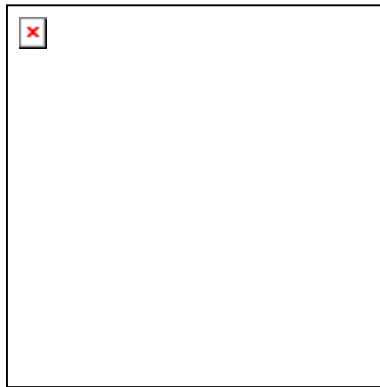


**BADAN PEMERIKSA KEUANGAN  
(INDONESIAN SUPREME AUDIT BOARD)**



**TACTICAL  
IMPLEMENTATION PLAN  
2006-2010**

*Final Version (English)  
January 17, 2006*

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## **A. INTRODUCTION**

Responding to a changing external environment and recognizing the evolving needs of BPK's clients and stakeholders, BPK has committed itself to undertaking a series of development activities throughout the years 2006 – 2010. Initial strategic planning commenced in February 2005 and was conducted by BPK staff using the Baldrige Performance Excellence Framework and Criteria. The development activities to be undertaken during the next five years are based on the final version of the BPK Strategic Plan 2006-2010 which was approved by the BPK Board on July 20, 2005.

This Tactical Implementation Plan was prepared by BPK staff with assistance from USAID and is intended to guide BPK in its effort to become a fully functioning Supreme Audit Institution. A dedicated Reform Implementation Team (RIT) working in conjunction with the BPK Office of the Chairman and Board will be primarily responsible for ensuring the timely, effective, and efficient performance of each activity. The RIT will report directly to the Board on a regular basis. In addition to the RIT, other internal BPK units and selected external and peer organizations including other SAIs will support the implementation of specific activities.

## **B. METHODOLOGY**

The creation of this Improvement Plan was authorized by Surat Keputusan (SK) 184/SK/VIII-VIII.3/8/2005 on August 19, 2005. In accordance with the SK, a core team of BPK staff was assigned to develop this Tactical Implementation Plan. The team constructed detailed implementation plans for each strategic objective including desired outputs, units in charge, timelines, and external partner resources if appropriate.

It is important to note that this Tactical Implementation Plan is focused on development activities and is not intended to reflect the full range of BPK's mandatory and discretionary audit operations. Further, this English language version reflects the full participation and inputs of BPK staff assigned to this effort. All available Indonesian language comments and modifications have been translated and integrated into this document.

The team recognized that BPK would not be capable of beginning all development activities in the first year of the implementation process. Accordingly a team consisting of Board members and senior executives was assembled to prioritize the identified tasks and provide guidance as to which tasks should be commenced in year one (2006) and which tasks should be commenced in the following years.

This Improvement Plan has been designed in such a way that implementation tasks for each calendar year can be seamlessly integrated into the BPK Annual Work Programs.

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January 17, 2006*

## **C. RESOURCES**

BPK has at its disposal a range of resources with which to implement the tasks and activities described in the 2006-2010 Strategic Plan. The primary funding source will be the annual budget allocation authorized by the DPR.

Other sources include, but are not necessarily limited to:

- financial and technical support provided by USAID through the A-TARP program;
- financial and technical assistance from the ADB STAR loans and the ADB Tsunami Grant;
- financial and technical assistance from the World Bank; and
- technical support from the INTOSAI community.

While it is acknowledged that the projection of budget requirements across a five year period which includes fundamental organizational transformation is not possible, BPK is well positioned to clearly define and estimate annual budget requirements as they arise for each financial year and to communicate these requirements to the DPR and donors as necessary.

A substantial non-financial resource base is also available to BPK through the commitment of USAID and the INTOSAI community to provide this change agenda with technical support. BPK intends to draw heavily on these generous commitments over the next five years. The Strategy Implementation Team will coordinate with the Tsunami Coordination Follow-up Team to optimize the use of these external resources over the near term.

All implementation tasks and activities that may require external resources are highlighted in this document.

Implementation Note: This plan was developed using the best possible information regarding accountable units, timelines, and resources, but it must be expected that there will likely be continuous changes and modifications to these tasks as we proceed with the implementation.

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

**1.1. MONITORING VISION, MISSION & VALUES**

After careful consideration and deliberation the BPK Board has set the direction for BPK over the next five years. This direction was enunciated in the vision, mission and values statements included in the BPK Strategic Plan 2006-2010. The vision, mission and values statements provide clear guidance as to the expectations of the BPK Board and sets an overall benchmark as to the scope and quality of services to be provided by BPK in coming years.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Establish Board responsibilities for assessing and monitoring progress towards achieving BPK's vision, mission, values, and goals	Board clarity and leadership	Board and RIT	2 months	USAID
2	Provide tools and methodologies to assist the Board in the achievement of BPK's vision, mission and values	Tools and methodologies	Board and RIT	3 months	USAID
3	Systematically assess and identify potential changes that may be required to BPK's vision, mission, values, and goals	Formal suggestions to the Board	Board	ongoing	USAID
4	Communicate achievement of vision, mission, values, and goals to employees and stakeholders; link to relevant Category 3 activities	Various communication	Board	ongoing	USAID

**1.2. AUDIT INDEPENDENCE**

As stated at article 23E of the 1945 Constitution of the Republic of Indonesia, BPK is responsible for investigating the management and accountability of state finances. Wherever state finances are received or expended and regardless of the amount, state finances are subject to audit by BPK.

By virtue of the BPK Strategic Plan, BPK is committed to creating and maintaining an auditing environment in which it may operate independently of outside influences and which will be conducive to professionalism, objectivity and fairness to all auditees and clients across all state finance streams and operations.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review deficiencies in current legislation	Input to policy paper	RIT and Legal	3 months	Internal
2	Consult with DPR, Supreme Court and Mahkamah Konstitusi	Input to policy paper	Board	3 months	Internal
3	Develop BPK's audit independence policy	Policy paper	Board	3 months	USAID
4	Draft legislative amendments	Draft legislation	Legal	3 months	Internal

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

5	Advise clients and stakeholders of proposed changes to legislation and consider feedback as appropriate	Revised draft legislation	RIT	3 months	Internal
6	Submit legislation to Parliament	Legislative amendments	Board	12 months	Internal
7	Socialize legislative amendments	BPK workshops, press campaign	RIT	3 months	USAID
8	Monitor effectiveness of legislative amendments	Quarterly reports	Board	ongoing	Internal

**1.3. BUDGET FLEXIBILITY**

BPK aims to achieve increased flexibility in financing its activities, especially in audit activities. This flexibility in budgeting should be guaranteed and stated by law in the revision of State Law No. 5/1973. In order to achieve this goal BPK needs to accelerate the process of finalizing the revision of this Law.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review the work of the existing Team in revising the State Law No. 5/73	Review report	Legal and Finance Office	1 month	STARSDP
2	Draft the proposal for budget independence to be included in State Law No. 5/73	Draft legislation	Legal and Finance Office	3 months	STARSDP
3	Advise clients and stakeholders of proposed changes to legislation and consider feedback as appropriate	Revised draft legislation	RIT	3 months	Internal
4	Submit draft legislation to Parliament and follow up to ensure appropriate action	Legislative amendments	Board	3 months	Internal
5	Socialize legislative amendments	BPK workshops, press campaign	RIT	3 months	Internal
6	Monitor effectiveness of legislative amendments	Quarterly reports	Board	ongoing	Internal

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

**1.4. CODE OF ETHICS**

While BPK requires employees to pledge loyalty to the Republic of Indonesia, BPK does not have in place a formal code of ethics. In line with INTOSAI standards BPK is committed to adopting standards of ethical conduct and socializing all management and staff with the code.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review existing BPK ethical environment and related rules and legislations	Current state understanding	R&D and Wasinsus	1 month	STARSDP
2	Benchmark to other SAI, INTOSAI, ASOSAI and other audit organization	Benchmark data	R&D and Wasinsus	1 month	STARSDP
3	Develop the new code of ethics (including appropriate sactions) based on review analysis and benchmarking	Code of Ethics	R&D and Wasinsus	1 month	STARSDP
4	Socialise the new code of ethics	Socialization	R&D and Wasinsus	3 months	STARSDP
5	Survey and measure the new code of ethics implementation; report results	Impact data	R&D and Wasinsus	2 months	STARSDP
6	Develop sub committee under the Board responsible for monitoring compliance with the code of ethics	Ongoing monitoring capacity	R&D and Wasinsus	ongoing	Internal

**1.5. MENTORING POTENTIAL LEADERS**

BPK recognizes the need to manage succession to executive positions and to promote employees according to skills and abilities. Identifying and preparing future leaders for management responsibilities is a complex activity that is best undertaken by executive managers.

BPK recognizes that to avoid accusations of nepotism the process for selecting and advancing future leaders should be objective and accountable. It is proposed that a formal mentoring process be introduced to BPK that will better prepare future leaders for the challenges faced by the organization and the tasks that lie ahead.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop succession management plan that is aligned with strategic goals and objectives and defines clear promotion methods	Succession management plan	HR and Training	3 months	USAID
2	Develop system for using mentoring as a leadership development tool	Defined policy and system	HR and Training	2 months	USAID
3	Train selected leaders as mentors	Trained mentors	HR and Training	6 months	USAID

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

4	Task the leaders to mentor their subordinates based on the training	Trained subordinates	HR Office and Training	3 months	USAID
5	Re-examine and improve implementation of mentoring program	Revised policy and system	HR Office and Training	3 months	USAID
6	Provide training in mentoring and leadership development for all BPK managers	Improved leadership capacity	HR Office and Training	ongoing	Internal

**1.6. STAFF COMMUNICATION**

BPK is committed to developing a culture of open communication between the Board, executive management and staff of all levels and locations throughout the organization. BPK will embark on a program of regular staff meetings, seminars, and workshops focused on discussing this implementation plan and addressing concerns and potential barriers to a successful outcome. BPK will utilize established electronic media communications to convey formal and informal information and to circulate the BPK Bulletins and magazines to a wider audience. The BPK website will be updated with current information on all BPK activities and reports and will include the capability to obtain feedback from employees.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Determine gaps in leadership communication to/from staff and develop appropriate strategies	Comm. Approach for Leadership	RIT and Sekjen	3 months	USAID
2	Issuing monthly bulletins to communicate progress on achieving strategic goals and objectives	Monthly bulletin	RIT and Sekjen	ongoing	Internal
3	Refocus the trimester magazine (Majalah Pemeriksa) to promote the strategic direction of BPK	Magazine	RIT and Sekjen	ongoing	Internal
4	Conducting formal and informal meetings at least quarterly between the board, senior leader and all employees	Quarterly meetings	RIT and Sekjen	ongoing	Internal
5	Developing suggestion and complaint tools to make it easy for all employees to raise issues and concerns	Suggestion system	RIT and Sekjen	ongoing	Internal
6	Conducting informal gatherings of employees and their families	Informal gatherings	RIT and Sekjen	ongoing	Internal
7	Develop a culture of frank, transparent, and empowering communication throughout the organization	Evaluations and suggestions	RIT and Sekjen	ongoing	Internal
8	Empowering informal organizations such as Korpri, darma wanita, etc to communicate a culture of frank, transparent, and open communication	Informal suggestions for improvement	RIT and Sekjen	ongoing	Internal

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

**1.7. PROMOTING ACTION ORIENTATION**

BPK has committed itself to improving and restructuring management decision-making processes to promote an action orientation. While BPK acknowledges that clear management structures and lines of responsibility are imperative to the efficient operation of any organization and must be always be maintained, BPK intends to encourage staff at all levels to participate in management decisions and will educate all employees in how to bring suggestions and comments to the notice of senior management and the BPK Board.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Document and evaluate current decision making processes within BPK	Input to organizational review	RIT and Sekjen	3 months	INTOSAI
2	Identify best practices in comparable organizations to inform BPK management	Best practice input	RIT and Sekjen	3 months	INTOSAI
3	Develop guidelines for delegated decision making and the promotion of increased openness and risk taking	Guidelines	RIT and Sekjen	2 months	INTOSAI
4	Monitor and evaluate progress and recommend changes as needed	Continuous improvement	RIT and Sekjen	ongoing	Internal

**1.8. ORGANIZATIONAL REVIEW**

A key objective this strategic planning effort is to ensure that BPK's organizational structure is optimal for current and future mission requirements. There are a number of factors that must be considered in this process, including a requirement to open offices in each province across the country and the need to house additional capabilities that will be important to BPK's future work such as performance audits, forensic audits, environmental audits, and special investigations.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify existing processes within BPK that address organizational structure	Current state understanding	RIT and Sekjen	2 months	STARSDP
2	Determine gaps in existing processes and identify needed resources	Gap analysis	RIT and Sekjen	1 month	STARSDP
3	Identify physical infrastructure needs related to the current and future deployment of additional BPK offices	Definition of infrastructure requirements	RIT and Sekjen	3 months	STARSDP
4	Conduct organizational review that identifies mandated and discretionary activities and optimal organizational structure to perform these activities	Future state organizational structure	RIT and Sekjen	6 months	STARSDP
5	Integrate outputs of organizational review with results of work in other implementation tasks and activities	Alignment	RIT and Sekjen	2 months	STARSDP

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

6	Obtain Board approval of proposed future state organization.	Board approval	Board	2 months	STARSDP
7	Obtain MENPAN approval of future state organization	MENPAN approval	RIT and Sekjen	2 months	STARSDP
8	Deploy approved future state organizational structure	Deployed structure	RIT and Sekjen	6 months	STARSDP
9	Conduct review process to ensure effective deployment	Review	RIT and Sekjen	ongoing	Internal
10	Ensure that BPK has ongoing capacity to align organizational structure with evolving mission requirements	Board briefings	RIT and Sekjen	ongoing	Internal

**1.9. EDUCATING COMMUNITIES**

As part of its role as the Supreme Audit Institution for Indonesia, BPK should undertake an ongoing process of educating Indonesian citizens and public organizations in its roles and responsibilities. This heightened awareness of the role of the supreme auditor will contribute to enhanced accountability and transparency.

Targeted communities may include:

- Citizens of the Republic of Indonesia
- Representative Legislative Bodies such as DPR, DPRD and DPD
- Government agencies including auditees and law enforcers
- NGOs
- Community organizations
- International Institutions
- Donor countries
- Professional organizations

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Assess current levels of public awareness and understanding of BPK's performance and capabilities	Survey data	PR	3 months	STARSDP
2	Upgrade the skills and capabilities of the public relations unit at BPK including the development of SOPs	SOPs	PR	3 months	STARSDP
3	Identify information needs for key communities	Information needs	PR	3 months	STARSDP
4	Identify the communication channels for each key community	Communication channels	PR	3 months	STARSDP
5	Collect and distribute comments and grievances from the public	Public feedback	PR	ongoing	Internal
6	Encourage BPK employee participation in appropriate community building activities	Employee involvement	PR	ongoing	Internal
7	Monitor the follow up to public comments and grievances	Follow up actions	PR	ongoing	Internal

**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

**1.10. IMPLEMENTATION MANAGEMENT**

In order to assess the success or failure of the strategic plan implementation, BPK will employ a systematic process of managing and evaluating tasks and activities. This activity includes the establishment of a Reform Implementation Team (RIT) to provide ongoing management, monitoring, and facilitation of all implementation plan activities and resources. The RIT will work closely with the Chairman, Vice Chairman, and Board to ensure top level leadership guidance and direction.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Establish a structure and process for managing the implementation activities included in this plan	RIT	Board	2 months	USAID
2	Nominate Board sponsorship for each current activity	Nominated sponsors	Board	2 months	Internal
3	Develop and deploy a project management system to support implementation management.	Project management system	TBD	3 months	USAID
4	Allocate activities and monitoring responsibilities to RIT members and other implementing workunits	Task allocation	Board	ongoing	Internal
5	Operationalize RIT and initiate regular reporting to Board and leadership; provide relevant information to strategic planning process in Task 2.1	Board briefings and inputs for Task 2.1	RIT	ongoing	Internal

**1.11. COPING WITH A CHANGING LEGAL ENVIRONMENT**

BPK operates in a complex and changing legal and regulatory environment which has developed through amendments to the 1945 Constitution and subordinate legislation over the last five decades. In order to cope with the changing environment BPK will need to be aware of potential and actual changes and have the capacity to analyze the effects of the changing environment on BPK's mandate, resources and operations.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop an Office of Legal Outreach to communicate with the DPR, Office of the Attorney General, and other key legal organizations on matters related to BPK's mandate and responsibilities	Office of Legal Outreach	Board	3 months	STARSDP
2	Develop and enhance communications with DPR Commissions to promote a deeper understanding of BPK's vision, mission and strategic plan	Defined communication channels	Office of Legal Outreach	3 months	STARSDP
3	Collect and analyze data on Indonesian legal framework for use by DPR Commissions in drafting legislation	Actionable data for use by DPR	Office of Legal Outreach	ongoing	Internal

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**PERFORMANCE CATEGORY 1:  
LEADERSHIP**

4	Report to the Board on follow up and implementation issues that need to be addressed in the context of BPK's activities	Board reports and briefings	Office of Legal Outreach	ongoing	Internal
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**1.12. IMPROVE ALIGNMENT BETWEEN BOARD AND MANAGEMENT**

It is clear that opportunities for improvement exist in the way that the BPK Board and senior management team work together to achieve common objectives. Strengthening this relationship will be critical to implement successfully the tasks and activities in this Implementation Plan.

The Board has a number of key operational and policy responsibilities including, but not limited to:

1. Setting policy on the audit of state finances for the long, medium and short term, and controlling its implementation.
2. Forming task forces or working groups to address special matters.
3. Ensuring that operational activities are conducted efficiently and effectively.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review and document procedures and practices of coordination between Board and senior management	Report on current state procedures	Ortala	1 month	USAID
2	Conduct research on how other SAIs set relationship between the policy makers and the operational levels	Best practice summary	R&D	2 months	USAID
3	Develop a policy paper for future state of relationship between Board and BPK staff	Policy paper	R&D	3 months	USAID
4	Submit and circulate policy paper to Board and key BPK staff for review	Actionable feedback	R&D and Ortala	2 months	USAID
5	Issued Board Decree on the new working procedure.	Board Decree	Board and Sekjen	2 months	Internal
6	Socialize the new procedures to all BPK employees at all level	Meetings and workshops	Ortala	3 months	Internal
7	Monitor and improve the operation of the revised arrangements	Board briefings	Board and Sekjen	ongoing	Internal

**PERFORMANCE CATEGORY 2:  
STRATEGIC PLANNING**

**2.1. IMPLEMENT STRATEGIC PLANNING PROCESS**

A critical driver for organizational improvement is a comprehensive strategic planning process that constantly evaluates and improves organizational alignment and performance. BPK has developed a Strategic Plan 2006-2010 which was approved by the Board on August 15, 2005. This plan, however, is only a starting point for the development of ongoing strategic planning and implementation processes. It is anticipated that a key future activity will be the development of a strong external results focus for the entire BPK organization as envisioned by the Chairman; the primary purpose of the development activities throughout this Implementation Plan are to improve BPK's ability to achieve good governance and better performance across the Government of Indonesia.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify units and key stakeholders to be involved in future ongoing strategic planning	Units and stakeholders	Renalev and PR Bureau	1 month	USAID
2	Review current strategic planning processes (stages, unit involves, time schedule, budget) and identify necessary revisions for future planning cycles	Review report and revisions	Renalev and RIT	3 months	USAID
3	Develop and implement strategic planning process to address changing mandates and priorities and ensure that current audit workplan is aligned with Board priorities.	Annual audit workplan that reflects Board priorities	Renalev and Board All Auditamas	3 months	USAID
4	Implement revisions necessary to improve future strategic planning process	Revised future strategic plans	Renalev and RIT	ongoing	Internal
5	Evaluate and assess impact of revisions to strategic planning process	Assessment	Renalev and Board	ongoing	Internal
6	Implement ongoing strategic planning process that reflects requirements of future planning cycles and requirements	Ongoing process	Renalev and Board	ongoing	Internal

**2.2. BOARD SUPERVISION OF STRATEGIC PLANNING PROCESS**

Board leadership and management of the strategic planning process is critical to ensure ongoing support during the difficult challenges that will inevitably lie ahead as the organization goes through the transformation. Keys to productive Board leadership include active, 2-way communication with all implementing teams and the Reform Implementation Team, clear roles and responsibilities for all key participants, and hands-on involvement through the sponsorship by individual Board Members of specific activities.

**PERFORMANCE CATEGORY 2:  
STRATEGIC PLANNING**

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop and deploy a project management system suitable for executive use to provide information to Board regarding implementation; coordinate with Task 1.9	Executive reports to Board	Sekjen and RIT	3 months	USAID
2	Ensure that regular Board Meetings include standing agenda items related to implementation.	Focused Board agenda	Board	ongoing	Internal
3	Nominate Board sponsorship for each activity; coordinate with Task 1.9 Implementation Management	Nominated sponsors	Board	ongoing	Internal
4	Submit monitoring results report on the strategic planning implementation to the Board	Monitoring results report from Sekjen	Board	ongoing	Internal
5	Follow up on significant deviations in strategic planning implementation	Direction from the Board	Board	ongoing	Internal

**2.3. FOCUSING ON BPK'S PRIMARY MANDATES**

BPK's primary mandates are clearly identified in current legislation supplemented by the strategic directions embedded in the BPK Strategic Plan 2006-2010 and include:

1. auditing the accountability of state financial management at all levels of government including financial audits, performance audits, and audits with special purposes;
2. issuing audit standards and standard quality control procedures for all government internal auditors and public accountants who audit any government activity; and
3. assessing the activities of government internal audit agencies and other auditing institutions that perform audits on state finances.

It is not clear that BPK is currently fully addressing these primary mandates.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop inventory of all audits and activities that fall within BPK's primary mandates	Audit map	Ranalev and Renops	3 months	STARSDP
2	Conduct a capacity assessment of BPK's ability to meet primary mandates; coordinate with Task 1.7 Organizational Review	Assessment report	Renalev and Renops	2 months	STARSDP
3	Design planning structure and process to ensure that mandates are addressed effectively and efficiently	Revised structure and processes	Renalev and Analev	2 months	STARSDP
4	Follow up on review processes and results as a basis for the following year's audit workplan	Revisions to SOPs	Renalev and Analev	2 months	STARSDP

**PERFORMANCE CATEGORY 2:  
STRATEGIC PLANNING**

**2.4. EMPLOYEE AND STAKEHOLDER INVOLVEMENT IN STRATEGIC PLANNING**

A key element in the successful deployment of the BPK Strategic Plan will be the informed engagement of employees and stakeholders. Strategy deployment is a dynamic, collaborative process that addresses employee and stakeholder needs, expectations, and requirements. This process is complicated by the fact that various stakeholders come to this process with vastly different perceptions, knowledge, and interest. A critical step toward developing an effective relationship with employees and stakeholders is to design and deploy a systematic process of disseminating information about the strategic planning process.

	ACTIVITY	OUTPUT	UNIT CHARGE	IN	DURATION	EXTERNAL PARTNER
1	Develop a time schedule for socializing BPK's current strategic plan to employees and stakeholders	Schedule	RIT		1 months	USAID
2	Conduct workshops and other socialization activities in the Regional Offices, HQ, and appropriate stakeholder venues	Socialization activities	RIT		3 months	USAID
3	Evaluate effects of training and socialization activities	Evaluation results	RIT		1 month	USAID
4	Develop a systematic approach for engaging employees and stakeholders in the ongoing strategic planning process	Systematic engagement of employees and stakeholders	Renalev and RIT		3 months	USAID

**2.5. EVALUATING THE IMPACT OF THE IMPLEMENTATION**

It is envisioned that this implementation plan will have far-reaching effects on staff and systems at all levels of the organization, as the proposed changes cover many areas of BPK's operations and activities. While not all the tasks will be commenced concurrently, it is imperative that the effect on operations of each is measured and reported to the Board and relevant management functions. To assess the impact of the implementation, BPK must have in place a system to gather and process data for measuring success and failure and developing astute recommendations directed at streamlining processes as necessary.

	ACTIVITY	OUTPUT	UNIT CHARGE	IN	DURATION	EXTERNAL PARTNER
1	Identify units involved in monitoring, and evaluating impact and effectiveness of action plans and strategies	Identified units	RIT		1 month	USAID
2	Develop technical procedures for all monitoring and evaluation processes; include targeted benchmarking	SOP for monitoring and evaluation	RIT		2 months	USAID

**PERFORMANCE CATEGORY 2:  
STRATEGIC PLANNING**

3	Review key performance indicators for action plans and strategies.	KPI review	RIT	2 months	USAID
4	Develop tools to measure impact and effectiveness of action plans such as surveys, focus groups, interviews, workshops, etc.	Measurement tools	RIT	3 months	USAID
5	Measure the impact of action plans	Measurement report	RIT	3 months	USAID
6	Present the report to related parties	Feedback	RIT	2 months	USAID
7	Give input to strategic planning team	Inputs to Plan	RIT	2 months	USAID

**2.6. RESPONDING TO CHANGE**

A key objective of the BPK strategic planning effort is to increase the organization's agility and ability to respond to significant changes in its internal and external working environments. Activities in this task aim to build that capacity within BPK.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Design a systematic process to identify and assess impact of significant environmental changes that may affect implementation	Process definition	RIT and Wasinsus	ongoing	STARSDP
2	Assess organizational capacity to respond to rapid changes in external environment and identify critical gaps	Assessment report	RIT and Wasinsus	3 months	STARSDP
3	Assess key stakeholder requirements and expectations regarding BPK's ability to respond to environmental changes	Stakeholder requirements	RIT and Wasinsus	3 months	STARSDP
4	Design and deploy process for responding to rapidly changing internal and external environment	Process for responding to change	Sekjen and Board	ongoing	STARSDP
5	Communicate critical results to the board and all employees	Board briefings	Sekjen and Board	ongoing	Internal
6	Identify additional resources required to improve organizational agility	Specific resource requirements	Sekjen and Board	ongoing	Internal
7	Request Board approval for accessing needed additional resources	Board approval	Sekjen and Board	ongoing	Internal
8	Socialize new capacity and processes to related work units	Socialization activities	Sekjen and Board	ongoing	Internal

**PERFORMANCE CATEGORY 3:  
CLIENT AND STAKEHOLDER FOCUS**

**3.1. CLIENT AND STAKEHOLDER REQUIREMENTS**

A key element in performance excellence is to develop the organizational capacity to identify and respond to client and stakeholder requirements. BPK has a diverse and demanding client and stakeholder population and has embarked on a systematic process of defining and meeting these diverse requirements. In addition, the ADB has stipulated that as a condition of Loan No. 2127-INO (SF), BPK will strengthen the DPRD's capacity to analyze and act upon the recommendations in BPK's audit reports.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify key clients and stakeholders to include in requirements assessment process	Key clients and stakeholders list	PR	3 months	STARSDP
2	Design and deploy client focused survey and assessment processes to collect, analyze, and define client requirements	Client and stakeholder data	PR	4 months	STARSDP
3	Conduct workshops to assess the necessary capacity building for the DPR and DPRD Secretariats to enable them to provide support to members to review and analyze report findings.	Workshops	RIT	6 months	STARSDP
4	Develop facilities for public access (including website) to information about BPK's activities to identify emerging needs	New facilities for public access	PR	4 months	STARSDP
5	Conduct quarterly meetings between BPK, DPR, and DPRD to determine special audit assignment needs and additional requirements	Quarterly meetings	Sekjen and Board	ongoing	Internal
6	Conduct annual public opinion poll and publish results widely	Annual survey process	PR	ongoing	Internal
7	Communicate the results of this activity to employees, clients, and stakeholders	Support from key players	PR	ongoing	Internal

**3.2. IMPROVING STAKEHOLDER ACCESS TO BPK INFORMATION**

In order to operate more effectively as an agent for change within the Government of Indonesia, BPK must improve the visibility of, and accessibility to, the results of its financial, performance, and special purpose audits. BPK can only achieve results to the extent that external stakeholders understand the meaning and implications of its findings and recommendations and are in position to implement effective changes. The first step in achieving this results orientation is to design and deploy new/enhanced accessibility mechanisms. (Task 6.3, Redesigning Audit Reports, will address the format and distribution of BPK's audit reports.)

**PERFORMANCE CATEGORY 3:  
CLIENT AND STAKEHOLDER FOCUS**

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Enhance the PR unit to manage and maintain facilities and contents of the information needed by stakeholders	Stakeholder Requirements Map	PR	3 months	STARSDP
2	Develop a multimedia BPK PR strategy	PR Strategy	PR	3 months	STARSDP
3	Enter into Memorandums of Understanding (MOU) with key stakeholders to clarify communication requirements and expectations	MOUs	PR	3 months	STARSDP
4	Improve BPK's website by enriching the facilities, features, contents, and information about BPK	Improved website	PR	3 months	STARSDP
5	Provide incentives for BPK employees to gain recognition as subject matter experts in various public media forums	Public appearances	PR	ongoing	STARSDP
6	Deploy targeted communications to key stakeholders through meetings, focus groups, seminar series, briefings, hot lines, etc.	Multiple communication channels	PR	ongoing	STARSDP
7	Monitor information dissemination media and identify opportunities for further message clarification	Monitoring results	PR	ongoing	STARSDP

**3.3. ADDRESSING CHANGES TO CLIENT AND STAKEHOLDER EXPECTATIONS**

In order to provide the highest levels of service to clients and stakeholders, BPK must develop the capacity to systematically identify and respond to changes in client and stakeholder expectations over time. This proactive perspective will position BPK as a leader in the public policy and governance arena.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Design a process for identifying and responding to changing client and stakeholder expectations	Process design	RIT	3 months	INTOSAI
2	Conduct limited benchmarking to identify other potential tools and methods to address changing expectations	Comparable benchmarking data	RIT	2 months	INTOSAI
3	Design a system to integrate changing expectations into BPK's core work processes; identify gaps and opportunities for improvement	Process integration	RIT	3 months	INTOSAI
4	Obtain Board approval of revised processes to meet changing expectations	Board approval	RIT	1 month	Internal

**PERFORMANCE CATEGORY 3:  
CLIENT AND STAKEHOLDER FOCUS**

5	Pilot test and socialize revised process; study results, and make adjustments as necessary	Pilot test data	RIT	3 months	Internal
6	Deploy integrated process using strategic and annual work plans	Deployed process	Renalev	ongoing	Internal
7	Monitor and evaluate revised processes	Monitoring and evaluation	Renalev	ongoing	Internal

**3.4. MONITORING CLIENT AND STAKEHOLDER SATISFACTION**

BPK exists to serve the needs of its clients and stakeholders. Accordingly, it is critical to employ systematic processes to define, measure, and respond to client and stakeholder satisfaction. This will include augmenting the capacity of existing BPK organizations to serve as strong client and stakeholder advocates. In addition to providing guidance regarding existing core work processes, client and stakeholder satisfaction data could be used to identify opportunities for new and innovative products and services.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Design framework and process for using customer satisfaction data.	Process	PR	3 months	STARSDP
2	Determine most relevant and useful data sources and types	Data map	PR	1 month	STARSDP
3	Develop client and stakeholder satisfaction measurement system	Cust sat meas system	PR	3 months	STARSDP
4	Conduct limited benchmarking and analysis to obtain comparative satisfaction data	Benchmark data	PR	3 months	STARSDP
5	Use independent organization to assess and improve client and stakeholder satisfaction measurement system	External review	PR	3 months	STARSDP
6	Design a follow-up mechanism to address results of satisfaction measurement	Process description	PR	1 month	STARSDP
7	Periodically review and test satisfaction data for relevance and usefulness	Review summaries	PR	ongoing	STARSDP

**3.5. FOSTERING A CULTURE OF CLIENT AND STAKEHOLDER SERVICE**

BPK's focus on client service is embedded in the law, Act Number 15 year 2004 Articles 7 and 8, which state that in planning audits BPK should accommodate inputs from the people's representative council, government, central bank and public. Further, it is clear that without a culture of client service throughout BPK, the strategic planning effort will not achieve its desired result of creating a Supreme Audit Institution operating at the highest international standards of performance.

**PERFORMANCE CATEGORY 3:  
CLIENT AND STAKEHOLDER FOCUS**

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct focus groups in BPK to identify the current culture of client focus in various work units and regional offices.	Focus group data	PR	3 months	STARSDP
2	Present focus group results to Board and senior leadership for discussion to determine key priorities	Board briefings	PR	1 month	STARSDP
3	Conduct initial socialization on client focus based on results of focus groups and leadership briefings	Socialization activities	PR	3 months	STARSDP
4	Design and implement systems to foster and enhance a client service culture across BPK	Client focus enhancement	PR	3 months	STARSDP
5	Design and implement processes to measure the impact of client service focus	Measurable client focus	Wasinsus	ongoing	Internal

**3.6. COORDINATION WITH INTOSAI COMMUNITY**

A number of international SAIs have offered technical support for this strategic planning effort. It is envisioned that this support will take the form of assistance with developing methodologies, audit processes, software and technology tools, specialized expertise, etc. To date, BPK has not been fully responsive to these generous offers of assistance. This task will ensure that these offers are followed up on and integrated into the appropriate implementation tasks and activities in a timely, effective, and efficient manner.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Assess current mechanisms for accessing international assistance	Assessment	RIT	1 month	STARSDP
2	Revise current operations for accessing INTOSAI resources to align with this implementation plan	Changes to existing mechanism	RIT	1 month	STARSDP
3	Identify specific implementation activities requiring INTOSAI assistance	Specific activities	RIT	1 month	STARSDP
4	Formally request INTOSAI support in alignment with this implementation plan	Formal requests	RIT	1 month	Internal
5	Manage the resources made available by the INTOSAI community	Management process	RIT	ongoing	Internal
6	Provide regular feedback to Chairman and Board regarding INTOSAI utilization	Board briefings	RIT	ongoing	Internal

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

**4.1. PERFORMANCE INDICATORS AND MANAGEMENT**

Successful implementation of an integrated management system requires the development and deployment of a comprehensive performance measurement framework. Key performance indicators (KPIs) must be developed for all key tasks and outcomes, and these KPIs must be used on a regular basis to guide and inform management decision making at all organizational levels. Moving toward an objective, fact-based management environment is a key interim step in the ongoing transformation effort.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop a draft BPK performance measurement framework that is integrated with strategic objectives and implementation activities	User friendly draft framework	Sekjen and Board	3 months	STARSDP
2	Develop comparative KPIs and additional data to facilitate performance benchmarking	Comparative KPIs	Sekjen and Board	3 months	STARSDP
3	Gain senior leadership concurrence with the structure and approach of performance measurement framework.	Leadership concurrence	Sekjen and Board	1 month	STARSDP
4	Define BPK personnel in each work unit with responsibilities for performance measurement activities.	Roster of dedicated personnel	Sekjen and Board	1 month	STARSDP
5	Consolidate and integrate the full set of work unit KPIs into a priority set of BPK performance indicators.	Priority set of BPK KPIs	Sekjen and Board	1 month	STARSDP
6	Develop a process for integrating the selected priority KPIs into the overall BPK management system	Process for integrating KPIs	Sekjen and Board	1 month	STARSDP
7	Develop online and offline performance reporting system containing actual and targeted performance, variances, and alerts	Performance reporting system	Sekjen Board IT	2 months	STARSDP
8	Conduct regular meetings to evaluate and utilize KPIs	Current data on utilization	Sekjen and Board	ongoing	STARSDP
9	Develop and deploy system to integrate performance measurement into relevant HRM activities	Alignment between KPIs and HRM	Sekjen and Board	ongoing	STARSDP

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

**4.2. BENCHMARKING PERFORMANCE**

A robust benchmarking capability is a key element in sustaining organizational improvement, as BPK will be able to measure its performance against national and international standards and identify areas that may require additional focus. Benchmarking performance will stimulate an outward looking perspective across the organization that has the potential to improve creativity, agility, and impact.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Define initial set of BPK functions and processes for consideration as benchmarking targets	Potential benchmarking targets	RIT	2 months	INTOSAI
2	Identify potential benchmarking partner organizations including INTOSAI, ASOSAI, SAIs, and other audit organizations.	Potential benchmarking partners	RIT	1 month	INTOSAI
3	Determine one or more specific benchmarking projects to be conducted	Proposed projects	RIT	1 month	INTOSAI
4	Gain senior leadership approval for benchmarking projects	Board approval	Board	1 month	STARSDP
5	Conduct benchmarking projects	Projects	RIT	3 months	STARSDP
6	Assess and evaluate results and lessons learned from benchmarking project; use as basis for follow-on planning	Data for use in further benchmarking	RIT	1 month	STARSDP
7	Present results of benchmarking project to Board and senior leadership	Board presentation	RIT	1 month	Internal
8	Identify opportunities to integrate benchmarking data and results into BPK integrated management system	Data integration	RIT	1 month	STARSDP
9	Identify opportunities to use comparative benchmark data to support key activities, e.g., website presentations, process improvements	Improved BPK performance	RIT	1 month	STARSDP
10	Develop mutually beneficial relationships in national information and documentation networking	Partnerships with other key organizations	Board	1 month	Internal
11	Continue with additional benchmarking as required to support ongoing transformation	Improved organizational capacity	RIT	ongoing	Internal

**4.3. REVIEWING ORGANIZATIONAL PERFORMANCE**

Organizational performance reviews will provide information to senior decision makers on BPK's current and projected levels of performance. Review results will guide both improvement and opportunities for innovation that are tied to BPK's key strategic objectives, success factors, and measures. A critical aspect of performance review is to translate review results into specific actions that can be deployed throughout the organization as well as to stakeholders, suppliers, and partners.

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop comprehensive Balanced Scorecard for reviewing and managing organizational performance data.	Balanced Scorecard	R&D and Renalev	12 months	USAID
2	Provide the infrastructure and analytical tools for reviewing organizational performances	Infrastructure	R&D and Renalev	3 months	USAID
3	Provide training to designated staff on principles of performance review of an integrated management system	Trained performance reviewers	Training Center	6 months	USAID
4	Begin process of conducting organizational performance reviews	Org. Perf. Reviews	Wasinsus	3 months	Internal
5	Begin process of conducting regular management reviews to evaluate program and action plans	Management briefings and analysis	Board and senior leadership	ongoing	Internal
6	Conduct regular meetings with employees and key stakeholders to share results of performance reviews and identify opportunities for improvement	Employee and Key Stakeholder meetings	Wasinsus	ongoing	Internal
7	Disseminate results of BPK performance reviews through multiple media to employees, stakeholders, and the public, with the request for feedback	Dissemination	PR	ongoing	Internal

**4.4. DEPLOYING RECOMMENDATIONS FOR PERFORMANCE IMPROVEMENT**

Recommendations for improving performance will be generated from multiple sources including organizational performance reviews, stakeholder feedback, employee feedback, comparative benchmarking, strategic and action planning, etc. This task will provide BPK with the capability to analyze, deploy and implement recommendations in a way that is aligned with strategic objectives and key business and stakeholder requirements. Deployment must consider cause and effect linkages, processes, results, outcomes, and resource limitations, and must be structured to avoid “tampering” and “random acts of improvement” that will actually increase variation and reduce long term performance effectiveness. Keen analysis will be required to understand performance and the actions needed to implement successfully.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop and document process for analyzing potential improvement recommendations for suitability	Process definition	RIT	3 months	USAID
2	Review process with senior leadership and gain concurrence on approach	Leadership concurrence	RIT	2 months	USAID

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

3	Provide training in quality management to build improvement capability within leadership team	Increased leadership capability	Training	2 months	USAID
4	Test process by applying results of initial performance reviews	Pilot test results	RIT	3 months	USAID
5	Continuously assess and improve deployment and implementation of improvement recommendations	Assessment data	Sekjen and Board	ongoing	USAID
6	Conduct periodic surveys of the implementation of the performance review recommendation	Survey data	Sekjen and Board	ongoing	USAID

**4.5. INFORMATION TECHNOLOGY INFRASTRUCTURE**

For the most part, the development of IT systems and infrastructure in BPK has been ad hoc and lacking strategic direction. It is clear that a systematic and strategic approach to building the IT infrastructure is necessary if BPK is to achieve optimal results from the strategic planning effort.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct comprehensive user needs assessment in coordination with key implementation activities	User needs assessment	IT	3 months	STARSDP
2	Design strategic IT plan and management framework that is integrated with the full set of implementation and operational activities and includes clear performance measures	Strategic IT plan and management framework	IT	3 months	STARSDP
3	In compliance with ADB loan terms and conditions, develop and deploy policy for acquisition, support, replacement, and asset management of IT equipment	Policies	Sekjen and Board	2 months	STARSDP
4	Deploy strategic IT plan that aligns with strategic goals and objectives	Deployed strategy	RIT	6 months	STARSDP
5	Provide training and socialization for all staff in how to optimize effectiveness of new IT infrastructure and applications	Training	Training Center and RIT	6 months	STARSDP
6	Develop and deploy monitoring and evaluation processes to fine tune IT systems as necessary; include peer review of IT strategy and implementation	Reports and system updates	Renalev and RIT	2 months	STARSDP

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

**4.6. DISSEMINATING PERFORMANCE INFORMATION**

A key method of building alignment across the various BPK offices is to ensure that the results of performance reviews are used to set priorities for continuous and breakthrough improvement and into opportunities for innovation. Priorities and opportunities for improvement must be deployed to work group and functional level operations to build support for management decisions and strengthen alignment. It is important to note that individual facts and data alone do not usually provide a basis for setting organizational priorities. This task aims to build alignment between the organizational performance review, analysis, and organizational planning.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop a systematic approach for the dissemination of performance information that is aligned with the strategic objectives and needs of BPK and its stakeholders.	Concept paper	RIT	3 months	USAID
2	Discuss concept paper with employees, managers, and key stakeholders. Gain concurrence on key elements including approach, timing, methods, etc.	Concurrence of concept	RIT	1 month	USAID
3	Develop internal support systems for the effective dissemination of performance information	Internal support systems	RIT	6 months	USAID
4	Establish a special work unit to manage and maintain facilities and contents of the dissemination process	Designated work unit	Sekjen and Board	6 months	USAID

**4.7. ORGANIZATIONAL LEARNING**

BPK is committed to promoting an environment conducive to organizational and employee learning. Learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. Learning organizations are characterized by total employee involvement in a process of collaborative and accountable change directed towards shared values or principles.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct organizational learning needs analysis; this activity complements individual learning needs analysis in Task 5.3 Aligning Human Resources	Organizational learning needs analysis	Training Center and HR	3 months	STARSDP
2	Assess capacity to deliver organizational learning	Capacity assessment	Training Center and HR	3 month	STARSDP

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

3	Develop comprehensive organizational learning system based on defined requirements and organizational capacity	Learning system	Training Center and HR	3 months	STARSDP
4	Develop a linkage between training and development activities with performance measurement and promotion	Alignment	Training Center and HR	3 months	STARSDP
5	Develop an assessment center to assist all BPK employees in directing their career development	Career assessment center	Training Center and HR	3 months	STARSDP
6	Report routinely on organizational learning results to the Board	Reporting to Board	Training Center	ongoing	Internal
7	Share best practices with other government organizations	Coordinated approach to learning	PR and Training Center	ongoing	Internal
8	Provide ongoing communication to all employees regarding organizational learning initiatives	Informed workforce	Training Center	ongoing	Internal

**4.8. SHARING KNOWLEDGE AND BEST PRACTICES**

A key requirement for a modern professional services organization is to develop a robust knowledge management environment that facilitates the rapid development of new skills and knowledge matched to emerging mission and business requirements.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop a structure and process at the executive level for identifying and sharing key knowledge across the organization	KM structure and process	RIT	3 months	USAID
2	Conduct limited benchmarking of KM practices of leading SAIs and other professional services organizations	Benchmark data	RIT	3 months	INTOSAI
3	Determine most critical knowledge gaps and define processes to address gaps	Key knowledge requirements	RIT	3 months	USAID
4	Determine how to integrate knowledge management activities with ongoing implementation tasks	Integrated KM	RIT	2 months	USAID
5	Develop and deploy IT-based tools to support KM within BPK	IT tools	RIT and IT	3 months	USAID
6	Develop a robust KM community of practice within BPK	Meetings and workshops	Training and HR	ongoing	Internal

**PERFORMANCE CATEGORY 4:  
MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT**

**4.9. PERFORMANCE MANAGEMENT INFORMATION SYSTEM**

A Management Information System (MIS) is an important tool in getting the right information to the right people in the right place at right time. BPK's IT architecture not only addresses technological components such as hardware and software, but also personnel, values and management systems. BPK will manage its key activities through an information system that provides decision makers with timely and accurate information. To strengthen strategic alignment, the IT architecture should be combined and integrated with the needs of measurement, analysis, knowledge management, and organizational performance management.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Survey current and future management information requirements	Data on info requirements	R&D and Renalev	3 months	STARSDP
2	Assess current management information systems to determine capacity to meet current and future requirements	Assessment Report and Gap Analysis	R&D and Renalev	3 months	STARSDP
3	Design future state performance management system	Design document	R&D and Renalev	3 months	STARSDP
4	Circulate the performance management design document to selected persons and organizations for review and feedback	User feedback	R&D and Renalev	1 month	STARSDP
5	Pilot test performance management system in selected work units and functional areas	Test deployment	R&D and Renalev	3 months	STARSDP
6	Deploy enhanced performance management system across organization	Deployed system	Wasinsus	3 months	STARSDP
7	Assess deployment and make adjustments as necessary to meet requirements	Revisions	RIT, R&D and Renalev	ongoing	Internal

**PERFORMANCE CATEGORY 5:  
HUMAN RESOURCE FOCUS**

**5.1. OPTIMIZE HUMAN RESOURCE MANAGEMENT SYSTEM**

BPK is currently bound by existing civil service laws and regulations, which limits the organization's ability to design and implement flexible and innovative human resource management strategies. BPK will only be able to realize the full benefits of this strategic planning effort if it gains additional flexibility over its human resource management function.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop an overall strategic human capital planning process that is aligned with strategic goals and objectives; include an analysis of current and project human capital assets and requirements	Strategic HR Planning System	HR and RIT	3 months	STARSDP
2	Conduct benchmarking and comparative studies of how other relevant agencies have achieved human resource flexibilities and independence	Useable comparative data	HR and RIT	2 months	STARSDP
3	Determine changes to civil service laws and regulations required to fully implement strategic human capital plan	Action plan for gaining civil svc flexibilities	HR and RIT	3 months	STARSDP
4	Introduce the proposed HR strategy and recommended civil service changes to Menpan, BKN, Depkeu, and DPR for consideration and action	Initiation of civil service reform process	HR and RIT	3 months	STARSDP
5	Socialize proposed ST and LT changes to HR strategy to all BPK employees	Socialization	HR and Training Center	6 months	STARSDP
6	Integrate the HR strategies into the overall strategic implementation tasks and activities	Integrated HR management	RIT	12 months	STARSDP

**5.2. TASK ALLOCATION IN THE WORK PROGRAM**

BPK's annual work program is the tool for allocating staff resources to specific mission activities. The quality of this allocation process is a critical determinant in the overall quality of BPK's performance against the work program. It is important that this allocation be conducted in a systematic, fact-based environment that optimizes overall organizational capability and performance.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Document and assess the current task allocation process	Current state assessment	RIT and Renalev	3 months	Internal

**PERFORMANCE CATEGORY 5:  
HUMAN RESOURCE FOCUS**

2	Tabulate functional activities by organizational units, as stated in Board Decree regarding <i>Organization and Working Procedures of BPK</i>	Lists of functional activities	RIT and Renalev	2 months	Internal
3	Define criteria for appropriate and inappropriate activities; assess and identify inappropriate allocations of staff resources	Lists of inappropriate activities	RIT and Renalev	2 months	INTOSAI
4	Design approach and framework for enhanced task allocation process based on assessment results and facilitated dialogue with senior leadership team	Approach and framework	RIT and Renalev	2 months	INTOSAI
5	Develop detailed annual work plan that aligns with strategic objectives and the full implementation plan	Integrated annual work plan	RIT and Renalev	6 months	Internal
6	Identify opportunities for contracting out a selected percentage of audit work in conformance with ADB recommendations	Outsourcing plan	RIT and Renalev	3 months	STARSDP
7	Conduct workshops to finalize the annual work plan.	Workshops	RIT and Renalev	3 months	Internal
8	Implement the task allocation process through the annual work program; monitor performance and results against benchmarks in related Tasks	Implementatio and monitoring activities	RIT and Renalev	ongoing	Internal

**5.3. ALIGNING HUMAN RESOURCES**

Performance excellence requires human resource assets that are aligned with the most important organizational mission and business requirements. This alignment can only occur when there is a sound, objective evaluation of both current and projected human resources, and current and projected mission requirements. The identification of strategic human resource gaps and the development of a strategic human resource plan to close the gaps is a core element of the overall strategic plan and implementation plan.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct comprehensive assessment of current training and development needs; coordinate with Task 5.1 Optimize HRM System	Training needs assessment	Training Center	3 months	STARSDP
2	Conduct assessment of HR capacity and competencies against requirements	Competency assessment	Training Center	3 months	STARSDP
3	Define additional training and development required to meet future mission and business requirements; consider alternative training methods such as distance learning	Future state needs assessment	Training Center	3 months	STARSDP

**PERFORMANCE CATEGORY 5:  
HUMAN RESOURCE FOCUS**

4	Design and deploy employee development program to fill the HR competency and capability gaps; include internationally recognized certifications where necessary	Training and development strategy	Training Center	6 months	STARSDP
5	Design and deploy modern and effective disciplinary system to support HRM strategy	Disciplinary system	Training Center	3 months	STARSDP
6	Align HRM strategy with strategic plan and implementation plan	HR alignment	Training Center	ongoing	STARSDP
7	Assess mission impact of enhanced HR management system and make additional improvements as necessary	Performance data	Training Center	ongoing	STARSDP

**5.4. EMPLOYEE FEEDBACK**

BPK is transitioning towards a future role as a modern, independent supreme audit institution. A key element in this transition is the development of a systematic, ongoing process to capture and use employee feedback data to improve organizational performance and enhance employee wellbeing and satisfaction.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Survey best practices for employee feedback in similar organizations including worldwide SAIs.	Best practices report	RIT and Sekjen	3 months	USAID
2	Design an employee feedback system for BPK that reflects best practices and fits with the current and future organizational culture	System design document	RIT and Sekjen	3 months	USAID
3	Circulate proposed design for review and approval by Board and key management staff	Approved system design	RIT and Sekjen	1 month	USAID
4	Conduct pilot test of feedback system; capture and analyze results	Pilot test results	RIT and Sekjen	3 months	USAID
5	Deploy feedback system across organization; measure and track employee satisfaction	Feedback system	RIT and Sekjen	ongoing	Internal

**5.5. IMPROVING ORGANIZATIONAL CULTURE**

It is clear that changes will be required in the prevailing BPK organizational culture to achieve the full benefits of the strategic planning effort. The current culture tends to be overly rigid, risk averse, and with little or no capacity for independent decision making. Changing this culture will require a multi-faceted effort beginning with the Chairman and Board, and involving managers and employees at all levels of the organization. The aim of this task will be to achieve an organizational culture that inspires independence, integrity, and professionalism.

**PERFORMANCE CATEGORY 5:  
HUMAN RESOURCE FOCUS**

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Assess current organizational culture and identify specific strengths and opportunities for improvement	Current state culture report	RIT	3 months	INTOSAI
2	Circulate assessment results and begin to build awareness of the need for major cultural change in BPK	Briefings and meetings	RIT	6 months	INTOSAI
3	Develop priority list of cultural change initiatives	Priority list of initiatives	RIT	3 months	INTOSAI
4	Coordinate initiatives with other change efforts underway across organization	Coordination	RIT	3 months	USAID
5	Implement cultural change initiatives, assess results, and recalibrate accordingly	Culture change outcomes	Board	ongoing	Internal

**5.6. BECOMING AN EMPLOYER OF CHOICE**

BPK is striving to become an employer of choice in the Indonesian professional services employment market, able to attract a continuing stream of talented new employees at both the entry and mid-career levels.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Assess Indonesian professional employment market and identify attributes of employers of choice	List of desired attributes	HR and RIT	3 months	STARSDP
2	Design strategy for achieving status of employer of choice that is integrated with this overall initiative	Employer of choice strategy	HR and RIT	6 months	STARSDP
3	Design recognition and reward systems that align with employer of choice strategy	Recognition and reward systems	HR and RIT	3 months	STARSDP
4	Design and implement career development system that aligns with employer of choice strategy including workshops for new employees; include input from BPK employees	Career development system	HR and RIT	3 months	STARSDP
5	Determine ergonomic, security, and health and safety issues that need to be addressed; implement changes as appropriate	Improved work environment	HR and Sekjen	3 months	STARSDP
6	Measure and evaluate progress toward becoming employer of choice	Measureable progress	HR and Board	ongoing	STARSDP

**PERFORMANCE CATEGORY 6:  
PROCESS MANAGEMENT**

**6.1 WORKING WITH EXTERNAL AGENCIES**

In conjunction with other government agencies, BPK has a responsibility for combating corruption, collusion, nepotism, and fraud in the public sector. BPK's role is to detect and report on irregularities in state finances, but it has no powers of prosecution and cannot compel state organizations to adopt its recommendations. Accordingly, BPK must collaborate with external agencies to bring about favorable outcomes for the public. At present, there is no clear guidance on how BPK should interact with other organizations that are in charge of eradicating corruption. For example, it is not clear how staff should report fraud to other institutions such as the Police, KPK, and the OAG.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct a series of workshops or coordination meetings among BPK, KPK, POLRI, OAG, and other stakeholder organizations to establish liaison points and data requirements for working together productively	Draft consensus on overall approach	RIT	3 months	USAID
2	Put these definitions of coordination with each organization or institution in an MOU and Board Decree	Formal MOUs	RIT and Board	3 months	USAID
3	Insert coordination procedures and protocols in standard audit manuals and other internal operational guidelines	Amended SOPs	R&D	3 months	USAID
4	Socialize the new procedures into the organizational culture and processes	Organizational consensus	RIT and Training Center	ongoing	Internal
5	Monitor the outcomes of new liaison relationships and recommend further improvements.	Improved processes	RIT	ongoing	Internal

**6.2. STRENGTHENING LEGISLATIVE ALIGNMENT**

BPK functions within a governing legal framework. As part of the strategic planning effort, it will be necessary to strengthen the alignment between BPK's processes and the governing legislation. This includes developing legislation appropriate for BPK's refocused vision, mission, and core values, and ensuring that BPK's work processes comply with legislative constraints.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify regulations and laws limiting and inhibiting BPK's work processes and external communications	List of regulations and laws	Legal Dept.	3 months	STARSDP
2	Identify potential draft amendments to the laws and regulations	Potential amendments	Legal Dept.	3 months	STARSDP

**PERFORMANCE CATEGORY 6:  
PROCESS MANAGEMENT**

3	Develop proposed legislative amendments specifically targeted at enterprise loss settlements, as stipulated in Act Number 15 Year 2004, articles 22 and 23	Board Decree	Legal Dept.	3 months	STARSDP
4	Conduct “road show” to present proposed amendments to MA, MK, DPR, and other key stakeholders	Road Show	PR, Legal and RIT	1 month	STARSDP
5	Conduct limited regional “road show” for state/provincial/local institutions, including regional and state-owned enterprises	Road Show	PR, Legal and RIT	2 months	STARSDP
6	Commence process of working to amend/modify existing legislation	Amended legislation	Legal Dept.	12 months	STARSDP
7	Integrate results of new amendments into BPK core work processes	Amended work processes	R&D and RIT	3 months	STARSDP
8	Socialize the new legislation	Training and workshops	PR, Legal and RIT	3 months	STARSDP
9	Conduct periodic reviews of current and proposed legislative amendments relevant to BPK operations	Review results	Legal Dept.	ongoing	STARSDP

**6.3. REDESIGNING AUDIT REPORTS**

BPK currently issues audit reports that are voluminous, poorly structured and which do not highlight the areas of greatest concern arising from the audit fieldwork. It is clear that there are ample opportunities for improvement in the structure, format, and delivery of BPK audit reports. This is a highly visible implementation activity that will have a direct impact on BPK’s core mission.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review BPK’s audit reports for functionality, conciseness, conformity with international best practice and usefulness in driving follow-up actions	Review results	R&D and RIT	3 months	STARSDP
2	Organize public hearings to obtain feedback from stakeholders including individuals, private sector, and NGO representatives and the media regarding the format of BPK reports	Public hearings	R&D and RIT	3 months	STARSDP
3	Disseminate the results of the public hearings on the BPK website and circulate to DPR, DPRD, selected NGOs, and the media	Website update	R&D and RIT	3 months	STARSDP
4	Based on review recommendations, seek Board approval to adopt new audit report format and content guidelines	Reporting guidelines	R&D and RIT	1 month	STARSDP

**PERFORMANCE CATEGORY 6:  
PROCESS MANAGEMENT**

5	Develop report-related content for BPK standard audit manual	Content for audit manual	R&D and RIT	2 months	STARSDP
6	Train all audit staff in new audit report formats and content	Training	Training department	3 months	STARSDP
7	Design and implement quality assurance system in each operational area to ensure compliance with audit reporting guidelines.	QA system	R&D and RIT	1 month	STARSDP
8	Implement new reporting format and assess client and stakeholder satisfaction; continue to improve reporting formats as necessary	New reporting format	Renalev	ongoing	Internal

**6.4. FOLLOW-UP OF AUDIT RECOMMENDATIONS**

Currently, BPK does not employ a consistent systematic process of following up on audit recommendations. Addressing this problem will involve close collaboration with the DPR and external stakeholders. This activity will be coordinated with IT systems development work and the overall reassessment and restructuring of work processes.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Conduct assessment to determine current state of audit recommendation follow-up activities and identify problems and opportunities for improved follow up (link to Task 6.1 Working with External Agencies)	Actionable assessment of current state	RIT	3 months	USAID
2	Conduct briefings on results of assessment to set priorities and determine appropriate inputs for follow-up agencies	Criteria for successful follow-up	RIT	3 months	USAID
3	Reengineer audit work processes and outputs to address needs of follow-up agencies (integrated with other process management activities in this IP)	Revised work processes and outputs	R&D	3 months	USAID
4	Begin conducting regular consultative meetings with DPR and other follow-up organizations focusing on the findings and how to work together more effectively to ensure recommendations are implemented.	Stakeholder meetings	Tortamas	ongoing	Internal
5	Develop a compensating control system to enforce follow-up of audit recommendations.	Control system	RIT and R&D	ongoing	Internal

**PERFORMANCE CATEGORY 6:  
PROCESS MANAGEMENT**

**6.5 OPTIMIZE USE OF INTERNAL SUPPORT SERVICES**

The core business process of BPK is conducting audits. This core process is supported by several important internal support functions. A critical element in the strategic planning effort is to optimize the performance of these internal support processes and to align their outputs with the core business requirements.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify all key interfaces between audit processes and internal support processes.	Input to org review	RIT and Sekjen	3 months	INTOSAI
2	Review the effectiveness of the interface with audit processes.	Management letter	RIT and Sekjen	3 months	INTOSAI
3	Validate review findings with additional inputs from the owner of the interface	Input report	RIT and Sekjen	3 months	INTOSAI
4	Conduct focus groups to get user needs and requirements for support processes	User inputs	RIT and Sekjen	3 months	INTOSAI
5	Integrate results from reviews and user inputs and recommend improvements to internal support processes	Recommended improvements	RIT and Sekjen	3 months	INTOSAI
6	Present recommendations to Board and senior leadership for review and approval	Leadership briefings	RIT and Sekjen	1 month	Internal
7	Implement revisions to targeted internal support processes	Revised processes	RIT and Sekjen	3 months	Internal
8	Conduct training and socialization in the revised internal support processes	Training	Training Center	3 months	Internal
9	Conduct periodic surveys to monitor the support process performance	Data for improvement	Internal audit	ongoing	Internal

**6.6. REFOCUS AND ENHANCE INTERNAL AUDIT FUNCTION**

The internal audit function is a key internal stakeholder and partner of the Reform Implementation Team. A strong internal audit function can support the strategic planning effort by facilitating and monitoring implementation of the key initiatives in each work unit and strengthening management's control and oversight capabilities.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Assess current structure and functions of internal audit organization; link to results of Task 1.8, Organizational Review	Assessment of internal audit function	RIT and Sekjen	3 months	INTOSAI
2	Conduct limited benchmarking of how internal audit function is structured in selected SAs	Benchmark data	RIT and Sekjen	2 months	INTOSAI

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3	Design revised internal audit function based on results of review and benchmarking	Redesigned internal audit function	RIT and Sekjen	1 month	INTOSAI
4	Identify required resources such as human resources, manual/guidelines, materials needed for the next five years to fulfill internal audit functions	Resource requirements	RIT and Sekjen	2 months	INTOSAI
5	Develop manuals/guidelines as identified in point 3 above	Manuals	R&D	3 months	INTOSAI
6	Allocate human resources with appropriate qualifications to internal audit, as identified in activity 4 above	HR deployment	HR	ongoing	Internal
7	Monitor outcomes of restructured internal audit function and recommend further improvements	Periodic monitoring	Sekjen	ongoing	Internal

**6.7. DISCRETIONARY RESOURCE UTILIZATION**

Discretionary audit resources include all resources that are not dedicated to the core mandated functions as laid out in proposed amendments to State Law 15 of 2004. It is critical that BPK develop a systematic process for identifying and deploying these discretionary resources based on the most important priorities and requirements facing the organization.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Identify available discretionary resources; coordinate with HR Focus Tasks 5.2 and 5.3	Inventory of discretionary resources	Auditamas and RIT	3 months	USAID
2	Identify universe of potential discretionary audit activities	Universal list of activities	Auditamas and RIT	3 months	USAID
3	Set priorities for discretionary audits based on input from external and internal sources	Prioritized list	Board	3 months	USAID
4	Develop resource map matching up discretionary resources with prioritized potential audit activities	Resource map	Sekjen and RIT	3 months	USAID
5	Integrate discretionary audit activities into strategic and annual work plans	Input to work programs	RIT and Planning	ongoing	Internal

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**6.8. ISSUING NATIONAL AUDITING STANDARDS**

The proposed amendment to State Law 15 of 2004 states that BPK “shall issue audit standards and standard quality control procedures for the implementation on the audit of State Finances accountability which are applicable nationally to the auditors within the Supreme Audit Board, Government internal auditors, and public accountants who audit any Government activity.” In addition, the ADB has stipulated that as a condition of Loan No. 2127-INO (SF), BPK will initiate revisions to the 1995 auditing standards to bring them into line with international standards.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review functionality of existing government standards committee(s)	Review results	R&D	3 months	STARSDP
2	Present results to Board and senior leaders and assess implications	Board briefing	R&D	1 month	STARSDP
3	Form a BPK auditing standards team to analyze compliance with legislative mandates regarding auditing standards	New Audit Standards Team	Board	3 months	STARSDP
4	Facilitate dialogue on development of new auditing standards including public hearings and feedback from professional associations, universities, and other relevant organizations	Multiple public outreach activities	Standards Task Force, R&D and PR	3 months	STARSDP
5	Perform a comparative study of SAI involvement in auditing standards setting in other countries	Comparative study report	Standards Task Force	3 months	STARSDP
6	Provide advice and guidance to the government relevant to auditing standards development	Advice and guidance	Standards Task Force	3 months	STARSDP
7	Issue draft Indonesian Government auditing standards for review and comment by key stakeholders and public at large	Draft Standards	Standards Task Force	3 months	STARSDP
8	Seek Board approval for revised government auditing standards	Board approval	Board	1 month	Internal
9	Issue revised Indonesian Government auditing standards	Issued standards	Board	1 month	Internal
10	Conduct training and socialization to support rollout of new standards	Training and socialization	Training Department	ongoing	Internal
11	Monitor compliance with new standards; recommend improvements	Compliance reports	Internal Audit and R&D	ongoing	Internal

**PERFORMANCE CATEGORY 6:  
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**6.9. SUPERVISION OF OTHER GOVERNMENT AUDIT AGENCIES**

The proposed amendment to State Law 15 of 2004 states that “BPK shall conduct an assessment of the activities of the government internal audit agencies and other auditing institutions that perform audits on State Finances accountability”. In addition, the ADB has stipulated that as a condition of Loan No. 2127-INO (SF), BPK will undertake audits of other components under the relevant investment loan. BPK does not currently conduct assessments of this sort and it will require a major capacity building effort to position itself to satisfy this requirement.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Define the environment and scope of government auditing agencies subject to assessment by BPK.	Current state overview	RIT and R&D	3 months	STARSDP
2	Identify BPK’s current and required capacity to undertake these assessments.	Capacity assessment	RIT and R&D	2 months	STARSDP
3	In conjunction with Task 1.8 Organizational Review, create section within BPK to assess activities of government internal audit agencies	Assessment Unit	Board	1 month	STARSDP
4	Conduct integrated capacity building effort to address process, training, technology, etc.	Capacity to perform	RIT and Training Department	3 months	STARSDP
5	Develop standards for evaluations and assessments of internal audit units; include certification requirements for internal auditors	Standards	R&D	2 months	STARSDP
6	Develop a manual for the evaluation and assessment of internal audit units	Manual	R&D	6 months	STARSDP
7	Conduct pilot tests of new assessment capabilities and processes	Pilot tests with data	Assessment Unit	6 months	STARSDP
8	Assess pilot test results and implement full operational capacity	Operating capability	Assessment Unit	3 months	STARSDP
9	Conduct periodic assessments of performance and impact of new unit	Compliance with Law	Internal Audit	ongoing	Internal

**6.10 IMPROVING GOVERNMENT INTERNAL CONTROL SYSTEMS**

The proposed amendment to State Law 15 of 2004 states that, “The Supreme Audit Board shall conduct audits on the reliability of the internal control structure for the State Finances management.” In addition, the ADB has stipulated that as a condition of Loan No. 2127-INO (SF), BPK will draft technical guidelines to integrate internal audit assessments of departmental control systems as a standard part of its external audit process.

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	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Define the environment and scope of the internal control audits required to be performed by BPK	Current state overview	RIT	3 months	STARSDP
2	Identify BPK's current and required capacity to conduct these audits	Capacity assessment	RIT	2 months	STARSDP
3	In conjunction with Task 1.8 Organizational Review, create section within BPK to conduct audits of internal control structures	Govt. Internal Control Unit	Board	1 month	STARSDP
4	Conduct integrated capacity building effort to address process, training, technology, etc.	Capacity to perform	Govt. Internal Control Unit	3 months	STARSDP
5	Develop standards for evaluations and assessments of internal control systems suitable for input to the external audit process	Standards	Govt. Internal Control Unit	2 months	STARSDP
6	Develop a manual related to the evaluation and assessment of internal control systems	Manual	Govt. Internal Control Unit	6 months	STARSDP
7	Conduct pilot tests of new assessment capabilities and processes	Pilot tests with data	Govt. Internal Control Unit	6 months	STARSDP
8	Assess pilot test results and implement full operational capacity	Operating capability	Govt. Internal Control Unit	3 months	STARSDP
9	Conduct periodic assessments of performance and impact of new unit	Compliance with Law	Board	ongoing	Internal

**6.11 DEVELOPING BPK AUDIT STANDARDS AND METHODOLOGIES**

A key objective of this implementation plan is to achieve measurable improvements in BPK's capacity and performance of its mandated core mission and business requirements. The key to improving the quality of this work is to have and employ audit standards and methodologies that reflect international best practices and are tailored to meet the unique requirements of BPK's clients and stakeholders. Although BPK has allocated significant resources to developing and implementing consistent audit standards and methodologies, it is not clear that these activities achieved the desired goals.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review and document current audit standards and methodologies including detailed analysis of requirements of each auditama (e.g., calculation and recovery of state losses, preparation of Treasurer's Accountability Reports)	Current state documentation	R&D	3 months	INTOSAI
2	Develop risk-based standards and methodologies compliant with international best practices adjusted for unique issues facing Indonesia	New standards and methodologies	R&D	3 months	INTOSAI

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3	Revise audit procedures manuals to incorporate new standards and methodologies	Revisions to procedures manuals	R&D	3 months	STARSDP
4	Provide training and socialization for audit staff on implementation of revised audit standards; integrate with all relevant IP activities	Trained staff resources	Training Center	6 months	STARSDP
5	Implement revised procedures in conduct of core audit work	Revised procedures	Tortamas	3 months	STARSDP
6	Review and assess implementation of new standards and methodologies; identify areas requiring additional clarification and improvement	Review reports and Board briefings	RIT	1 month	STARSDP

**6.12 STRENGTHENING PERFORMANCE AUDITING CAPABILITY**

Proposed amendments to State Law 15 of 2004 clearly define performance auditing as a core function of BPK. This position is fully supported by the Chairman and Board, and reflects the duties of a modern supreme audit institution that aspires to perform at international standards. BPK currently lacks the full capacity required to conduct effective performance audits as historically it has concentrated on its core mission of conducting financial statements audits.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review and document current performance audit standards and methodologies	Current state documentation	RIT and R&D	3 months	INTOSAI
2	Develop new standards and methodologies based on international best practices adjusted for unique issues facing Indonesia	New standards and methodologies	RIT and R&D	3 months	INTOSAI
3	Revise performance audit procedures manuals to incorporate new standards and methodologies; conduct pilot testing as appropriate	Revisions to procedures manuals	RIT and R&D	3 months	INTOSAI
4	Determine organizational component(s) within BPK structure that will be responsible for performance auditing; refer to Organizational Review (Task 1.8)	Performance auditing section(s)	RIT and R&D	3 months	Internal
5	Provide training and socialization for performance audit staff	Trained staff resources	Training Center	6 months	Internal
6	Implement revised procedures in conduct of performance audits	Revised procedures	Auditamas	ongoing	Internal
7	Review and assess implementation of new standards and methodologies; identify areas requiring additional clarification and improvement	Review reports and Board briefings	Sekjen and Board	ongoing	Internal

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**6.13. DEVELOPING FORENSIC AUDITING CAPABILITY**

In conjunction with other government agencies involved in the fight against corruption, BPK is increasingly being challenged to develop new capabilities in the area of forensic auditing and special investigations. To institutionalize these capabilities, BPK will form a forensic audit unit that will analyze and report on government agency spending patterns. This analysis will determine whether government funds have been misused by way of corruption or laundered. Additionally, this unit will either be charged with fully investigating these criminal acts themselves or preparing briefs suitable for action by law enforcement agencies.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Determine the optimal size, staffing, and location of BPK's forensic audit unit	Unit parameters	RIT	2 months	USAID
2	Select the initial cadre of BPK forensic auditors	Initial staffing	RIT and HR	2 months	USAID
3	Develop forensic auditing standards and methodologies based on international best practices adjusted for unique issues facing Indonesia	New standards and methodologies	Forensic Audit Unit	3 months	USAID
4	Conduct pilot testing using new standards and methodologies	Pilot test results	Forensic Audit Unit	3 months	USAID
5	Provide initial training on investigative analysis of government spending	Training	Forensic Audit Unit	3 months	USAID
6	Socialize this unit with other government entities involved in anti-corruption and money-laundering investigations	Meetings and workshops	Forensic Audit Unit	3 months	USAID
7	Provide training to financial and performance auditors generally to increase their ability to detect money laundering and other corrupt activities within government agencies	Training	Forensic Audit Unit	3 months	USAID
8	Conduct targeted investigations to test and further improve BPK capabilities	Investigations	Forensic Audit Unit	3 months	USAID
9	Conduct full implementation of BPK forensic audit unit. Review and assess implementation of new standards and methodologies; identify areas requiring improvement	Review reports and Board briefings	Sekjen and Board	ongoing	Internal

**6.14. STRENGTHENING ENVIRONMENTAL AUDITING CAPABILITY**

The BPK Chairman has identified the need for the organization to address a broader range of audit and accountability activities. The development of this broader capacity will require a disciplined process of matching discretionary resources with requirements, and

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the gradual development of needed additional capabilities. One area of specific focus is environmental audits, especially given the importance of natural resources to Indonesia's future prosperity. This is a fairly new initiative for BPK, and must be integrated into a number of related implementation activities.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Review and document current environmental audit standards and methodologies	Current state documentation	Sekjen and RIT	3 months	USAID
2	Develop new standards and methodologies based on international best practices adjusted for unique issues facing Indonesia	New standards and methodologies	Sekjen and RIT	3 months	USAID
3	Revise environmental audit procedures manuals to incorporate new standards and methodologies; conduct pilot testing as appropriate	Revisions to procedures manuals	Sekjen and RIT	3 months	USAID
4	Determine component within BPK structure that will be responsible for environmental auditing; refer to Organizational Review (Task 1.8)	Environmental auditing section	Sekjen and RIT	3 months	USAID
5	Provide training and socialization for staff assigned to conduct environmental audits on the revised audit standards	Trained staff resources	Training Center	6 months	USAID
6	Implement revised environmental audit procedures	Revised standards	Auditamas	ongoing	Internal
7	Review and assess implementation of new standards and methodologies; identify areas requiring additional clarification and improvement	Review reports and Board briefings	Sekjen and Board	ongoing	Internal

**6.15. DEVELOPING CONFLICT AUDITING CAPABILITY**

The need to conduct audits in conflict areas is unfortunately a necessary requirement at this point in Indonesia's development. The Chairman has identified the need for additional capacity within BPK to conduct audits of this type.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop a consensus among BPK and key stakeholders as to the nature and purpose of conflict auditing	Consensus	Board and RIT	3 months	INTOSAI
2	Develop standards and methodologies for conducting conflict audits	Standards and methodologies	R&D	3 months	INTOSAI
3	Revise conflict audit procedures manuals to incorporate new standards and methodologies; conduct pilot testing as appropriate	Procedures manual	R&D	3 months	INTOSAI

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4	Provide training and socialization for staff assigned to conduct conflict audits	Trained staff resources	Training Center	6 months	INTOSAI
5	Determine organizational component within BPK structure that will be responsible for conflict auditing; reference to Task 1.8, Organizational Review	Conflict auditing section	RIT	3 months	INTOSAI
6	Conduct conflict audits	Audits	Conflict auditing section	ongoing	INTOSAI
7	Review and assess implementation of new standards and methodologies; identify areas requiring additional clarification and improvement	Review reports and Board briefings	RIT	ongoing	INTOSAI

**6.16. STRENGTHENING TAX REVENUE AUDITING CAPABILITY**

The BPK Chairman has identified the need for BPK to enhance its capabilities in the area of tax revenue auditing to promote increased fiscal responsibility and sustainability in the public sector macroeconomic environment. BPK is currently not positioned to undertake audits of this nature without substantial support from international organizations.

	ACTIVITY	OUTPUT	UNIT IN CHARGE	DURATION	EXTERNAL PARTNER
1	Develop a consensus among BPK and key stakeholders as to the nature and purpose of tax revenue auditing	Consensus	Board and RIT	3 months	USAID
2	Develop standards and methodologies for conducting tax revenue auditing	Standards and methodologies	R&D	3 months	USAID
3	Revise tax revenue audit procedures manuals to incorporate new standards and methodologies; conduct pilot testing as appropriate	Procedures manual	R&D	3 months	USAID
4	Provide training and socialization for tax revenue auditors	Trained staff resources	Training Center	6 months	USAID
5	Determine organizational component that will be responsible for tax revenue auditing; reference to Task 1.8, Organizational Review	Tax revenue auditing section	RIT	3 months	USAID
6	Conduct tax revenue audits	Tax revenue audits	Tax auditors	ongoing	USAID
7	Review and assess implementation of new standards and methodologies; identify areas requiring additional clarification and improvement	Review reports and Board briefings	RIT	ongoing	USAID