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Accountability for the Implementation of State Finances (APBN) for the Covid-19 Pandemic Program and National Economic Recovery (PC-PEN) in the Fiscal Year 2020

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ABSTRACT
This study aims want to see the results of the examination of the Supreme Audit Agency (BPK) in its reporting to the House of Representatives of the Republic of Indonesia (DPR-RI) concerning the study of State Finance to fulfill the task of inspection of Accountability for Implementation of the Budget (APBN) for the Fiscal Year 2020 related explicitly with the COVID-19 Handling and National Economic Recovery Program (PC-PEN), in connection with the Internal Control System (SPI) and Compliance with Legislation. The research method in this study is to use qualitative methods through the literature or secondary data. The process of collecting data in this research is by using the form of documentation and literature study, namely by collecting and studying data, especially those taken from the results of the BPK examination. Although the BPK's examination results gave an "Unqualified Opinion" (WTP), BPK still saw that it did not fully achieve the effectiveness, transparency, accountability, and compliance of State Finance management and responsibilities in the PC-PEN Program in the COVID-19 pandemic emergency conditions.

Keyword: State Finance, PC-PEN, COVID-19, BPK, DPR

1. INTRODUCTION

The Indonesian Constitution of 1945 (UUD 1945) mandates the Government to keep the country's financial balance to create a transparent and accountable governance system. The implication is that state revenue is one of the critical aspects of state sovereignty and, therefore, must be closely monitored (Illahi & Alia, 2017). The House of Representatives (DPR) in Indonesia, with its supervisory function of the Government, is one form of democracy (Ridlwan, 2015). Because the DPR's supervisory role is political, a unique institution is needed that can carry out financial audits more technically (Asshiddiqie, 2012). So that, the

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Indonesian Government established the Supreme Audit Agency (BPK) to oversee the course of state finances and the possibility of corruption and abuse.

As mandated by the 1945 Constitution (UUD 1945) Article 23 Paragraph 1, the State Revenue and Expenditure Budget (APBN) must become a strategic instrument and anchor for economic policies to realize welfare and social justice for all Indonesian people. In implementing the 2020 State Budget, the pressure is weighty and has changed the Indonesian economy's order of life. Several macroeconomic indicators and Indonesia's welfare, such as economic growth, experienced negative results in 2020. Indonesia is experiencing severe problems such as the cessation of economic activity, termination of employment, declining state revenues, and increasing state financing. Various efforts and unusual breakthroughs are needed in the administration of the State to save lives, people's health and overcome life problems amid the COVID-19 pandemic crisis. (DPR, 2021)

The Government needs a quick response through *extraordinary policies* and *countercyclical* policies. The demands behind the approval of the Regulation in place of Law, Regulation has UU No.1/2020, which the Plenary Meeting approved of the DPR RI on May 12, 2020, in which it provides authorities such as flexibility of the APBN deficit until 2022, immunity of state officials, to the power of the state budget, while still closing the moral hazard gap in its implementation. Which later became Act No.2 of the Year 2020 (UU No.2/2020). In such conditions, the Frame state budget should reduce the deterioration due to the pandemic crisis COVID-19 and make Indonesia rise again in the hope of future state budget to remain the aspect of fiscal sustainability and intergenerational justice. (DPR, 2021)

The central pillar of government financial management is a sound governance system, with the most critical element being accountability (Puspasari et al., 2012; Nofianti, 2015). Accountability is the main thing in a clean government. This phenomenon has become the development of the public sector in post-reform Indonesia through the strengthening of accountability demands on public institutions, both at the central and regional levels (Mardiasmo, 2006). Syakhroza (2003) states that good governance always refers to attitudes, ethics, practices, and community values. The concrete form of the Government's commitment to accountability demands is to compile and report on government financial accountability, which is assessed for truth, accuracy, credibility, and reliability of the information in the form of an opinion given by the Supreme Audit Agency of Indonesian Republic (BPK-RI) which is regulated in Law UU No. 15/2006 (Atmaja & Probohudono, 2015).

Law UU no.15/2004 on the Audit of the Financial Management and Accountability State mandates are the responsibility of the BPK in the examination of the financial statements for the testing and assessment of the implementation of the internal control system (SPI) government to ensure that internal controls have been built according to its purpose. The Guidelines for the Implementation of the Financial Audit of the BPK-RI (Juklak No.4/K/I-XIII.2/7/2014) State that the provision of opinions is not only based on the results of an evaluation of the effectiveness of the SPI but must also take into account the results of an assessment of compliance with the provisions of laws and regulations. Illegal acts found by auditors must be considered for their effect on financial statements, including the adequacy of disclosure (Arens et al., 2008).

The proper exposure to the above, this study aims to want to see the results of the BPK in its reporting to Parliament (DPR-RI) on the examination of State Finance to fulfill the task of inspection of Accountability for Implementation of the Budget and Expenditure (APBN) for the Fiscal Year 2020 specifically related to the Program Management Covid -19 and National Economic Recovery (PC-PEN),

about the Internal Control System and Compliance with Legislation.

2. LITERATURE REVIEW AND HYPOTHESIS

Modern democracies are based on a series of principal-agent relationships, so the principal-agent relationship framework is a critical approach for analyzing public policy commitments (Lane and Kivisto, 2008). Jensen and Meckling (1976) explain that agency theory states that agency relationships will arise when one or more people, as owners (*principals*), hire other people (*agents*) to provide services and then delegate decision-making authority. Jensen and Meckling (1976) explain two problems in agency theory, namely moral hazard and adverse selection. A moral hazard is a problem that arises if the agent does not carry out the things that have been mutually agreed upon in the employment contract. Adverse selection is a condition where the principal cannot know whether a decision taken by the agent is based on the information he has obtained or occurs as an omission in his duties (Sudarno, 2017).

Agency theory views that the Government as an agent for the community will act consciously for their interests and ideas that cannot trust the Government to work in the best possible way for the benefit of the community. Agency theory assumes much *information asymmetry* between the agent (Government) who has direct access to information and the principal (community). The agency theory must monitor local government performance to ensure that it complies with applicable regulations and provisions. It can increase local government accountability and reduce information asymmetry (Sudarno, 2017).

State institutions or state organs or equipment of state equipment are inseparable from the existence of the State (Hadjon, 1998). The presence of state organs is a necessity to fill and run the State. Establishing state institutions/ state organs/state apparatus manifests the people's representation mechanism in administering Government. The theory of state institutions explains the format for coordinating the relationship between the DPR and the BPK in supervising the implementation of the APBN.

The principle of checks and balances, where each branch of power controls and balances the power of other components of management (Budiardjo, 2008). The principle of checks and balances is a constitutional principle that requires that the legislative, executive and judicial powers be equal and mutually control each other. State power can be regulated, limited, and even controlled as well as possible so that abuse of state administration apparatus or individuals holding positions in state institutions can be prevented and overcome. The mechanism of checks and balances is very reasonable and even very necessary. It is to avoid the abuse of power by a person or an institution because with a mechanism like this, one institution controls or supervises each other, even complements each other (Sunarto, 2016).

In building public government management characterized by good governance, supervision is essential in keeping government functions running as they should. In this context, supervision is as crucial as the implementation of good governance itself. Regarding public accountability, supervision is one way to build and maintain the legitimacy of citizens on government performance by creating an effective monitoring system, both internal control and external control. Besides encouraging community supervision (social control) (Derileriansah, 2018).

It can carry out several types of supervision about state finances; management aims to avoid corruption, fraud, and waste aimed at the apparatus or civil servants. With the implementation of this supervision, it is hoped that the management and accountability of the state budget can run as planned. In the aspect of control of state finances, the DPR

has a strong interest in supervising it. The money used to finance state activities is obtained from the people (Sunarto, 2016). The supervisory theory explains that the audit function carried out by the BPK is part of the oversight function for the implementation of the APBN carried out by the DPR.

The DPR is tasked with supervising laws, APBN, and government policies by Article 72 letter (d) of Law UU No.17/2014 concerning MPR, DPR, DPD, DPRD. According to the Law, the function of the budget is the function of the DPR to discuss and give approval or disapproval of the draft law on the State Budget proposed by the President.

It cannot separate supervision from the examination because the examination is essentially part of the supervision, and the two are interconnected (Basri & Subri, 2003). The function of financial Audit, which is linked to the BPK institution, is closely related to the supervisory role of the DPR. Therefore, the institutional position of the BPK is actually in the realm of legislative power or at least coincides with the budget oversight function carried out by the House of Representatives. The existence of this institution in the Indonesian institutional structure is *auxiliary* to the part of the House of Representatives in the field of supervision of government performance (Asshiddiqie, 2012).

In the Amendment to the 1945 Constitution (UUD 1945), in carrying out its supervisory duties, the DPR has partnered with the BPK. The BPK's institution is regulated separately in Chapter VIII A concerning BPK Article 23 E stipulates that: "(1) To examine the management and responsibilities of state finances, an independent and independent BPK is established; (2) The results of the Audit of state finances are submitted to the DPR, DPD, and DPRD by their respective authorities; (3) The results of the examination are followed up by representative institutions and bodies by the Law."

The results of the state financial audit conducted by the BPK are notified to the DPR. However, the BPK is not subordinate to the DPR. In this context, BPK is a partner of the DPR in supervising, evaluating, and assessing policies on the use of state finances carried out by the Government. Regarding the President's accountability report on the management of state finances, the DPR has the authority to continue and take necessary actions regarding state finances (Firmansyah et al., 2005).

Supervision is directed entirely to avoid the possibility of deviation from the objectives to be achieved. Through supervision, it is hoped to help implement the policies set to achieve the planned goals effectively and efficiently. In fact, through supervision, an activity is created that is closely related to the determination and evaluation of the extent to which the work has been carried out. Management can also detect how leadership policies are implemented and the size of deviations in executing the work. In connection with the formation and implementation of the state budget of revenues and expenditures related to the executive institution, it must be controlled by the DPR institution as the mandate for implementing the state budget (Sutedi, 2011).

3. METHODS

The research method in this study uses qualitative methods through literature or secondary data. Secondary data is data published or used by other parties who are not the processor (Siregar, 2010). The data collection method in this study uses documentation and literature study, namely by collecting and studying data taken from the Supreme Audit Agency of the Republic of Indonesia (BPK-RI). The data used in this study are mainly from:

a. Examination Result Report (LHP) on the 2020 Central Government Financial Report (LKPP) (BPK, 2021).
b. Summary of Semester II Examination Results (IHPS II) in 2020 (BPKb, 2021).

c. Report of the Budget Agency of the DPR RI Regarding the Results of Level I Discussions/Discussion on the Draft Law on Accountability for the Implementation of the State Revenue and Expenditure Budget for Fiscal Year 2020 (DPR RI, 2020).
d. The Government's Response to the Views of the DPR-RI Factions Regarding the Draft Law on Accountability for the Implementation of the 2020 FY State Budget (RI, 2021) and other supporting sources.

This research is limited to only looking at the examination of the BPK on State Finances related to the PC-PEN Program, in connection with the Internal Control System (SPI) and Compliance with Legislation. SPI is a process influenced by the management created to provide sufficient confidence in achieving effectiveness, application, and reliability of the Government's presentation of financial statements (Permendagri No.4/2008).

Government financial reporting must demonstrate compliance with laws and regulations relating to the implementation of government accounting; therefore, apart from being based on an SPI evaluation, it must also consider the results of an assessment of compliance with the provisions of laws and regulations. In BPK-RI Regulation, UU No.1/2017 concerning State Financial Audit Standards (SPKN), non-compliance with the requirements of rules and regulations can result in a material misstatement of information in financial statements or other financial data that is significantly related to the purpose of the Audit.

The initial assumption from this research is that there are still weaknesses in the use of state finances, especially in the PC-PEN Program.

4. RESULTS AND DISCUSSION

The Government has established the Task Force for the Acceleration of Handling COVID-19, issued various regulations for handling COVID-19, carried out *refocusing of* activities and reallocation of the budget, and supervised the implementation COVID-19 Handling and National Economic Recovery (PC-PEN) (BPKc, 2021). In the framework of the PC-PEN Program, the Government has allocated a budget of Rp. 695.2 trillion, which is focused on increasing health spending, social protection programs, and economic recovery by providing support to the business world. The stimulus for the poor and vulnerable is also carried out through various social protection programs, both extensions of existing programs and new programs. In addition, the PEN Program also provides a stimulus for the business world to protect, maintain, and improve the sustainability of business actors during the COVID-19 pandemic and encourage accelerated recovery in the business world (Dalyono, 2020; Kennedy, 2021).

PC-PEN Program Absorption

The Ministry of Finance noted that the 2020 PEN budget absorption reached Rp 579.78 trillion or 83.4% of the target of Rp 695.2 trillion. The remaining budget of Rp 50.9 trillion has been allocated in 2021, including the vaccine budget and support for micro, small and medium enterprises (UMKM). The remaining PEN budget for vaccine budget allocations reached Rp 47.7 trillion, while support for UMKM amounted to Rp 3.87 trillion. The following is the realization of the 2020 PC-PEN Program (Victoria, 2021):

a. It realized the PEN budget for the health sector at Rp 63.51 trillion from the Rp 99.5 trillion ceiling. The realization includes incentives for health workers of Rp. 9.55 trillion, handling of Covid-19 reaching Rp. 42.52 trillion, and the Task Force of Rp. 3.22 trillion. Then health benefits of Rp 600 billion, National Health Insurance contributions of Rp 4.11 trillion, and health tax incentives of Rp 4.05 trillion.
b. The realization reached Rp 220.39 trillion for the social protection sector from the total ceiling of Rp 230.21 trillion. The funds are spread over the social protection cluster for Rp's

Family Hope Program (PKH). 36.71 trillion, basic food cards of Rp. 41.84 trillion, Village Fund BLT of Rp. 22.78 trillion, rice assistance or PKH of Rp. 5.26 trillion, cash assistance for necessities. non-PKH Rp 4.5 trillion, and electricity discount Rp 11.45 trillion. Then, the realization of the essential food assistance of Rp. 7.1 trillion, Pre-Employment Cards of Rp. 19.98 trillion, and subsidies for the wages of honorary educators of Rp. 4.07 trillion. In addition, the realization of cash subsidies for non-Jabodetabek Rp 32.84 trillion, salary or wage subsidies reached Rp 29.81 trillion, and internet quota subsidies for the Ministry of Education and Culture of Rp 4.06 trillion. For the ministries, institutions, and local governments, the realization reached Rp. 66.59 trillion from the total ceiling of Rp. 67.86 trillion.

c. It realized its support for MSMEs Rp 112.44 trillion. Rp 3.87 trillion will be used for funding support SMEs/ corporations 2021. Meanwhile, Corporation funds realized Rp 60.73 trillion, or only half of the Rp 120.6 trillion. Meanwhile, learned business incentives at Rp 56.12 trillion from the Rp 62.2 trillion ceiling.

The following table PC-PEN Program budget 2020 and the realization and estimate of the PC-PEN 2021 Budget.

PC-PEN Examination by BPK

The PC-PEN examination is one of the thematic examinations carried out by BPK in the second semester of 2020. This examination is carried out within the framework of a *risk-based comprehensive audit,* which combines the objectives of the three types of studies by taking into account the *audit universe*. PC-PEN budget

Table 1. **PC-PEN Program-Budget for 2020 and 2021**

Fiscal Support	2020 Budget			Budget Ceiling The year 2021 ****
	Original*	Reclustering**	Realization***	
Health	84.75	97.25	63.51	176.3
Social Protection	244.60	234.34	220.39	157.41
UMKM Support	114.82	114.82	112.44	186.81
Corporate Financing	62.22	62.22	60.73	
Business Incentive	120.61	120.61	56.12	53.86
Sectoral Ministries / Agencies and Local Government	68.22	65.98	66.69	
Priority Program				125.06
Total	695.22	695.22	579.78	699.43
Information			Realization 83.4%	Up 21% from the realization

Source:

*Explanation of the Head of BKF at the National Symposium on State Finance on November 4, 2020 (Dalyono, Fiscal News 2020). **Explanation Material for the Minister of Finance at the Meeting with Commission XI of the Indonesian House of Representatives on November 6, 2020 (Dalyono, Fiscal News 2020). ***Ministry of Finance (Bayu et al., 2021).

allocation to the central Government, Regional Government (Pemda), Bank Indonesia (BI), Financial Services Authority (OJK), Deposit Insurance Corporation (LPS), State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), and the 2020 grants identified by BPK amounted to Rp933.33 trillion, with a realization of Rp597.06 trillion (64%) (BPKc, 2021). BPK found that the budget allocation for the PEN program in the 2020 APBN was IDR 841.89 trillion. This figure is different from the publication of the Ministry of Finance, which is only Rp. 695.2 trillion. There is a difference of around IDR 147 trillion because several funding schemes have not been included in the costs published by the Government (CNN, 2021).

"The PC-PEN examination is part of the Summary of Semester II Examination Results (IHPS II) of 2020. The IHPS contains a summary of 559 LHP, consisting of 28 (5%) Financial LHP, 254 (45%) Performance LHP, and 277 (50%) LHP with a Specific Purpose (DTT). From the Performance LHP and DTT, 241 (43%) LHP is the result of thematic examination related to PC-PEN" (BPKc, 2021).

"Thematic examinations related to the 241 objects of study, consisting of 111 results of performance checks and 130 marks of DTT examinations. The study was carried out on 27 things for inspection by the Central Government, 204 objects for review by local governments, and ten objects for study by BUMN and other agencies. The results of the survey of PC-PEN revealed 2,170 findings containing 2,843 problems amounting to Rp. 2.94 trillion. These problems include 887 SPI weaknesses, 715 non-compliance with statutory provisions, and 1,241 3E problems (not-thrifty, inefficiency and ineffectiveness). During the inspection process, the audited entity has followed up on the non-compliance by submitting assets or depositing them to the state/regional treasury of Rp18.54 billion" (BPKb, 2021).

BPK concluded that it did not fully achieve the effectiveness, transparency, accountability, and compliance of the management and responsibility of state finances in the emergency conditions of the COVID-19 pandemic (BPKb, 2021).

BPK Findings on Compliance with the Provisions of Legislation on Accountability and Reporting (BPKb, 2021).

The examination results show that the accountability and reporting of PC-PEN, including the procurement of goods and services, have not been entirely by the provisions of the legislation. The problems that need attention from the Government are as follows:

a. Accountability and Reporting (BPKb, 2021)
    a. Ministry of Finance. The Fund Placement Program does not have an achievement target and performance indicators to measure outcomes or outputs. The Government can bear the excess interest expense of Rp13.71 trillion for the duration of the fund placement program that is not in line with the financing maturity through the issuance of *non-public goods state* securities (SBN NPG). In addition, BI has the potential to bear excess interest charges of at least Rp2.08 trillion for the issuance of SBN NPG, which is not based on data on the bank's business plan.
    b. Ministry of Manpower. The administration of the process of distributing salary/wage subsidies (BSU) is not yet orderly, such as the expenditure treasurer does not keep the books and reports of the BSU Program, and the recording of data on the distribution of BSU is not sufficient.
    c. Local Government. Evidence of accountability for payment of health incentives to 4 local governments has not been prepared adequately, and incentive payment documents are not accompanied by verification results, a warrant for carrying out duties (SPMT), and a statement of absolute responsibility (SPTJM). Problems with the management of

grants/public donations, among others, 22 Local Governments have not set a treasurer for donations for handling the COVID-19 pandemic, 19 Regional Governments have not set a donation account for managing the COVID-19 pandemic, and treasurers of grants/public donations in 15 Regional Governments have not recorded, administered, and submit reports on the realization of revenues and expenditures to the head of the Regional Apparatus Organization (OPD). The problem of accountability for spending on other health programs/activities, among others, is that 22 Regional Governments in implementing other health sector programs/activities have not been by the principles of regional financial management, and 12 Regional Governments that have not accounted for regional expenditure expenditures with complete and legal evidence.

b. Violation of Provisions (BPKb, 2021)
    a. Ministry of Social Affairs. Current accounts on other government accounts (RPL) have not been entirely deposited into the state treasury of Rp10.16 billion. There is the use of temporary savings accounts that have not been reported.
    b. Coordinating Ministry for Economic Affairs. The value paid to digital platforms and training institutions is not based on the training attended by the pre-employment card participants, which impacts achieving the objectives of the Pre-Employment Card Program; namely, there is a training fee that has been paid. Still, the participants did not attend the training, or the training status was not completed. Completed up to the position of December 31, 2020, amounting to Rp125.93 billion.
c. Compliance with the Provisions for the Procurement of Goods and Services (BPKb, 2021).
    a. Ministry of Social Affairs. There are indications of price irregularities in the process of procuring goods and services in the presidential assistance activities (Banpres) for necessities, including offerings of goods submitted after the signing of the work order (SPK), the commitment making official (PPK) does not clarify and negotiate prices, the PPK does not ask providers submit supporting evidence of price reasonableness, and the purchase price of premium rice exceeds the highest retail price (HET) of Rp3.29 billion.
    b. Local Government. The need for procurement of goods and services in 43 local governments has not been optimally planned. A total of 91 local governments have not complied with the provisions for the implementation of the procurement of goods/services, including the procurement of goods/services in the amount of Rp.22.62 billion, which has not been supported by evidence of price fairness. Rp. 10.80 billion has not been carried out by the SPK/contract/order letter (SP)/minutes. Handover (BAST). A total of 61 local governments have not complied with the applicable provisions in the payment for the procurement of goods and services; among others, the gains made have not been by work performance of Rp4.16 billion and have not been supported by complete and legal evidence of accountability of Rp12.73 billion."

Report of the BPK to the House of Representatives (BPK, 2021) (BPKa, 2021) (DPR, 2021).

Supreme Audit Agency convey "Audit Reports on LKPP Year 2020 to the Chairman of the House of Representatives by letter

BPK Chairman number 86/S/I/05/2021 dated May 31, 2021, to the Chairman of the Regional Representatives Council by letter Chairman of the Audit Board number 87/S/I /05/2021 dated May 31, 2021, and to the President through the letter of BPK Chairman number 88/S/I/05/2021 dated May 31, 2021. Based on the results of the examination, BPK opinions are *unqualified* (WTP)." WTP Opinion on LKPP 2020 is an audit opinion the best achievement that successfully defended by the Government since LKPP obtained WTP opinion in 2016 (DPR, 2021).

Based on the Audit Results Report (LHP) of the BPK on the 2020 LKPP, 26 (twenty-six) audit findings need to be paid attention to by the Government regarding the Internal Control System and Compliance with Legislation. Namım, results - finding weaknesses of the Internal Control System and Compliance with Regulations do not affect the fairness of LKPP 2020 (House of Representatives, 2021). In the DPR Plenary Session on Tuesday, June 22, 2021, BPK said that, in general, there are two parts of the problems in the LKPP, namely those related to the COVID-19 Handling and National Economic Recovery (PC-PEN) program and those that are not (Victoria, 2021).

The BPK finding on LKPP Tah u n 2020 associated with the program PC-PEN in connection with the Internal Control System and Compliance with Legislation are as follows (BPK, 2021) (BPKa, 2021) (DPR, 2021):

a. Governments have yet to develop the country's financial policy reporting mechanisms to deal with the impact of Pandemic COVID-19 at the Central Government Financial Statements to implement Article 13 of Law UU No.2 the Year 2020 on Stipulation of Government Regulation in Lieu of Law (Perppu) No.1 the Year 2020.
b. The realization of tax incentives and facilities in the context of the COVID-19 Pandemic Handling and National Economic Recovery (PC-PEN) 2020 program of at least IDR 1,69 trillion is not by the provisions.
c. Budgeting, implementation, and accountability for expenditures outside the PC-PEN Program at 80 (eighty) Ministries/Institutions of at least Rp. 15.58 trillion have not been entirely by the provisions.
d. Control in implementing PC-PEN Program expenditure of Rp9.00 trillion at ten Ministries/Agencies is not adequate.
e. The distribution of Interest Subsidy for People's Business Credit (KUR) and Non-KUR, as well as Other Expenditures on Pre-Employment Cards in the context of PC-PEN, have not taken into account the readiness of program implementation so that there are remaining funds for activities/ programs that have not been disbursed amounting to Rp6.77 trillion.
f. The realization of Financing Expenditures for Fiscal Year 2020 amounting to Rp28.75 trillion in the context of PC-PEN was not carried out in stages by the readiness and schedule of the needs of the final recipient of the investment.
g. The Government has not yet finished identifying the return of PC-PEN 2020 spending/financing in 2021 as the remaining PC-PEN State Securities (SBN) funds for 2020 and PC-PEN 2020 activities which will continue in 2021.

The recommendations given by the BPK regarding the findings with the PC-PEN Program are (BPK, 2021) (BPKa, 2021):

a. Suckling n and establish reporting mechanisms of state financial policies to handle the impact of pandemic k COVID -19 in LKPP, including the preparation of management's assertions on the provision of tax incentives in the framework of the implementation of article 13 of Law No.2 of 2020;
b. Coordinate with relevant Ministers/ Heads of Institutions to improve budget implementation governance related to the PC-PEN Program

to prevent irregularities in budget execution and increase transparency and accountability.

c. Ordering KPA for the Management of KUR and non-KUR Interest Subsidy Expenditures in the context of PEN to:
   a. Depositing excess payments to the state treasury for non-KUR interest subsidy calculations that are not by the provisions/inactive debtors at PT PNM, PT Pegadaian, and banking institutions as well as demand deposits at PT PNM; and
   b. Take steps to settle KUR and non-KUR interest subsidy funds that have not been distributed to PT Pegadaian and Banking Institutions.
d. Identifying and reconciling the remaining 2020 PEN-PC funds from the 2020 PC-PEN Expenditure/Financing refund in 2021, as well as 2020 PC-PEN programs/activities, which will continue in 2021 according to PMK regulation Number 187/PMK,05/ 2020.

Meanwhile, problems unrelated to the PC-PEN Program include:

"Reporting of several tax transactions is incomplete. It is related to the presentation of state rights of at least Rp. 21.57 trillion and US$ 8.26 million, as well as state obligations of at least Rp. 16.59 trillion according to the actual accounting basis, and the balance of expired receivables is not yet believed to be fair at Rp. 1.75 trillion. Another problem is the budgeting, implementation, and accountability of expenditures outside the PC-PEN Program at 80 ministries/ agencies of at least Rp. 15.58 trillion are not fully by the provisions. For example, the realization of financing and book-entry from the State General Treasurer (BUN) account in the form of research, culture, and a university endowment fund of Rp. 8.99 trillion. Because, at this time, the funds are still deposited in the account of the Public Service Agency (BLU) of the Education Fund Management Institute (LPDP) because the arrangements related to the management of the funds have not been determined. In addition, it was found that the administration of tax receivables at the Directorate General of Taxes at the Ministry of Finance was inadequate, and there was uncertainty. It concerns the status of claims for reimbursement of bridging funds for land acquisition for National Strategic Projects by business entities that do not pass the verification based on the BPKP Verification Result Report (LHV). Then, the Government also has not set guidelines for calculating long-term liabilities for the pension program. For these problems, BPK provides recommendations to the Government for follow-up actions for improvement, management, and accountability of the APBN for the coming year" (Victoria, 2021; BPK, 2021).

For all the recommendations that have been given, BPK requests that they be followed up for improvement, management, and accountability for the APBN in the coming year. (BPKc, 2021)

Process in DPR (DPR, 2021)

Fulfilling the mandate of Article 183 and Article 184 W No.17 concerning the MPR, DPR, DPD, and DPRD (MD3) as last amended by Law UU No.13/2019, stated that the Government submits bill on accountability for implementation of the budget in the form of financial statements which have been audited by Supreme Audit Agency (BPK) to the House of Representatives (DPR) at Iambat 6 (six) months after the end of the fiscal year, for approval. It shall carry out the discussion and stipulation of the Draft Law on Accountability for the Implementation of the State Budget within a maximum period of 3 (three) months after submitting the results of the examination of the Government's financial statements by the BPK to the DPR.

Through Presidential Letter Number R-31/Pres/06/2021, dated June 30, 2021, to the Chair of the Indonesian House of Representatives, the Government submitted a Bill on Accountability for the

implementation of the 2020 State Budget (RUU P2 APBN FY 2020), at the same time assigning the Minister of Finance as Government Representative to discuss with the DPR. Following up on the submission of the 2020 Revised State Budget Bill, through a letter from the Chairperson of the Indonesian House of Representatives, the Deputy Chair of the Indonesian House of Representatives, Number PW/09443/ DPR RI/V11/2021, dated July 16, 2021, regarding the Assignment to Discuss the Accountability Bill for the Implementation of the Revenue and Expenditure Budget State Year 2020. Based on this assignment, the Budget Agency of DPR-RI held a meeting with the Ministry of Finance in the context of Level 1 Discussions/Discussions of the 2020 State Budget P2 Bill.

The process of Level I Discussions on the accountability for the implementation of the 2020 State Budget (P2 APBN FY 2020) Bill that has been carried out are (DPR, 2021):

a. On July 15, 2021, the Minister of Finance submitted the Draft P2 APBN for 2020 in the Plenary Meeting.
b. On August 19, 2021, all factions expressed their views on the bill on the P2 APBN for the Year 2020 in the Plenary Meeting.
c. On August 24, 2021, the Government responded to the factions' views on the 2020 FY State Budget P2 Bill in the Plenary Meeting. Followed by a working meeting between the Budget Agency and the Minister of Finance to submit the main points of the 2020 State Budget P2 Bill, as well as the formation of a working committee to formulate the conclusion of the 2020 FY 2020 APBN P2 Bill discussion, and the 2020 FY 2020 State Budget P2 Draft Working Committee.
d. On 26-30 August 2021, the Commissions are allocated time to discuss the 2020 LKPP of their partners to be submitted to the Budget Agency.
e. On September 1, 2021, a Working Committee Meeting on the Conclusions of the Discussion on the P2 State Budget for the 2020 fiscal year was held.
f. On September 2, 2021, a Working Committee Meeting was held of the Draft Bill on the State Budget for FY 2020.
g. On September 6, 2021, the Budget Board held a Working Meeting with the Minister of Finance for approval and ratification of the Panja reports as a result of the discussion of the RUU P2 APBN for the Year 2020, as well as the submission of mini-faction opinions as to the faction's final stance on the RUJU P2 APBN the Year 2020.

In following up on BPK's recommendations, in the DPR Examination Results and Recommendations Report, the DPR guides the Government so that (DPR, 2021);

a. Enhancing the quality of financial statements of State Ministries/ Agencies, especially those not yet received an *Unqualified* audit opinion.
b. Enhancing the quality of asset management and reliability of the Government's presentation to curb the assets include fixed asset utilization and legality in all State Ministries/ Agencies.
c. Enhancing the quantity and quality of training of accounting and accrual-based financial reporting to increase the capacity of Human Resources in State Ministries/Agencies and Local Government.
d. Disseminate the Government Financial Statement information to the public to increase understanding of the financial management of the Central Government and the increased use of information Government Financial Statements.
e. The Government should give awards to State Ministries/Agencies that effectively manage their budgets and obtain an *Unqualified* audit opinion on their financial statements.

f. Enhancing the role and quality of Government Internal Supervisory Apparatus in state financial management, from planning, budgeting, implementation, and accountability to implement the budget.
g. Encourage and carry out intensive guidance and assistance in following up on the findings of the Supreme Audit Agency, especially to Ministries/ Institutions that have not received an *Unqualified* audit opinion by the provisions of the legislation.
h. Enhancing control of subsidies in earnest through a consistent policy to fit/right on target.
i. Enhancing the quality of Government expenditure-oriented output, outcome, and the result to improve the welfare of the people shown of the convenience of the people in the health service, education, social aid, livable housing, employment opportunities, and increasing the welfare of farmers, fishers, and other food sector workers.
j. The Government is dealing with state assets set aside and managed by BUMN or another body to increase and optimize economic and social benefits, strengthen the domestic supply chain, enhance competitiveness, and dominate the market in the country.
k. The Government is dealing with state assets set aside and managed by BUMN or another body, to maintain the assets are sourced from the branches of production that are important and dominate the life of the people and support of the earth, water, and wealth in it, still controlled by country according to the laws and regulations.
l. The Government should continue to improve the effectiveness and efficiency of budgeting to not result in an excessive amount of Budget Financing Remaining (SILPA) in the coming years. Its use is optimal by the laws and regulations.

5. CONCLUSION

The results of the Supreme Audit Agency (BPK) examination provide an "Unqualified" (WTP) opinion on state finances for the 2020 fiscal year. However, based on the BPK Audit Report for the 2020 LKPP, 26 (twenty-six) audit findings need the Government's attention regarding the Internal Control System and Compliance with Legislation.

BPK concluded that it did not fully achieve the effectiveness, transparency, accountability, and compliance of state financial management and responsibility in the COVID-19 pandemic emergency conditions, because The COVID-19 Handling and National Economic Recovery Program (PC-PEN) budget allocation in the State Revenue and Expenditure Budget (APBN) had not been identified and codified as a whole and the PC-PEN budget was not fully realized distributed as planned; Accountability and reporting of PC-PEN, including the procurement of goods and services, is not entirely by the provisions of the legislation; and The implementation of disaster management programs and activities for handling the COVID-19 pandemic is not wholly effective.

In Compliance with the Provisions of Laws and Regulations on Accountability and Reporting, the examination results of BPK show that the accountability and reporting of PC-PEN, including the procurement of goods and services, are not entirely by the provisions of laws and regulations.

The House of Representatives of the Republic of Indonesia (DPR-RI) accepts responsibility for implementing the 2020 Fiscal Year State Budget by providing 12 recommendations to the Government to be followed up.

The Government must pay attention to the findings of the BPK that need the Government's awareness regarding the Internal Control System and Compliance with the Laws and Regulations. The Government must continue handling the COVID-19 pandemic and the National Economic Recovery in 2021, with various improvements and refinements from the 2020 implementation.

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