the appointed BPK members appoint one member as BPK Chair and one member as BPK Vice Chair. The Law of the Republic of Indonesia Number 15 Year 2006 stipulates that BPK's Board shall have nine members, whose membership is ratified by a presidential decree. The Board comprises a Chairperson, a Deputy Chairperson and seven members. BPK's Board Members serve for a period of five years. They can be re-elected once. Pursuant to Article 26 of law Number 15 Year 2006, BPK's Board Members cannot be prosecuted for implementing their legal duties, obligations and authorities.

Article 23 G Indonesian Constitution states that BPK shall have its headquarters in the Indonesian capital and its representative offices in each province in Indonesia. At its headquarters, BPK has a Secretariat General, Training Institutes, an Inspectorate General, a Directorate General of Planning Evaluation, and Policy Analysis, a Directorate General of Legal Affairs, and eight Directorate Generals of Audits (see also figure 1 below). The Secretariat General is led by a Secretary General who is supported by seven Directors:

- the Director of Board Member Services;
- the Director of Public Relations and International Cooperation;
- the Director of Human Resources;
- the Director of Financial Affairs;
- the Director of Information Technology;
- the Director of General Affairs; and
- the Director of Global Partnership Center.

Moreover, BPK's organizing body comprises "Senior Advisors", who are responsible for supporting BPK with expertise on risk management, central and local government finances, environment and sustainable development, and state-owned enterprises.

Figure 1

Organizational Structure of the Audit Board of the Republic of Indonesia

Among other units, e.g. its Board, BPK consists of various audit units and currently 34 representative offices located within the provinces of Indonesia.
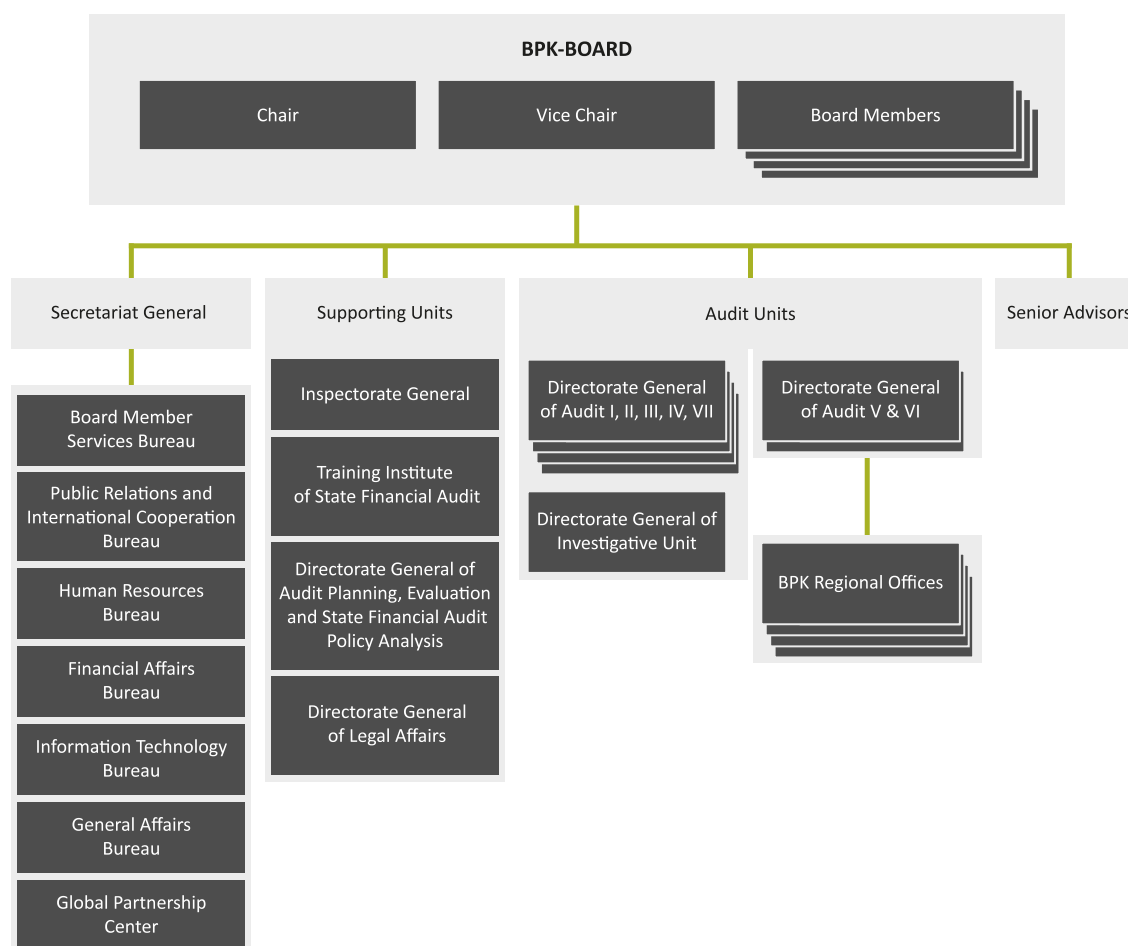
Figure: Peer Review Team. Source: BPK.

1.2   The Peer Review Project and its Approach

Based on INTOSAI Peer Review Guidelines (GUID 1900), the term "Peer Review" refers to an external and independent review of one or more elements of the organization and/or operation of a SAI by a team of professional peers from one or more SAI's. A Peer Review is not an audit but an assessment and advice provided voluntarily by peers. The nature of a Peer Review is also reflected in all contacts and exchanges between the SAI and the Peer Review Team during the course of the exercise. The fact that a Peer Review is carried out by

external, independent professional peers provides an essential added level of assurance of quality and credibility to the process. The focus and scope of the Peer Review is then agreed based on the Memorandum of Understanding between the reviewed SAI and the partner SAI's participating in the review.

This Peer Review was initiated by a request of the Audit Board of the Republic of Indonesia (BPK) to implement Article 33 Law Number 15 Year 2006 on BPK and the decision of the Indonesian House of Representatives on the BPK proposed peer reviewing Supreme Audit Institutions. It began in July 2023 based on the Memorandum of Understanding signed by representatives of the Audit Board of the Republic of Indonesia, the German Federal Court of Auditors, the Austrian Court of Audit and the Swiss Federal Audit Office. The Peer Review Team consisted of the following seven experienced staff members from the Supreme Audit Institutions of Germany, Austria and Switzerland:

- Arndt Fischer (Team Leader, German Federal Court of Auditors)
- Carsten Wünsch (German Federal Court of Auditors)
- Dr. Tim Scheunert (German Federal Court of Auditors)
- Dr. Norbert Weinrichter (Austrian Court of Audit)
- Dr. Florian Horner (Austrian Court of Audit)
- Emmanuel Hofmann (Swiss Federal Audit Office)
- Patrick Treichler (Swiss Federal Audit Office)

The Peer Review Team was supported by the following staff of their respective SAI:
- Jens Rößler (German Federal Court of Auditors)
- Jelena Reisen (German Federal Court of Auditors)
- Thomas Obermayr (Austrian Court of Audit)
- Hannes Loimer (Austrian Court of Audit)
- Brigitte Christ (Swiss Federal Audit Office)
- Bernhard Hamberger (Swiss Federal Audit Office)
- Laurent Cremieux (Swiss Federal Audit Office)

The focus of the review was to assess certain elements of BPK's quality control system in order to provide recommendations to improve the system and its implementation. Methodologically, the Peer Review Team relied primarily on

- the INTOSAI Peer Review Guidelines (GUID 1900);
- the Guidance on Quality Control for SAIs (ISSAI 140);
- the INTOSAI Human Resource Management: A Guide for SAIs; as well as on
- the SAI Performance Measurement Framework.

The criteria applied for the review was selected from the indicators of the following SAI PMF domains, supported by GUID 1900, *i.e.*

- Domain B (Internal Governance and Ethics) for BPK's ethics operation;
- Domain E (Human Resources and Training) for BPK's human resources operation; and

- Domain D (Financial Management, Assets and Support Services) for the indicators related to information and technology (IT) support and infrastructure.

In addition, the Peer Review Team members were able to draw on professional experience from their work at the SAI of their respective countries.

Based on the SAI Readiness and Statement of Commitments on the INTOSAI DEVELOPMENT INITIATIVE (IDI) TOGETHER program, BPK voluntarily joined the IDI TOGETHER Initiative and performed a review on its Human Resources Management. BPK provided the Peer Review Team with the report. The draft of this report has been peer reviewed by the Turkish SAI in March 2023.The review was also not an audit, but an assessment and advice. Hence, BPK is not bound to the conclusions and recommendations presented in the report. The main objective of this review was to assess BPK's Human Resources Management with the use of the Human Resources Management dimensions according to the HRM Value Cycle for Supreme Audit Institutions. The other objective was to increase the organizational capacity in Human Resources Management by identifying the gap. The review concentrated only on BPK's headquarters and was conducted in line with the implementation of the Human Resource Strategic Plan 2020-2024, focusing on the years from 2020 to 2022.

During the preliminary review stage, from September 2023 to December 2023, the Peer Review was conducted remotely via video conferences and correspondence between the Peer Review Team and BPK. BPK provided English translations of all relevant documents. In accordance with GUID 1900 and in preparation for the Peer Review, BPK carried out an IT self-assessment (ITSA). This self-assessment was moderated by representatives from the ITSA project group of the EUROSAI IT Working Group.

Subsequently, in May 2024, the Peer Review Team spent two weeks in Indonesia to conduct fieldwork. The Peer Review Team had insightful conversations with numerous representatives of BPK in Jakarta. The Team was honored and delighted to get in contact with many very friendly and dedicated staff members during its visit. A list of the persons who were interviewed by the Peer Review Team or asked to fill out specific questionnaires is attached to this report (Attachment II).

The Peer Review Team expresses its gratitude for the excellent working conditions at BPK. The collaboration was consistently excellent and conducted with mutual high respect.

2.
Human Resources and Human Resources Management

2 Human Resources and Human Resources Management

In this part, the Peer Review Team observed BPK´s Human Resources (HR) and Human Resources Management (HRM) system and provides

- an introduction to BPK HRM basics, the organizational framework, and prior activities;
- and an analysis of BPK HRM including findings, assessments, and recommendations.

The Peer Review Team acknowledges that the BPK HRM has been well developed and implemented, but there is room for improvement to strengthen it in supporting BPK.

2.1 Basics and Organizational Framework

Human Resources are essential for the effective and efficient fulfillment of tasks in any organization. As BPK's mission is also important for the community and crucial for the state's finances, it is enshrined in the Constitution. Therefore, its workforce is of particular importance for BPK. Thus, in accordance with the Memorandum of Understanding, the Peer Review Team specifically examined elements of Human Resources Management.

As of 30th April 2024, BPK employed 8,517 staff members. As of 31st October 2023, BPK's formation of total staff for the period from 2021 to 2025 is 14,234 (comprising 9,348 auditors). BPK's workforce is placed at the headquarters in Jakarta (41%) and in 34 regional offices (59%). 56% of BPK's employees are men, 44% are women. BPK employs more than 98% of its staff as Civil Servants (PNS). Not even 2% are employed as Government Contract Employees (PPPK). 66% of BPK's staff is employed as an auditor, whereas 34% work within a non-audit or managerial position. In education and professional competency, the vast majority of BPK employees holds a Bachelor´s or Master's degree (90%) and some a PhD, BPK's staff is thus highly educated as shown by figure 2 bellow.

Figure 2
Highly educated staff
The vast majority of 90% holds either bachelor's or master's degrees.
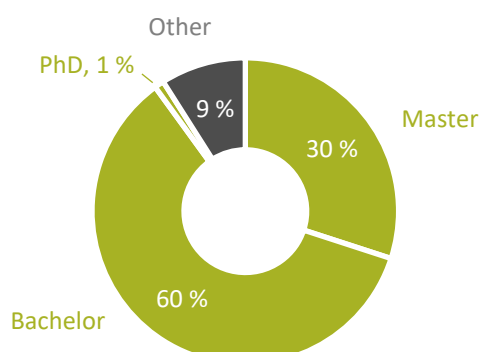
Figure: Peer Review Team. Source: BPK. Data as of 30th April 2024.

In addition, the majority of employees are 40 years of age or younger. The following table 1 and figure 3 outline the overall number of BPK's employees by age categories.

Table 1
BPK's employees by age categories

Age Category	Number of employees
<26	425
26-30	1579
31-35	1540
36-40	1767
41-45	1613
46-50	822
51-55	598
>=56	173
Total	**8517**

Table: Peer Review Team. Source: BPK. Data as of 30th April 2024.

Figure 3
Vast majority of employees are 40 years or younger
The age group reflecting 40-year-olds and younger is by far the largest (62%).
Only a relatively small fraction (less than 10%) of employees is aged above 50.

51 and older
771
9 %

between 41 and 50
2 435
29 %

8517
in total

5 311
62 %
40 and younger
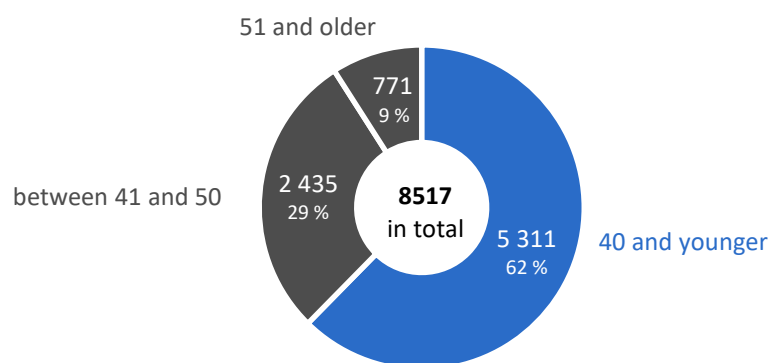
Figure: Peer Review Team. Source: BPK. Data as of 30th April 2024.

BPK HRM is regulated by State Civil Apparatus Law, the Government Regulation on Civil Servant Management, BPK Regulations, Minister of Civil Apparatus Empowerment and Bureaucratic Reform Regulations, and National Civil Service Regulations, and BPK Secretary General Regulations.

The HRM Bureau is governed under the Secretary General as stated in BPK Regulation Number 1 Year 2019 on Organization and Work Procedures of BPK. As of 30th April 2024, the HRM Bureau has 185 staff members (excluding 44 on study leave and 68 in re-entry phase

who, after having finished their studies, are registered as HRM staff even though they are currently not assigned to carry out HRM tasks).

The HRM Bureau is in charge of Human Resources Management under the responsibility of the Secretary General. It consists of four Divisions and eleven Sub-Divisions. The four Divisions are Planning and Rotation Division; Competency Development and Performance Evaluation Division; Functional Position Division; and Welfare Division. In a nutshell, the four Divisions have the following responsibilities:

1) **Planning and Rotation Division:**
   Conducts the HR need analysis, recruitment, employee's placement, rotation and promotion and manages the HRM Information System.

2) **Competency Development and Performance Evaluation Division:**
   Prepares plans for the competency development programs and carries out tasks related to competency development and performance evaluation.

3) **Functional Position Division:**
   Administers the process of selecting the employees to be functional staff and guides them in developing their competence and career. The division also conducts analysis on the need for functional employees and the required administration process.

4) **Welfare Division:**
   Responsible for remuneration and for providing consultation support to all employees. In creating a work-life balance for the employees, BPK provides health facilities supported by doctors and nurses both at headquarters and at the representative offices. BPK also provides counselling service for its employees to consult any work-life problem through its Employee Care Center (ECC).

Overall, the HRM Bureau has been serving HR matters and putting a lot of efforts in providing conducive working conditions and in ensuring the attractiveness of BPK as an employer. HRM is committed to recruiting new and developing existing employees. As outlined before, BPK's staff is young and well educated, which is an asset but also bears some risks. Regarding these risks, the Peer Review Team gives some recommendations in the following chapters in order to make BPK's staff more diverse and thus more robust.

2.2   Findings, Assessments, and Recommendations

The BPK HRM includes HR planning, recruitment, placement, development (education, training, engagement, assessment, professional certification), promotion and rotation, remuneration, welfare services, and termination. This Peer Review highlighted some areas of the BPK HRM based on the analyses during the preliminary and fieldwork reviews. The Peer Review Team observed the following aspects relevant to the performance of BPK's HRM:

- hiring age;
- recruitment;
- staff rotation;
- employee's mobile communication;
- awards and appreciation;
- professional certification program;
- law-making process relevant for BPK's HRM; and
- BPK's workforce assessment.

2.2.1 Hiring Age

Starting point of the Peer Review Team's examination on HR was the finding that BPK employs relatively few individuals over the age of 50. The BPK HRM has been commited to recruiting new and developeding capacities of BPK employees. As outlined before, BPK's staff members have been dominated by young and well-educated people, which are assets of BPK. As of 30th April 2024, only 771 of 8,517 employees are older than 50 years. Their proportion amounts to less than 10 % of the total number of employees.

The Peer Review Team holds that a well-functioning personnel structure should consist of the most appropriate combination of both young and well-experienced employees. Even though young employees are often well educated, which is also a crucial factor for success, they inevitably lack professional experience. The experience of senior employees can enhance the quality of work products. Additionally, to involve experienced employees in audits side-by-side with young professionals contributes to a higher acceptance of the audits and its results among the audited entities. In addition, different perspectives based on different life stages and professional experiences can also promote innovative approaches and a creative working atmosphere.

Pursuant to Article 34 of BPK Law (Number 15 Year 2006) and Law Number 5 Year 2014 replaced by Law Number 20 Year 2023 on State Civil Apparatus, BPK's workforce consists of civil servants on a permanent basis. The Indonesian state civil apparatus is managed and governed by the Ministry of State Apparatus Empowerment and Bureaucratic Reform (the Ministry), and administered by the National Civil Service Agency (the Agency). Based on those legal bases, BPK's HR recruitment is centralized by the Ministry and the Agency. The Ministry decides on the number of staff to be recruited and on the recruitment process BPK proposed its HR needs to the Ministry, which then decided the number of staff that BPK could recruit. Furthermore, BPK would process the recruitment under coordination of the Ministry and through the national recruitment system of the Agency.

Based on the laws and regulations, the civil servant recruitment limits the age of new civil servant applicants to a maximum age of 35 years. It is not possible for new civil servant

applicants over 35 years to apply for BPK HR. However, the law on state civil apparatus provides BPK and other government agencies to recruit more senior staff members as civil servant inter-institution transfer and contractual-based government officers. The inter-institutional transfer of civil servants is applied based on relevant assessments and needs. In addition, the officer can work at functional positions and certain levels of managerial positions determined by BPK with an open and strict selection process. The HRM Bureau referred to PNS and PPPK. PNS are permanently employed while PPPK are temporarily employed with terms of a minimum of one year and a maximum of five years and can be extended according to provisions. PNS recruitment limits the age of applicants to a maximum of 35 years. Thus, it is not possible for applicants over 50 years of age to become PNS. It is possible for applicants over 50 years of age to become BPK employees by becoming PPPK. To become a PPPK, applicants must be at least 20 years old and one year or more before the retirement age limit for the position for which they are applying. PPPK can only fill certain specialist positions.

In 2022, data shows that the number of contract worker applicants aged above 50 years is 18 employees. Meanwhile, data on PPPK applicants for 2023 in which the selection process is still ongoing shows that the number of applicants aged 50 years and above is 11 employees (as of 30th April 2024). Apart from procuring both PNS and PPPK, BPK can also acquire civil servants by accepting the request of civil servants from other government agencies to move to BPK. However, none of these civil servants were over 50 years in the past three years. The HRM Bureau specified that in the last three years, only one person aged over 50 years had been employed as a PPPK. As of 30th April 2024, 771 employees were aged 50 years and above and they were distributed as shown in figure 4 below.

Figure 4

Distribution of employees aged 50 years and older
The distribution of employees aged 50 years and above that are placed in the headquarters and representative offices is almost even.
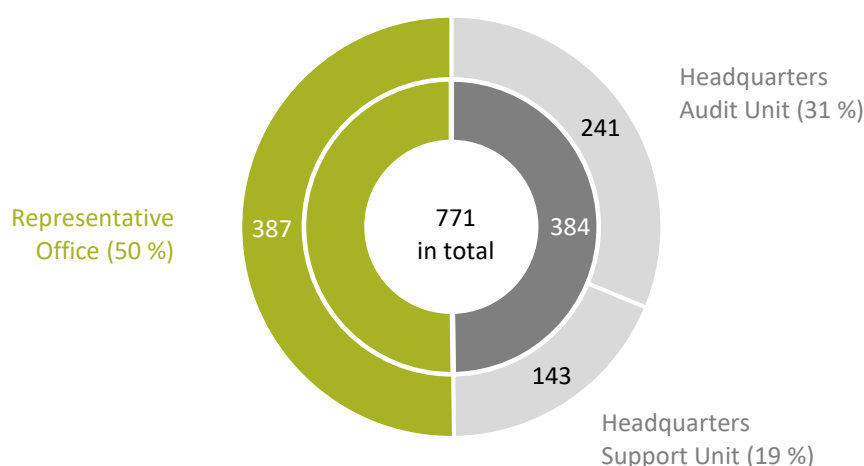

Figure: Peer Review Team. Source: BPK. Data of the year 2024.

Assessment

The Peer Review Team positively acknowledges that BPK has been making strong efforts to attract young and well-educated talents. The Team acknowledges that these efforts are yielding results, as evidenced by the distribution of staff members across age groups and academic qualifications. However, the Peer Review Team is of the opinion that professional and life experience of senior employees are necessary in practices. Although employees of 50 years of age and above are equally distributed within headquarters and the representative offices, a mix of age, qualifications, and gender enriches BPK with more comprehensive knowledge, experience, and perspectives to conduct BPK mandates. This is particularly important for a SAI whose success and effectiveness relies on a thorough investigation of facts and compelling recommendations and arguments.

Recommendation 1

The Peer Review Team recommends that BPK considers to apply the most appropriate combination of well-educated junior employees and senior professional experienced staff members across its working units and enlarge the number of senior professional staff members according to existing laws and regulations, in order to further strengthen its outstanding and important position as a SAI within the Indonesian governmental system.

2.2.2 Externalized Recruitment Process

In recruiting staff members, BPK has not only conducted it with the Ministry´s and the Agency´s centralized national recruitment system, but has also engaged external parties, which are a university psychology center and a mental health center of a hospital. The actual recruitment process was done by the external parties based on a contractual basis. The process basically consisted of the following three steps:

- Administrative selection by BPK´s HRM Bureau

- Basic competencies selection through Computer Assisted Test (CAT) by the Agency

- Specific competency selection through psychological assessment and mental health test

BPK has developed and provided selection criteria in accordance with relevant laws and regulations. The recruitment is open and equal to all applicants who meet the selection criteria. There are no criteria in place allowing for a local recruitment of staff. The testing of basic competencies is done by a national agency. Specific competency selection through psychological assessment and mental health is tested by external independent parties. To open opportunities for regional candidates, BPK has implemented a regional based recruitment approach since last year. Although the recruitment process was done based on the national recruitment system, by this approach, candidates who applied for one region competed

among themselves in the same region. This gave greater opportunities for capable regional candidates to join BPK.

In addition, in the previous time, BPK conducted testing and interviews with potential employees, however, interviews by BPK have not been done for more than 10 years. BPK's recruitment process fully relies on the assessment and recommendation of the external providers.

Once an employee is accepted at BPK, there is a probation time of one year. During this time, the new employee conducts basic trainings and starts working for BPK. A series of testing and assessment of the employees during the probation time is applied to ensure competence of newly recruited employees to do their jobs in accordance with BPK's standards. Furthermore, before inaugurated as a permanent employee of BPK, the new employee must pass basic trainings and a final health assessment. Successful employees are then inaugurated and work and remain at BPK, except if they violated the ethical and/or diciplinary regulations that would result in their termination of work.

Assessment

The Peer Review Teams understands that it is a challenging task to manage about 8,500 employees and to provide the organization with adequate new employees on a regular basis. The Peer Review Team holds that conducting job interviews and the selection process for potential new employees may take time if it is done thoroughly. However, personal impression to meet BPK requirements and job characteristics is imperative to uphold the profession with integrity and loyalty. The Peer Review Team is convinced that it is not appropriate for an independent SAI to rely on the results of a recruiting process predominantly carried out by external providers – even though they may be national agencies or universities. BPK has to be convinced that a new employee is well prepared for the challenging task of being an auditor. Without any personal impression BPK cannot be sure whether employees are actually capable and willing to fulfill their duties and are likewise motivated and dedicated to pursue their job with the integrity and loyalty needed. This is an important issue especially at BPK because once employees get a job, they usually remain within the organization.

BPK pointed out the possibility of recruiting more local employees for the regional offices in the provinces in future. The Peer Review Team sees this as an opportunity to make it easier to recruit staff for remote locations.

Recommendation 2

The Peer Review Team recommends that BPK supplements its recruitment process by job interviews conducted by BPK as the last step in order to get a personal impression of the candidates applying for BPK's challenging jobs.

2.2.3   Staff Rotation

According to the BPK HRM employees are supposed to rotate their positions every three to five years. The rotation is mostly mandatory. However, employees are able to request a voluntary rotation for reasons such as health problems or for female employees wanting to work at the same location with their spouses or near to their family. The voluntary rotation is subject to the approval of the Secretary General based on an assessment of the justification provided.

Employees must arrive at the new office no later than three months after the rotation has been announced. Rotation data are prepared by the HRM Bureau based on its HRM system and database. The rotation data is then distributed to respective Echelon I officials (Director Generals, Inspector General, Secretary General) who manage staff members under their supervisions for discussions, coordination, and decisions. Based on Echelon I official decisions, the Secretary General issues a rotation decree and announces it through BPK´s HRM system. BPK covers the costs of relocation for all mandatory rotations, for example, for temporary housing, transportation tickets, and household equipment. As for the voluntary rotation, the costs of relocation are covered by the employees. BPK considers couple employees to be placed together at the same location. However, if one of them rejected to be placed together, BPK would not assist in finding suitable employment for the employee's partner.

For employees approaching their retirement age (less than 5 years), BPK considers to place them at their BPK home-based location. They can also request for a placement in a location more favorable to them as long as the positions are vacant. This is due to the Secretary General Decree Number 366/K/X-XIII.2/9/2010 concerning the Relocation of Non-Structural Employees. Some employees had not been aware of that rotation mechanism as regulated.

Moreover, some employees mentioned that, from their perception, the current rotation pattern – providing for a rotation between the headquarters, the representative office in the area in which an employee is domiciled and organizational needs – had not been consistently applied.

Assessment

The Peer Review Team considers regular rotations accompanied by relocations to be a means to secure the integrity of audits and to prevent fraud and corruption. Nevertheless, rotations are costly. In addition, employees might get a feeling of insufficient appreciation if the process was not consistently applied as regulated.

The Peer Review Team is convinced that securing the integrity of staff members can be arranged efficiently without causing high costs. Relocations would be widely superfluous if BPK applied a remote work and flexible working arrangement to a large extent. Employees

would no longer be forced to move and leave their families for several years. They would only be forced to travel if audits of an entity in a specific area or a task required them to do so. As that usually lasts not more than a couple of weeks, the Peer Review Team does not see the absolute necessity for a permanent rotation to a different area within Indonesia for several years.

The Peer Review Team is also convinced that a voluntary relocation would boost work ethics and morale. It would also save costs as employees had no obligation to move anymore. They could choose to only rotate "virtually", i.e. be part of a new team in a new office but on the basis of a remote work arrangement.

Furthermore, the Peer Review Team also acknowledges that applying the remote or flexible working arrangement needs a comprehensive study of performance measurement and system so that it will not affect the productivity and quality of work.

Recommendation 3

The Peer Review Team recommends that BPK implements a better rotation system. That can be done by studying the remote or flexible working arrangement that enables BPK to safeguard the integrity of its staff members, and that makes the system cost-efficient and effective as well as convenient to employees. BPK should also clarify the legal framework of rotations within BPK and its application to every employee in a suitable way, for example, by a prominent publication on BPK's website or a letter to every employee. That is in line with the IDI TOGETHER report, which already pointed out that HRM strategies needed to be communicated to all related units in a timely manner.

2.2.4   Personnel Mobile Phones for Business Purposes

The Peer Review Team noted that, as part of BPK's digital transformation in conducting duties, BPK's staff members had utilized their own mobile phones for business purposes. In addition, employees' mobile phone numbers were shared to audited entities and other parties for communicating within their jobs. In addition, BPK's employees are also obliged to install an application that tracks their presence and activity at BPK. Current rapid IT applications have encouraged the use of mobile phones for work processes.

Assessment

Using personal mobile phones for business purposes is not appropriate as it might contain a significant risk for the integrity and confidentiality of state-related data. BPK would have full control over the use of data stored in mobile phones and could protect it safely if BPK provided official communication means to their employees.

Moreover, it is important to protect employees' privacy. Official mobile phones provide official communication with entities and other relevant parties. Of course, the Peer Review Team understands that BPK has to allocate its budget to provide official mobile phones to its large number of staff. However, mitigating risks of misuse and protecting confidentiality of data as well as staff privacy are considerably important.

Recommendation 4

The Peer Review Team recommends that BPK transforms its electronical communication systems by providing official mobile phones if these communication equipments are used for business purposes only. The official mobile phones are envisaged to be provided gradually.

2.2.5   Appreciation for Employees for Awards given to Units

BPK has obtained recognition of its outstanding performance in various areas. For example, in 2022, BPK received the BKN award in the category of HR needs and planning and employee mutation. In 2023, BPK received the BKN award for the application of data utilization information system and computerized assisted tests.

Employees do not benefit from this recognition financially but only in terms of prestige. Monetary benefits are given to the divisions and sub-divisions as the outstanding performance is the result of a collective action. BPK has established a policy for internal awards through Secretary General Decree Number 352/2017 on Guidelines Awarding of Medals of Honor and Awards to Employees and Secretary General Rules Number 17/2020 on Implementation Guidelines Awards for Audit Reports. Based on these regulations, BPK has rewarded its employees periodically. BPK also gives awards annually to the audit team on the quality of audit reports for financial audits, performance audits, and specific purpose audits. In addition, BPK provided not only financial awards to working units which performed outstandingly, but BPK also supported employees' extraordinary promotion of their civil servant classes due to their outstanding performance. However, those awards do not have a financial impact on the recipients.

Assessment

Recognizing extraordinary performance is a good way to motivate employees and to make results of the efforts of governmental authorities visible to the public. The Peer Review Team noted that BPK had implemented its appreciation and reward system for working units as well as individuals who performed excellently. The Peer Review Team noted that appreciation and awards did not have direct financial benefits for employees. The Peer Review Team, however, considers it even more appropriate to provide direct financial benefits to employees linked with an award. That benefit does not necessarily have to be high but

noticeable to the employees. Instead of a financial participation, BPK could also grant an extra day off or a voucher.

Recommendation 5

The Peer Review Team recommends that BPK extends its appreciation and reward system so that it enables outstanding employees to get direct benefits in terms of financial or non-financial matters to keep motivation on a high level and to promote outstanding performance.

2.2.6 Management of Professional Certification Degrees

BPK provides opportunities for its employees to improve competences by professional certifications in accordance with organizational needs. These certifications relate to financial statement audits, investigative audits, IT or performance audits. Relevant certifications are CISA (Certified Information System Auditor), CFE (Certified Fraud Examiner), CERTDA (Certified Data Analytics), CERTIPSAS (Certificate in International Public Sector Accounting Standards), CERTIA (Certificate in International Auditing) and several others. The HRM Bureau has to deal with an increasing variety of professional certification degrees. At the same time, BPK observes an increasing awareness of employees for professional competences and for fulfilling the preconditions for professional certification degrees.

Assessment

The Peer Review Team fully supports any awareness for professional competences. In fact, a lack of these competences can be detrimental for a SAI's reputation and effectiveness. However, for BPK's employees, an increasing variety of professional certification degrees means that they have to be more selective in choosing the certification they want to hold. That may lead to an increasing demand for counselling by BPK's HRM Bureau. In combination with an intended growth of BPK, as laid down by the 2020-2024 Strategic Plan, the Peer Review Team predicts that BPK's HRM Bureau will have to draw even more attention to advise on professional certification degrees in order to choose the right degree for the right person. In line with the IDI TOGETHER report, additional HR administrative processes may lead to extra work which consumes lots of resources.

Recommendation 6

The Peer Review Team recommends that BPK prioritizes its professional qualifications it actually needs for its work and the respective level. BPK should concentrate on these qualifications and only promote these qualifications when training its employees.

2.2.7 Law-making Process relevant to BPK and its HR-Management

BPK HRM has been developed and implemented in accordance with national laws and government regulations concerning state civil apparatus and civil servant management. The Peer Review Team noted that rapid changes in laws and regulations in the area of HRM had been a major challenge of BPK's HRM. BPK's organization as well as its employees have to be aware and understand those changes to respond appropriately and to adapt them to relevant processes. Furthermore, there has also been an increasing need to acquire specific knowledge and competence necessary to implement the new regulatory changes correctly and on time.

Assessment

Changes in HR laws and regulations have affected BPK's HRM. Constantly changing working conditions complicate the work and consume valuable financial, material, and personnel resources. Additionally, they could affect the predictability of decisions and, consequently, their long-term acceptance among employees.

The Peer Review Team noted that BPK had maintained trustful and fruitful relations with parties which developed and decided laws and regulations. Furthermore, BPK as a SAI has a strong legal foundation and important role within the state's structure. The Peer Review Team is convinced that BPK can proactively engage in the proposed changes of laws and regulations concerning the civil apparatus and servants.

Recommendation 7

The Peer Review Team recommends that BPK actively engages relevant parties for newly developed or revised laws and regulations affecting BPK´s HRM at an early stage.

2.2.8 Reassessment of Demand for Human Resources

As of 30th April 2024, BPK's formation of total staff for the period from 2021 to 2025 is 14,234 (comprising 9,348 auditors). The current number of auditors is 5,614. BPK decided to reassess the number of BPK's workforce as it presumes that meanwhile there are less auditors necessary to fulfill BPK's audit duties.

Assessment

The Peer Review Team generally welcomes a current situational assessment. An accurate determination of personnel requirements is a necessary prerequisite for effective and

efficient administration. The Peer Review Team, therefore, strongly supports BPK's decision. A reassessment should align with BPK´s Strategic Plan.

Recommendation 8

The Peer Review Team recommends that BPK ensures that any adjustment in its workforce as a result of the reassessment does not reduce the quality and quantity of its products. Any potential adjustment of the workforce should then be used by BPK as a starting point for a new strategic plan for the years to come.

3.
Ethics and Integrity Management

3 Ethics and Integrity Management

According to ISSAI 130, to promote and safeguard ethics in every aspect of the organization and its activities, every SAI should implement an ethics control system that includes appropriate specific strategies, policies and procedures to guide, manage and control ethical behavior. BPK has promulgated various regulations that specifically regulate strategies, policies and procedures to guide, manage and control ethical behavior.

This part of the Report deals with BPK's system of Ethics and Integrity Management and provides

- an introduction to BPK's prior activities in Integrity Management (including the implementation of prior Peer Review recommendations);
- an evaluation of compliance with the relevant criteria of the Performance Measurement Framework for Supreme Audit Institutions (SAI PMF);
- an analysis of risks in the context of recent allegations of misconduct in the BPK; and
- an analysis of BPK's current plans for action responding to this challenge.

The Peer Review Team did not evaluate specific risks in internal processes such as procurement, financial management, or audit processes.

The Peer Review Team acknowledges that the BPK Ethics and Integrity Management has been well developed and BPK overall fulfills the relevant criteria of the SAI PMF on ethics, but there is room for improvement to strengthen it in supporting BPK.

3.1 Evaluation of the Integrity Management System

3.1.1 Integrity Management System

BPK has a long track record of measures to safeguard its values and has developed several instruments for this purpose. Figure 5 below shows a basic timeline and the essential measures for Integrity Management taken by BPK.

Figure 5

Essential Integrity Management measures previously taken

Starting in 2007, BPK has taken several steps towards an Integrity Management System.

| Integrity Management Framework |
| Fraud Risk Assessment |
| Gratification Control |
| Development of Whistleblowing System |
| Initial Application of IntoSAINT |
| Code of Ethics |

2007   2010 2011   2014   2016   2022
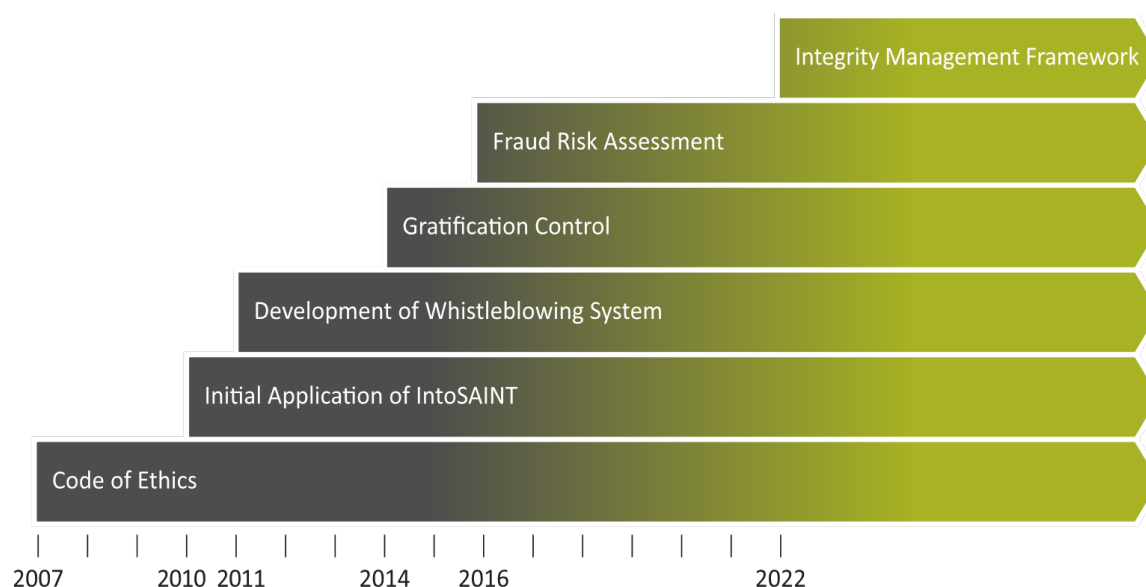
Figure: Peer Review Team. Source: BPK

1.   Code of Ethics

In 2007, BPK established its Code of Ethics, which was amended in 2011, 2016, and 2018. BPK's Code of Ethics is mandated by law and consists of a set of norms which outline the obligations and prohibitions to which each Board Member and auditor of BPK must adhere. The purpose of the Code, as defined therein, is to maintain the dignity, honor, image, and credibility of BPK. Its core values are integrity, independence and professionalism. The Code also describes the types of sanctions that can be imposed on Board Members and auditors who have demonstrably violated the Code of Ethics. The implementation of the Code of Ethics includes the auditor's independence declarations and conflict-of-interest declarations for audit engagements.

2.   Whistleblowing System

In 2011, BPK introduced a whistleblowing system. This system was set up to enable the reception of reports from employees and third parties who want to disclose information about violations of laws and regulations and/or disciplinary misconduct within the BPK environment. Complaints may be made with the whistleblower's identity disclosed or anonymously. An Internal Compliance Taskforce composed of representatives of the Inspectorate General, the Human Resources Bureau, and the Directorate General of the Development and Formulation of Laws on State Financial Audit has the mandate to manage and to analyze the complaints.

3. Self-assessment of the Integrity of BPK

Between 2010 and 2012, BPK carried out a self-assessment of its integrity based on the IntoSAINT self-assessment tool that SAIs can use for analyzing their integrity risks and assessing the maturity of their Integrity Management systems. 323 employees at BPK from 20 work units at both central and regional level participated in this assessment. The assessment identified several strengths but also several weaknesses: vulnerability or risk analyses were not conducted regularly and no unit was responsible for managing integrity and lack of integrity awareness. According to the findings, the most vulnerable areas to integrity violations were contracts management, asset management, information management, audit selection, sampling selection and audit findings.

4. Gratification Control System

In 2014, BPK introduced a Gratification Control System with registers to track interests, gifts, and hospitality. Accordingly, BPK employees must reject any gratification that causes a conflict of interest related to their position, obligation and duty, report such gratification rejection, and/or report the receipt of any gratification including any gratification that cannot be refused.[1]

High-level management, auditors, and other staff have to sign an integrity pact on a yearly basis. The prohibition of gratifications is also included in each assignment letter as a reminder for both employees and related officials (auditees) to avoid gratifications. The heads of work units must educate, assess and control to prevent conflicts of interest and gratifications from being accepted by BPK's employees.

In 2023, BPK put in place an additional regulation on gratification control covering reporting, monitoring, evaluation, and sanctions. A Gratification Control Unit was established, especially to carry out coordination and consultation with the Corruption Eradication Commission concerning gratification control.

5. Fraud Risk Assessment

In 2016, BPK asked an external consultant to conduct a fraud risk assessment of BPK and a gap analysis on BPK's integrity control system, using input from 347 employees of BPK. The assessment made recommendations in several areas, including the area of Human Resources and IT governance. The integrity control system should include an anti-fraud policy, fraud risk assessments, information about the Code of Ethics provided to every employee, adaptations to the whistleblowing system, internal investigative procedures including surprise audits and a special investigation team to handle fraud at BPK, as well as structured and regular fraud awareness training.

---

[1] There is a list of gratifications that are not required to be reported (issued by the Corruption Eradication Commission).

In 2018, BPK developed a risk management guideline within the BPK environment based on ISO standards, which includes integrity and fraud risk assessment. Thus, there is a yearly internal process to assess fraud and integrity risks.

6.   Integrity Management Framework

Since 2018, BPK has been working on coordinating the different tools of Integrity Management in a single framework. In 2020, this endeavor was included in the five-year strategic plan, in 2022, a conceptual framework was developed. In 2023, the framework was approved and, in 2024, it was enacted as the Integrity Management Framework (IMF) by BPK's Board (see figure 6).

Figure 6
Framework consisting of five components
The BPK Integrity Management Framework is an instrument to structure assessment and reporting and consists of five components.

Governance	Prevention	Detection	Response	Monitoring and Evaluation
Integrity Management	Implementation and Internalization of Code of Ethics and Discipline	Audit Engagement Quality Review	Establishing Norm	Measurement of the Integrity of BPK Employees
Management of Integrity Management	Risk Assessment of Integrity Violations	Cyber Security Control	Execution of Disciplinary Decisions	Monitoring and Evaluation
	Implementation of Anti-Integrity Violations Policy	Report on Integrity Violation	Complaint Management	Follow-up on Monitoring and Evaluation Results
	Coordination and Cooperation with Other Institution	Internal Audit	Disruption Action	
	Establishment of Organizational Culture With Integrity	Conducting Exit Interviews	Internal Investigative Audit and Disciplinary Procedures	
	HR Management with Integrity	Whistleblower Protection Program	Recovery of Organizational and Individual Reputations	
	Implementation of Internal Control System with Integrity	Post-Procurement Review	Utilization of Data Analytics	
	Compliance Management on Assets Reporting and Tax Obligations	External Audit and Peer Review		
	Integrity Education	Utilization of Data Analytics		
	Controlling Conflict of Interest			
	Random Pressure Testing			
	Utilization of Data Analytics			

Figure: BPK. Source: BPK.

The IMF is a comprehensive framework consisting of five components: governance, prevention, detection, response, as well as monitoring and evaluation and provides a structured

approach to developing strategies, policies, and procedures for upholding integrity and counteracting fraudulent activities. It focuses on prevention, detection, and redressal of integrity violations and works to oversee all ongoing Integrity Management initiatives at BPK.

Assessment

The Peer Review Team acknowledges that BPK has a long track record of developing measures to ensure the ethical behavior of its staff, has put in place the most significant elements of an Integrity Management System and is in the process of coordinating the different tools in a coherent framework.

The Peer Review Team emphasizes the importance of a well-functioning Integrity Management System as SAIs can contribute to the United Nations Sustainable Development Goal 16 (Strong Institutions) in terms of anti-corruption, transparency and accountability.

In the following chapters, the Peer Review Team assesses whether the current system fulfills the requirements of international norms and covers the necessary content to address recent challenges.

3.1.2   Compliance with INTOSAI Standards

In adopting measures for Integrity Management, BPK fully implemented recommendations from earlier Peer Reviews. In 2009, BPK received recommendations to reaffirm its values and principles periodically, to use the IntoSAINT tool to assess its own integrity and to introduce a central register of breaches of integrity. IntoSAINT is a tool provided by INTOSAI to assess the integrity of SAIs including aspects of vulnerability and maturity based on a workshop setting with auditors and general staff. In 2014, another Peer Review assessed these recommendations as being implemented, as the Code of Ethics had been established and an integrity assessment had been performed. Moreover, a central register of breaches of integrity had been introduced within the Inspectorate General (directly reporting to the Board).

The Peer Review Team uses the assessment criteria from the Performance Measurement Framework for Supreme Audit Institutions (SAI PMF). The SAI PMF is an INTOSAI mechanism that was established to provide SAIs with a framework for a holistic and evidence-based evaluation of their performance and to provide them with an objective basis for demonstrating their ongoing relevance to citizens and other stakeholders. According to the SAI PMF, SAIs should lead by example and be model organizations. SAIs should promote transparency and accountability through good governance and ethical conduct.

"Domain B" of the SAI PMF includes several performance indicators to measure the overall performance of a SAI in the areas of internal governance and ethics. Table 2 below shows the relevant performance indicators and criteria as well as the assessment of the Peer

Review Team and possible room for further improvement.

Table 2

Evaluation of compliance with the relevant criteria of the Performance Measurement Framework for Supreme Audit Institutions in the areas of internal governance and ethics

Performance Indicator	Criteria	Assessment	Room for further improvement
Dimension "Ethics, Integrity and Organizational Structure"			
SAI - 4 (a)	Have a Code of Ethics in place	In place	
SAI - 4 (b)	Alignment with ISSAI 130 (INTOSAI Code of Ethics)	Some differences due to changes in ISSAI 130	Strengthen alignment with ISSAI 130 (SAI dimension, application guidance, structure)
SAI - 4 (c)	Review the Code of Ethics every 10 years	Code of Ethics established in 2007, major revision in 2018	
SAI - 4 (d)	Require all staff members to always engage in conduct consistent with the Code of Ethics	In place	
SAI - 4 (e)	Require any party contracted out to commit to ethical requirements	In place	
SAI - 4 (f)	Make the Code of Ethics publicly available	In place	
SAI - 4 (g)	Implement an ethics control system	In place	
SAI - 4 (k)	Assessment of vulnerability in the past 5 years	Last external assessment in 2016, yearly internal risk assessment	Carry out an external fraud risk assessment
SAI - 4 (l)	Adopting an integrity policy based on assessment	In place	
Dimension "System of Internal Control"			
SAI - 4 (i)	Have a "whistle–blowing" procedure	In place	

Table: Peer Review Team. Source: BPK and Peer Review Team.

Assessment

In conclusion, BPK overall fulfills the relevant criteria of the SAI PMF on ethics. However, there are two dimensions with room for improvement: Alignment of the Code of Ethics with ISSAI 130 and an assessment of vulnerability in the form of an external fraud risk assessment.

3.2 Findings, Assessments, and Recommendations

3.2.1 Alignment of BPK's Code of Ethics with ISSAI 130

The first Code of Ethics of INTOSAI (*i.e.* the predecessor of the current ISSAI 130) was adopted in 1998. In response to the decision made in 2013, namely to assess the need for a revision, responses from INTOSAI's member SAIs indicated that the Code should include provisions for SAIs on an organizational level, more detailed guidance and good practice examples. A revised version of the Code of Ethics was adopted by INTOSAI in December 2016.

The main difference between the current version of ISSAI 130 and that of 1998 consists in the inclusion of the perspective of a SAI, in addition to that of an individual staff member (auditor and non-auditor alike). Another novelty is the structure of the document, with ethics-related requirements listed separately for SAIs and separately for their staff. ISSAI 130 mentions five fundamental ethical values: 1) integrity; 2) independence and objectivity; 3) competence; 4) professional behavior; and 5) confidentiality and transparency.

BPK's Code of Ethics, which was adopted in 2007 and revised in 2011, 2016, and 2018, includes – apart from definitions, objectives and scope, sanctions and transitional regulations – in essence obligations and prohibitions for Board Members and auditors.

However, a specific section on the obligations arising for a SAI has not been included. In addition, the structure of BPK's Code of Ethics does not directly reflect the five fundamental ethical values embedded in ISSAI 130 (especially not competency as well as confidentiality and transparency). There is also no specific chapter on application guidance.

Assessment

While the Peer Review Team acknowledges that BPK's Code of Ethics has already covered the main content of ISSAI 130, the diverging structure and emphasis could lead to confusion or to a less clear focus. The Peer Review Team was informed that BPK Code of Ethics (BPK regulation Nr. 4/2018) would be reviewed and revised and that the recommendations of the 2024 Peer Review would be taken into account.

Recommendation 9

The Peer Review Team recommends that BPK aligns BPK's Code of Ethics with the structure of the amended ISSAI 130. It is crucial to include the ethical values of competency, confidentiality, and transparency, as well as the obligations for a SAI, along with the necessary application guidance.

3.2.2 Assessment of Vulnerability

Considering the SAI PMF requirement to regularly assess vulnerability, BPK has taken a variety of measures:

Following a recommendation of the 2009 Peer Review, BPK carried out a self-assessment according to IntoSAINT starting in 2010. In response to the assessment, BPK has taken a series of measures, including changes in the audit standards and audit management guidelines, reviews of a sample of audits, a review of the Gratification Control System and a review of salary conditions.

Furthermore, in 2016, BPK hired an external consultant to conduct a fraud risk assessment of BPK. The report identified risks at each stage of the audit process for three types of audits, namely financial audits, performance audits and audits with specific objectives. Measures taken afterwards include stricter IT policies and enforcing the signing of integrity pacts.

Since then, BPK has neither conducted a further external systematic assessment of vulnerability nor another IntoSAINT. However, BPK conducts annual risk assessments including strategic risks, fraud risks, and compliance risks. In the area of fraud risks and compliance risks, BPK considered several points to be of a very high risk in 2023. This included the risk of accepting bribes, becoming intermediary for others to gain personal benefits and impaired independence such as conflicts of interest or intimidation (see below).

Assessment

The Peer Review Team acknowledges that BPK has already undergone several external assessments of vulnerability and has included a yearly risk assessment in its Integrity Management System. However, since the last external assessment took place in 2016, the Peer Review Team considers it useful to conduct another external fraud risk assessment.

Recommendation 10

The Peer Review Team recommends that BPK conducts another systematic external fraud risk assessment within the next two years, considering the Performance Measurement Framework for Supreme Audit Institutions to conduct assessments of vulnerability at least every five years.

3.2.3　Recent Challenges to BPK's Integrity Management System

The Peer Review Team noted that Indonesia is one of the biggest economies in Asia and in the process of becoming a country with strong economic development. However, Indonesia has faced a significant risk of corruption. Although BPK had placed a significant focus on ethical behavior and high standards of integrity, cases of ethical misbehavior had occurred within BPK. Between 2018 and 2024, 27 cases of ethical violations resulted in verdicts by the Honorary Council of the Code of Ethics on 136 employees (out of about 8,500 employees).

The Peer Review Team also noted that, in November 2023, there was a high-profile case of an alleged integrity violation leading to the dismissal of one Member of the Board in the context of judicial investigations. The Board Member was charged with accepting a significant amount of money for wrongly providing an unqualified audit opinion, failing to detect state losses, and manipulating audit results.

Responding to that case, BPK Board Meeting decided to dismiss the Board Member who was involved in the misconduct. The Board was also concerned and instructed the Secretary General to secure all data to prevent any prohibited activities and to issue a press release informing the public about BPK´s decision to respond to the case.

BPK also found that there were several auditors potentially involved in violations of the Code of Ethics. Following this discovery, BPK has reviewed the audit processes relevant to this case (a special purpose, two financial audits and one compliance audit concerning the Ministry of Communication and Information) and the reviews were still ongoing at the time of the Peer Review.

Furthermore, the Peer Review Team noted that, in May 2024, there was another allegation arising from judicial proceedings that an auditor from BPK had asked for a bribe in exchange for an unqualified audit opinion and that money was also handed over. Investigations were still ongoing at the time of the Peer Review.

These alleged integrity violations have been reported by the media as being indicative of minimal supervision, high incentives for unqualified audit opinions and political interests. BPK explained that the report was untrue and biased, therefore, that BPK may consider to respond this report.

Assessment

The Peer Review Team acknowledges that BPK acts in a difficult environment and that individual cases of corruption cannot be completely prevented, even by a sophisticated Integrity Management System. However, the Peer Review Team is of the opinion that BPK respond decisively and in a focused way to the risks that have materialized. This means that the risk of misbehavior occurring especially at the top management level needs to be addressed and

that the risk of misconduct of issuing audit conclusions such as audit opinions has to be mitigated properly.

Recommendation 11

The Peer Review Team recommends that BPK takes steps to reinforce public trust in response to the recent challenges to its integrity system by strengthening its Integrity Management System. With a special focus on the materialized risks, BPK shall effectively signal the significance of integrity within the organization and to external stakeholders.

3.2.4 Areas Relevant to Address the Current Challenges to Integrity

Measures taken by BPK since 2023

Partly in response to the developments of 2023, BPK took several measures: In its risk assessment, BPK considered its fraud risks to be very high in 2023 and presented several mitigation strategies. These included reference to existing tools such as the statement of auditor independence, training on integrity, gratification reporting and the whistleblowing system, the Code of Ethics and the Honorary Council of the Code of Ethics, regulations on conflicts of interest, and employee rotation. Moreover, in January 2024, BPK adopted the Integrity Management Framework developed in line with its strategic plan. In addition to that, BPK took a variety of measures related to the following areas:

Figure 7

Measures taken by BPK to address the recent challenges
BPK has taken a range of measures to address the recent challenges to integrity. The Peer Review Team has additional recommendations concerning the areas highlighted in blue.
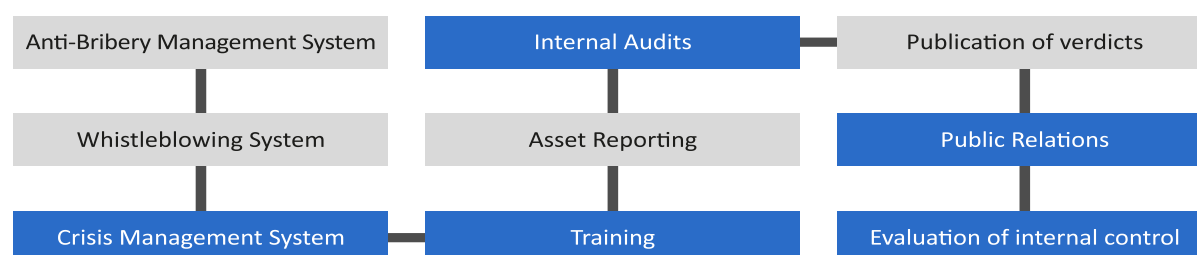
Figure: Peer Review Team. Source: BPK.

a) In January 2024, BPK started the introduction of an Anti-Bribery Management System certification based on ISO 37001:2016. BPK initiated the process in particular in four organizational units (the Directorate General of Investigative Audit, the Inspectorate General, the Finance Bureau, and the General Affairs Bureau dealing with procurement) with the assistance of an external consultant and intends to finalize the certification by November 2024.

b) In early 2024, BPK decided to revise its complaint management system inspired by ISO 37002:2021 on Whistleblowing Management Systems to clarify who should follow up on complaints and to ensure consistent results by better structuring the different channels for input. The guideline is expected to be implemented by early 2025.

c) BPK initiated the development of a Crisis Management System including the establishment of a special team to report initial findings and recommendations more swiftly to the Board. However, no detailed concepts had yet been developed.

d) BPK Board Members communicated to BPK employees the importance of integrity and BPK launched additional trainings for more than 7,000 employees from January to March 2024. The contents included audit quality management, responsibilities of team members, gratification control, the whistleblowing system, and the negative impact of integrity violations.

e) BPK requires all Board Members and employees to report assets and tax obligations. In cooperation with the Corruption Eradication Commission, BPK increased its monitoring of compliance with these reporting duties in 2024.

f) In early 2024, BPK issued an Internal Audit Plan for 2024 with the goal of restoring BPK's reputation. The Inspectorate General is expected – as before – to conduct hot reviews (during the audit process), cold reviews (after the audits are finished), and to respond to complaints of misconducts with a special focus.

g) For the purpose of deterrence, BPK decided in January 2024 that the verdicts of the Honorary Council of the Code of Ethics would be published in BPK's intranet.

h) BPK intensified its public and media relations with the objective of recovering BPK's reputation. To achieve this goal, BPK accepts information from the public through various channels such as its website, social media and email, creates and disseminates positive news about BPK and organizes events to inform target groups about the organization.

i) BPK started an evaluation of internal control measures in all working units in May 2024 and developed a guideline for reviewing the implementation of Integrity Management. Furthermore, BPK is a regular participant of the annual integrity assessment survey of the Corruption Eradication Commission to map integrity risks and to implement action plans of recommendations.

Assessment

The Peer Review Team acknowledges that that BPK has taken a variety of measures to address the negative impact of the alleged corruption cases in 2023 and 2024. The Peer Review Team wants to support this effort by providing its perspective on these measures. To this

end, the Peer Review Team is of the view that BPK needs additional measures on particularly ensuring the right tone from the top, on preventing misconduct of issuing audit conclusions such as audit opinions, and on the effectiveness of the Integrity Management Framework as a whole.

Recommendation 12

The Peer Review Team recommends that BPK

a) provides additional measures to avoid ethical misconduct on the top management level and to prevent misconduct of issuing audit conclusions and unqualified audit opinions.

b) integrates rules into BPK's crisis management plans for analyzing cases of suspected misconduct and following up actions. This may include emails, and the status of suspected employees.

c) strengthens the prevention system accordingly to ensure quick, decisive, and comprehensive action to address factors enabling misconduct as well as strengthening effective communication to internal and external parties.

d) explains transparently to the media that BPK's oversight and quality control system is applied in securing audit quality, as well as welcomes inputs from the public to maintain trust.

e) considers communicating BPK's audit engagement plans at an appropriate time to allow the public to give input to minimize undetected significant risks.

f) enhances clear communication as an integral part of the audit process conveying that bribery will not lead to favorable audit conclusions and audit opinions, as the strict quality control and supervision processes are designed to prevent misconduct.

3.2.5 Tone from the Top: Including the Board in Integrity Management

BPK consisting of nine Board Members has a collective collegial system, where strategic policies, activities, and processes in the organization require Board decisions. Each Board Member has a portfolio, which is responsible for specific functions and areas.

Furthermore, each Board Member has a vision on how to manage and develop the organization. The backgrounds of each Board Member before joining BPK may have an impact on their perspective. The Board Members also manage a workforce of about 8,500 employees nationwide.

Therefore, the leadership's commitment to independence and integrity, free from individual or group influences, is crucial to maintaining the overall independence and to building an integrity culture in BPK. Challenges to this approach include diverse backgrounds and frequent changes due to rotations at Board Member level.

When joining the Board, new Members sign an integrity pact taking note of the obligations of the Code of Ethics. However, there is no standardized onboarding procedure or continuing education on ethical behavior.

The governance of the Board includes matters that need to be agreed on by the Board as such and matters that are delegated to individual Board Members. However, there is no general four-eyes principle. In particular, the supervision of the audit processes in individual audits is the responsibility of an individual Board Member.

Article 5 of the Code of Ethics stipulates that Board Members are obliged to prevent any conflicts of interest. It also lays down that they are prohibited from delaying or not reporting audit results containing elements of misconduct and from being owner of business entities oriented towards profits gained from state financial expenditures. Furthermore, they may not hold a position in companies (while owning companies is allowed). Also, Board Members have to declare that they have not worked as an official in state financial management in the last two years and that they are prohibited from becoming a member of a political party. However, there are no rules defining which positions or activities are allowed for Board Members after their term on the Board of BPK has ended ("cooling off"). There are also no regulations concerning divesting assets to family members.

The Code of Ethics establishes a panel for its enforcement, the Honorary Council of the Code of Ethics. In order to fulfill its duties, the Honorary Council has the authority to examine reports on allegations of Code of Ethics violations, request testimony and data from complainants, respondents, witnesses, and experts, decide whether or not Code of Ethics violations have occurred, determine the types of sanctions, and communicate their decision through the Chair of BPK. The Council consists of three external members and two Board Members of BPK. Currently, the Council only acts upon cases of an alleged violation (and has no formalized preventive role). After alignment of the Code of Ethics with ISSAI 130, the Code of Ethics will also include duties on an organizational level. After such an alignment, the task of the Honorary Council of enforcing the Code of Ethics will therefore also need to include institutional aspects.

Assessment

The tone from the top is a critical component of addressing bribery and corruption risk. The SAI's leadership shall set the tone from the top by its actions and example, acting consistently with the ethical values.

Although BPK overall fulfills the relevant criteria of the SAI PMF on ethics, the Peer Review Team considers the enactment of an effective regulation to exclude any conflicts of interest, the awareness of Board Members of the regulation, a system of checks and balances and an effective mechanism for looking into allegations of breaches of integrity to be important to maintain the trust of the population in the institution. Considering the recent incidents, the

Peer Review Team is therefore of the opinion that further considerations and clarifications in these areas may be helpful.

Recommendation 13

The Peer Review Team recommends that BPK

a) enhances the Board Members' familiarity with ethics and integrity, which includes providing them with ethics programs from the beginning until the end of their tenure.
b) strengthens Board Members'' operational procedures and collaborative dynamics to establish a robust checks and balances mechanism in a collegiate system to achieve transparency of possible influence of Board Members on individual audits.
c) enhances the current regulations on conflicts of interest, as well as improve BPK's control and sanctioning mechanism.

3.2.6   Targeted Measures against Risk of Incorrect Audit Opinions

3.2.6.1   Portfolio of Audits Tailored to Ensure Timely Awareness of Fraud Risks

BPK conducts over 600 financial audits in the first half of the year under high time pressure with typically only two months to carry out the audit. In the second semester, BPK conducts special purpose audits (*i.e.* compliance audits) and performance audits.

Assessment

Since there is a high time pressure for financial audits, it would be valuable to plan compliance and/or performance audits for the second semester before, with a focus on identifying risks relevant to financial audits. This could facilitate the financial audits in the first semester because auditors would already be aware of specific risks and problems.

Furthermore, financial audits could be categorized according to the risk of fraud on the basis of the results of audits already carried out. This way, training, supervision and staff selection for individual audits could also be affected in a targeted manner.

Recommendation 14

The Peer Review Team recommends that BPK

a) optimizes BPK's annual audit plans by considering the interdependence of financial audits conducted in the first semester and other audits conducted in the second semester to facilitate the early identification of fraud risks and enhance the effectiveness of the audit process.
b) strengthens the risk assessment in BPK's annual planning process to select audits with high fraud risks and takes specific measures to improve training, supervision, and staff selection in preparation for high-risk audit engagements.

3.2.6.2 Identify the Roles and Projects Most Affected by Fraud Risks to Best Select and Support Staff

Since BPK has about 8,500 employees in a variety of roles and responsible for different subject matters, the targeted management of audit risks faces significant challenges. However, as regards the risk of misconduct in issuing audit conclusions and audit opinions, specific roles in the audit process (e.g., auditors in charge) are particularly important. BPK currently considers introducing an employee integrity index with the purpose of profiling its staff.

Assessment

Based on a risk assessment for specific projects, BPK could identify the high-risk audit roles and focus its Integrity Management on these roles and high-risk audits. This might include using the best suited staff members for this role (possibly after profiling and background checks) and targeted measures such as oversight and training.

Recommendation 15

The Peer Review Team recommends that BPK

a) enhances the Integrity Management for audit roles in high-risk audits, such as tailored training and enhancing oversight.
b) considers a comprehensive profiling process to carefully select the most suitable auditors for critical audits with a high risk of fraud.

3.2.6.3 Enhance the Audit Process Using External Fraud Risk Assessment and Modern Technology

BPK has detailed and publicly available audit standards as well as internal audit guidelines to manage the high number of audits conducted. These processes include the use of audit software, oversight by supervisors and auditors in charge as well as a range of quality control procedures.

In some cases, reviews and internal audits showed challenges in the implementation of the audit processes as designed in the standards and guidelines. In some areas, such as the application of the audit software, processes still need to be clarified and implementation strengthened. For example, a timely recording of the results of the fieldwork in the audit software can play a critical role in the implementation of adequate audit work.

Assessment

The Peer Review Team is of the opinion that audit standards and guidelines are on a high level but also considers their consistent implementation to be a challenge due to the size and diversity of BPK. Thus, considering that the last external fraud risk assessment took place in 2016, that the technology has developed significantly since then and that the recent challenges gave insights into where the system might be particularly vulnerable, the Peer Review Team holds that an external fraud risk assessment of the audit process will be useful.

Recommendation 16

The Peer Review Team recommends that BPK conducts a comprehensive external fraud risk assessment, in particular on how the current audit software can help to prevent the risk of issuing incorrect audit conclusions and audit opinions (e.g. by timely documenting fieldwork, making it therefore more difficult to change the audit results at a later point in time).

3.2.6.4 Optimize Oversight Procedures Considering the Span of Control and the Number of Reviews

BPK uses a variety of oversight procedures and reviews for quality assurance. In a multi-level review system, audits are continuously overseen by supervisors outside of the audit teams and then checked again by the auditors in charge. BPK also conducts a series of hot reviews (during the audits) and cold reviews (after the audit). However, depending on the resource allocation in different locations, the control span for supervision can vary and the resources for reviews are limited.

Assessment

The Peer Review Team supports the process of oversight and reviews stipulated by BPK to maintain a high level of quality in the audit process. However, given the recent challenges, the Team holds that it will be helpful to assess whether there is a need to provide additional resources to make sure that a viable span of control is maintained in all circumstances and that a sufficient number of hot and cold reviews can be conducted ensuring that they also have a preventive function. If needed, in a limited number of cases, also external resources might be used to safeguard the quality of the audits through reviews and to gain an outside perspective on the audit procedures implemented.

Recommendation 17

The Peer Review Team recommends that BPK considers whether additional resources are necessary to ensure comprehensive oversight procedures and reviews to uphold the quality of audit procedures. Some options could include increasing the sample size for hot and cold reviews, seeking insights from external auditors to gain an outside perspective, and ensuring that the span of control in all departments aligns with oversight requirements.

3.2.7 Adding Further Building Blocks to the Integrity Management Framework

3.2.7.1 Consolidated Reporting

At the time of the Peer Review, BPK had separate reports on gratification control, whistle-blowing and the activities of the Honorary Council of the Code of Ethics. There has also been a central registry of integrity breaches in place. BPK provided the Peer Review Team indicators on the number of reported allegations of violations (categorized by discipline and ethics, the hierarchy level of employee concerned and the size of the damages), results of further investigations, reports on gratuities received and cases dealt with by the Honorary Council.

Assessment

The Peer Review Team considers the interpretation of the measured indicators to be difficult since it requires consideration of the number and severeness of the breaches as well as a contextualization and an analysis of the causes.

Recommendation 18

The Peer Review Team recommends that BPK establishes an annual comprehensive report on the Integrity Management System including key indicators, an analysis and interpretation of the indicators and proposed actions to address specifically emerging issues.

3.2.7.2 Strengthening the Conflict-of-Interest Control System

The Integrity Management Framework contains rules on conflict-of-interest control. BPK Board Members and BPK employees must report any actual, potential, or perceived conflicts of interest. In particular, BPK Board Members and BPK employees must ensure that they do not perform audits of entities chaired by or employing family members, friends, or any person with whom a close personal relationship exists.

Moreover, they need to obtain written approval from their immediate superior before starting other employment, including self-employment or running a business, while they are working with BPK. At the beginning of each audit assignment, auditors need to sign a statement indicating that they do not see any conflict of interest in the upcoming engagement. To assess the implementation of conflict-of-interest control, BPK conducts surveys on implementation.

However, the results of these surveys show some inconsistencies in implementing the system in certain settings (e.g. concerning the numbers of the extent of compliance, documentation, etc.).

Assessment

The Peer Review Team considers conflict-of-interest control to be an essential element of Integrity Management. It believes that a uniform and consistent implementation of the regulations is necessary. This might also include ensuring that not only the immediate superior but also the appropriate level of the Human Resources Management approves another employment.

Recommendation 19

The Peer Review Team recommends that BPK consistently implements a conflict-of-interest control and involves Human Resources Management in the approval of any external employment.

3.2.7.3 Regular Needs-Based Ethics Training for Employees

BPK, through its own training institute, provides ethics trainings to its employees after re-cruitment, while they carry out their duties and before being promoted. In addition, also the Inspectorate General and working units provide respective education. Thus, for each role in the audit process, there is a specific ethics training. BPK's regulations also require each audi-tor to complete 80 hours of training every two years (irrespective of the subject matter).

However, the subject of integrity and ethics is not included as a mandatory course outside recruitment and promotion. Therefore, auditors might not include the topics of integrity and ethics in their continuing education.

In addition to on-site training programs, BPK considers self-learning programs on integrity and ethics to be important, given the substantial workforce of BPK across various regional offices.

Since ethics training is discretionary in continuing education, a needs-based approach is re-quired to make sure that staff as well as external auditors are well acquainted with ethical requirements as mandated, among others, in ISSAI 130. Thus, an assessment of the existing competencies and needs for improvement is necessary. However, BPK currently does not have the necessary tools to perform a concise and rapid assessment.

Assessment

The Peer Review Team is of the opinion that an integrity test in the form of multiple-choice questions focusing on integrity and ethical issues should be regularly carried out. This ap-proach would ensure that all employees possess a foundational understanding of integrity and ethics.

Recommendation 20

The Peer Review Team recommends that BPK develops a comprehensive program for needs-based continuing education on integrity and ethics for its employees. BPK should implement a mandatory continuing education program and consider options to increase resources for self-learning programs on integrity and ethics.

3.3 Framework for Further Developing Integrity Management

The Peer Review Team supports the steps BPK has taken to address the recent challenges in its Integrity Management. The Team holds that measures in four areas can further strengthen the existing endeavors (see figure 8).

Figure 8

Four areas to further strengthen Integrity Management

The Peer Review Team holds that measures in the following four areas can further strengthen BPK's Integrity Management.
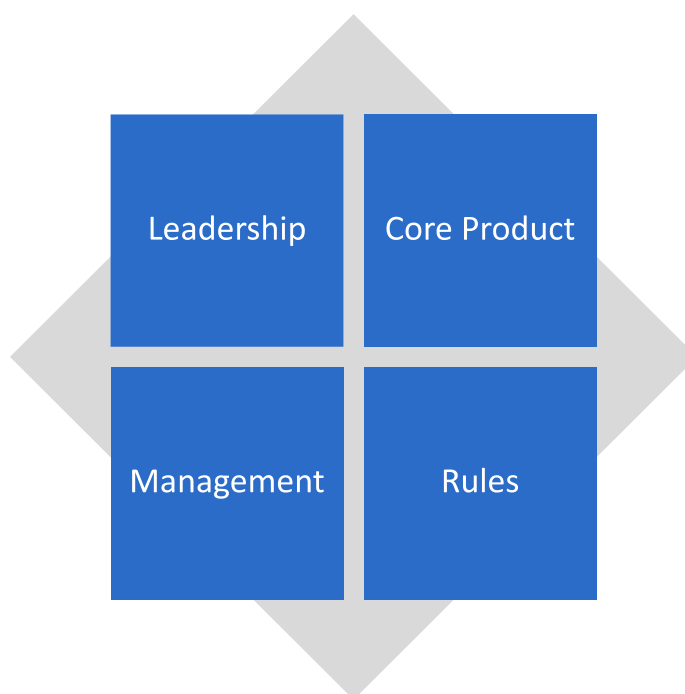
Figure and Source: The Peer Review Team.

a)   In the area of leadership, the Peer Review Team recommends that BPK raises the awareness of the Board, adapts working procedures of the Board to integrate checks and balances and strengthens the conflict-of-interest rules in the Code of Ethics.

b)   Moreover, the Peer Review Team recommends that BPK reinforces its Crisis Management System in case of a possible violation of the Code of Ethics, establishes a comprehensive reporting system on the functioning of the Integrity Management System and explains its oversight and quality control processes to the public in more detail and with more transparency in order to maintain public trust.

c)   The Peer Review Team also recommends that BPK focuses its measures to strengthen the Integrity Management System by safeguarding BPK's core product: the audit opinion. By adapting its strategies of the annual planning, targeting specific audit roles and high-risk audits and optimizing oversight, the Peer Review Team holds that BPK could reduce the risk of issuing incorrect audit conclusions as well as audit opinions. In addition, BPK should conduct an external fraud risk assessment to improve its audit processes.

d)   Finally, the Peer Review Team recommends that BPK makes several adaptations to rules and regulations with regard to aligning the Code of Ethics with ISSAI 130, introduces mandatory continuing education on Integrity Management, and implements the conflict-of-interest rules.

The Peer Review Team is confident that implementing these recommendations would enhance public trust in the organization, thereby strengthening the impact of public auditing in Indonesia.

4.
Information and Technology

4   Information and Technology

The Peer Review Team examined BPK's use of Information Technology. The aim was to assess

- BPK's strategic decisions regarding infrastructure, technology and resources;
- its policies and procedures for managing the use and security of its IT systems, networks and information resources; and
- whether the IT-related recommendations from the previous Peer Review were followed up.

The Peer Review Team concludes that IT Management has reached an appropriate level of maturity at both management and operational levels. Key business processes are supported by appropriate Information Technology and the overall management of IT resources is under control. With some remaining areas for improvement, BPK is ready to use IT to achieve its strategic goals and priorities.

4.1   Assessment of the Strategic Level

4.1.1   Derivation of IT Strategy

In its 2020-2024 strategic plan (RENSTRA), BPK describes, among other things, the need to strengthen its information and communication technology. BPK wants to secure its information assets, streamline its business processes through IT-supported approaches and initiate a digital transformation. All this with the aim of improving the quality and benefits of public financial management.

Figure 9

Comprehensive mission to strategy framework

The IT theme is fully embedded in the entire strategic plan and in the underlying six strategies.

Vision	Trusted audit institution [...]
Objective	Improved quality and benefits of state financial governance [...]
Strategic goal	Increased use of recommendations, viewpoints and advice [...]

Strategy 1	Improve the capabilities of a modern and dynamic audit organization	Strategy 4	Establish a center of excellence for education and training for state financial audit
Strategy 2	Improve audit quality in a strategic, anticipatory and responsive manner	Strategy 5	Strenghten regulatory and legal aspects of state financial audit and state loss mangement
Strategy 3	Improve the effectiveness of supervision of state financial audits	Strategy 6	Optimize resource management and cooperation with stakeholders

Figure: Peer Review Team. Source: BPK.

The strategic plan provides for the introduction of an information systems-based operating model with improved security of access to data and information, in line with the maturity of the organization's information technology culture. Implementation was divided into eight activities:

1) Improve data and information security
2) Establish the Business Continuity Plan (BCP) and Disaster Recovery Center (DRC)
3) Increase BPK-wide integration of the information system
4) Increase availability and continuity of IT services
5) Develop applications for audit and organizational purposes based on data analytics
6) Prepare a roadmap to develop human resources for BPK IT managers
7) Draw up a projection of the needs for software, bandwidth, and hardware
8) Reorganize the IT audit unit

Furthermore, BPK aims to align the use of information technology with the National Medium-Term Development Plan (RPJMN) to undertake IT transformation towards e-government and digital government in a measured and incremental manner to improve transparent, accountable and sustainable institutional governance and become a role model for other institutions.

To support the achievement of BPK's 2020-2024 Strategic Plan with regards to the digital initiatives, the IT Bureau developed the BPK ICT Master Plan 2020-2024 (RINTIK). The ICT vision set out in this plan is to make data and information a driving force in becoming a trusted audit authority that plays an active role in embodying quality and useful state finance governance. Three ICT missions to achieve the ICT Vision were formulated within the BPK ICT Master Plan and turned into strategies.

Figure 10

The three ICT strategies

BPK has translated its three ICT missions into corresponding strategies within the
BPK ICT Master Plan.

1	Implement digital-based business processes
2	Implement ICT governance that supports digital transformation
3	Implement Big Data analytics

Figure: Peer Review Team. Source: BPK.

The development of the aforementioned strategies has been supported by the Digital-by-Default Concept developed by BPK, specifying that BPK will prioritize the use of digital solutions in all aspects of audit procedures. BPK uses the INTOSAI reference framework SAI PMF (Performance Measurement Framework) to assess the state of BPK's IT.

An annual report (RINTIK Yearly Report) is prepared to outline the current status of RINTIK implementation and shared with the Board Members and top management of BPK.
The 2023 report highlighted significant progress, particularly in the successful implementation of the 2020-2024 IT strategy, while also addressing future challenges and tasks such as IT resource management and the establishment of a state financial data analysis center (PUSAKA).

The upcoming BPK ICT Master Plan (RINTIK) for 2025-2029 is currently under development and will continue to build on the previous plan by incorporating advancements such as process automation and the integration of Artificial Intelligence into BIDICS.

Assessment

The Peer Review Team holds that the IT strategy is well aligned with BPK's strategic plan and has been systematically developed. The key elements of the strategic plan, such as the vision, the objectives or the strategies, have been systematically incorporated into the ICT Master Plan, thus making the measure coherent.

The three strategies defined for IT are clear and relevant to the elements of the strategic plan relating to IT development. The ambition to digitize most of the organization's business processes and to become a data-centric organization responds to BPK's needs and is essential today to address the challenges of the future.

In the IT area BPK measures progress using the SAI Performance Measurement Framework from IDI and thus applies INTOSAI best practices. The annual report presented to the Board Members and the top management highlights accomplishments, ongoing initiatives, and future challenges in a transparent manner.

Overall, the Peer Review Team is of the opinion that the IT strategy has been carefully developed and is consistent with BPK''s strategic objectives.

4.1.2   Organization of IT Department

The IT department with 103 employees is led by the IT Bureau which is responsible to plan, develop, implement, operate and monitor IT activities and systems within BPK. The IT Bureau carries out a range of functions including formulating action and activity plans, implementing IT policies, managing risk, and providing periodic reports to the Secretary General.

Under the responsibility of the IT Bureau, three divisions are in place:

1) The Division of Information System Development, in charge of developing audit and institutional information's systems

2) The Division of IT Operation, in charge of managing infrastructure and network, data management and IT and communication services

3) The Division of Audit Support & IT Performance Management, responsible for the preparation of IT policy materials, analysis, evaluation, and IT-based audit support

Figure 11

Organizational structure of the IT Bureau

BPK´s overall IT department organization.


```
                    ┌─────────────────────────┐
                    │  Secretary General BPK  │
                    └────────────┬────────────┘
                                 │
                          ┌──────┴──────┐
                          │  IT Bureau  │
                          └──────┬──────┘
        ┌────────────────────────┼────────────────────────┐
┌───────────────┐        ┌──────────────┐        ┌──────────────────┐
│ Information    │        │ IT-Operation │        │ Audit Support and│
│ System Dev.    │        │              │        │ IT Performance   │
└───────────────┘        └──────────────┘        └──────────────────┘
```

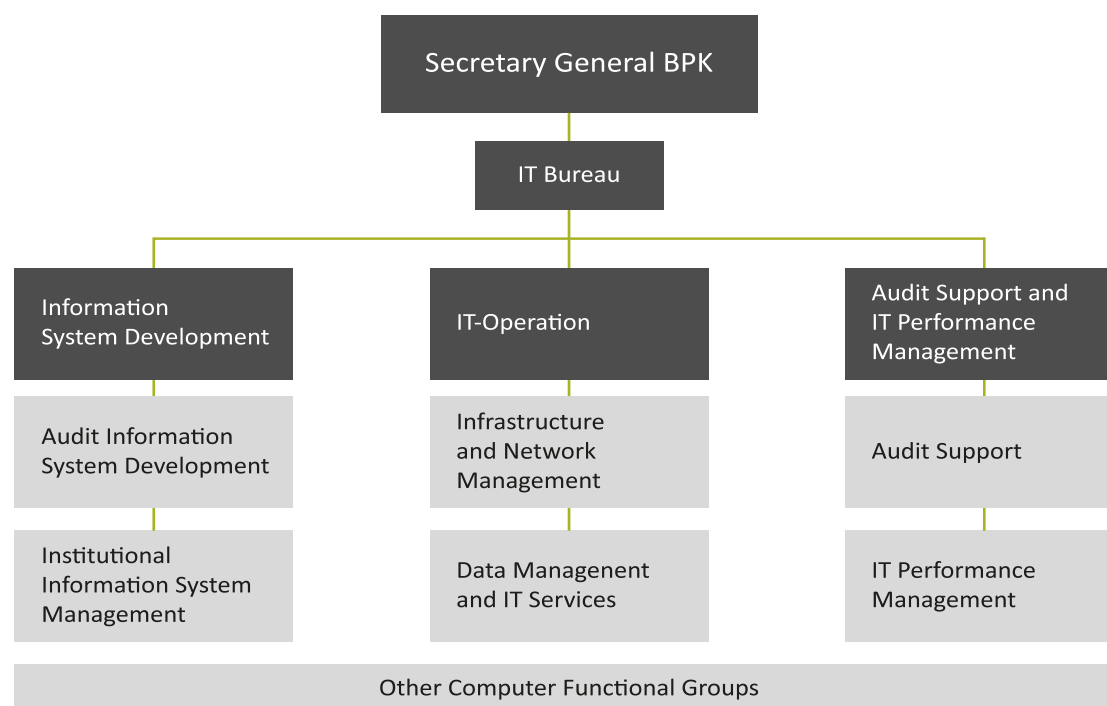| Information System Development	IT-Operation	Audit Support and IT Performance Management
Audit Information System Development	Infrastructure and Network Management	Audit Support
Institutional Information System Management	Data Managenent and IT Services	IT Performance Management

Other Computer Functional Groups

Figure: Peer Review Team. Source: BPK as of 23rd May 2024.

BPK plans to establish a security division and a new department called PUSAKA which will be a dedicated center for analyzing government financial data. The latter will not belong to the IT Bureau.

With regard to BPK's information systems, the subdivision of:

1) Audit Information System Development is in charge of the 13 audit applications such as SMP, SIAP, SIKAD and SIPTL.
2) Institutional System Development handles 58 applications with a strong focus on the HR applications SISDM, PRISMA and SISDIKLAT.
3) Audit support provides the capability for data analysis via BIDICS for the entire BPK. BIDICS provides support for all business processes, not limited to auditing. A dedicated room is available to support auditors in performing data analysis.

According to the IT Bureau the current IT staff members meet the overall needs since 28 new employees were hired at the beginning of 2024. BPK's IT Bureau staff represents 1% of BPK's total staff.

In terms of resource development, IT employees undergo regular training based on the SFIA model, which stands for "Skill Framework for the Information Age". The SFIA skill table categorizes IT human resources into six different groups: Strategy and architecture, business

change, solution development and implementation, service management, procurement and management support, client interface. Training is regularly conducted for staff members, and a record of trainings attended in these categories is maintained.

Assessment

The Peer Review Team holds that the IT organization is consistent with the organization's needs in terms of steering and meeting its missions stated in RINTIK, such as implementing the digitization of business processes (audit or support) or supporting IT activities. The creation of a dedicated security division is seen as a very positive step by the Peer Review Team, given the challenges and risks associated with this theme, such as cyber-attacks, data security breaches and the legal aspects, among others.

In addition, the implementation of a dedicated data management department (PUSAKA), benefitting from IT office support, will enable BPK to further develop its expertise in data analysis in line with its global strategy.

Overall, the Peer Review Team is of the opinion that the IT department and its future organization meet BPK's IT needs. The Peer Review Team would also like to emphasize the determination of the BPK IT Bureau not to remain in a fixed organization, but rather to be able to challenge things over time. Conducting an ITSA in 2023 is a good example of BPK's commitment to continuous improvement. In the ITSA, BPK identified very similar improvement potentials as the present Peer Review. This also shows that BPK has an objective view of its situation in information technology and is able to identify the potential for optimization.

4.1.3   Management of IT Architecture

In 2022, the Secretary General issued the Digital Enterprise Architecture (DNA). DNA is intended to support the implementation of BPK´s 2020-2024 Strategic Plan through the development of an integrated business architecture.

The IT architecture development is driven by the IT Architecture Vision, aligning the enterprise architecture with the SAI's goals and strategic objectives. Four principles and four goals have been defined within the BPK Architecture Vision, among other elements, to serve as a guideline for the development of the enterprise architecture DNA.

To implement DNA, BPK utilized the TOGAF® reference framework, focusing on four areas of specialization (Business Architecture, Data Architecture, Application Architecture, and Technology Architecture). To enable performance management by indicators BPK's application catalogue is aligned with the six domains and two specific use cases of the SAI PMF. Additionally, in extension to TOGAF®, BPK incorporated a security layer with the aim to achieve IT security by design.

The architecture itself is not described in a document but is documented on a digital architecture platform. An implementation architecture is used to bridge the gap between current and target architectures and to achieve the goals within the specified timeframes. The agility in the architecture implementation allows for rapid adaptation to internal or external requirements. In the portfolio management, projects are prioritized based on this framework, and budget allocations.

Figure 12

Principles and goals
The four principles and four goals defined within the BPK Architecture Vision.

Principles	• Alignment • Implementable • Flexible • Standard
Goals	• Increasing the effectiveness of achieving organizational goals • Increasing the effectiveness of business processes • Increasing the effectiveness of performance evaluation analysis • Improving data and information synergy

Figure: Peer Review Team. Source: BPK.

While BPK's IT architecture DNA encompasses various layers such as data, applications, and technology architecture, business processes play the central role. Indeed, all business processes (main, supporting and management processes) have been identified and defined within the core enterprise architecture DNA.

The architecture is designed to consider end-user needs from the business architecture at the top, down to the final technology and implementation ensuring that no application or solution is developed without a clear link to a business process and the current architecture. This principle includes even development tools. The technologies used by BPK are defined. BPK uses C# and PHP as basic programming languages as well as the PHP framework Laravel and the .Net framework as platforms for information system development. For project management, BPK uses Azure DevOps and Tracker.

The architecture was reviewed and assessed by two parties: internally by the Inspectorate General and externally by the Ministry of State Bureaucratic Reform as part of the e-government architecture framework.

At the beginning of 2024, BPK decided to establish a policy on data governance as a reference for data management and data stewardship.

Assessment

BPK implemented a well-structured top-down method to establish its Enterprise Architecture DNA, starting from the vision and extending down to the technology level. The DNA serves as the core of BPK's IT landscape, encompassing key elements such as the vision, the business processes, the applications, the security, or the IT portfolio within a dynamic architecture.

In implementing its architectural model, BPK relied on the TOGAF® framework, a well-established and international standard in enterprise IT architectures. BPK customized the TOGAF model to suit the specific requirements of a SAI.

The IT development tools utilized by BPK are frequently used standard tools. They provide numerous notable benefits in terms of security, reliability, and the availability of skilled professionals.

Overall, the Peer Review Team is of the opinion that IT Architecture management at BPK has been set up systematically and in an appropriate way for this SAI. It provides the guidance needed on the different layers and is flexible enough to incorporate potential new components such as additional business processes, applications, and so forth.

4.2   Findings, Assessments, and Recommendations

4.2.1   Management of IT Portfolio

All applications, data, and infrastructures are identified and integrated within DNA. The IT portfolio results *de facto* from the gap between the actual and the target architecture.

The DNA Architecture Implementation Planning defines the strategic plan to realize new IT services of the target architecture. The strategic roadmap data shows three major action fields: Big Data Analytics, Master Data Management, Preparation Data Strategy. The Application Roadmap shows the action fields for the stakeholders Business Process Applications. All units in BPK are considered stakeholders, with the audit unit being the key stakeholder.

The stakeholders are very committed. In a project, they are involved from the beginning (Enterprise architecture) to the final user acceptance tests necessary for the go-live of a new service.

The IT Bureau reports the progress of realizing the target architecture and of the IT projects on different channels. For instance, the overall progress of the IT Master Plan (RINTIK) implementation is reported quarterly and annually to the BPK Board, which is the top-level

representation of the stakeholders. Stakeholders, in general, are also informed about progress and new IT services by circular notes.

BPK develops its applications in-house without relying on third parties. In addition to DNA, they also manage applications for the Finance Ministry, such as IT Asset Management or the financial system.

BPK regularly monitors the IT portfolio. The IT Bureau maintains records of planning, target achievement, and budget utilization within the portal. Weekly reports are accessible in OneNote. However, there are plans to develop a new application for this purpose. Planning activities are conducted using Teams-Planner.

The portfolio consists primarily of the further development of the key applications or key capabilities, which are explained in figure 13 below.

Figure 13
Audit business processes are covered by specific systems
The audit and HR BPK business processes are supported with the following key applications.

Strategic Management	Dashboard Executive as a decision support system that provides high level management to monitor the whole BPK business process
Audit Management	• SMP Information System for managing the audit process from planning to audit implementation and reporting of audit results • PRISMA RKA as Performance Management and Budget Review System • SIAP Information System for documenting electronic audit papers that is systematically integrated, centralized and secure, and supported by a comprehensive audit methodology • SMART is an application for preparing a summary of the audit report • BIDICS is a platform for data analytics that performs data repository for data analytics purposes
Audit Follow-up	SIPTL and SIKAD as audit follow-up monitoring system
Human Resources	• SISDM application is used for managing human resources within BPK, from admission to retirement • SISDIKLAT application is used for managing training and education activities, covering planning, implementation and reporting

Figure: Peer Review Team. Source: BPK.

The various key systems such as SMP, SIAP, SIPTL, etc., as well as the BIDICS data analysis system, are integrated. Numerous functionalities have been realized over the last five years, such as signoff and hyperlinking capabilities. Overall, the key applications are mature and benefit from continuous improvements. However, elements still need to be developed.

For instance, as part of quality assurance, the Inspectorate General (ITAMA) uses information from SIAP to perform hot quality assurance procedures but it cannot communicate directly with the audit team via SIAP, which makes the process inefficient. The figure 14 below shows digitization achievements over the last five years. Most processes are largely or completely digitized.

Figure 14

Digitization of processes over the 2021-2024 period

The majority of processes are largely or entirely digitized. None of them remain completely non-digitized.

			Before 2021	After 2024
Main Process	A.1	Audit	↗	↗
Supporting Process	B.1	Audit Support	↗	↗
	B.2	Mangement of State/Regional Losses	→	↑
Management Process	C.1	Strategic Managment	↗	↗
	C.2	Document Management	↗	↗
	C.3	Housekeeping Service	→	→
	C.4	Asset Mangement	↑	↑
	C.5	HR Management	→	↗
	C.6	Technology and Information Mangement	→	↗
	C.7	Financial Mangement	↗	↗
	C.8	Internal Monitoring and Institutional Minimal Service Standards	↗	↗
	C.9	Product Development and Legal Services	→	→
	C.10	Organizational Capability Development	↓	↗
	C.11	Communication Management	↗	↗
	C.12	Training Management	↗	↗
	C.13	Obtaining Audit Quality Assurance	↗	↗
	C.14	Leadership Service	→	→

↑ Fully   ↗ Largely   → Partial   ↓ None

Figure: Peer Review Team. Source: BPK.

The following figure 15 shows the interaction between the systems and the importance of BIDICS as the central data platform.

Figure 15

BIDICS: Platform for Data Analytics

BIDICS is at the heart of the data analysis system. It receives and provides data from various systems such as SIAP.
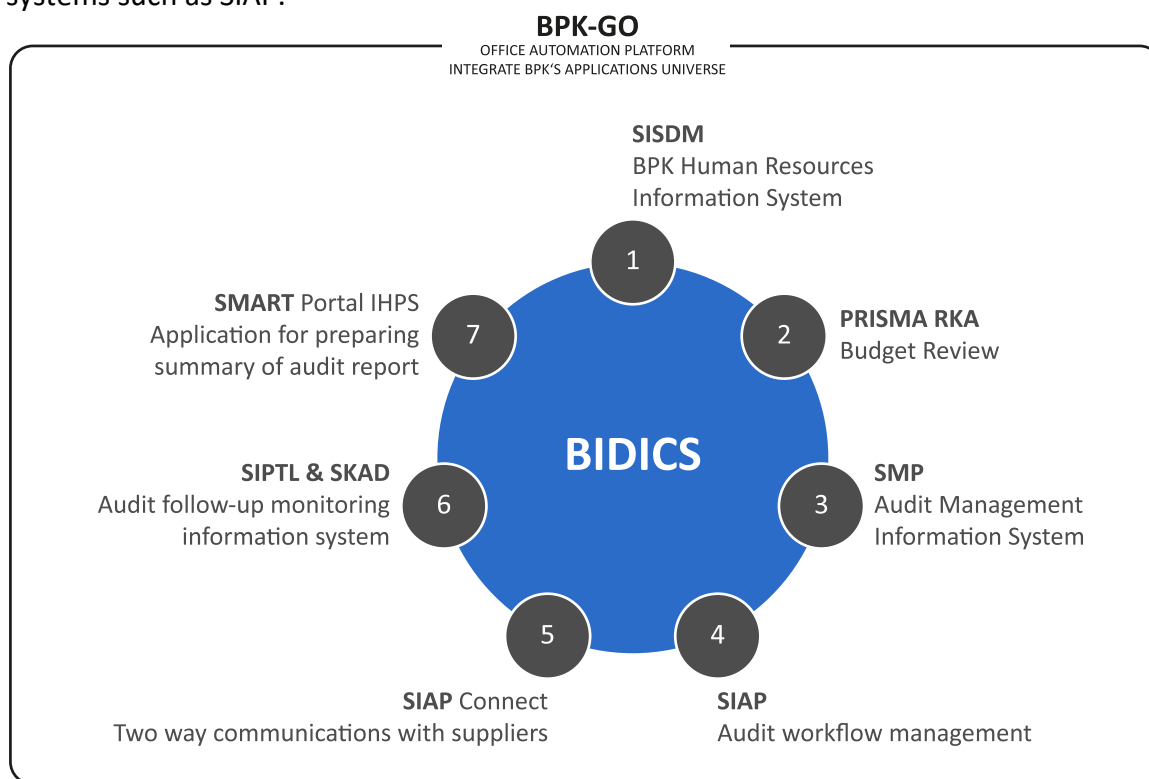

Figure: Peer Review Team. Source: BPK.

Today almost the whole audit process is automated or semi-automated. The digital-by-default principle is largely implemented and documents are signed, scanned and integrated into the systems as required. BPK also developed the "BPKGO"-App for smartphones which makes it possible to access SIAP at any time to monitor SIAP projects/audits.

While the utilization of SIAP is mandatory for financial audits, it is not systematically used for the other audit types, although it is suitable. Only 80% of audits are conducted using SIAP. The main reasons cited were the poor quality of the Internet and the lack of pre-established procedures. The IT Bureau plans to make certain functions available offline.

Each year, an independent survey organization is commissioned to assess IT user satisfaction across seven variables on a scale from 1 (extremely dissatisfied) to 5 (extremely satisfied). Overall satisfaction saw a slight improvement in 2023 (rating of 4.15) across all variables, as depicted in figure 16 below.

Figure 16
Employee satisfaction on the rise
Employee satisfaction related to IT services has risen in all measured dimensions.

#	Category / Criteria	Index 2022	Change	Index 2023
1	The IT Bureau provides technological support to conduct tasks in an efficient and effective manner.	4.06	↗	**4.22**
2	The IT Bureau has developed and used technology for non-audit/institutional activities optimally (example: SISDM, JASMIN, Kelola Tugas, Video Conference).	4.13	↗	**4.33**
3	The IT Bureau has developed and used technology for audit activities optimally (example: SMP, SIAP, SIPTL, BIDICS).	4.08	↗	**4.23**
4	The IT Bureau has disseminated, socialized, and trained employees on the latest information technology to be used.	3.97	↗	**4.03**
5	The IT Bureau has performed adequate maintenance of computer equipment in order to support smooth-running organization.	3.96	↗	**4.00**
6	The IT Bureau assigns qualified personnel in IT audit sector if it becomes an important part of an audit.	4.02	↗	**4.09**
7	The IT Bureau has implemented ICT security governance at BPK (device registration, limited access to applications to authorized users only, data encryption).	4.06	↗	**4.19**
	EMPLOYEE SATISFACTION INDEX FOR IT SERVICES	4.04	↗	**4.15**

Figure: Peer Review Team. Source: BPK.

Assessment

The Peer Review Team holds that managing the integrated portfolio within the enterprise architecture DNA ensures consistency between strategic plans and ultimately the business applications very well. The portfolio management relies on various tools across different management levels. Some information is synchronized and summarized manually, resulting in additional effort. However, the IT Bureau has the essential information to manage the IT portfolio effectively.

The Peer Review Team notes that business processes have been digitized and the underlying applications meet user needs well, particularly in the areas of audit and human resources. The current applications have reached a good level of maturity, the essential functions are in place and benefit from regular updates. However, there is still room for improvement. For example, the Peer Review Team learned from discussions with BPK auditors that the ITAMA´´s hot QA review process is inefficient because the department has difficulty communicating effectively with the audit team due to a lack of functionality in SIAP.

On the other hand, the Peer Review Team is also of the opinion that recommendation 20 from the 2019 Peer Review, regarding the further development of SIAP towards better user-friendliness, has been implemented. Continuous improvement remains essential in a constantly changing IT environment.

The IT user satisfaction survey results indicate a high level of user satisfaction, which is also confirmed by the interviews conducted by the Peer Review Team. While the 2019 Peer Review highlighted a deficiency in IT awareness at BPK, the situation has improved significantly over the past five years. BPK's IT environment is evolving rapidly. The "BPKGO" application is a good example for this improvement. However, 20% of the audits are still not performed via SIAP even though IT awareness has grown significantly.

Recommendation 21

The Peer Review Team recommends that BPK

a) implements a feature into SIAP to enhance communication between the Inspectorate General and the Audit Teams, thus improving the efficiency of the quality review.

b) makes SIAP mandatory for all types of audits and further improve the value of the application to the auditors. For example, by adding features such as the ability to capture evidence through photos with BPKGO and seamlessly integrating them into SIAP, introducing new packages with customized audit procedures or the ability to access certain features offline.

4.2.2   IT Budget Administration

The overall budget, which includes the IT department, is prepared by BPK to meet the needs of the SAI for the next two years. The budget draft is then sent to the House of Representatives and to the Ministry of Finance. However, according to BPK, the budget is adjusted to the country's fiscal capacity by the Ministry of Finance. In addition, the Ministry of ICT and the Ministry of Apparatus Empowerment and Bureaucratic Reform conduct a review of the IT development plan and budget before budget approval by the Ministry of Finance. However, BPK remains free to determine its own IT budget within the boundaries of the overall BPK budget.

The IT Bureau is viewed as a cost center and therefore does not charge the costs for its services to the other audit units. The IT budget corresponds to the organization in place and is regulated by the four ministries mentioned above. The costs shown within the IT budget do not include internal personnel costs (permanent employees/civil servants), which are only considered within the overall HR BPK Budget. As a result, the overall IT costs primarily cover infrastructure, network, consultancy, external developers, external technical staff, etc. In consequence, the existing IT budget does not accurately represent the overall costs of the

IT infrastructure and services.

Table 3
IT budget for the period 2023-2024 in percentage of BPK's budget
The budget below represents the IT Bureau budget in percentage of the overall BPK budget and its adjustment with HR IT costs (employees costs).

Year	IT Bureau budget in percentage of the overall BPK Budget without HR costs	IT Bureau budget in percentage of the overall BPK Budget with HR costs
2023	1.63%	2.13%
2024	1.84%	2.51%

Table: Peer Review Team. Source: BPK.

In 2023, the adjusted IT Bureau budget accounted for 2.13% of the total BPK budget, and it slightly rose in 2024 to reach 2.51%. In 2024, 84% of the budget is spent on the subdivision of Infrastructure and Network Management. However, this is still insufficient to renew the IT infrastructure according to the BPK IT Bureau. A significant budget request has been made for 2025 (IDR 244'063'319'400) to renew the IT infrastructure. The priority for replacing the IT infrastructure is based on locations (Headquarters, Data Center or Regional Office). This information is shared with the Ministry of Finance. Currently 92% of the IT infrastructure is older than six years as depicted in figure 17 below.

Figure 17
Aging IT infrastructure
The majority of IT hardware is over six years old, with 2% aged between four and five years, and 6% classified as recent.
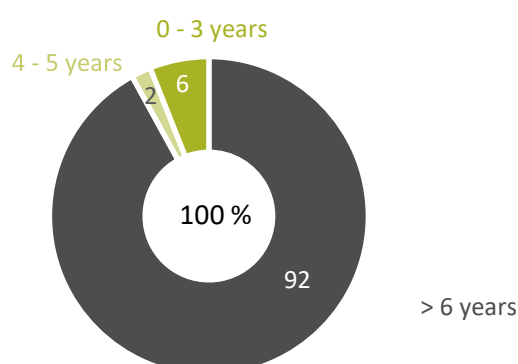

Figure: Peer Review Team. Source: BPK.

Current expenses are allocated in compliance with the guidelines of the global Indonesian Government Rules and are recorded using the "SAKTI" tool. Reports are available for comparing current costs with budgeted costs. The IT Bureau conducts monthly reviews of expenditure realization compared to the overall budget and offers explanations for any discrepancies to the finance department.

Assessment

The budget is structured according to the overall IT organization and is well managed.

The percentage of the budget devoted to IT compared to the total BPK budget is low at 2.51% in 2024. According to Gartner[2], national and international government (globally) belong to the most information-intensive organizations with IT spending of about 10% of operating expense.

It can be seen that under the given budget constraints, the development of important new IT-based capabilities at BPK had to take place at the expense of a continuous update of infrastructure components. Currently, 92% of IT infrastructure components are more than six years old, while 8% are more than ten years old. The useful life of IT hardware components depends on many factors. However, the age of the components at BPK generally appears to be high compared to the 3-4 years life cycle usually seen. There are various risks associated with outdated IT, such as failure, latency, security breach, inoperability, excessive maintenance costs, etc. The current prioritization for the IT infrastructure replacement is based on locations but does not give a true picture of the current risk situation and the expected costs. The Peer Review Team is of the opinion that the priority of replacement should be based on the importance/risk of components.

Recommendation 22

The Peer Review Team recommends that BPK prioritizes the renewal of the IT infrastructure based on the impact and risk of failure of the components. Important information such as vulnerability, commissioning date, duration, support guarantee, priority and associated costs should also be considered to give a fair view of the current situation. Based on this information, the replacement of components (life cycle) should be considered in the budget discussion.

---

[2] Gartner, IT Key Metrics Data 2021: Industry Measures.

4.2.3   Management of IT Operations

Program Changes and Development

Business process owners are actively involved in providing requirements, offering input on details, and participating in the development process. BPK used to develop using prototyping. However, this technique is used less frequently now as systems have become more mature. Regular meetings with user representatives involve discussions on change requests, followed by development, functional testing and User Acceptance Testing. Successful testing of all scenarios leads to notification of the product owner, user notification, and system launch. If the product owner does not approve, the changes will not be deployed. Feedback and test results guide bug fixing or production decisions.

BPK is in the midst of transitioning from traditional waterfall development to more agile practices but has not fully adopted agile principles. BPK utilizes a standard tool for development and an internal system for handling test scenarios, cases, and results during User Acceptance Testing, which is not extensively automated at this stage.

All projects'' information is documented in dedicated tools providing an easy access to project lists and backlogs. Backlogs are primarily used related to each application for task assignment to developers (KANBAN) and not for reporting purposes.

Computer Operations

The main applications such as SIAP or SMP and underlying technical systems are on three different platforms, each running on two clusters, ensuring high application availability. Incidents or change requests are processed and logged in a dedicated system (MELATI), and sorted according to type and importance.

From the beginning of 2024 to May 14th 2024, 3241 tickets were solved, and 77 tickets remain open of which 70 have low/medium priority (2%) and 7 have high priority (0.2%), mainly due to multi-factor authentication deployment and a new Wi-Fi standard. BPK is currently facing / will face two major challenges in the area of IT operations:

1) The IT Infrastructure obsolescence and renewal of IT license. The IT equipment is ageing and licenses need to be renewed.
2) The storage capacity due to the rapidly growing demand for storage space.

A full back-up is realized every night and an incremental back-up during the day. BPK is looking for a new back-up solution to be more resilient against ransomware.

Access to programs and data

Identity and access management is based on the employee's life cycle, which is defined by the HRM Bureau and is maintained until the employee leaves the company. New employees are added to the HR system, and a notification is sent to the IT Bureau to enable their activation in the Active Directory[3]. By default, all employees authenticate themselves to the applications without specific authorizations. Detailed access rights are managed by the applications owner within the applications.

Single sign-on and multi-factor authentication are implemented across most applications within BPK. While multi-factor authentication is currently not in place for SIAP, its implementation is scheduled for the near future.

A nightly batch process is scheduled to revoke access rights for employees leaving BPK.

Assessment

The change management process is adequate. The process is very systematic, demonstrating a high level of maturity. BPK is currently in a transition phase towards the adoption of more agile practices. The implementation of Continuous Integration/Continuous Delivery pipeline or the use of backlogs for performance measurement purposes (e.g. what can be completed in a sprint?) are areas that could be explored by BPK in the future.

Computer operations are properly managed. Incidents or requests are systematically logged, classified and processed. At the time of the audit, the number of open cases is deemed to be satisfactory, which indicates that incidents or requests have been successfully pursued.

The amount of data currently stored is manageable. Nevertheless, without the implementation of an operational data management system, BPK runs the risk of being confronted with an issue of excessive data storage in a near future. While BPK has had a data management policy in place since January 2024, it is crucial to quickly implement this policy to decrease the amount of stored data. Retaining unnecessary data results in avoidable expenses (such as disk space and back-up costs) consumes unnecessary machine resources, and poses unnecessary risks, especially in the case of data breaches.

The second concern, regarding old/overaged IT infrastructure, is addressed in chapter 4.2.2.

The identity and access management process is adequate. Access to the system is granted to employees until they have been registered in the HR system and leavers are automatically removed. This process is carried out systematically. However, when a new employee is

---

[3] Microsoft's proprietary directory service enabling administrators to manage permissions and access to network resources.

created, a memo is sent to the IT Bureau to activate him/her in the Active Directory. This second stage of the process adds no value as it is not checked by the IT Bureau and it is time-consuming.

The Peer Review Team recommends that BPK

a) implements an operational data life cycle management process, based on the existing policy (Data Governance Policy) to prevent excessive data storage in the future. This data management process involves not only IT staff, but the entire BPK (data users, data owners, legal department, etc.).

b) automates the authentication process (activation in Active Directory) once HRM has validated its data to speed up and simplify the process.

4.2.4   IT Information Security Management

In 2022, BPK received the certification against ISO/IEC 27001, which is the world's most used standard for information security management systems. The standard defines the requirements which an information security management system has to meet.

A dedicated security layer has been implemented within DNA, expanding upon the principles of TOGAF. The aim is to achieve security by design.

As part of the software release process changes are run through a security assessment before deployment. The assessment is carried out by the National Security Cyber and Cryptography Agency (BSSN). They submit a report with recommendations. Deployment can only take place if there are no major issues. However, this does not happen with every deployment – emergency deployments happen faster and the review will be executed only after the fact. Internal security specialists monitor all of BPK's systems and an internal Cyber Security Incident Response Team (CSIRT) also monitors the internal systems and the network perimeter.

Recognizing the importance of cybersecurity in this digital era, BPK actively participates in national cyber security initiatives. One of the activities is the establishment of the BPK CSIRT as a part of the Indonesian CSIRT (ID-CSIRT) under the leadership of the National Cyber and Cryptography Agency. This agency issues a monthly report containing information about traffic anomalies and activities related to Indicators of Compromise (IoC) that take place on BPK's assets. Since BPK's cyber threat intelligence is connected to BSSN, new information on IoC is automatically applied to BPK's firewalls.

The Division of IT Operation (Subdivision of Infrastructure and Network Management) also manages data security. The yearly end-user survey to the question "IT Bureau has implemented ICT security governance (e.g., device registration, limiting access to applications only to those authorized, data encryption)" got a score of 4.06 ("Very Satisfactory") in 2022.

Two senior developers have a security certification. All junior developers have at least basic security knowledge. Security trainings are part of the developers training plan.

A dedicated security division will be created. The security division's main tasks will include a) developing a security architecture and policy, b) planning and designing information security systems, c) implementing information security systems, d) monitoring, detecting, and responding to cyber security events/incidents, and e) coordinating the recovery efforts in the occurrence of cyber incidents/crises.

IT security courses exist, but they are not mandatory for BPK employees or users of BPK infrastructure.

Assessment

The Peer Review Team concludes that IT security is systematically addressed by BPK. The IT department is fully aware of the challenges associated with the security of its IT systems. It aims to further improve security by setting up a dedicated IT security division. BPK is certified against ISO 27001, a globally recognized standard.

BPK continuously monitors its systems and is supported by the National Cyber and Cryptography Agency (BSSN).

Measures already implemented, such as multi-factor authentication, and measures planned for the future, such as the establishment of a new IT security division or the implementation of a back-up solution that is more robust against ransomware, show that BPK is continuously working to improve its security.

IT security courses are available but are not mandatory, not even for new employees. Regular training courses on information security are part of good practice.

Recommendation 24

The Peer Review Team recommends that BPK implements mandatory IT security trainings on a regular basis for everyone using BPK's IT Infrastructure (at least every 2 -3 years).

4.2.5   Follow-up of Recommendation Regarding IT Audit Unit

The Peer Review team performed the follow-up of recommendation 19 from the 2019 Peer Review: It would be advisable if the BPK established a dedicated IT audit unit, with dedicated expert auditors that would deal with IT audits properly so as to complement its progress in comprising IT elements in all types of audits, and to increase the number and quality of its IT audits.

Due to the country's configuration and the difficulty to establish a dedicated IT audit unit, BPK has opted to incorporate IT auditors into the audit teams to conduct specialized IT audit procedures. Therefore, IT auditors are assigned directly to the various audit units. Each audit unit has a certain number of CISA-qualified employees. For the whole organization, a total of 34 employees are CISA-certified, 24 of whom are directly attached to an audit unit. If required, the IT Bureau can assign employees to support an audit unit.

IT audit procedures are available in SIAP and assigned by the team leaders to the IT auditors.

Assessment

The creation of a dedicated audit team is not an absolute necessity, provided that there exists a unity of doctrine within BPK and that the IT risks of the audited entities are covered by appropriate and approved IT audit procedures.

The Peer Review Team confirms that SIAP contains predefined IT audit procedures. Nevertheless, according to the documentation received, it is unlikely that the IT audit procedures are executed in a uniform way across the country. Indeed, while the procedures described provide an assessment of the existence of IT controls, the received documentation lacks guidance on executing the required audit procedures (sampling, required evidence, etc.).

The Peer Review Team is of the opinion that recommendation 19 should be closed and proposes a new recommendation aligned with the decisions made by BPK in the meantime. The new recommendation focuses on standardizing practices in the field of IT auditing.

Recommendation 25

The Peer Review Team recommends that BPK strengthens a consistent approach for IT audits within BPK. This could be achieved through targeted IT audit training including the final CISA certification, quality reviews of IT procedures and the appointment of a designated individual or team to harmonize practices.

5.
Attachment I:
List of Recommendations

5   Attachment I: List of Recommendations

A)	New recommendations of the current Peer Review

The Peer Review Team 2024 recommends that BPK

1. considers to apply the most appropriate combination of well-educated junior employees and senior professional experienced staff members across its working units and enlarge the number of senior professional staff members according to existing laws and regulations, in order to further strengthen its outstanding and important position as a SAI within the Indonesian governmental system.

2. supplements its recruitment process by job interviews conducted by BPK as the last step in order to get a personal impression of the candidates applying for BPK's challenging jobs.

3. implements a better rotation system. That can be done by studying the remote or flexible working arrangement that enables BPK to safeguard the integrity of its staff members, and that makes the system cost-efficient and effective as well as convenient to employees. BPK should also clarify the legal framework of rotations within BPK and its application to every employee in a suitable way, for example by a prominent publication on BPK's website or a letter to every employee.

4. transforms its electronical communication systems by providing official mobile phones if these communication equipments are used for business purposes only. The official mobile phones are envisaged to be provided gradually.

5. extends its appreciation and reward system so that it enables outstanding employees to get direct benefits in terms of financial or non-financial matters to keep motivation on a high level and to promote outstanding performance.

6. prioritizes its professional qualifications it actually needs for its work and the respective level. BPK should concentrate on these qualifications and only promote these qualifications when training its employees.

7. actively engages relevant parties for newly developed or revised laws and regulations affecting BPK´s HR-Managemet at an early stage.

8. ensures that any adjustment in its workforce as a result of the reassessment does not reduce the quality and quantity of its products. Any potential adjustment of the workforce should then be used by BPK as a starting point for a new strategic plan for the years to come.

9. aligns BPK's Code of Ethics with the structure of the amended ISSAI 130. It is crucial to include the ethical values of competency, confidentiality, and transparency, as well as the obligations for a SAI, along with the necessary application guidance.

10. conducts another systematic external fraud risk assessment within the next two years, considering the Performance Measurement Framework for Supreme Audit Institutions to conduct assessments of vulnerability at least every five years.

11. takes steps to reinforce public trust in response to the recent challenges to its integrity system by strengthening its Integrity Management System. With a special focus

on the materialized risks, BPK shall effectively signal the significance of integrity within the organization and to external stakeholders.

12. a) provides additional measures to avoid ethical misconduct on the top management level and to prevent misconduct of issuing audit conclusions and unqualified audit opinions.

   b) integrates rules into BPK's crisis management plans for analyzing cases of suspected misconduct and following up actions. This may include emails, and the status of suspected employees.

   c) strengthens the prevention system accordingly to ensure quick, decisive, and comprehensive action to address factors enabling misconduct as well as strengthening effective communication to internal and external parties.

   d) explains transparently to the media that BPK's oversight and quality control system is applied in securing audit quality, as well as welcomes inputs from the public to maintain trust.

   e) considers communicating BPK's audit engagement plans at an appropriate time to allow the public to give input to minimize undetected significant risks.

   f) enhances clear communication as an integral part of the audit process conveying that bribery will not lead to favorable audit conclusions and audit opinions, as the strict quality control and supervision processes are designed to prevent misconduct.

13. a) enhances the Board Members' familiarity with ethics and integrity, which includes providing them with ethics programs from the beginning until the end of their tenure.

   b) strengthens Board Members' operational procedures and collaborative dynamics to establish a robust checks and balances mechanism in a collegiate system to achieve transparency of possible influence of Board Members on individual audits.

   c) enhances the current regulations on conflicts of interest, as well as improves BPK's control and sanctioning mechanism.

14. a) optimizes BPK's annual audit plans by considering the interdependence of financial audits conducted in the first semester and other audits conducted in the second semester to facilitate the early identification of fraud risks and enhance the effectiveness of the audit process.

   b) strengthens the risk assessment in BPK's annual planning process to select audits with high fraud risks and takes specific measures to improve training, supervision, and staff selection in preparation for high risks audit engagements.

15. a) enhances the Integrity Management for audit roles in high-risk audits, such as tailored training and enhancing oversight.

   b) considers a comprehensive profiling process to carefully select the most suitable auditors for critical audits with a high risk of fraud.

16. conducts a comprehensive external fraud risk assessment, in particular on how the current audit software can help to prevent the risk of issuing incorrect audit conclusions and audit opinions (e.g. by timely documenting field work, making it therefore more difficult to change the audit results at a later point in time).

17. considers whether additional resources are necessary to ensure comprehensive oversight procedures and reviews to uphold the quality of audit procedures.

Some options could include increasing the sample size for hot and cold reviews, seeking insights from external auditors to gain an outside perspective, and ensuring that the span of control in all departments aligns with oversight requirements.

18. establishes an annual comprehensive report on the Integrity Management System including key indicators, an analysis and interpretation of the indicators and proposed actions to address specifically emerging issues.

19. consistently implements a conflict of interest control and involves Human Resources Management in the approval of any external employment.

20. develops a comprehensive program for needs-based continuing education on integrity and ethics for its employees. BPK should implement a mandatory continuing education program and consider options to increase resources for self-learning programs on integrity and ethics.

21. a) implements a feature into SIAP to enhance communication between the Inspectorate General and the Audit Teams, thus improving the efficiency of the quality review.
b) makes SIAP mandatory for all types of audits and further improve the value of the application to the auditors. For example, by adding features such as the ability to capture evidence through photos with BPKGO and seamlessly integrating them into SIAP, introducing new packages with customized audit procedures or the ability to access certain features offline.

22. prioritizes the renewal of the IT infrastructure based on the impact and risk of failure of the components. Important information such as vulnerability, commissioning date, duration, support guarantee, priority and associated costs should be considered as well to give a fair view of the current situation. Based on this information, the replacement of components (life cycle) should be considered in the budget discussion.

23. a) implements an operational data life cycle management process, based on the existing policy (Data Governance Policy) to prevent excessive data storage in the future. This data management process involves not only IT staff, but the whole BPK (data users, data owners, legal department, etc.).
b) automates the authentication process (activation in Active Directory) once HRM has validated its data to speed up and simplify the process.

24. implements mandatory IT security trainings on a regular basis for everyone using BPK's IT Infrastructure (at least every 2-3 years).

25. strengthens a consistent approach for IT audits within BPK. This could be achieved through targeted IT audit training including the final CISA certification, quality reviews of IT procedures and the appointment of a designated individual or team to harmonize practices.

B)   Follow-up of open recommendations of previous Peer Reviews

Pursuant to Article 33 (1) Law Number 15 of 2006 regarding the Audit Board of the Republic of Indonesia, BPK has been subject to regular (every five years) Peer Reviews. One of the objectives of the recurring Peer Reviews is to assess the implementation of the previous recommendations. This exercise was conducted in 2024 by the Peer Review Team from the Supreme Audit Institutions of Germany, Austria and Switzerland. They got acquainted with the reports of the previous reviewers, starting with that of the Office of the Auditor General of New Zealand (2004), through the report by the Netherlands Court of Audit (2009), to the report developed by the Supreme Audit Office of Poland (2014), which also conducted the latest Peer Review (2019) in cooperation with the Office of the Auditor General of Norway and the National Audit Office of Estonia.

Having analyzed the observations and recommendations of their predecessors, the Peer Review Team 2024 has a picture of BPK's developments since 2004. The assessment has been made on the basis of the explanation on the follow up of the recommendations approved by BPK's Board on 15th August 2023, and on the basis of the interviews with BPK's staff, as well as the Peer Review Teams' own observations until 22nd May 2024. As a result, almost all recommendations have been assessed as completed and implemented. This allows the Peer Review Team to appreciate the attitude of BPK and its willingness and commitment to implement the recommendations of the reviewers, and to use their advice. The Peer Review Team holds that the implementation of one recommendation needs further effort compared to what BPK has achieved and therefore the recommendation has been reiterated in the current report. In general, the Peer Review Team acknowledges that BPK has made great progress in all areas reviewed. The respective development status of the 30 previous recommendations is shown in table 4 below:

Table 4
Recommendations of previous Peer Reviews

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
1	With a view to further disseminating the idea of SAIs' independence, more intense promotion of the United Nations Resolutions of 2011 and 2014 could be undertaken among the BPK's stakeholders.	**Completed** BPK's commitment to strive for budget independence is stated in the 2020-2024 Strategic Plan and this effort is one of BPK's strategic initiatives. A study on how to implement BPK's budget independence was discussed with the Commission XI of the Parliament/House of Representatives (DPR) on 16 November 2020. The Commission XI responded positively to efforts to implement the BPK's budget independence.	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
		Furthermore, BPK has held discussions on how to implement BPK's budget independence with the Government (Ministry of National Development Planning and Ministry of Finance) on 18 February 2021. The Chair of the BPK has also submitted a letter to the Minister of Finance on 7 October 2021 concerning the need to regulate the BPK's budgeting process.	
2	Consider solutions to minimize the potential negative impact of mandatory audits on the BPK's resources and capacity to perform audits on its own initiative.	**Completed** BPK has found solutions to overcome the negative impact of mandatory audits on its resources as follows: 1. Increasing quantity and quality of human resources to carry out all mandates. 2. Optimizing the use of the government internal audit department, public accounting firm, experts in construction, investigation, information technology, environment and in other fields in the audit processes. These solutions will be carried out sustainably.	**Implemented**
3	Consider establishing legal solutions that would allow the BPK for increasing its independence in the process of its budget construction.	**Completed** After passing a series of discussions and communication among BPK, Parliament and Government, the agreement reached between BPK and DPR on 4 July 2023 stated that BPK could submit a budget proposal directly to the DPR in accordance with Article 35 of Law Number 15 of 2006. The Ministry of Finance will then ratify the budget proposal right after the DPR will have approved it. This mechanism will be implemented in the budgeting process of 2025, which will have been formulated since the end of 2023.	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
4	The BPK should take actions to limit the role of the Ministry of Finance in the BPK's budget negotiation process by proposing respective amendments to the financial law.	**Completed** The amendment to Law Number 15 of 2006 is no longer needed because the budgeting process can be carried out in accordance with Article 35, of which the Ministry of Finance should process the BPK's budget after being approved by the DPR. Hence, the BPK's budgeting process is different from that of other ministries/agencies (see the follow up recommendation number 3).	**Implemented**
5	The BPK should make an effort to reduce the influence of the Ministry of Administrative and Bureaucratic Reform on its human resources.	**Completed** BPK has reduced the influence of the Ministry of Administrative and Bureaucratic Reform. BPK has been given discretion by the Ministry to recruit employees regionally by applying the standards according to BPK's needs which can be different for each region. This concession is not owned by other ministries/institutions. Furthermore, since 2021 the Ministry of Administrative and Bureaucratic Reform has given approval for BPK's recruitment proposal with regard to the number and qualifications of staff needed. In 2021 and 2022 BPK has recruited 1,404 and 143 new employees. In addition, the Ministry of Administrative and Bureaucratic Reform and the Ministry of Finance has given approval to BPK's remuneration so that BPK's employees, on average, receive much higher remuneration than other ministries/institutions' employees.	**Implemented**
6	It would be advisable for the BPK to provide, in one comprehensive document, all the information related to	**Completed** BPK's annual audit planning process has been integrated into planning applications (namely PRISMA and SMP) which are being developed continuously. The PRISMA	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	annual audit planning, including overall estimations on the resources to be dedicated to three audit streams.	application contains annual audit activity plan, namely information on audit policies, audit objects, audited entities, types of audits, audit implementation timeline, audit budget, auditor resources, number of days of audit. The PRISMA application is continuously updated in order to meet the needs for information on audit planning, implementation and supervision. The PRISMA application has been integrated with the SMP application (note: SMP application is an application for planning management on audit object level).	
7	To make the risk assessment more efficient and effective, the BPK should consider: a) including a top-down and bottom-up approach to annual risk assessment in the annual plan, b) in order to assess risks that are material – using sources other than the National Development Plan more frequently.	**Completed** BPK's 2020-2024 Strategic Plan states that BPK will increase the effectiveness of risk-based audits and expand the use of big data analytics in audits. Apart from using the national development plan for BPK's audit plan, BPK has also analyzed various documents during audit planning such as regional development plans, documents on sustainable development goals, and other documents. In addition, BPK also involves stakeholders in the BPK planning process.	**Implemented**
8	Consider incorporating materiality by nature and context in the process of assessing materiality in the overall planning of the audit coverage.	**Completed** BPK has implemented risk analysis that includes materiality by nature in the overall planning. The risk analysis is included in audit terms of reference and the annual audit plan of each audit department.	**Implemented**
9	In order to provide the Parliament with an assessment of the	**Completed** In 2020, BPK issued guidelines for implementing performance audits using three	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	outputs and outcomes of the State's activities, the BPK should have a dedicated unit with auditors having necessary professional competence to conduct performance audits.	approaches: result-oriented approach, system-oriented approach, and problem-oriented approach. BPK has also conducted performance audits using an output and outcome approach and has improved the quality of performance audits through training and knowledge transfer forum.	
10	The efficiency of financial audits should be reconsidered and the resources should be allocated in a more reasonable way – on the basis of risk analysis – so as to reduce the cost of the annual financial statements' verification. The BPK should look for ways to conduct some performance audits parallel with financial audits, e.g. by not engaging all its auditors in financial audits in the first half of the year.	**Completed** BPK has combined its financial audit and performance audit in semester 1 of 2021 and semester 1 of 2022, by issuing a Long Form Audit Report (LFAR). BPK's Representative Offices in Semester I of 2022 has implemented an LFAR audit, namely a local thematic audit "Poverty Alleviation" which involves all BPK's regional offices and has produced 34 audit reports.	**Implemented**
11	The BPK should focus more on explaining the reasons why financial errors occurred and have not been detected by the internal control systems or other auditors in a more systematic manner, which could help the auditees to eliminate them in the future.	**Completed** BPK has attempted to find the root causes of undetected financial errors by the internal control system. BPK, through the BPK Training Agency, has provided a series of training to internal audit departments from ministries, agencies, local governments with the aim that they can prevent undetected repeated findings by the internal control system. BPK has also communicated with audit entities so that recurring problems come to their attention and prevent them from happening	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
		again. BPK will continue to make ongoing efforts to assist audit entities in improving the quality of the internal control system.	
12	While planning to carry out system-based evaluations, the proper audit type should always be considered, by taking into account the needs of the intended user, and applying the efficiency and effectiveness approach only when the wider impact of activities is assessed.	**Completed** BPK has determined the audit objectives more clearly, so that there is a consideration whether the audit will be conducted sufficiently by special-purposed audit/compliance audit or performance audit.	**Implemented**
13	Consider using the qualitative assessment model in performance audits more frequently, where a strict overall conclusion is not required, while general conclusions are expressed.	**Completed** The use of a qualitative assessment model has been regulated in the Performance Audit Guidelines and Performance Audit Conclusion Formulation Guidelines. These two guidelines explain how to apply qualitative analyses in performance audits along with examples of their application.	**Implemented**
14	The BPK should consider elaborating its own expert methodology to assess the impact of audit reports on the functioning of the State.	**Completed** Considerations for elaborating specific or particular methodologies that can be used in assessing the impact of audit reports on government performance have been set out in the Performance Audit Guidelines. The newest Performance Audit guide is the Performance Audit Guidelines for 2020. According to these guidelines, in the chapter Monitoring Follow Up of Performance Audit Results, specifically, the objectives of monitoring include determination of impacts related to inspection results. BPK has formulated how to assess	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
		the audit impact and has compiled strategic impact of audits, including payments and impact on improved governance.	
15	It would be advisable for the BPK to consider including in its compliance audit guidelines detailed explanations on how the auditor derives suitable criteria for assessing the evidence gathered during the audit, as well as the value of having the audit objective and suitable (based on characteristics) criteria discussed with the auditee before the audit, to present the auditee with the benchmark to measure the activity. Also, it would add value if hints were provided on how the auditors can reach conclusions from the analyses of findings, taking into consideration both their quantitative and qualitative aspects.	**Completed** BPK has provided a compliance audit guideline which explains the steps for determining criteria for audit and things to be done if there are conflicting criteria.	**Implemented**
16	The BPK should ensure that in compliance audits appropriate criteria are provided and explained, having the characteristics set forth in the international standards: relevance, completeness,	**Completed** BPK has ensured that at the stage of preparing the audit program, the criteria for compliance audits have been properly presented and explained, in accordance with the characteristics set out in international standards. The results of quality assurance show that the process of setting	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	reliability, neutrality, understandability, usefulness, comparability, acceptability or availability.	criteria in compliance audits experiences an improving trend.	
17	The BPK should put more effort into ensuring that the guidance on the application of the concept of qualitative materiality is implemented during audit work.	**Completed** BPK has applied the concept of qualitative materiality to compliance audits. The qualitative materiality is applied in formulating conclusions, particularly when considering values and scores of the impact of an activity/issues towards the entire activities/audit object. The quality assurance results show that the concept of qualitative materiality has been applied to compliance audits, especially when formulating audit conclusions.	**Implemented**
18	With the ultimate goal of providing for full availability of the BPK's reports, the first step could be publishing executive summaries of all reports on individual audits on the website, once the reports have been submitted to the Parliament. In order to ensure that executive summaries provide for an appropriate indication of the reports' contents, the findings referred to in the summaries should reflect the overall opinion of the audit – negative audit findings should not be emphasized if the overall	**Completed** In accordance with statutory provisions, when the BPK has submitted Audit Reports (LHP) to the House of Representatives (DPR), it indicated that the BPK has openly published all audit reports to the public. The DPR Members can access audit reports through this website: https://ihps.bpk.go.id/DirektoriLHP/indextrem. Futhermore, the public and other stakeholders can access the audit reports by submitting a request to the BPK Information and Communication Center as quickly and easily via its official website: https://e-ppid.bpk.go.id/. In addition, the public can also access the Summary of the Semester Audit Results on the BPK's official website: https://www.bpk.go.id/ihps.	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	audit opinion is positive or unqualified. At the same time, in order to avoid potential misuse of audit reports for dishonest purposes, they should not contain sensitive data that should be referred to in the audit files only. For the purpose of publicly available reports, more general or aggregated data should be used. Appropriate guidance should be provided in the methodology, so that the auditors can prepare their reports accordingly.		
19	It would be advisable if the BPK established a dedicated IT audit unit, with dedicated expert auditors that would deal with IT audits proper, so as to complement its progress in comprising IT elements in all types of audits, and to increase the number and quality of its IT audits.	**Completed** BPK already has a special unit that is directly involved in IT-based audits, provides consultation on IT- based audits, and supports data analysis in the big data analytics utilization scheme (namely BIDICS). In addition, BPK also has a special team to carry out digital forensics. Currently, BPK has 33 employees who hold CISA certification (Certified Information Systems Auditor).	**Closed** A new recommendation within the IT audit area and tailored to BPK's specificities has been issued –refer to recommendation 25.
20	SIAP, whose potential advantages are unquestionable and may significantly facilitate the BPK's audit work, should be further	**Completed** The development of the integrated audit application (namely SIAP, Standardized and Integrated Audit Process) is currently experiencing a rapid progress and an	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	developed so that its user- friendliness is enhanced, and its use among the auditors is increased.	increase in its usage as it is more advanced in features and more user-friendly.	
21	The BPK should develop ways to spread the knowledge acquired during various training events among the broader representation of the BPK's employees.	**Completed** BPK has developed a knowledge dissemination mechanism through a learning platform on https://bpkcorpu.bpk.go.id and this knowledge dissemination mechanism is carried out by sharing learning content by participants in the knowledge-center feature which consists of three categories: audit; audit management; and audit institutions. In addition, knowledge management is also implemented by each department/bureau within BPK as knowledge management becomes one of its performance indicators.	**Implemented**
22	Consider greater involvement of the stakeholders in the BPK's performance audit process, especially at the stage of performance audit topics development. This could be achieved, for instance, through regular meetings between the executives of the two parties at the stage of the annual audit planning, when the auditees could have an opportunity to voice their opinion on the crucial areas where performance audits should	**Completed** The process of preparing the themes for performance thematic audits in BPK is carried out one year before the start of the audit. The preparation of the audit theme involved all audit departments in BPK and the government, including the Ministry of Planning, the Ministry of Finance, research institutions, various experts, and other parties. In addition, the audit departments (namely AKN and regional offices) have involved audit entities and stakeholders in the performance audit planning process, especially at the stage of developing performance audit topics.	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
	be conducted to examine the effectiveness, efficiency and economy of the Government's activities, programs and policies.		
23	The BPK should clearly explain its expectations towards the auditees as for the 60-day deadline for submitting information on how the recommendations are to be addressed, so that the entities do not interpret this requirement as the deadline for the actual implementation of the recommendations, which frequently demands a longer time perspective.	**Completed** BPK has periodically explained to its audit entities how to follow up BPK's recommendations, including the 60-days deadline given to provide explanations. BPK explains the matter both orally and in writing at entry meetings and when handing out the audit reports.	**Implemented**
24	Ensure full and timely access to the BPK's audit reports, including publication of full reports on the BPK's website, together with auditees' comments and if necessary, with BPK's replies to them.	**Completed** In accordance with statutory provisions, when the BPK has submitted Audit Reports (LHP) to the House of Representatives (DPR), it indicated that the BPK has openly published all audit reports to the public. The DPR Members can access audit reports through this website: https://ihps.bpk.go.id/DirektoriLHP/indextrem. Furthermore, the public and other stakeholders can access the audit reports by submitting a request to the BPK Information and Communication Centre as quickly and easily via its official website: https://e-ppid.bpk.go.id/. In addition, the public can also access the	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
		Summary of the Semester Audit Results on the BPK's official website: https://www.bpk.go.id/ihps	
25	Continue to increase the proportion of the auditors' number vs. to the non-audit staff.	**Completed** BPK has increased the proportion of auditors compared to non-auditors in the period from 2019 to 2024. The proportion of auditors compared to non-auditors is as follows: 2019 = 43:57 2020 = 48:52 2021 = 47:53 2022 = 45:55 2023 = 57:43 2024 = 66:34	**Implemented**
26	Strengthen the qualitative element of determining the materiality in the BPK's financial audits. The ISSAI definition of materiality should be applied and a clear mechanism of pragmatic use suggested to audit teams.	**Completed** BPK has implemented the concept of qualitative materiality at each audit stage: the planning, fieldwork, and reporting stages of financial audits. The quality assurance results show that the concept of qualitative materiality has been applied to financial audits.	**Implemented**
27	Elaborate a comprehensive plan to increase the share of performance audits in the total number of the BPK's audits and at the same time to improve the quality of performance audits.	**Completed** The policy of performance audit planning has been stipulated in the BPK Annual Work Plan (RKT), which among other things, regulates the performance audit portion of all BPK's audits. The ratio of performance audits in 2020 was 19%, in 2021, it was 27%, in 2022, it was 18%, and in 2023, it was 23% of all audit reports produced each year.	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
28	Consider a more flexible methodology of the two-phase audit approach. Sometimes it may be useful to change the audit title after the first phase or even to abandon the audit if no serious risks have been found, in other cases, reducing audit subjects to just one out of five can make the audit's scope too narrow.	**Completed** BPK has implemented a flexible methodology, therefore not all performance audits at the preliminary audit stage (first stage) are followed by a more detailed audit (second stage).	**Implemented**
29	The BPK's quality assurance should be enriched with methodological reviews and support by a team external to the unit which has conducted an audit and developed a report. The reviews should be carried out before the report is published.	**Completed** BPK, through the quality assurance unit within the Inspectorate General, has carried out engagement quality reviews of the ministries and local government financial audit processes. The engagement quality reviews had been conducted before the audit reports were issued (hot review) which covered 14 audits in 2021, 18 audits in 2022, 23 audits in 2023, and 14 audits in the first semester of 2024.	**Implemented**
30	Quality assurance should cover coordination of problems with types of recommendations given in case of the same findings. A regularly updated database of good practices shared by the whole BPK could help the quality coordination.	**Completed** BPK has developed an information system on quality assurance process, including the following: 1. SIAP (Standardized and Integrated Audit Process) application equipped with quality control and quality assurance features. 2. The SMP application (Audit Management System) continues to be refined and equipped with a problem code feature, resulting in a database of	**Implemented**

Number	Previous Recommendation	Status & Summary of Previous Recommendations (Follow-Up)	Assessment
		audit findings, which includes: title of findings, conditions, criteria, causes, effects and recommendations including classification of findings. 3. Development of Big Data Analytics (BIDICS). In addition, BPK already has Guidelines on Classification of Audit Findings and BPK has prepared studies on different recommendations to serve as evaluation material in improving the quality of recommendations on an ongoing basis.	

6.
Attachment II:
List of Persons Interviewed

6   Attachment II: List of Persons Interviewed

Leadership staff at fieldwork stage (on-site visit in Jakarta)

1. Dr. Isma Yatun, The Audit Board of the Republic of Indonesia, Madame Chair
2. Dr. Hendra Susanto, The Audit Board of the Republic of Indonesia, Vice Chairman
3. Bahtiar Arif, Secretariat General, Secretary General
4. I Nyoman Wara, Inspectorate General, Inspector General
5. Suwarni Dyah Setyaningsih, Training Institute of State Financial Audit, Head of Training Institute of State Financial Audit
6. Bernadus Dwita Pradana, Directorate General of Planning, Evaluation and Policy, Director of General of Planning, Evaluation and Policy

Staff members at fieldwork stage (on-site visit in Jakarta)

Interview partners at BPK's Headquarters and Training Institute:

7. Gunarwanto, HRM, Head of Human Resources Bureau
8. Dr. Telviani Savitri, HRM, Head of Functional Position Division
9. Firdaus Amyar, HRM, Head of Planning and Rotation Division
10. Iman Santoso, HRM, Head of Competency Development and Performance Assessment Division
11. Palupi Widyanthi, HRM, Head of Welfare Division
12. Abdullah Lathif E. Habiby, HRM, Head of Job Analysis and HR Information System Subdivision
13. Agus Saputro, HRM, Head of Functional Auditor Subdivision
14. Danang Puspa Wijaya, HRM, Head of Planning and Recruitment Subdivision
15. Eko Maulana, HRM, Head of Consultation Subdivision
16. Fitrie Taurusia, HRM, Head of Performance Evaluation Subdivision
17. Jasier Goerbada, HRM, Head of Other Functional Position Subdivision
18. John Villinds Timbang, HRM, Head of Health Subdivision
19. M. Farid Hidayatullah, HRM, Head of Competency Development Subdivision
20. Munawara, HRM, Head of Mutation and Termination Subdivision
21. Rahardian Ludhira Nurwicaksono, HRM, Head of Remuneration Subdivision
22. Retno Hidayati, HRM, Head of Competency Assessment Subdivision
23. Margaretha Keliat, HRM, Staff
24. Novi Priyana, HRM, Staff
25. Novie Sasanti, HRM, Staff
26. Paulina Tri Indah Iswardani, HRM, Staff
27. Pramudhita Puteri, HRM, Staff
28. Sapto Widyanto, HRM, Staff
29. Viona Putri Siltavia, HRM,Staff
30. Pranoto, ICT, Head of Information Technology Bureau
31. Rudy Hermawan, ICT, Head of Information System Development Division
32. Pingky Dezar Zulkarnain, ICT, Head of Audit Support and IT Performance Management Division
33. Arie Purwanto, ICT, Head of IT Performance Management Subdivision
34. Desi Alex Lestari, ICT, Head of Institutional Information System Development Subdivision

35. Agus Triono, ICT, Head of Data Management and Information and Communication Technology Services Subdivision
36. Arie Purwanto, ICT, Head of IT Performance Management Subdivision
37. Desi Alex Lestari, ICT, Head of Institutional Information System Development Subdivision
38. Poerwandy Arifin, ICT, Head of Audit Information System Development Subdivision
39. Risa Prakosa Mulya, ICT, Head of Infrastructure and Network Management Subdivision
40. Dewi Sukmayanti, ICT, Staff
41. Fauzan Wahyuabdi Pratama, ICT, Staff
42. Yusminarni Syam Zendrato, ICT, Staff
43. Yudi Ramdan Budiman, Public Relation and International Cooperation Bureau, Director of Public Relations and International Cooperation
44. Sri Haryati, Public Relation and International Cooperation Bureau, Head of the Information Management Division
45. Kusuma Ayu Rusnasanti, Public Relation and International Cooperation Bureau, Head of the International Cooperation Division
46. Ruth Indira Yani Manurung, Public Relation and International Cooperation Bureau, Head of Information Services Subdivision
47. Bestantia Indraswati, Public Relation and International Cooperation Bureau, Head of Media and Publication Subdivision
48. Adinda Aan Fertina, Public Relation and International Cooperation Bureau, Head of the Multilateral Cooperation Subdivision
49. Naomi H. B. Simamora, Public Relation and International Cooperation Bureau, Staff
50. Yudi Ilyassa, Public Relation and International Cooperation Bureau, Staff
51. Nyra Yuliantina, Inspectorate of Audit Assurance, Inspector of Audit Assurance
52. Yusnadewi, Inspectorate of Internal Audit and Institutional Assurance, Inspector of Internal Audit and Institutional Assurance
53. Krisna Dewabrata, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
54. I Gusti Ayu Yunita, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
55. Hafid Iswoyo, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
56. Iwan Santoso, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
57. Teguh Widodo, Inspectorate of Integrity Enforcement, Inspector of Integrity Enforcement
58. Sainem, Inspectorate of Integrity Enforcement, Head of Integrity Enforcement Division I
59. A. Chaeroni, Inspectorate of Integrity Enforcement, Head of Integrity Enforcement Division II
60. Fadhia Tantia Nilasari, Inspectorate of Integrity Enforcement, Associate Auditor
61. Chandra Satria Nugraha, Inspectorate of Integrity Enforcement, Associate Auditor
62. Satrio Hari Nugroho, Training Institute of State Financial Audit, Head of Center of Certification and Training Development
63. Wirawan Purwa Yuwana, Training Institute of State Financial Audit, Head of Curriculum, Syllabus, and Teaching Materials Division
64. Felicia Yudhaningtyas, Directorate General of Planning, Evaluation, and Policy, Director of Strategic Planning and Performance Management
65. Selvia Vivi Devianti, Directorate General of Planning, Evaluation, and Policy, Director of Policy Analysis on State Financial Audit
66. Yuan Candra Djaisin, Directorate General of Planning, Evaluation, and Policy, Director of Audit Evaluation and Reporting
67. Firta Sari Moenir, Directorate General of Planning, Evaluation, and Policy, Head of Institutional Arrangement Subdirectorate
68. Endah Suwarni, Directorate General of Planning, Evaluation, and Policy, Head of Evaluation

69. Fauzan Yudo Wibowo, Directorate General of Planning, Evaluation, and Policy, Head of Performance Auditor Policy Analysis Subdirectorate
70. Iwan Arief Wijayanto, Directorate General of Planning, Evaluation, and Policy, Head of Performance and Risk Management Subdirectorate
71. Muhammad Redza Wahyudi, Directorate General of Planning, Evaluation, and Policy, Head of Evaluation and Reporting of Special Purpose Audit Subdirectorate
72. Sudopo, Directorate General of Planning, Evaluation, and Policy, Head of Special Purpose Audit Policy Analysis Subdirectorate
73. Asrarul Rahman, Directorate General of Planning, Evaluation, and Policy, Head of Strategic Planning Section I
74. Ersan Febrian, Directorate General of Planning, Evaluation, and Policy, Head of Risk Management Section
75. Ismah Alfah, Directorate General of Planning, Evaluation, and Policy, Head of Finan-cial Audit Standardization Section
76. Dini Fanny Mariani, Global Partnership Center, Associate Auditor
77. Mokhamad Meydiansyah Ashari, Global Partnership Center, Junior Auditor
78. Nanik Rahayu, Inspectorate of Audit Assurance, Head of Audit Assurance Division II
79. Prima Liza, Inspectorate of Audit Assurance, Head of Audit Assurance Division III
80. Uthar Mukthadir, Directorate General of Audit I, Associate Auditor
81. Siti Zubaidah, Directorate General of Audit III, Senior Associate Auditor
82. Yossie Andri Hendrawan, Directorate General of Audit III, Senior Associate Auditor
83. Benidiktus Bambang Triasmoro, Directorate General of Audit III, Associate Auditor
84. Cipto Nugroho, Directorate General of Audit III, Senior Associate Auditor
85. Dedy Eryanto, Directorate General of Audit V, Head of Sub-auditorate Audit Management I
86. Susi Malinda, Directorate General of Audit V, Senior Associate Auditor
87. Ervina Widyastuti, Directorate General of Audit V, Senior Associate Auditor
88. Cecilia Tri Wuryantiningsih, Directorate General of Audit VII, Expert Auditor
89. Andhyka Imam Buchori, Directorate General of Audit VII, Associate Auditor
90. Theresia Weni Astuti, Directorate General of Investigative Audit, Senior Associate Auditor
91. Dwi Arie Kurniawan, Directorate General of Investigative Audit, Associate Auditor
92. Wahyudi, Regional Office - Province of the Special Region of Jakarta, Head of Sub-directorate
93. Welliya Elfajri, Regional Office - Province of West SumatraAssociate Auditor
94. Susanti Ariningtyas, Regional Office - Province of Lampung, Senior Associate Auditor
95. Nurul Komalasari, Regional Office - Province of South Sumatra, Associate Auditor
96. Bawana Adi, Regional Office - Province of the Special Region of Yogyakarta, Regional Office Secretary
97. Wiwid Mulyadi, Regional Office - Province of Bangka Belitung Islands, Head of Sub- directorate
98. Nursiska Ria, Regional Office - Province of North Kalimantan, Head of Sub-directorate

Staff members at preliminary stage (remote work)

Video conferences interview partners:

99.   Gunarwanto, HRM, Head of Human Resources Bureau
100. Dr. Telviani Savitri, HRM, Head of Functional Position Division
101. Firdaus Amyar, HRM, Head of Planning and Rotation Division
102. Iman Santoso, HRM, Head of Competency Development and Performance Assessment Division
103. Palupi Widyanthi, HRM, Head of Welfare Division
104. Danang Puspa Wijaya, HRM, Head of Planning and Recruitment Subdivision

105. Munawara, HRM, Head of Mutation and Termination Subdivision
106. Abdullah Lathif E. Habiby, HRM, Head of Job Analysis and Human Resources Information System Subdivision
107. M. Farid Hidayatullah, HRM, Head of Competency Development Subdivision
108. Fitrie Taurusia, HRM, Head of Performance Evaluation Subdivision
109. Agus Saputro, HRM, Head of Functional Auditor Subdivision
110. Jasier Goerbada, HRM, Head of Other Functional Position Subdivision
111. Rahardian Ludhira Nurwicaksono, HRM, Head of Remuneration Subdivision
112. Eko Maulana, HRM, Head of Consultation Subdivision
113. John Villinds Timbang, HRM, Head of Health Subdivision
114. Pranoto, ICT, Head of Information Technology Bureau
115. Rudy Hermawan, ICT, Head of Information System Development Division
116. Pingky Dezar Zulkarnain, ICT, Head of Audit Support and IT Performance Management Division
117. Agus Triono, ICT, Head of Data Management and Information and Communication Technology Services Subdivision
118. Arie Purwanto, ICT, Head of IT Performance Management Subdivision
119. Desi Alex Lestari, ICT, Head of Institutional Information System Development Subdivision
120. Poerwandy Arifin, ICT, Head of Audit Information System Development Subdivision
121. Risa Prakosa Mulya, ICT, Head of Infrastructure and Network Management Subdivision
122. Dewi Sukmayanti, ICT, Staff
123. Fauzan Wahyuabdi Pratama, ICT, Staff
124. Wirawan Purwa Yuwana, Training Institute of State Financial Audit, Head of Curriculum, Syllabus, and Teaching Materials Division
125. Yudi Ramdan Budiman, Public Relation and International Cooperation Bureau, Director of Public Relations and International Cooperation
126. Kusuma Ayu Rusnasanti, Public Relation and International Cooperation Bureau, Head of the International Cooperation Division
127. Adinda Aan Fertina, Public Relation and International Cooperation Bureau, Head of the Multilateral Cooperation Subdivision
128. Naomi H. B. Simamora, Public Relation and International Cooperation Bureau, Staff
129. Yudi Ilyassa, Public Relation and International Cooperation Bureau, Staff
130. Teguh Widodo, Inspectorate of Integrity Enforcement, Inspector of Integrity Enforcement
131. Sainem, Inspectorate of Integrity Enforcement, Head of Integrity Enforcement Division I
132. A. Chaeroni, Inspectorate of Integrity Enforcement, Head of Integrity Enforcement Division II
133. Moh. Iqbal Aruzzi, Inspectorate of Integrity Enforcement, Head of Integrity Enforcement Division II.A
134. Elisa Trihapsari, Inspectorate of Integrity Enforcement, Associate Auditor
135. Eliza Kharisma Faramela, Inspectorate of Integrity Enforcement, Associate Auditor
136. Fadhia Tantia Nilasari, Inspectorate of Integrity Enforcement, Associate Auditor
137. Jacinta Ratri Nur Setiani, Inspectorate of Integrity Enforcement, Associate Auditor
138. Wirawan Setiaji, Inspectorate of Integrity Enforcement, Associate Auditor
139. Nyra Yuliantina, Inspectorate of Audit Assurance, Inspector of Audit Assurance
140. Ketut Arya, Inspectorate of Audit Assurance, Head of Audit Assurance Division I
141. Hendro Susilo, Inspectorate of Audit Assurance, Associate Auditor
142. Yusnadewi, Inspectorate of Internal Audit and Institutional Assurance, Inspector of Internal Audit and Institutional Assurance
143. Dwiyana Novisanti, Inspectorate of Internal Audit and Institutional Assurance, Head of Internal Audit and Institutional Assurance Division II

144. Sri Herawati, Inspectorate of Internal Audit and Institutional Assurance, Head of Internal Audit and Institutional Assurance Division I
145. Krisna Dewabrata, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
146. Mita Dwi Setyaningrum, Secretariat of Inspectorate General, Staff
147. Muhammad Dicky Prasetyo, Secretariat of Inspectorate General, Staff
148. Muhammad Nahdloddin, Secretariat of Inspectorate General, Staff
149. Iwan Arief Wijayanto Directorate General of Planning, Evaluation, and Policy, Head of Performance and Risk Management Subdirectorate
150. Ersan Febrian, Directorate General of Planning, Evaluation, and Policy, Head of Risk Management Section

Employees who handed in answers to the questionnaires:

151. Irfan Mangkunegara, Directorate General of Audit I, Junior Auditor
152. Anik Pratiwi Rahayu Purwaning, Directorate General of Audit II, Senior Associate Auditor
153. Pridance, Directorate General of Audit II, Associate Auditor
154. Fitro Wijaya, Directorate General of Audit II, Junior Auditor
155. Aria Ardiansyah, Directorate General of Audit III, Senior Associate Auditor
156. Abdul Hakim, Directorate General of Audit III, Senior Associate Auditor
157. Dadan Fardani, Directorate General of Audit III, Senior Associate Auditor
158. Cicilia Riau, Directorate General of Audit III, Senior Associate Auditor
159. Cipto Nugroho, Directorate General of Audit III, Senior Associate Auditor
160. Suhaibah Kadarsih, Directorate General of Audit III, Associate Auditor
161. Agustina W, Directorate General of Audit III, Associate Auditor
162. Chandra Wemy Kurniawan, Directorate General of Audit III, Associate Auditor
163. Dwi Hary Prasojo, Directorate General of Audit III, Associate Auditor
164. A. A. Ngurah Surya Putra, Directorate General of Audit III, Associate Auditor
165. Sigit Setiawan, Directorate General of Audit III, Junior Auditor
166. Arifatus Nahardian Directorate General of Audit III, Junior Auditor
167. Chandra Setya Kusuma, Directorate General of Audit III, Junior Auditor
168. Diana, Directorate General of Audit IV, Senior Associate Auditor
169. Abdul Rozaq, Directorate General of Audit IV, Senior Associate Auditor
170. Feisal, Directorate General of Audit IV, Associate Auditor
171. Muhammad Reza Aryanto, Directorate General of Audit IV, Associate Auditor
172. Christanto Hery Wibowo, Directorate General of Audit IV, Associate Auditor
173. Susi Malinda, Directorate General of Audit V, Senior Associate Auditor
174. Dian Tanila Chrismawati, Directorate General of Audit V, Junior Auditor
175. Arif Wicaksono, Directorate General of Audit VI, Senior Associate Auditor
176. Dian Primartanto, Directorate General of Audit VI, Senior Associate Auditor
177. Subagijanto, Directorate General of Audit VII, Senior Associate Auditor
178. Rahayu Fitri Purnama Sari, Directorate General of Investigative Audit, Associate Auditor
179. Joseph Sinaga, Regional Office - Province of North Sumatera, Expert Auditor
180. Umar Syarifuddin, Regional Office - Province of North Sumatera, Associate Auditor
181. Dialusi Artha J. Simanjuntak, Regional Office - Province of North Sumatera, Staff
182. Eka Dian Istiqamah Putri, Regional Office - Province of West Sumatera, Associate Auditor
183. Doni Rizki, Regional Office - Province of West Sumatera, Associate Auditor
184. Chalik Musa Aan Asy`ari, Regional Office - Province of South Sumatera, Associate Auditor
185. Nurul Komalasari, Regional Office - Province of South Sumatera, Associate Auditor

186. Ronald Sinaga, Regional Office - Province of Bengkulu, Head of Sub-directorate
187. Meri Yanti, Regional Office - Province of Bengkulu, Senior Associate Auditor
188. Riska Agustia Wardani, Regional Office - Province of Bengkulu, Staff
189. Wahyudi, Regional Office - Province of the Special Region of Jakarta, Head of Sub-directorate
190. Yenni, Regional Office - Province of the Special Region of Jakarta, Senior Associate Auditor
191. Mahawika Yosaria, Regional Office - Province of the Special Region of Jakarta, Staff
192. Nazaret Stefanus, Regional Office - Province of West Java, Associate Auditor
193. Martinus Azaryah, Regional Office - Province of West Java, Associate Auditor
194. Risalatul Mu'awanah, Regional Office - Province of Central Java, Senior Associate Auditor
195. Dhany Hidayati, Regional Office - Province of Central Java, Associate Auditor
196. M. Azhar Firdaus, Regional Office - Province of Central Java, Junior Auditor
197. Bernadetta Arum Dati, Regional Office - Province of Central Java, Regional Office Secretary
198. Farida Sofia Irawati, Regional Office - Province of the Special Region of Yogyakarta, Associate Auditor
199. Bawana Adi, Regional Office - Province of the Special Region of Yogyakarta, Regional Office Secretary
200. Angga Saputra, Regional Office - Province of the Special Region of Yogyakarta, Head of Human Resources Subdivision
201. Agvita, Regional Office - Province of East Java, Head of Sub-directorate
202. Alfilianto, Regional Office - Province of East Java, Associate Auditor
203. Arief Praseno, Regional Office - Province of East Java, Associate Auditor
204. Nessya Dina Nurdiani, Regional Office - Province of East Java, Junior Auditor
205. Liga Wiratama, Regional Office - Province of East Java, Junior Auditor
206. Setyo Esti, Regional Office - Province of East Java, Regional Office Secretary
207. Yogyaria Astin Kartika Gemilan, Regional Office - Province of Bali, Junior Auditor
208. Sutriono, Regional Office - Province of Bali, Head of General Affairs and Information Technology Subdivision
209. Nursiska Ria, Regional Office - Province of North Kalimantan, Head of Sub-directorate
210. Akhmad Purwanto, Regional Office - Province of North Kalimantan, Senior Associate Auditor
211. Fernando Silalahi, Regional Office - Province of North Kalimantan, Associate Auditor
212. Ulik Chodratillah, Regional Office - Province of North Kalimantan, Junior Auditor
213. Rino Tri Wahyudi, Regional Office - Province of North Kalimantan, Junior Auditor
214. Denny Wirahmana, Regional Office - Province of Central Kalimantan, Head of General Affairs and Information Technology Subdivision
215. Nove Gestine Puspaningrum, Regional Office - Province of Central Kalimantan, Staff
216. Dela Alemia, Regional Office - Province of Bangka Belitung Islands, Associate Auditor
217. Wiwid Mulyadi, Regional Office - Province of Bangka Belitung Islands, Head of Sub-directorate
218. Miqdad Zuhdy Azra, Regional Office - Province of Bangka Belitung Islands, Head of Public Relation and Office Management
219. Andanu, Regional Office - Province of Lampung, Head of Sub-directorate
220. Susanti Ariningtyas, Regional Office - Province of Lampung, Senior Associate Auditor
221. Thomas Dwicahya Arbi, Regional Office - Province of Lampung, Associate Auditor
222. I Putu Karang Riyasa, Regional Office - Province of West Nusa Tenggara, Senior Associate Auditor
223. Reyhan Prastha Wijaya, Regional Office - Province of West Nusa Tenggara, Junior Auditor
224. Gandung Siswantoro, Regional Office - Province of East Nusa Tenggara, Senior Associate Auditor
225. I Gusti Ayu Masningrat, Regional Office - Province of East Nusa Tenggara, Head of Finance Subdivison
226. Maldin Kurniadireja, Regional Office - Province of East Nusa Tenggara, Staff
227. Indah Yuliana, Regional Office - Province of East Nusa Tenggara, Staff
228. Rinto Youbel Gemmy Moniyung, Regional Office - Province of North Maluku, Head of Finance Subdivison
229. Mario Bayu, Regional Office - Province of Maluku, Junior Auditor

230. Agusmansyah, Regional Office - Province of West Sulawesi, Junior Auditor
231. Yuliarti, Regional Office - Province of South Sulawesi, Senior Associate Auditor
232. Hardina, Regional Office - Province of South Sulawesi, Junior Auditor
233. Putu Artayunida, Regional Office - Province of South Sulawesi, Junior Auditor
234. Hasbi Shidqi, Regional Office - Province of South Sulawesi, Junior Auditor
235. Achmad Ichsan, Regional Office - Province of Southeast Sulawesi, Junior Auditor
236. Evan Gunara, Regional Office - Province of West Papua, Junior Auditor
237. Uditya Yustiarso, Regional Office - Province of West Papua, Head of Finance Subdivison
238. Ikromi, Training Institute of State Financial Audit, Secretary of Training Institute
239. Tjatur Laksmi, Inspectorate of Integrity Enforcement, Associate Auditor
240. Yosie, Training Institute of State Financial Audit, Associate Auditor
241. Anggoro Trianto, Inspectorate of Integrity Enforcement, Staff
242. Henny Susanti, Inspectorate of Integrity Enforcement, Staff
243. Erma Yuditasari, Inspectorate of Audit Assurance, Associate Auditor
244. Wahyu Hariyanto, Inspectorate of Internal Audit and Institutional Assurance, Associate Auditor
245. Mohammad Meydiansyah Ashari, Global Partnership Center, Junior Auditor
246. Dini Fanny Mariani, Global Partnership Center, Associate Auditor
247. Arno Sukarno, Global Partnership Center, Staff
248. Rizal Kuncoro Romadhon, Public Relation and International Cooperation Bureau, Staff
249. Farissa, ICT, Staff
250. Yasminarni Syam Zendrato, ICT, Staff
251. Andika Harianza, General Affairs Bureau, Staff
252. Surya Satya, General Affairs Bureau, Head of Preparation of Infrastructure and Facilities Subdivision
253. Faisal, Finance Bureau, Staff
254. Asrarul Rahman, Directorate General of Planning, Evaluation, and Policy,
    Head of Strategic Planning Section I
255. Sonia, Directorate General of Planning, Evaluation, and Policy,
    Head of Performance Management Section
256. Adelina Silalahi, Directorate General of Planning, Evaluation, and Policy, Senior Associate Auditor
257. Didi Maryadi, Directorate General of Planning, Evaluation, and Policy, Associate Auditor
258. Winda Nurmalia, Directorate General of Planning, Evaluation, and Policy, Associate Auditor
259. Nurul Aini, Directorate General of Planning, Evaluation, and Policy, Associate Auditor
260. Agung Wibowo, Directorate General of Planning, Evaluation, and Policy, Staff
261. Erwin Wahyutrianto, Directorate General of Legal Affairs, Head of Legal Assistance Section
262. Fiki Sonita, Directorate General of Legal Affairs, Associate Auditor
263. Richard R. Pelealu, Directorate General of Legal Affairs, Associate Auditor
264. Apriliya Dwiyanti, Directorate General of Legal Affairs, Associate Auditor

Bundes
rechnungshof

R
—
H
Rechnungshof
Österreich
Unabhängig und objektiv für Sie.

EIDGENÖSSISCHE FINANZKONTROLLE
CONTRÔLE FÉDÉRAL DES FINANCES
CONTROLLO FEDERALE DELLE FINANZE
SWISS FEDERAL AUDIT OFFICE

Bundes
rechnungshof

R
H
Rechnungshof
Österreich

Unabhängig und objektiv für Sie.

EIDGENÖSSISCHE FINANZKONTROLLE
CONTRÔLE FÉDÉRAL DES FINANCES
CONTROLLO FEDERALE DELLE FINANZE
SWISS FEDERAL AUDIT OFFICE