

REGULATION OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2018
ON
CODE OF ETHICS OF THE AUDIT BOARD
BY THE BLESSINGS OF ALMIGHTY GOD

AUDIT BOARD OF THE REPUBLIC OF INDONESIA,

- Considering : a. that to implement the provisions in Article 29 section (1) of Law Number 15 of 2006 on Audit Board, the Audit Board is required to develop a Code of Ethics outlining the norms that must be adhered to by every Member and Auditor of the Audit Board when performing their duties, with the purpose of preserving the dignity, honor, image, and credibility of the Audit Board;
- b. that Regulation of the Audit Board Number 3 of 2016 on Code of Ethics of the Audit Board is no longer suitable for the development and needs of the organization;
- c. that based on the considerations as referred to in point a and point b, it is necessary to establish a Regulation of the Audit Board on Code of Ethics of the Audit Board;

Observing : Law Number 15 of 2006 on Audit Board (State Gazette of the Republic of Indonesia of 2006 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 4654);

HAS DECIDED:

To issue : REGULATION OF THE AUDIT BOARD ON CODE OF ETHICS OF THE AUDIT BOARD.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Board Regulation:

1. Audit Board (*Badan Pemeriksa Keuangan*), hereinafter abbreviated to BPK, means a state institution having the duty to audit state financial management and accountability as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Member of BPK means a State Official selected to BPK by the House of Representatives (*Dewan Perwakilan Rakyat*,

- DPR) by taking into account considerations from the Regional Representatives Council (*Dewan Perwakilan Daerah*, DPD) and ratified by a Presidential Decree.
3. Auditor means a person implementing the duty of audit on state financial management and accountability for and on behalf of BPK.
 4. Audit means a process of problem identification, analysis, and evaluation that are conducted independently, objectively, and professionally based on the auditing standard, in order to evaluate the correctness, accuracy, credibility, and reliability of information on state financial management and accountability.
 5. Audit Results mean the final result of the process of evaluation on the correctness, compliance, accuracy, credibility, and reliability of data/information on state financial management and accountability that is conducted independently, objectively, and professionally based on the Auditing standard set forth in the audit report as BPK decision.
 6. Obligation means everything that must be done in accordance with the applicable regulations and any failure to comply will incur sanction(s).
 7. Prohibition means everything that is not allowed to be done and any violation will incur sanction(s).
 8. BPK Core Values mean the crystallization of moral values inherent to every Member of BPK and Auditor, as well as the benchmark and ideal aspiration in performing the Audit duties, consisting of independence, integrity, and professionalism.
 9. Independence means a BPK Core Value exemplified by attitudes and actions in conducting Audits by being impartial and not being influenced by any party.
 10. Integrity means a BPK Core Value exemplified by qualities, traits, or situations that demonstrate complete unity, honesty, hard work, and adequate competence.
 11. Professionalism means a BPK Core Value exemplified by professional abilities, expertise, and commitment in carrying out the duties.
 12. Code of Ethics of BPK, hereinafter referred to as the Code of Ethics means a set of norms in line with BPK Core Values which outlines the Obligations and Prohibitions that must be adhered to by each Member of BPK and Auditor when performing their duties with the purpose of preserving the dignity, honor, image, and credibility of BPK.

CHAPTER II OBJECTIVES AND SCOPE

Article 2

The Code of Ethics aims to bring about Members of BPK and Auditors who act with independence, integrity, and professionalism in their Audit duties with the purpose of preserving the dignity, honor, image, and credibility of BPK.

Article 3

- (1) The Code of Ethics applies to Members of BPK and Auditors.
- (2) The Auditors as referred to in section (1) consist of:
 - a. BPK Staff who also hold Functional Auditor Positions;
 - b. BPK Staff who do not hold Functional Auditor Positions; and
 - c. other parties.

Article 4

The Code of Ethics must be reflected in the attitude, language, and actions of Members of BPK and Auditors when performing their duties.

CHAPTER III
OBLIGATIONS AND PROHIBITIONS

Part One

Obligations and Prohibitions for Members of BPK

Article 5

- (1) Every Member of BPK is obligated to:
 - a. be loyal to the Unitary State of the Republic of Indonesia based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
 - b. be honest and behave courteously;
 - c. comply with the provisions of legislation;
 - d. preserve the dignity, honor, image, and credibility of BPK;
 - e. uphold the prevailing moral values in society;
 - f. carry out their oath or promise made when assuming office;
 - g. keep state or official secrets;
 - h. prioritize state interests above personal, individual, and/or group interests;
 - i. prevent any conflicts of interest;
 - j. demonstrate independence in decision-making; and
 - k. be responsible, consistent, and wise.
- (2) Every Member of BPK is prohibited from:
 - a. becoming a member of an organization that has been officially declared as illegal in the territory of the Republic of Indonesia and other organizations causing public unrest;
 - b. delaying or not reporting Audit Results containing elements of criminal offense to the authorized institutions;
 - c. using remarks, materials, data, information, or other documents obtained when performing their duties in ways that exceeded the limits of their authority, except for the purpose of investigation related to any criminal allegations;
 - d. directly or indirectly becoming full or partial owner, or guarantor, of a business entity whose business is oriented towards profits or benefits gained from state financial expenditures;

- e. demonstrating favoritism and support to activities in practical politics;
- f. becoming member of a political party;
- g. soliciting and/or receiving money, goods, and/or other facilities, directly or indirectly, from parties related to an Audit;
- h. conducting activities, individually or collectively with others, that directly or indirectly harm state finances;
- i. conducting activities that may benefit their group by exploiting their status and position, directly or indirectly;
- j. becoming an intermediary in goods and/or services procurement within the government;
- k. engaging in other work and profession which may undermine their Independence, Integrity, and Professionalism as a Member of BPK;
- l. taking advantage of their status, position, and role as state officials for personal, individual, and/or group interests;
- m. holding concurrent positions in other state institutions, other entities managing state finance, and public or private domestic/international companies, excluding non-profit organizations;
- n. publishing audit findings and/or Audit Results before being submitted to representative institutions;
- o. being involved directly or indirectly in the activities of the Audit object, such as providing services for assistance, consultation, systems development, preparation and/or review of financial statements for the Audit object; and
- p. instructing and/or influencing and/or changing Audit findings, opinion, conclusions, and recommendations that are not consistent with the facts and/or evidences obtained from the audit, therefore results in unobjective Audit findings, opinion, conclusions, and recommendations.

Part Two

Obligations and Prohibitions for Auditors

Article 6

- (1) Every Auditor is obligated to:
 - a. be loyal to the Unitary State of the Republic of Indonesia based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
 - b. comply with the provisions of legislation;
 - c. preserve the dignity, honor, image, and credibility of BPK;
 - d. be honest, firm, responsible, objective, and consistent in presenting their opinions based on Audit facts;
 - e. maintain the confidentiality of Audit Results against unauthorized parties;

- f. maintain self-control, behave courteously, and cooperate well when performing their duties;
 - g. demonstrate independence when performing Audit duties;
 - h. submit Audit findings containing elements of criminal offense to the Member of BPK who ordered the audit in accordance with the applicable procedures;
 - i. prevent any conflicts of interest;
 - j. perform Audit duties thoroughly, carefully, and accurately in accordance with Auditing standards; and
 - k. improve their knowledge and expertise.
- (2) Every Auditor is prohibited from:
- a. becoming a member of an organization that has been officially declared as illegal in the territory of the Republic of Indonesia and other organizations causing public unrest;
 - b. becoming an intermediary in goods and/or services procurement within entities that manage state finance;
 - c. soliciting and/or receiving money, goods, and/or other facilities, directly or indirectly, from parties related to an Audit;
 - d. abusing and exceeding their authority, either intentionally or by negligence;
 - e. impeding Audit duties for personal, individual, and/or group interests;
 - f. taking advantage of state secrets obtained due to their position or title for personal, individual, and/or group interests;
 - g. imposing personal will on the auditee;
 - h. demonstrating favoritism and support to activities in practical politics;
 - i. becoming a part of the management of a foundation and/or business entities whose activities are funded by state budget;
 - j. being involved directly or indirectly in the activities of the Audit object, such as providing services for assistance, consultation, systems development, preparation and/or review of financial statements for the Audit object;
 - k. discussing their work with the auditee outside of BPK office or outside of office or activity areas of the Audit object;
 - l. conducting Audit on officers of state finance management, who can be considered family relations by blood ties and marriage ties up to the second degree;
 - m. conducting Audit on an Audit object in which the Auditor was employed in the past 2 (two) years;
 - n. changing the Audit objectives and scope specified in the Audit program without prior approval from the Auditor in Charge;

- o. disclosing Audit report or substance of the Audit Results which has yet to be submitted to the DPR, DPD, and Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*, DPRD) to the mass media and/or other parties;
- p. changing findings or instructing to change Audit findings, opinion, conclusions, and recommendations, inconsistent with the facts and/or evidence obtained during Audit, therefore results in unobjective Audit findings, opinion, conclusions, and recommendations; and
- q. altering and/or eliminating evidences of Audit Results.

CHAPTER IV SANCTIONS

Part One Sanctions for Members of BPK

Article 7

- (1) Any Member of BPK who violates their Obligations and/or Prohibitions as referred to in Article 5, which have negative impacts upon the Audit working unit, is subject to sanctions in the form of written warning.
- (2) Any Member of BPK who violates their Obligations and/or Prohibitions as referred to in Article 5, which have negative impacts upon the state and/or BPK, is subject to sanctions in the form of discharge from BPK membership.
- (3) Any Member of BPK who recurs the violation of the Code of Ethics is subject to more severe sanctions.

Part Two Levels and Types of Sanctions for Auditors

Article 8

- (1) Any Auditor who violates their Obligations and/or Prohibitions as referred to in Article 6, which have negative impacts upon the Audit team or working unit, is subject to minor sanctions.
- (2) Any Auditor who violates their Obligations and/or Prohibitions as referred to in Article 6, which have negative impacts upon the Audit working unit, is subject to moderate sanctions.
- (3) Any Auditor who violates their Obligations and/or Prohibitions as referred to in Article 6, which have negative impacts upon the state and/or BPK, is subject to severe sanctions.

Article 9

- (1) The type of minor sanctions as referred to in Article 8 section (1) for Auditors as referred to in Article 3 section (2) point a and point b is in the form of prohibition from conducting Audit for 1 (one) year with a probationary period of 6 (six) months.

- (2) The type of moderate sanctions as referred to in Article 8 section (2) for Auditors as referred to in Article 3 section (2) point a and point b is in the form of discharge as an Auditor for a minimum of 1 (one) year or a maximum of 2 (two) years.
- (3) The type of severe sanctions as referred to in Article 8 section (3) for Auditors as referred to in Article 3 section (2) point a and point b is in the form of discharge as an Auditor for a minimum of 3 (three) years or permanently discharge.
- (4) Auditors who are subject to sanctions as referred to in section (2) and section (3) are not allowed to be engaged in Audits.

Part Three
Return of Money, Goods, and/or Facilities

Article 10

- (1) Imposition of sanctions does not remove the obligation to return the money, goods, and/or other facilities obtained when performing Audit duties.
- (2) The procedures to return the money, goods, and/or other facilities as referred to in section (1) are further regulated by a BPK Regulation.

Part Four
Submission of Decision

Article 11

The decision regarding sanctions to be imposed to Members of BPK and Auditors as referred to in Article 7 and Article 8 are submitted to BPK for information.

Article 12

The decision regarding sanctions for Auditors violating the Code of Ethics as referred to in Article 3 section (2) point a and point b is recorded in the Human Resources Information System and do not exempt the disciplinary actions applicable for Civil Servant (*Pegawai Negeri Sipil*, PNS).

Article 13

The decision regarding sanctions as referred to in Article 8 that are imposed to other parties as referred to in Article 3 section (2) point c is delivered to the relevant institutions, professional supervisory institutions, or professional associations.

CHAPTER V
TRANSITIONAL PROVISION

Article 14

- (1) At the time this BPK Regulation comes into force, all reports or complaints on allegations of Code of Ethics violations that have been received and are being processed by the Honorary Council of the Code of Ethics are resolved under Regulation of the Audit Board Number 3 of 2016 on Code of Ethics of the Audit Board.

- (2) At the time this BPK Regulation comes into force, all reports or complaints on allegations of Code of Ethics violations that have been received and are not yet processed are resolved under this Board Regulation.

CHAPTER VI CLOSING PROVISIONS

Article 15

At the time this Board Regulation comes into force, Regulation of the Audit Board Number 3 of 2016 on Code of Ethics of the Audit Board (State Gazette of the Republic of Indonesia of 2016 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 5904), is repealed and declared ineffective.

Article 16

This Board Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Board Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 28 December 2018

CHAIRPERSON OF THE AUDIT BOARD
OF THE REPUBLIC OF INDONESIA,

signed

MOERMAHADI SOERJA DJANEGARA

Promulgated in Jakarta
on 31 December 2018

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 274

Jakarta, 19 April 2024
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



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.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6295