

# Audited Project Financial Statements

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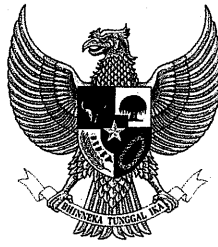
Project Number: 38354-013  
Loan/Grant Number: 2927  
Period covered: 1 Jan 2014 – 31 December 2014

## INO: State Accountability Revitalization Project

Prepared by Central Government Internal Auditor (Badan Pengawasan Keuangan dan Pembangunan)

For the Asian Development Bank  
Date received by ADB: 10 September 2015

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Central Government Internal Auditor (Badan Pengawasan Keuangan dan Pembangunan).



**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

**AUDIT REPORT  
ON  
THE FINANCIAL STATEMENTS OF LOAN ADB 2927 - INO  
IN  
STAR ACCOUNTABILITY REVITALIZATION (STAR) PROJECT  
FINANCIAL AND DEVELOPMENT SUPERVISORY AGENCY  
(BPKP)  
YEAR 2014**



Number : 148A/HP/XVI/06/2015

Date : June 26, 2015

# **MARIANA MOLNAR GABOR – WAROKKA**

**Sworn-In Translator / Penerjemah Bersumpah**

## **TRANSLATOR'S STATEMENT / PERNYATAAN PENERJEMAH** **NO. 23493/VII/2015**

*I do hereby certify that the above stated Indonesian into English translation is a true and correct English version of the text given, to the best of my knowledge and belief.*

Dengan ini saya menyatakan bahwa terjemahan dari bahasa Indonesia ke bahasa Inggris tersebut di atas adalah versi bahasa Inggris yang benar dan tepat dari naskah yang bersangkutan, menurut pengetahuan dan keyakinan terbaik saya.

Jakarta, July 08, 2015 / 08 Juli 2015



**Mariana Molnar Gabor – Warokka**  
**Sworn-in Translator / Penerjemah Bersumpah**

## SYSTEMATICS OF AUDIT RESULTS

ON

### FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014

The results of audit on Financial Statements of ADB Loan 2927-INO Year 2014 comprise the following three reports:

#### 1. Report I: Audit Reports on Financial Statements

Report I contains:

- a. Audit report containing BPK's opinion;
- b. General Overview of the audit containing the legal basis of the audit, audit objective, audit targets, audit standards, audit methodology, audit period, audit object, audit limitations; and
- c. Financial Statements of ADB Loan 2927-INO Year 2014.

#### 2. Report II: Audit Report on Internal Control System

Report II contains:

- a. Summary of Report on Internal Control System;
- b. Results of Audit on Internal Control System; and
- c. Results of Monitoring of Follow-Up on Audit on Internal Control System Year 2013.

#### 3. Report III: Audit Report on Compliance with Statutory Regulations

Report III contains:

- a. Summary of Report on Compliance with Statutory Regulations;
- b. Results of Audit on Compliance with Statutory Regulations; and
- c. Results of Monitoring of Follow-Up on Audit on Compliance with Statutory Regulations Year 2013.



# TABLE OF CONTENTS

	Page
SYSTEMATICS OF AUDIT REPORT ON FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014.....	i
TABLE OF CONTENTS.....	ii
AUDIT REPORT ON FINANCIAL STATEMENTS.....	1
OVERVIEW OF THE AUDIT.....	4
<b>FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014</b>	
I. CONSOLIDATED FINANCIAL REPORT	
II. NOTES TO THE FINANCIAL STATEMENTS	



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**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

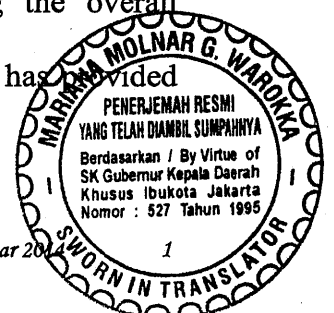
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**AUDIT REPORT ON FINANCIAL STATEMENTS**

To: Head of the Planning and Supervision Bureau of the Finance and Development  
Supervisory Agency as the Executing Agency of ADB Loan No. 2927-INO

Based on Law No.15 Year 2004 regarding State Finance Management and Accountability Audit and Law No.15 Year 2006 regarding the Audit Board (BPK), BPK has audited the State Accountability Revitalization (STAR) Project funded by Asian Development Bank (ADB) Loan No. 2927 – INO ended as of December 31, 2014. The Financial Statements are the responsibility of the management of the STAR Project. BPK's responsibility is to provide opinion on the financial statements based on the audit conducted.

BPK conducted the audit based on State Financial Auditing Standards (*SPKN*). The standards require BPK to plan and perform audits to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes assessing evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the management of the STAR Project, assessing compliance with statutory regulations, assessing the reliability of internal control system having material effects on the financial statements, as well as assessing the overall presentation of the financial statements. BPK is assured that the audit has provided adequate basis for providing an opinion.



The financial statements of the STAR Project have been prepared on cash basis, whereby revenue and expenditure transactions are recognized if cash is received or paid.

BPK is of the opinion that, (a) the aforementioned financial statements have been presented fairly in all material respects in relation to the financial position of the STAR Project as of December 31, 2014, and the results of activities for the year ended as of December 31, 2014, in accordance with Government Accounting Standards; (b) The Executing Agency has not used the entire loan withdrawn from ADB only for financing the project in accordance with the agreement between ADB and the Government of the Republic of Indonesia in the Loan Agreement, as a portion of the loan has been used for other purposes, namely activities which have not been approved (No Objection Letter) by ADB; (c) The Executing Agency has not prepared the financial statements in a timely manner in the end of the year to be audited in accordance with the agreement in the Loan Agreement, whereby the financial statements were submitted to BPK on April 8, 2015.

Additional explanation:

- a) For the presentation of the Statement of Expenditure, (1) the management of documents for the submission of request for the reimbursement of expenditures to ADB has been performed adequately; and (2) the aforementioned expenditures, except for the issues which have been referred to in the preceding paragraph, have met the requirements to be financed by Loan Agreement No.2927 – INO;
- b) For the presentation of the Imprest Account, (1) it has provided adequate description of revenues and expenditures occurring during the year ended as of December 31, 2014; and (2) evidence of the aforementioned revenues and payments, except for the issues which have been referred to in the preceding

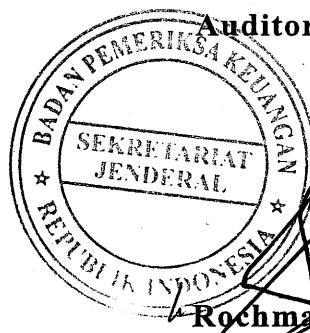


paragraph, have supported the disbursement/reimbursement of the Imprest Account.

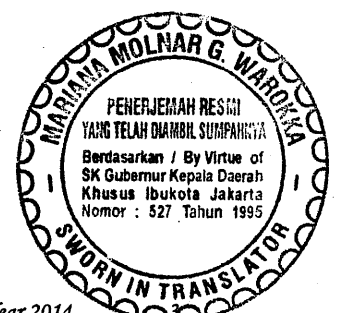
As part of obtaining reasonable assurance of the fairness of the financial statements, BPK has audited the internal control system and compliance with statutory regulations. The Audit Reports on Internal Control System and Compliance with Statutory Regulations are presented in Reports Number 148B/HP/XVI/06/2015 and Number 148C/HP/XVI/06/2015 dated June 26, 2015, which constitute an inseparable part of this report.

Jakarta, June 26, 2015

**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

**Auditor-In-Charge**  
  
**Rochmadi Saptogiri**

**State Register No. D-18.474**



## GENERAL OVERVIEW OF THE AUDIT

### 1. Legal Basis of the Audit

- a. Law Number 17 Year 2003 regarding State Finance;
- b. Law Number 1 Year 2004 regarding State Treasury;
- c. Law Number 15 Year 2004 regarding State Finance Management and Accountability Audit;
- d. Law Number 15 Year 2006 regarding the Audit Board.

### 2. Audit Objective

The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 has been conducted in order to provide opinion on the level of fairness of the financial information presented in the financial statements based on the following criteria:

- a. Conformity of the Financial Statements of ADB Loan 2927-INO Year 2014 being audited with the Government Accounting Standards (SAP);
- b. Adequate disclosure of financial information in the financial statements in accordance with the disclosure which should be made as referred to by SAP;
- c. Compliance with statutory regulations in state finance management and accountability as well as financial reporting; and
- d. Effectiveness of Internal Control System (SPI).

### 3. Audit Targets

The targets of the audit are Financial Statements of ADB Loan 2927-INO Year 2014 comprising:

- a. Effectiveness of the design and implementation of the internal control including the considerations on the results of the previous audit;
- b. Compliance with applicable statutory regulations;



c. Presentation of the balances of accounts and transactions in the Consolidated Financial Report in accordance with SAP;

d. Disclosure of financial information in the Notes to the Financial Statements.

Assessment of Financial Statements is aimed at assessing all management assertions in financial information, effectiveness of the internal control and compliance with applicable statutory regulations which comprise the following:

a. Existence and occurrence

Whereas all revenues and expenditures transactions presented in the Consolidated Financial Report Year 2014 have actually existed and occurred during the period of time and have been supported by adequate evidence.

b. Completeness

Whereas all revenues, expenditures and financing transactions occurring in 2014 have been recorded in the Consolidated Financial Report Year 2014.

c. Rights and Obligations

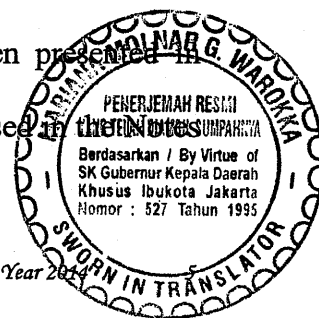
Whereas all the assets recorded in the balance sheets are actually owned or the rights of KL and the debts recorded are the obligations of KL as of the reporting date.

d. Assessment and Allocation

Whereas all revenues and expenditures have been presented in the actually amounts and values, have been classified in accordance with the stipulated standards/provisions, and constitute expenditure/budget allocations in Year 2014.

e. Presentation and Disclosure

Whereas all components of the financial statements have been presented in accordance with the provisions and have been adequately disclosed in



to the Financial Statements.

#### 4. Audit Standards

The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 is in compliance with the State Financial Auditing Standards (SPKN) stipulated by Regulation of BPK Number 1 Year 2007.

#### 5. Audit Methodology

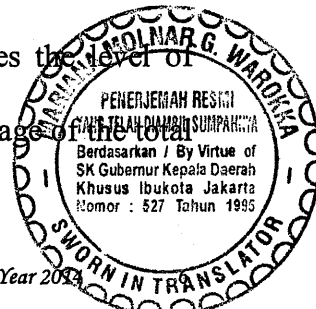
The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 has been conducted by applying the following approaches.

##### a. Risk Approach

The methodology applied in conducting audit on the finance of ministries/agencies uses the risk approach. The risk approach applied in this audit is based on the comprehension of the entity and SPI as well as assessment of the effectiveness of the internal control system of accounting and reporting of the financial statements. The results of comprehension and assessment of SPI will determine the level of reliability of SPI of the ministries/agencies in presenting LRA in accordance with management assertions and applicable provisions. The determination of audit risk simultaneously with the reliability level of control (control risk) as well as the level of inherent risk of the entity will serve as the reference for determining the expected detection risk and the number of auditsto be conducted as well as the focus of the audit.

##### b. Materiality

The consideration of the level of materiality includes determining the initial level of materiality (Planning Materiality/PM) which constitutes the level of materiality of the overall financial statements namely the percentage of the total



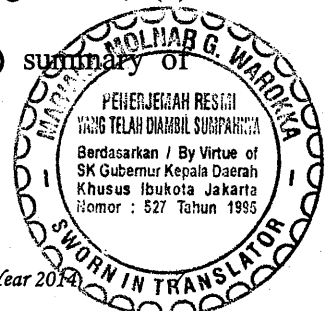
realization of expenditures/revenues/fixed assets. Furthermore, for the level of account, the Tolerable Misstatement/TM is determined as the proportion of the value of each account to the total significant account multiplied by PM and is based on the results of assessment of the risk level of each account. The aforementioned materiality standard is not applicable to the deviations containing the elements of corruption, collusion, and nepotism (KKN) as well as violations of law.

c. Audit Sampling

This audit has been conducted by performing assessment of units by sampling in the population to be tested. The audit conclusion will be obtained based on the sampling results used as the basis for describing the condition of the population. In this audit, the Auditor used non-statistical sampling method as well as statistical sampling method with due observance of the adequacy of the number of samples selected either from the rupiah value aspect or the type of transaction. The use of both statistical and non-statistical sampling methods must be documented in the Audit Worksheet (KKP). Such documentation discloses, among other things, the reason for the use and the general overview of the aforementioned sampling method.

d. Reporting

The Auditors prepare Draft Audit Findings with regard to the Financial Statements of ADB Loan 2927-INO Year 2014 when they find any issues which need to be communicated to BPKP. Such issues include: (1) ineffectiveness of SPI; (2) fraud and deviation from provisions of statutory regulations; (3) significant non-compliance with statutory regulations; and (4) summary of corrections.



The draft Audit Findings are submitted by the Audit Team Leader to the authorized official for obtaining written and official response from BPKP. After the Draft Audit Findings has been submitted by the Audit Team Leader to BPKP, the audit team will discuss the findings with the authorized official of the entity at BPKP. Rejection of the summary of corrections, SPI findings and non-compliance will affect the opinion.

Official written response to the draft Audit Finding Sheet (LTP) is obtained from the authorized official of the entity. Such response will be disclosed in the Findings of Audit on the Financial Statements of ADB Loan 2927-INO Year 2014. The findings of audit on the Financial Statements of ADB Loan 2927-INO Year 2014 will be submitted by the Team Leader to the authorized official of the entity.

The auditors, in this case the Team Leader, will submit the Audit Findings to the Head of BPKP. The aforementioned submission of the Findings of Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 constitutes the end of the work on site of audit on the Financial Statements of ADB Loan 2927-INO Year 2014.

Draft Audit Report (LHP) will be prepared based on the aforementioned Audit Findings. Prior to issuance, the draft Audit Report (LHP) is submitted to the Head of BPKP for obtaining response and action plan with regard to BPK's recommendations.

## 6. Audit Period

The audit was conducted for 30 days based on the Assignment Letter of Member III No.15/ST/V/01/2015 dated January 31, 2015.



## 7. Audit Object

The Financial Statements of ADB Loan 2927-INO Year 2014 comprising the Consolidated Financial Report and Notes to the Financial Statements (*CaLK*).

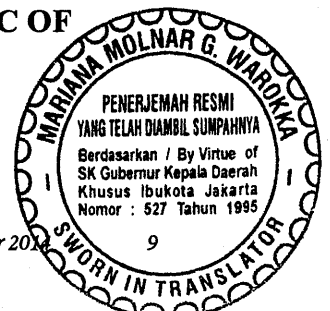
## 8. Audit Limitations

All information presented in the financial statements is the responsibility of the management. Therefore, BPK is not responsible for misinterpretation and possible effect of information not provided either deliberately or indeliberately by the management. BPK's audit includes procedures designed to provide reasonable assurance in detecting any errors and misstatement having material effect on the financial statements. BPK audit is not aimed at finding faults or deviations. However, any deviation found based on the audit results will be disclosed.

In conducting the audit, BPK is also aware of the possible existence of violation of law. However, BPK does not provide any guarantee that all violations of law will be detected and it only provides reasonable guarantee that violations of law directly and materially affecting the figures in the financial statements will be detected. BPK will inform about any violations of laws or material fault/deviation found during the course of audit.

In conducting assessment of compliance with statutory regulations, BPK only assesses the agency's compliance with statutory regulations directly related to the preparation of financial statements. This does not rule out the possibility that there is still unidentified non-compliance with regulations.

**AUDIT BOARD  
OF THE REPUBLIC OF  
INDONESIA**





**STATE ACCOUNTABILITY  
REVITALIZATION PROJECT  
(STAR)**



**ADB LOAN No. 2927-INO**

**LAPORAN KEUANGAN KONSOLIDASI**

**UNTUK TAHUN YANG BERAKHIR PADA  
31 DECEMBER 2014**



State Accountability Revitalization Project

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR) ADB LOAN NO.2927- INO**  
**RENCANA TAHUNAN DAN REALISASI PEMBIAYAAN DAN PENGELUARAN PROYEK KONSOLIDASI**  
 Untuk Tahun Yang berakhir pada 31 Desember 2014 (dalam Rupiah)

No. Kat.	Kategori/ Komponen Proyek	Notes	Anggaran T.A 2014 (DIPA)			Realisasi (Pelaksanaan) T.A 2014			Persentase Realisasi
			Loan ADB Rp	GOI Rp	Total Rp	Loan ADB Rp	GOI Rp	Total Rp	
<b>PENERIMAAN</b>									
	Pemerintah Indonesia	3.a.2)	0	1,179,999,000	1,179,999,000	0	1,106,646,709	1,106,646,709	93.78
	Pinjaman ADB	3.a.2)	112,530,000,000	0	112,530,000,000	84,202,823,261	0	84,202,823,261	74.83
	<b>Total Penerimaan</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>113,709,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>85,309,469,970</b>	<b>75.02</b>
<b>PENGELUARAN</b>									
		3b							
01	Penelitian dan Pengembangan	3.b.1)	823,315,000	0	823,315,000	781,845,825	0	781,845,825	94.96
02	Penguatan dan Pengembangan Institusional	3.b.2)	970,000,000	0	970,000,000	795,601,987	0	795,601,987	82.02
03	Peralatan, Kendaraan dan Furnitur	3.b.3)	8,771,600,000	0	8,771,600,000	2,314,478,000	0	2,314,478,000	26.39
04	Materi Belajar dan Mengajar	3.b.4)	1,042,010,000	0	1,042,010,000	1,029,069,153	0	1,029,069,153	98.76
05	Jasa Konsultasi	3.b.5)	9,054,732,000	0	9,054,732,000	4,017,762,878	0	4,017,762,878	44.37
06	Pelatihan dan Beasiswa	3.b.6)	86,735,171,000	0	86,735,171,000	72,478,503,147	0	72,478,503,147	83.56
07	Manajemen Proyek	3.b.7)	5,133,172,000	0	5,133,172,000	2,785,562,271	0	2,785,562,271	54.27
	Pengeluaran lainnya (non - portion)	3.b.8)	0	1,179,999,000	1,179,999,000	0	1,106,646,709	1,106,646,709	93.78
	<b>Total Pengeluaran</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>113,709,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>85,309,469,970</b>	<b>75.02</b>

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR) ADB LOAN NO.2927- INO**  
**REALISASI PENGELUARAN DAN PEMBIAYAAN PROYEK KONSOLIDASI**  
 Untuk Tahun Yang berakhir pada 31 Desember 2014 (dalam Rupiah)

No. Kat.	Kategori/ Komponen Proyek	Notes	Tahun Anggaran 2014				Kumulatif			
			Anggaran (DIPA)		Realisasi		Anggaran (DIPA)		Realisasi	
			Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp
<b>PENERIMAAN</b>										
	Pemerintah Indonesia	3.a.1)	0	1,179,999,000	0	1,106,646,709	0	3,179,999,000	0	2,890,608,510
	Pinjaman ADB	3.a.1)	112,530,000,000	0	84,202,823,261	0	133,017,862,000	0	103,426,382,988	0
	<b>Total Penerimaan</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>133,017,862,000</b>	<b>3,179,999,000</b>	<b>103,426,382,988</b>	<b>2,890,608,510</b>
<b>EXPENDITURE</b>										
		3b								
01	Penelitian dan Pengembangan	3.b.1)	823,315,000	0	781,845,825	0	1,148,224,000	0	1,095,904,125	0
02	Penguatan dan Pengembangan Institusional	3.b.2)	970,000,000	0	795,601,987	0	1,195,000,000	0	1,016,183,681	0
03	Peralatan, Kendaraan dan Furnitur	3.b.3)	8,771,600,000	0	2,314,478,000	0	9,656,273,000	0	2,919,180,933	0
04	Materi Belajar dan Mengajar	3.b.4)	1,042,010,000	0	1,029,069,153	0	1,664,455,000	0	1,636,933,898	0
05	Jasa Konsultasi	3.b.5)	9,054,732,000	0	4,017,762,878	0	9,448,402,000	0	4,017,762,878	0
06	Pelatihan dan Beasiswa	3.b.6)	86,735,171,000	0	72,478,503,147	0	103,962,336,000	0	89,299,532,958	0
07	Manajemen Proyek	3.b.7)	5,133,172,000	0	2,785,562,271	0	5,943,172,000	0	3,440,884,515	0
	Pengeluaran lainnya (non - portion)	3.b.8)	0	1,179,999,000	0	1,106,646,709	0	3,179,999,000	0	2,890,608,510
	<b>Total Expenditures</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>133,017,862,000</b>	<b>3,179,999,000</b>	<b>103,426,382,988</b>	<b>2,890,608,510</b>

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR)  
ADB LOAN NO. 2927 - INO  
LAPORAN KEUANGAN REKENING KHUSUS NO. 601.31141198  
UNTUK TAHUN YANG BERAKHIR PADA 31 DESEMBER 2014**

	Notes	Jumlah (USD)
<b><u>Bagian A - Aktivitas Akun</u></b>		
1. Saldo awal, 07 Januari 2014		292.059,75
<b>Tambah :</b>		
2. Jumlah penggantian ADB ke Rekening Khusus pada tahun anggaran 2014	3.c.1	6.707.273,92
3. Jumlah pengembalian ke rekening khusus	3.c.2	92.131,49
<b>Kurang :</b>		
4. Jumlah penarikan dari rekening khusus pada tahun 2014	3.c.3	7.081.252,27
5. Saldo pada tanggal 31 Desember 2014		10.212,89
<b><u>Bagian B - Rekonsiliasi Akun</u></b>		
1. Jumlah setoran awal		2.454.792,00
2. Jumlah pengembalian dari ADB		0,00
a. Pengembalian pada awal tahun		0,00
b. Pengembalian pada tahun berjalan		0,00
3. Saldo uang muka yang belum dikembalikan pada akhir tahun anggaran		2.454.792,00
4. Saldo pada tanggal 31 Desember 2014		10.212,89
5. Jumlah yang akan dikembalikan ke rekening khusus		0,00
6. Jumlah pengajuan penggantian yang belum dikreditkan oleh ADB pada akhir tahun anggaran (31 Desember 2014)	3.c.4	2.005.969,36
7. Jumlah penarikan dari rekening khusus yang belum dimintakan penggantian ke ADB pada akhir tahun anggaran (31 Desember 2014)	3.c.5	450.960,79
8. Jumlah transaksi yang dokumentasikan (tambahkan baris 4 sampai 7))		2.467.143,04
9. Selisih (antara baris 3 dan 8)	3.c.6	(12.351,04)

Lihat notes di laporan keuangan STAR



**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

**AUDIT REPORT  
ON  
THE FINANCIAL STATEMENTS OF LOAN ADB 2927 - INO  
IN  
STAR ACCOUNTABILITY REVITALIZATION (STAR) PROJECT  
FINANCIAL AND DEVELOPMENT SUPERVISORY AGENCY  
(BPKP)  
YEAR 2014**



Number : 148A/HP/XVI/06/2015

Date : June 26, 2015

# **MARIANA MOLNAR GABOR – WAROKKA**

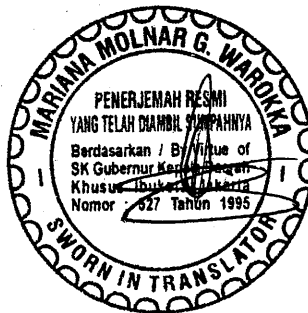
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## **TRANSLATOR'S STATEMENT / PERNYATAAN PENERJEMAH** **NO. 23493/VII/2015**

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Jakarta, July 08, 2015 / 08 Juli 2015



**Mariana Molnar Gabor – Warokka**  
**Sworn-in Translator / Penerjemah Bersumpah**

## SYSTEMATICS OF AUDIT RESULTS

ON

### FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014

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# TABLE OF CONTENTS

	Page
SYSTEMATICS OF AUDIT REPORT ON FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014.....	i
TABLE OF CONTENTS.....	ii
AUDIT REPORT ON FINANCIAL STATEMENTS.....	1
OVERVIEW OF THE AUDIT.....	4
<b>FINANCIAL STATEMENTS OF ADB LOAN 2927-INO YEAR 2014</b>	
I. CONSOLIDATED FINANCIAL REPORT	
II. NOTES TO THE FINANCIAL STATEMENTS	



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**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

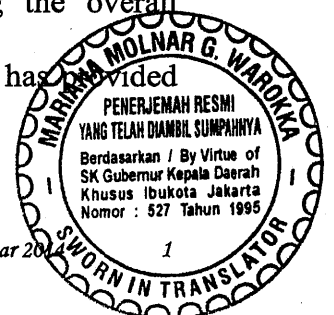
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**AUDIT REPORT ON FINANCIAL STATEMENTS**

To: Head of the Planning and Supervision Bureau of the Finance and Development  
Supervisory Agency as the Executing Agency of ADB Loan No. 2927-INO

Based on Law No.15 Year 2004 regarding State Finance Management and Accountability Audit and Law No.15 Year 2006 regarding the Audit Board (BPK), BPK has audited the State Accountability Revitalization (STAR) Project funded by Asian Development Bank (ADB) Loan No. 2927 – INO ended as of December 31, 2014. The Financial Statements are the responsibility of the management of the STAR Project. BPK's responsibility is to provide opinion on the financial statements based on the audit conducted.

BPK conducted the audit based on State Financial Auditing Standards (*SPKN*). The standards require BPK to plan and perform audits to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes assessing evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the management of the STAR Project, assessing compliance with statutory regulations, assessing the reliability of internal control system having material effects on the financial statements, as well as assessing the overall presentation of the financial statements. BPK is assured that the audit has provided adequate basis for providing an opinion.

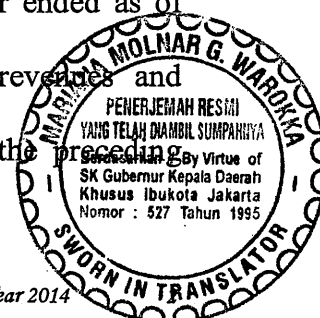


The financial statements of the STAR Project have been prepared on cash basis, whereby revenue and expenditure transactions are recognized if cash is received or paid.

BPK is of the opinion that, (a) the aforementioned financial statements have been presented fairly in all material respects in relation to the financial position of the STAR Project as of December 31, 2014, and the results of activities for the year ended as of December 31, 2014, in accordance with Government Accounting Standards; (b) The Executing Agency has not used the entire loan withdrawn from ADB only for financing the project in accordance with the agreement between ADB and the Government of the Republic of Indonesia in the Loan Agreement, as a portion of the loan has been used for other purposes, namely activities which have not been approved (No Objection Letter) by ADB; (c) The Executing Agency has not prepared the financial statements in a timely manner in the end of the year to be audited in accordance with the agreement in the Loan Agreement, whereby the financial statements were submitted to BPK on April 8, 2015.

Additional explanation:

- a) For the presentation of the Statement of Expenditure, (1) the management of documents for the submission of request for the reimbursement of expenditures to ADB has been performed adequately; and (2) the aforementioned expenditures, except for the issues which have been referred to in the preceding paragraph, have met the requirements to be financed by Loan Agreement No.2927 – INO;
- b) For the presentation of the Imprest Account, (1) it has provided adequate description of revenues and expenditures occurring during the year ended as of December 31, 2014; and (2) evidence of the aforementioned revenues and payments, except for the issues which have been referred to in the preceding

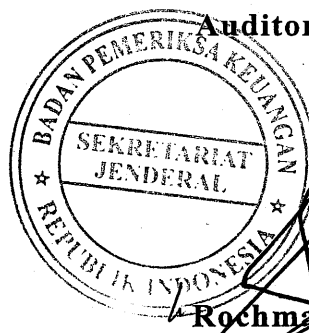


paragraph, have supported the disbursement/reimbursement of the Imprest Account.

As part of obtaining reasonable assurance of the fairness of the financial statements, BPK has audited the internal control system and compliance with statutory regulations. The Audit Reports on Internal Control System and Compliance with Statutory Regulations are presented in Reports Number 148B/HP/XVI/06/2015 and Number 148C/HP/XVI/06/2015 dated June 26, 2015, which constitute an inseparable part of this report.

Jakarta, June 26, 2015

**AUDIT BOARD  
OF THE REPUBLIC OF INDONESIA**

**Auditor-In-Charge**  


**Rochmadi Saptogiri**  
State Register No. D-18.474



## GENERAL OVERVIEW OF THE AUDIT

### 1. Legal Basis of the Audit

- a. Law Number 17 Year 2003 regarding State Finance;
- b. Law Number 1 Year 2004 regarding State Treasury;
- c. Law Number 15 Year 2004 regarding State Finance Management and Accountability Audit;
- d. Law Number 15 Year 2006 regarding the Audit Board.

### 2. Audit Objective

The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 has been conducted in order to provide opinion on the level of fairness of the financial information presented in the financial statements based on the following criteria:

- a. Conformity of the Financial Statements of ADB Loan 2927-INO Year 2014 being audited with the Government Accounting Standards (SAP);
- b. Adequate disclosure of financial information in the financial statements in accordance with the disclosure which should be made as referred to by SAP;
- c. Compliance with statutory regulations in state finance management and accountability as well as financial reporting; and
- d. Effectiveness of Internal Control System (SPI).

### 3. Audit Targets

The targets of the audit are Financial Statements of ADB Loan 2927-INO Year 2014 comprising:

- a. Effectiveness of the design and implementation of the internal control including the considerations on the results of the previous audit;
- b. Compliance with applicable statutory regulations;



c. Presentation of the balances of accounts and transactions in the Consolidated Financial Report in accordance with SAP;

d. Disclosure of financial information in the Notes to the Financial Statements.

Assessment of Financial Statements is aimed at assessing all management assertions in financial information, effectiveness of the internal control and compliance with applicable statutory regulations which comprise the following:

a. Existence and occurrence

Whereas all revenues and expenditures transactions presented in the Consolidated Financial Report Year 2014 have actually existed and occurred during the period of time and have been supported by adequate evidence.

b. Completeness

Whereas all revenues, expenditures and financing transactions occurring in 2014 have been recorded in the Consolidated Financial Report Year 2014.

c. Rights and Obligations

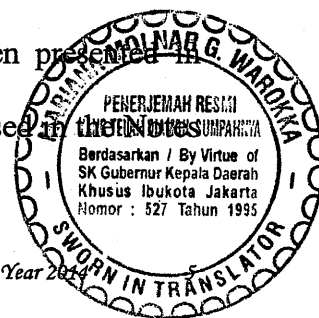
Whereas all the assets recorded in the balance sheets are actually owned or the rights of KL and the debts recorded are the obligations of KL as of the reporting date.

d. Assessment and Allocation

Whereas all revenues and expenditures have been presented in the actually amounts and values, have been classified in accordance with the stipulated standards/provisions, and constitute expenditure/budget allocations in Year 2014.

e. Presentation and Disclosure

Whereas all components of the financial statements have been presented in accordance with the provisions and have been adequately disclosed in



to the Financial Statements.

#### 4. Audit Standards

The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 is in compliance with the State Financial Auditing Standards (SPKN) stipulated by Regulation of BPK Number 1 Year 2007.

#### 5. Audit Methodology

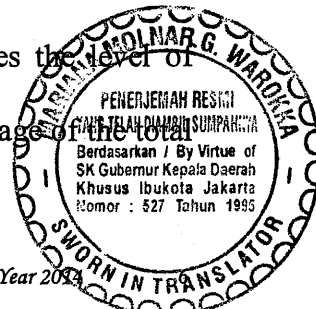
The Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 has been conducted by applying the following approaches.

##### a. Risk Approach

The methodology applied in conducting audit on the finance of ministries/agencies uses the risk approach. The risk approach applied in this audit is based on the comprehension of the entity and SPI as well as assessment of the effectiveness of the internal control system of accounting and reporting of the financial statements. The results of comprehension and assessment of SPI will determine the level of reliability of SPI of the ministries/agencies in presenting LRA in accordance with management assertions and applicable provisions. The determination of audit risk simultaneously with the reliability level of control (control risk) as well as the level of inherent risk of the entity will serve as the reference for determining the expected detection risk and the number of auditsto be conducted as well as the focus of the audit.

##### b. Materiality

The consideration of the level of materiality includes determining the initial level of materiality (Planning Materiality/PM) which constitutes the level of materiality of the overall financial statements namely the percentage of the total



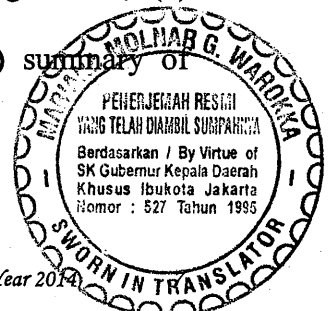
realization of expenditures/revenues/fixed assets. Furthermore, for the level of account, the Tolerable Misstatement/TM is determined as the proportion of the value of each account to the total significant account multiplied by PM and is based on the results of assessment of the risk level of each account. The aforementioned materiality standard is not applicable to the deviations containing the elements of corruption, collusion, and nepotism (KKN) as well as violations of law.

c. Audit Sampling

This audit has been conducted by performing assessment of units by sampling in the population to be tested. The audit conclusion will be obtained based on the sampling results used as the basis for describing the condition of the population. In this audit, the Auditor used non-statistical sampling method as well as statistical sampling method with due observance of the adequacy of the number of samples selected either from the rupiah value aspect or the type of transaction. The use of both statistical and non-statistical sampling methods must be documented in the Audit Worksheet (KKP). Such documentation discloses, among other things, the reason for the use and the general overview of the aforementioned sampling method.

d. Reporting

The Auditors prepare Draft Audit Findings with regard to the Financial Statements of ADB Loan 2927-INO Year 2014 when they find any issues which need to be communicated to BPKP. Such issues include: (1) ineffectiveness of SPI; (2) fraud and deviation from provisions of statutory regulations; (3) significant non-compliance with statutory regulations; and (4) summary of corrections.



The draft Audit Findings are submitted by the Audit Team Leader to the authorized official for obtaining written and official response from BPKP. After the Draft Audit Findings has been submitted by the Audit Team Leader to BPKP, the audit team will discuss the findings with the authorized official of the entity at BPKP. Rejection of the summary of corrections, SPI findings and non-compliance will affect the opinion.

Official written response to the draft Audit Finding Sheet (LTP) is obtained from the authorized official of the entity. Such response will be disclosed in the Findings of Audit on the Financial Statements of ADB Loan 2927-INO Year 2014. The findings of audit on the Financial Statements of ADB Loan 2927-INO Year 2014 will be submitted by the Team Leader to the authorized official of the entity.

The auditors, in this case the Team Leader, will submit the Audit Findings to the Head of BPKP. The aforementioned submission of the Findings of Audit on the Financial Statements of ADB Loan 2927-INO Year 2014 constitutes the end of the work on site of audit on the Financial Statements of ADB Loan 2927-INO Year 2014.

Draft Audit Report (LHP) will be prepared based on the aforementioned Audit Findings. Prior to issuance, the draft Audit Report (LHP) is submitted to the Head of BPKP for obtaining response and action plan with regard to BPK's recommendations.

## 6. Audit Period

The audit was conducted for 30 days based on the Assignment Letter of Member III No.15/ST/V/01/2015 dated January 31, 2015.



## 7. Audit Object

The Financial Statements of ADB Loan 2927-INO Year 2014 comprising the Consolidated Financial Report and Notes to the Financial Statements (*CaLK*).

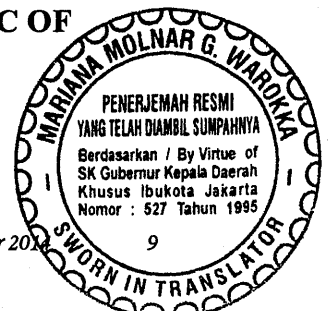
## 8. Audit Limitations

All information presented in the financial statements is the responsibility of the management. Therefore, BPK is not responsible for misinterpretation and possible effect of information not provided either deliberately or indeliberately by the management. BPK's audit includes procedures designed to provide reasonable assurance in detecting any errors and misstatement having material effect on the financial statements. BPK audit is not aimed at finding faults or deviations. However, any deviation found based on the audit results will be disclosed.

In conducting the audit, BPK is also aware of the possible existence of violation of law. However, BPK does not provide any guarantee that all violations of law will be detected and it only provides reasonable guarantee that violations of law directly and materially affecting the figures in the financial statements will be detected. BPK will inform about any violations of laws or material fault/deviation found during the course of audit.

In conducting assessment of compliance with statutory regulations, BPK only assesses the agency's compliance with statutory regulations directly related to the preparation of financial statements. This does not rule out the possibility that there is still unidentified non-compliance with regulations.

**AUDIT BOARD  
OF THE REPUBLIC OF  
INDONESIA**





**STATE ACCOUNTABILITY  
REVITALIZATION PROJECT  
(STAR)**



**ADB LOAN No. 2927-INO**

**LAPORAN KEUANGAN KONSOLIDASI**

**UNTUK TAHUN YANG BERAKHIR PADA  
31 DECEMBER 2014**



State Accountability Revitalization Project

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR) ADB LOAN NO.2927- INO**  
**RENCANA TAHUNAN DAN REALISASI PEMBIAYAAN DAN PENGELUARAN PROYEK KONSOLIDASI**  
 Untuk Tahun Yang berakhir pada 31 Desember 2014 (dalam Rupiah)

No. Kat.	Kategori/ Komponen Proyek	Notes	Anggaran T.A 2014 (DIPA)			Realisasi (Pelaksanaan) T.A 2014			Persentase Realisasi
			Loan ADB Rp	GOI Rp	Total Rp	Loan ADB Rp	GOI Rp	Total Rp	
<b>PENERIMAAN</b>									
	Pemerintah Indonesia	3.a.2)	0	1,179,999,000	1,179,999,000	0	1,106,646,709	1,106,646,709	93.78
	Pinjaman ADB	3.a.2)	112,530,000,000	0	112,530,000,000	84,202,823,261	0	84,202,823,261	74.83
	<b>Total Penerimaan</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>113,709,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>85,309,469,970</b>	<b>75.02</b>
<b>PENGELUARAN</b>									
		3b							
01	Penelitian dan Pengembangan	3.b.1)	823,315,000	0	823,315,000	781,845,825	0	781,845,825	94.96
02	Penguatan dan Pengembangan Institusional	3.b.2)	970,000,000	0	970,000,000	795,601,987	0	795,601,987	82.02
03	Peralatan, Kendaraan dan Furnitur	3.b.3)	8,771,600,000	0	8,771,600,000	2,314,478,000	0	2,314,478,000	26.39
04	Materi Belajar dan Mengajar	3.b.4)	1,042,010,000	0	1,042,010,000	1,029,069,153	0	1,029,069,153	98.76
05	Jasa Konsultasi	3.b.5)	9,054,732,000	0	9,054,732,000	4,017,762,878	0	4,017,762,878	44.37
06	Pelatihan dan Beasiswa	3.b.6)	86,735,171,000	0	86,735,171,000	72,478,503,147	0	72,478,503,147	83.56
07	Manajemen Proyek	3.b.7)	5,133,172,000	0	5,133,172,000	2,785,562,271	0	2,785,562,271	54.27
	Pengeluaran lainnya (non - portion)	3.b.8)	0	1,179,999,000	1,179,999,000	0	1,106,646,709	1,106,646,709	93.78
	<b>Total Pengeluaran</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>113,709,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>85,309,469,970</b>	<b>75.02</b>

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR) ADB LOAN NO.2927- INO**  
**REALISASI PENGELUARAN DAN PEMBIAYAAN PROYEK KONSOLIDASI**  
 Untuk Tahun Yang berakhir pada 31 Desember 2014 (dalam Rupiah)

No. Kat.	Kategori/ Komponen Proyek	Notes	Tahun Anggaran 2014				Kumulatif			
			Anggaran (DIPA)		Realisasi		Anggaran (DIPA)		Realisasi	
			Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp	Imprest Account Rp	GOI Rp
<b>PENERIMAAN</b>										
	Pemerintah Indonesia	3.a.1)	0	1,179,999,000	0	1,106,646,709	0	3,179,999,000	0	2,890,608,510
	Pinjaman ADB	3.a.1)	112,530,000,000	0	84,202,823,261	0	133,017,862,000	0	103,426,382,988	0
	<b>Total Penerimaan</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>133,017,862,000</b>	<b>3,179,999,000</b>	<b>103,426,382,988</b>	<b>2,890,608,510</b>
<b>EXPENDITURE</b>										
		3b								
01	Penelitian dan Pengembangan	3.b.1)	823,315,000	0	781,845,825	0	1,148,224,000	0	1,095,904,125	0
02	Penguatan dan Pengembangan Institusional	3.b.2)	970,000,000	0	795,601,987	0	1,195,000,000	0	1,016,183,681	0
03	Peralatan, Kendaraan dan Furnitur	3.b.3)	8,771,600,000	0	2,314,478,000	0	9,656,273,000	0	2,919,180,933	0
04	Materi Belajar dan Mengajar	3.b.4)	1,042,010,000	0	1,029,069,153	0	1,664,455,000	0	1,636,933,898	0
05	Jasa Konsultasi	3.b.5)	9,054,732,000	0	4,017,762,878	0	9,448,402,000	0	4,017,762,878	0
06	Pelatihan dan Beasiswa	3.b.6)	86,735,171,000	0	72,478,503,147	0	103,962,336,000	0	89,299,532,958	0
07	Manajemen Proyek	3.b.7)	5,133,172,000	0	2,785,562,271	0	5,943,172,000	0	3,440,884,515	0
	Pengeluaran lainnya (non - portion)	3.b.8)	0	1,179,999,000	0	1,106,646,709	0	3,179,999,000	0	2,890,608,510
	<b>Total Expenditures</b>		<b>112,530,000,000</b>	<b>1,179,999,000</b>	<b>84,202,823,261</b>	<b>1,106,646,709</b>	<b>133,017,862,000</b>	<b>3,179,999,000</b>	<b>103,426,382,988</b>	<b>2,890,608,510</b>

**STATE ACCOUNTABILITY REVITALIZATION PROJECT (STAR)**  
**ADB LOAN NO. 2927 - INO**  
**LAPORAN KEUANGAN REKENING KHUSUS NO. 601.31141198**  
**UNTUK TAHUN YANG BERAKHIR PADA 31 DESEMBER 2014**

	Notes	Jumlah (USD)
<b><u>Bagian A - Aktivitas Akun</u></b>		
1. Saldo awal, 07 Januari 2014		292.059,75
<b>Tambah :</b>		
2. Jumlah penggantian ADB ke Rekening Khusus pada tahun anggaran 2014	3.c.1	6.707.273,92
3. Jumlah pengembalian ke rekening khusus	3.c.2	92.131,49
<b>Kurang :</b>		
4. Jumlah penarikan dari rekening khusus pada tahun 2014	3.c.3	7.081.252,27
5. Saldo pada tanggal 31 Desember 2014		10.212,89
<b><u>Bagian B - Rekonsiliasi Akun</u></b>		
1. Jumlah setoran awal		2.454.792,00
2. Jumlah pengembalian dari ADB		0,00
a. Pengembalian pada awal tahun		0,00
b. Pengembalian pada tahun berjalan		0,00
3. Saldo uang muka yang belum dikembalikan pada akhir tahun anggaran		2.454.792,00
4. Saldo pada tanggal 31 Desember 2014		10.212,89
5. Jumlah yang akan dikembalikan ke rekening khusus		0,00
6. Jumlah pengajuan penggantian yang belum dikreditkan oleh ADB pada akhir tahun anggaran (31 Desember 2014)	3.c.4	2.005.969,36
7. Jumlah penarikan dari rekening khusus yang belum dimintakan penggantian ke ADB pada akhir tahun anggaran (31 Desember 2014)	3.c.5	450.960,79
8. Jumlah transaksi yang dokumentasikan (tambahkan baris 4 sampai 7))		2.467.143,04
9. Selisih (antara baris 3 dan 8)	3.c.6	(12.351,04)

Lihat notes di laporan keuangan STAR