

ELUCIDATION OF
REGULATION OF THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2018
ON
CODE OF ETHICS OF THE AUDIT BOARD

I. GENERAL

BPK is the only state institution that has the duties and authority to conduct Audit on state financial management and accountability. The law provides that BPK is vested with freedom and independence to carry out its duties and authority. Such freedom includes the freedom to prepare its planning and the freedom to conduct Audits and to report the Audit Results, while its independence includes the availability of human resources, budget, and other adequate supporting means.

In order to achieve successful outcomes in carrying out its duties and authority, BPK requires that BPK Core Values, i.e., Independence, Integrity, and Professionalism to be adopted into a Code of Ethics that applies to Members of BPK and Auditors. The Code of Ethics which embodies BPK Core Values provides a guidance to be understood, practiced, and reflected in the attitude, language, and actions to bring about BPK and Auditors that are ethical, morally virtuous, disciplined, professional, productive, and responsible in carrying out duties and authority, to produce high quality Audit Results for a better state financial management.

The goals in implementing BPK Core Values are to:

- a. develop moral values in carrying out the duties and authority, sourced from the values of Pancasila, religion, ethics, legislation, as well as Audit standard and guidelines;
- b. rectify deviant perceptions, mindsets, and behaviors when carrying out the duties and authority;
- c. improve expertise and skills through professional forums to be more sensitive, creative, and dynamic so that performance can be continuously increased; and
- d. improve public trust towards the dignity, honor, image, credibility, and Audit Results of BPK.

Thus, it is necessary for BPK to establish a BPK Regulation on BPK Code of Ethics to implement BPK Core Values.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “other” covers Auditors within the government internal auditors, public accountants, and/or other experts who meet the requirements as specified by BPK.

Article 4

The term “when performing their duties” means when Members of BPK and Auditors are performing their audit duties.

The term “audit duties” covers the entirety of the Audit process, starting from planning, fieldwork, reporting up to the follow-up of Audit Results, including the management of Audit documents.

Article 5

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

The term “conflict of interest” means a clash of interests between the official position as a Member of BPK and the personal interest or benefit in performing their duties and authority, which tend to lead to the BPK Core Values being neglected.

The term “personal interest or benefit” means tangible benefits obtained directly or indirectly from such conflict of interest, including financial rewards, social position, emotional relationships, family relationships, financial relationships, publicity, or political influence.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term “activities in practical politics” means providing support to any candidate of President/Vice President, members of DPR, members of DPD, or members of DPRD by:

- a. participating as a campaign organizer/participant wearing political party attributes or Civil Service attributes;
- b. participating as a campaign participant by mobilizing other Civil Servants and/or by using state facilities;
- c. making decisions and/or actions that benefit or harm one of the candidates during campaign period;
- d. organizing activities that lead to taking the side of a general election candidate before, during, and after the campaign period through meetings, invitations, appeals, call for actions, or provision of goods to Civil Servants within their work units, family members, and the public; and/or
- e. providing support to a general election candidate verbally or in writing, in print or electronic media.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Point m

Sufficiently clear.

Point n

Sufficiently clear.

Point o

The term “services for assistance and consultation” means providing support to the auditee for financial incentives, such as helping to prepare and/or review financial statements, financial/goods administration systems, standard operating procedure, and completing the follow-up actions of Audit Results.

Assistance and consultation may be given on the basis of assignment from BPK.

Point p

Sufficiently clear.

Article 6

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

The term “Auditing standards” includes, among others, State Financial Auditing Standard, guidance, implementation guidelines, and Audit technical guidelines.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

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