

Bismillahir Rahmanir Rahim

Excellencies Members of Parliament of New South Wales, honourable speakers and presenters, distinguished Delegations, ladies and gentlemen

*Good Morning,
Assalamu'alaikum warahmatullahi wabarakatuh,
May peace be upon us all,*

Distinguished Ladies and Gentlemen,

First of all I would like to express my heartiest gratefulness to Almighty Good, Allah SWT, has given us the opportunity to attend this great occasion.

On behalf of the House of Regional Representatives of The Republic of Indonesia (DPD RI), I would also like to express my heartfelt appreciation and deepest thanks to the Public Accounts Committee of Parliament of New South Wales to hold Twelfth Biennial Australasian Council of Public Accounts Committees Conference (ACPAC).

It is a great honor for me to stand here as a representative of Public Accountability Committee of The House of Regional Representatives of The Republic of Indonesia.

Distinguished Ladies and Gentlement,

**Introducing "PAP of DPD-RI"
in its Role of Overseeing the State Financial Management**

Public Accountability Committee (PAP) is one of the organs of DPD newly formed in the end of 2009. The establishment was based on concern over the poor financial performance of the regional government showed by financial audit results conducted by BPK. However, the audit results were not followed up properly by government resulting in error repetition and even further indication of corruption. As the regional representatives directly elected by the constituents, PAP inisiate to take efforts to prevent corruption in order to make a positive impact on society.

As a new organs, PAP continues to develop the organization as they perform the duties. In this international meeting, we may share our experience in order for us to develop our system. In this paper, we will introduce the PAP DPD RI's profile, ranging from legal status, powers, activities that have been carried out, the important findings in their tenure of office and PAP future projection.

I. DUTIES AND AUTHORITIES OF PAP DPD RI

The 1945 Constitution Section 22D and the Law (UU) Number 27 Year 2009 on MPR (People's Consultative Assembly), House of Representatives (DPR), House of Regional Representatives (DPD), and Local House of Representatives (DPRD), defined the main duties and authorities of DPD-RI, as follows:

- a. Propose and participate the discussion of Bills to DPR RI that deal with regional autonomy, and relationship and fiscal balance between central and local government, as well as establishing and management of natural resources and other economic resources;
- b. Provide consideration to DPR over Bills on the State Budget and over Bills on taxation, education, and religious affairs it also provides opinions to DPR-RI in recruiting members of Supreme Audit Board (BPK);
- c. Oversee the implementation of laws, as mentioned in letter a (above), as well as the implementation of the State Budget, taxation, education, and religious affairs.

DPD has four main organs called Committee and some supporting committees, one of which is PAP. PAP is in charge in following up the findings of BPK as well as the complaints from the public dealing with cases indicated as corruption and maladministration. There are 33 Members of PAP signifying the representative of each province in Indonesia.

In carrying out the task, PAP maintains partnerships with BPK, Corruption Eradication Commission (KPK), Ombudsman, public Attorney, Indonesian National Police.

II. FOLLOWING UP BPK FINDINGS AND RECOMMENDATIONS

PAP through plenary session of DPD receives audit result reports from BPK such as Reports of the Semester Examination Results (IHPS) and Audit Result Report (LHP) dealing with the management and responsibility of the state budget.

PAP is in charge of following up the BPK's audit results which focused on the indication of State's financial losses against the law or allegedly corrupts. Therefore, PAP more concern on the recommendations aimed at rescuing the state's financial losses which has already become real, has the potential of loss or lack of acceptance; including the possibility of enforcing the law dealing with the state's losses in accordance with the provisions of applicable law; and submit the case to law enforcement agencies.

In undertaking the oversight function, PAP conducts working meetings with local governments and Provincial Representative of BPK to realize the oversight functions and to obtain information/clarification related to the follow up process of the BPK recommendations on prominent cases of disobedience against the law resulting the state losses. PAP regularly conducts consultative meeting with BPK related to explanations and solutions to the problems of following up the BPK recommendations and law enforcement encountered by and/or submitted to PAP.

III. COOPERATIONS WITH LAW ENFORCEMENT AGENCIES

PAP receives and follows up any public complaints, such as cases of alleged corruption of the state apparatus in the regions and aspirations dealing with conflicts between public and government and conflicts among the regional governments. PAP may try to facilitate them in order to get resolutions of such conflicts.

PAP if necessary, encourage the resolution of the state's losses through criminal justice system processed. As a follow up to the implementation of PAP oversight function to the state financial management in the regional government particularly related to the BPK findings, reports, and submission, as well as alleged corruption complain by people local, PAP provides

information to KPK or another law enforcement agency in local level. Over the information submission of alleged corruption acts, PAP monitors the status of its resolution.

In undertaking the oversight function, PAP may conducts coordinative meetings/hearings with Chairman of KPK, Chief of the Indonesian National Police, Attorney General, and Ombudsman.

IV. OBSTACLES AND PROBLEMS FACED BY PAP

In following up the findings and recommendations of the BPK audit results, there have been a number of obstacles and problems:

- a. Problem in regulation formulation. Some regulations are inconsistent, overlapped, and contradictive. In some cases, there is no regulation issued by the government, such as the inclusion and tax collecting that has no fundamental basis to do so in some regions;
- b. Differences in terms of perception/interpretation of state's financial losses assessments, such as differences of standards/criteria for calculating the value between the auditor and the auditee and recommendations that are too soft and immeasurable;
- c. Human resources factor, that is the high officials commitment and personnel quality to follow up the recommendations given by BPK;
- d. Coordination and integration between the BPK and law enforcement agency and among law enforcement agencies themselves.

V. PAP IN THE FUTURE

In the future, PAP may take a couple of actions in order to improve its role such as :

- a. To continue and encourage the integrity of local government, especially to achieve "good governance" and "clean government";

- b. To continue and strengthen the cooperation with KPK, Indonesian National Police, and Public Attorney in order to be proactive over the corruption prevention and prosecution;
- c. PAP will strengthen the cooperation network with civil society organizations in each provinces;
- d. To develop the cooperation with similar agencies /institutions of neighboring countries to obtain the same purpose.

Distinguished Ladies and Gentlemen,

On a final note, May I express my wish for Twelfth Biennial Australasian Council of Public Accounts Committees Conference to be a brilliant success and be fruitful for the delegations.

Than, I and my colleague honourable Mr Abdul Gafar Usman a senator from Riau as vice chairman of PAP who accompany me to this meeting, would like to extend my best wishes to delegations and all distinguished delegates for very good health and a pleasant stay here.

Thank you.

Assalamu'alaikum warahmatullahi wabarakatuh

*Chairman of PAP DPD RI
Prof. Dr. Farouk Muhammad
Senator from West Nusa Tenggara*