

Disclosing the practice of internal control over financial reporting (PIPK) at the Supreme Court the Republic of Indonesia

 Syarifullah M Nur^{(a)*}  Uun Sunarsih^(b)  Dahlifah^(c)



^(a,b,c) Indonesian College of Economics Jakarta, Indonesia

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ABSTRACT

This study aims to reveal the practice of internal control over financial reporting (PIPK) at the Supreme Court the Republic of Indonesia in 2019-2021. This research is a type of qualitative research using an interpretive perspective with an ethnomethodological method. The data in this study are primary and secondary data and data collection techniques using observation, interviews, and documentation. Informants in this study were seven informants. The selection of this informant was based on capacity in the practice of internal control over financial reporting (PIPK) at the Supreme Court of the Republic of Indonesia. The results of the study stated that (1) Internal Control over the Financial Reporting of the Supreme Court of the Republic of Indonesia is still not optimal because the understanding of SPIP in general and PIPK in particular is not sufficient, (2) The role of the second line of management at the Supreme Court has not run adequately because it is still ad-hoc so that it is not well organized, and (3) the Assessment of Internal Control over the Financial Reporting of the Supreme Court has not been carried out in a systematic and structured so that it has not been able to fully support the achievement of the objectives of implementing the PIPK, namely to provide adequate assurance that the Financial Statements are prepared with the implementation of adequate internal controls.

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Introduction

Financial statements are the end result of an accounting process, where every transaction that can be measured in terms of money is recorded and processed in such a way. The preparation of financial reports is basically to provide information on financial conditions or circumstances to parties who have an interest in the organization. Based on Government Regulation no. 71 of 2021 that Financial Reports are used to determine the value of economic resources used to carry out government operational activities, assess financial conditions, evaluate the effectiveness and efficiency of a reporting entity, and help determine compliance with laws and regulations. Government financial reports have benefits as a medium for transparency, media for public accountability, information facilities, and performance evaluation tools. As a medium of transparency, government financial reports are useful for providing open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in the management of entrusted resources and compliance with laws and regulations.

Quality state financial accountability is of course highly expected by stakeholders. Therefore, it is necessary to translate what are the criteria for quality government financial reports. For Ministries or Institutions as well as Regional Government entities and other agencies, the quality of financial reports is determined from the results of the opinion of the Supreme Audit Agency (BPK). Opinion is a professional statement by the examiner regarding the fairness of the financial information presented in the financial statements which is based on 4 (four) criteria, namely compliance with government accounting standards; adequate disclosure; compliance with laws and regulations; and the effectiveness of the internal control system.

* Corresponding author. ORCID ID: 0000-0003-1739-1581

Based on statute number 15 of 2004 there are 4 (four) types of opinions given by BPK RI on the Audit of Government Financial Statements: Unqualified Opinion (WTP), Qualified Opinion (WDP), Adverse opinion, and Disclaimer of Opinion. The WTP opinion is the highest assessment of the quality of state financial management which states that the audited entity's financial statements present fairly in all material respects, the financial position, results of operations and cash flows of certain entities in accordance with generally accepted accounting principles in Indonesia. WTP is given if the internal control system is adequate and there are no material misstatements in financial statement items. Overall, the financial statements have been fairly presented in accordance with the Government Accounting System.

The Central Government Financial Report (LKPP) is a financial report prepared by the Central Government in the context of transparency and accountability for the implementation of the State Revenue and Expenditure Budget (APBN). Since 2016 consecutively for 5 years until 2020, LKPP has received WTP opinion. There was an increase in the number of Ministry/ Institution Financial Reports (LKKL) that received WTP opinions compared to the previous year. Of the eighty-six LKKL, two LKKL received a Qualified Opinion (WDP) from the BPK, and no LKKL received a Disclaimer of Opinion (TMP). In 2019, there were three LKKLs that had not received WTP opinions (2 WDP and 1 TMP) and the three of them managed to improve the quality of their LKKLs and received WTP Opinions for 2020 (<https://djpb.kemenkeu.go.id>).

This increase should be appreciated, but obtaining WTP does not mean that state financial management is free from problems. Disclosed in the BPK Audit Report on the Financial Statements of the Central Government, as long as LKPP obtains a WTP opinion, problems are still found related to compliance with Government Accounting Standards (SAP), compliance with laws and regulations, as well as the effectiveness of the Internal Control System (SPI). Based on Executive Summary Report on Audit Result of Central Government Financial Statements In 2020, the BPK found 26 weaknesses related to the internal control system and non-compliance with statutory provisions. Several problems related to internal control, including the reporting of several tax transactions that have not been completed, presenting State Rights and State Obligations in accordance with the Accrual Accounting Basis and the Balance of Overdue Receivables that have not been verified for fairness, management of Non-Tax State Revenues in 43 K/L and management of Receivables in 21 K/L L is not in accordance with the provisions, Management of Receivables at the Directorate General of Taxes is not sufficient. In addition, the Government has also not developed a reporting mechanism for State financial policies to deal with the impact of the Covid-19 pandemic on the Central Government's financial reports.

The phenomenon of finding problems related to SPI and compliance with legislation does not only occur in LKPP. The researcher also found the same thing in the BPK Examination Report on Ministries/Agencies' Financial Reports, for example the Supreme Court of the Republic of Indonesia which obtained 9 consecutive WTP opinions from 2012 to 2020. In BPK's LHP of 2020 LK Supreme Court that there are still weaknesses in internal control as well as non-compliance with statutory provisions and according to the Regulation of the Minister of Finance of the Republic of Indonesia Number 213/PMK.05/2013 concerning the Central Government Financial Accounting and Reporting System that each financial report prepared must contain a Statement of Responsibility (SoR) on the Financial Statements prepared by the Accounting Unit. SoR it contains a statement that the management of the State Revenue and Expenditure Budget has been carried out based on an adequate internal control system and its contents have provided proper information on budget implementation and financial position in accordance with Government Accounting Standards.

The implementation of an internal control system in an organization has a relationship with the quality of the financial reports prepared. This is in accordance with previous research including research conducted by Ratna, et al (2020) which concluded that internal control has a significant impact on transparency and accountability in managing regional financial reports. Furthermore, research conducted by Teuku, et al (2015); megawati, et al (2017); Emay, et al (2019); nelly, et al (2019); Wiwi & Lia (2020); Kartika & Harjanti (2020); Alwi, et al (2020) who concluded that the internal control system has a positive effect on the quality of financial reports.

Internal control in government agencies is regulated in Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning Government Internal Control Systems which explains that the Internal Control System is an integral process of actions and activities carried out continuously by leaders and all employees to provide adequate assurance of achievement organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. To support the implementation of the internal control system and provide reasonable assurance that the financial reports produced are reliable reports and are prepared in accordance with government accounting standards, The Minister of Finance has issued Regulation of the Minister of Finance of the Republic of Indonesia Number 17/PMK.09/2019 concerning Guidelines for Implementation, Assessment and Review of Internal Control of Central Government Financial Reporting. Internal Control over Financial Reporting (PIPK) will be the documentation and assessment of internal control carried out by each reporting entity and government agency accounting entity.

Much research related to SPI has been researched by previous researchers, such as David and Florentina (2021) who found that the internal control system has not been effective at Higher Education X, so an evaluation and understanding of the implementation of SPI is required. Meanwhile, Maghfirah (2019) found that the SPI implementation carried out by PT. Bima Desa Sawita is already good although there are still some obstacles. Furthermore, research conducted by Yusri and Delsie (2018) found that the application of SPI to the receipt of Regional Original Revenue for Nagan Raya Regency was sufficient. Wiradana, et al (2015) found that the internal control system implemented at the Poh Bergong LPD was still not optimal.

The difference in this study is that previous research discussed SPI with quantitative methods. While this study discusses Internal Control over Financial Statements (PIPK) with an interpretive qualitative approach using ethnomethodological methods. Based on the background above, the research question is how is the practice of Internal Control over Financial Statements (PIPK) at the Supreme Court of the Republic of Indonesia? The aim of this research is to find out the practice of Internal Control over Financial Statements (PIPK) at the Supreme Court of the Republic of Indonesia.

Theoretical Basis

Three Line Model is an update to the Three Lines of Defense already known, in which the Three Lines Model clarifies and reinforces the underlying principles, broadens the scope, and explains how key roles within an organization work together to facilitate strong governance and risk management. This model divides three lines in risk management and control, namely operational management (1st line), risk monitoring functions (2nd line), and the internal audit function (3rd line) (IIA, 2021).

Internal control system according to The Committee of Sponsoring Organization of the Treadway Commission (COSO) is a process that can be influenced by management and employees in providing reasonable certainty regarding achievements obtained objectively in the application of reliable financial reports, implementation of efficiency and effectiveness in the company's operational activities and the application of applicable laws and regulations so that they are obeyed by all party. Meanwhile, according to IAI (Indonesian Association of Accountants), the internal control system includes the organization of all coordinated methods and provisions adopted in a company to protect its assets, check the accuracy and reliability of accounting data, increase business efficiency and encourage adherence to management policies that have been outlined (Gondodiyoto, 2007).

The Internal Control System in the Government Regulation of the Republic of Indonesia Number 60 of 2008 is explained as an integral process of actions and activities carried out continuously by leaders and all employees to provide adequate assurance of achieving organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Government Internal Control System, hereinafter abbreviated as SPIP, is an Internal Control System that is implemented as a whole within the central government and regional governments. The Government Internal Control System is implemented by the Financial and Development Supervisory Agency (BPKP) and the Inspectorate through the Government Internal Supervisory Apparatus. Meanwhile, the government's External Control System is implemented by the Audit Board of the Republic of Indonesia (BPK), DPR/DPRD, Police, Prosecutor's Office, Corruption Eradication Commission and other judicial institutions.

The main purpose of internal control is to provide reasonable assurance of the achievement of organizational goals. According to Government Regulation Number 60 of 2008 concerning the Government's Internal Control System, achievement of organizational goals is realized through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Central Government Financial Reports, as one of the main forms of state financial management accountability, must be presented reliably in order to increase the accountability of State Ministries/Institutions (K/L), State General Treasurer (BUN), and the Central Government in general. Ultimately will also increase public confidence in the management of state finances. To maintain the implementation of internal control in the preparation of financial reports, based on Minister of Finance Regulation number 17 of 2019 the stages of PIPK implementation consist of application, assessment and review.

Method

This research is a type of qualitative research using an interpretive perspective. The interpretive perspective in qualitative research emphasizes the nature of reality that is socially constructed, the occurrence of a close relationship between the researcher and the subject studied, and the pressure of the situation that will form an investigation (Creswell, 2007). The method used in this study is the ethnomethodological research method. This ethnomethodological method is appropriate because it will provide an understanding of PIPK practices in MA RI. Analysis of the results of observations of the ethnomethodological method was divided into two groups, namely the explicit group (indexicality) and implied groups (reflexivity) (Gamar and Djamhuri, 2015).

Indexicality is the stage where the researcher captures symbolic information, in the form of utterances or utterances, gestures or body language, rules or actions that contain signs of imperfection. Reflexivity is a stage that describes the practice of a social framework that describes and produces an interaction that can be interpreted as an understanding and expresses that understanding, and requires something that can be observed at the same time.

The third stage is that accountability will convey conclusions on the results of its research so that research problems are expected to be answered, namely how to apply Internal Control over Financial Reporting at the Supreme Court of the Republic of Indonesia for the preparation of Financial Reports that are understandable, relevant, reliable and comparable. This research was conducted at the Supreme Court of the Republic of Indonesia which is located at Medan Merdeka Utara No. 9-13 Central Jakarta and the Secretariat Building of the Supreme Court of the Republic of Indonesia which is located at Jenderal Ahmad Yani Kav. 58 Cempaka Putih Timur, Central Jakarta. The data in this study are primary data and secondary data obtained through observation and interviews and documentation in the form of business entity financial statements, as well as other supporting files needed in this study.

Result and Discussion

Understanding is the basic foundation in the Implementation of an Adequate Internal Control System

PIPK consists of application, assessment, and review. The implementation is carried out for each accounting entity and reporting entity that has the Supreme Court of the Republic of Indonesia, totaling 910 (nine hundred and ten) work units, 7 (seven) Eselon I work units, and Financial Reports of the Supreme Court of the Republic of Indonesia as agencies. Meanwhile, the review is carried out by the internal control unit or APIP, namely the Indonesian Supreme Court Supervisory Board. The PIPK assessment is carried out by the Supreme Court of the Republic of Indonesia every fiscal year since the Regulation of the Minister of Finance Number 17 of 2019 was enacted, namely from 2019 to 2021. The 2019 PIPK Assessment Team was formed based on the Decree of the Secretary of the Supreme Court RI Number 683 of 2019 concerning the Assessment Team for Internal Control over Financial Reporting. The 2020 PIPK Assessment Team was formed based on the Decree of the Deputy Chairperson of the Supreme Court of the Republic of Indonesia for Non-Judicial Affairs Number 6/WKMA.NY/SK/IX/2020 concerning the Assessment Team for Internal Control over Financial Reporting of the Supreme Court of the Republic of Indonesia. Meanwhile, the 2021 PIPK Assessment Team was formed based on Decree of the Secretary of the Supreme Court of the Republic of Indonesia Number 861/SEK/SK/VIII/2021 dated 27 August 2021 concerning the Assessment Team of Internal Control over Financial Reporting of the Supreme Court of the Republic of Indonesia.

The PIPK assessment team formed was a representative from each eselon I work unit and Bureau at the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia. The Head of the Equipment Bureau of the Administrative Affairs Agency is appointed as the Head of the Appraisal Team and in carrying out his duties is responsible to the Secretary of the Supreme Court of the Republic of Indonesia as the Budget User of the Supreme Court of the Republic of Indonesia. Therefore, the assessment team can also be referred to as the UAPA level Assessment Team. The appointment of the Head of the Equipment Bureau to be the Head of the Appraisal Team is an agreement of all eselon I units and BUA Bureaus based on the consideration that the Appraisal Team should not be part of the management that prepares financial reports and also not the unit that reviews the PIPK assessment.

“...even then we had an FGD meeting at the Bawas. There we also pointed out, 'it's enough for the Bawas to go ahead'. Then Mr. Andi (Secretary of the Oversight Body) said that he couldn't, because the Bawas would be the one who would conduct a review of the assessment, the period that evaluates the Bawas would continue to review it too? must be from BUA”.

The meaning of the statement *“... There we also pointed out...”* indicates that the participants who took part in the FGD did not wish to be the unit responsible for the implementation of the PIPK of the Supreme Court. This was not only because each unit participating in the FGD already had basic tasks and functions, but also because the participants did not understand PIPK so they wanted to hand over the entire process to the Oversight Body as the initiator of the PIPK FGD preparation according to the statement *“it's enough for the Bawas to go ahead”*.

Based on these considerations, after the assessment team was formed, Badan Pengawasan proposed to the Balitbang Diklat Kumdil to hold PIPK education and training for 5 days which was intended to provide an understanding to the assessment team regarding the implementation of PIPK. From the explanations of the informants, it is known that in the training the assessment team received an explanation as to why PMK 17 of 2019 was published, how to determine significant accounts, how to fill out existing forms, and how to draw conclusions. The following is an excerpt from YC's statement during a discussion with researchers regarding the competence debriefing of the PIPK assessment team:

“...there any way actually still in general terms, so just discussing why the PMK was issued, technically we had time to discuss how to determine significant accounts, how to fill out form A, and then draw conclusions. It's just because this team is new (knowing about PIPK), so the 5-day training is still lacking. However, until now there has been no increase in the competence of the PIPK Assessment Team (Central)”.

The quote above is interpreted by the researcher as a statement that the assessment team that was formed did not yet have sufficient competence regarding PIPK. However, because Regulation of the Minister of Finance number 17 of 2019 requires Ministries/Institutions to have implemented PIPK since the regulation was enacted, the Supreme Court PIPK Assessment Team continues to conduct an assessment every year. According to the researchers, this happened because the implementation of the PIPK was not supported by an adequate understanding of the internal control system. In addition, there are problems with the availability of human resources in each work unit who understand financial management and preparation of financial reports.

In the Grand Design of the Implementation of the Government Internal Control System (SPIP) it is explained that the preparatory stages for implementing the SPI are carried out by knowing and mapping. The preparatory phase needs to be carried out adequately so that in practice SPI can run well and support the achievement of organizational goals. PIPK is a control specifically designed to provide assurance that financial reports are reliable and prepared in accordance with government accounting standards. If deep the shape of the building, SPI can be likened to a house and PIPK is one of the rooms in the house. The researcher interprets the preparatory stage in this internal control system as the foundation of the house. A house can stand well if the foundation of the house is well built. Errors in building the foundation will cause problems in the future. Therefore, the specifications of the foundation must be adjusted to the needs of the building above it.

In order to get an overview of the implementation of the PIPK at the Supreme Court, it is necessary to see in advance how the 'foundation' is built in carrying out the implementation of the internal control system at the Supreme Court. According to Putra (2019) the Supreme Court has minimal understanding of the implementation of the internal control system so that the maturity level of the SPIP in the Supreme Court and the Judicial Bodies below it is not optimal. This minimal understanding is potentially caused by:

- i. The Supreme Court has not prepared technical guidelines for the implementation of SPIP at the Supreme Court. Based on the search results, the provisions issued by the Supreme Court regarding SPI at the agency level until the results of this study were formulated were as follows:
 - a. Decision of the Chief Justice of the Supreme Court of the Republic of Indonesia Number 151A/KMA/SK/IX/2011 concerning Implementation of the Internal Control System within the Supreme Court of the Republic of Indonesia;
 - b. Decision of the Chief Justice of the Supreme Court of the Republic of Indonesia Number 033B/KMA/SK/III/2012 concerning the Implementation of the Internal Control System within the Supreme Court of the Republic of Indonesia;

In the decisions in points (i) and (ii), it is stated in CHAPTER I General Provisions Article 1 that:

"Instructions for Implementing SPIP for the Supreme Court of the Republic of Indonesia are Implementation Guidelines for the Decision of the Chief Justice of the Supreme Court regarding the implementation of SPIP, which contains policies, strategies, implementation methodologies, and integration of all government management activities, to ensure that all elements of SPIP have been built into the programs/activities of the Supreme Court of the Republic of Indonesia. in order to ensure the achievement of the set goals".

Furthermore, in Article 4 paragraph (2) it is stated that "Further provisions regarding the implementation of the SPIP... shall be stipulated by the Secretary of the Supreme Court of the Republic of Indonesia". However, these decisions have so far only been followed up by the formation of the Indonesian Supreme Court SPIP task force team with the Decree of the Secretary of the Supreme Court of the Republic of Indonesia Number 476/SEK/SK/VII/2019 concerning the Establishment of the Government Internal Control System Task Force Team within the Supreme Court.

Socialization related to SPIP has not been carried out adequately.

In supervisory activities that are participated in by researchers, it is often encountered that the apparatus of the Supreme Court and Judicial Bodies below them do not yet understand SPIP adequately. For example, when evaluating the implementation of Bureaucratic Reform at the Supreme Court or evaluating the construction of the Integrity Zone in work units, many employees had difficulty completing the supporting data for the SPIP sub-area because they did not understand it well. This is because the SPIP task force in the work unit formed based on the Decree of the Chief Justice of the Supreme Court numbers 151A/KMA/SK/IX/2011 and 033B/KMA/SK/III/2012 has not received socialization on the implementation of the SPIP so that the SPIP task force does not work properly.

Lack of SPIP guidance and consultation in work units and work units at the Supreme Court.

The competence of the Oversight Agency auditors is not evenly distributed. The Supervisory Board of the Supreme Court of the Republic of Indonesia is the unit that supervises the implementation of the internal control system at the Supreme Court. For this reason, all auditors as spearheads must have equitable competence so that they can play a role in strengthening and supporting the effectiveness of SPIP implementation at the Supreme Court.

The understanding and implementation of SPIP that has not been maximized at the Supreme Court of the Republic of Indonesia is one of the reasons for the inadequate implementation of the PIPK. In addition, limited resources human resources to carry out the implementation and evaluation of PIPK is also an obstacle in the Supreme Court and the Judiciary below it.

Second Line Role as an Effort to Achieve Organizational Goals

In order to properly understand Internal Control, especially PIPK, we must first understand the three-line model concept approach. The stages of PIPK implementation which consist of Application, Assessment, and Review when viewed from the three-line model concept approach can be explained as follows: (1) PIPK implementation is a management practice in carrying out first-line roles; (2) the PIPK assessment is a management practice in carrying out the second line role; and (3) PIPK review is a third-line role practice carried out by the Internal Audit unit, namely Badan Pengawasan for the Supreme Court of the Republic of Indonesia.

MA RI management has a role as a first line and a role as a second line. At the Supreme Court the role of management as a second line is still ad-hoc in nature so that it is not well organized. The team that is formed usually consists of representatives of each echelon I unit at the Supreme Court who have positions and duties in their work units. This causes internal control not to be integrated into the actions and activities carried out so that continuous communication and monitoring which is part of the SPI element does not go well. The practice of second line roles by good management can be found in the Ministry of Finance which has an Internal Compliance Unit (UKI) which was formed based on the Decree of the Minister of Finance Number 152/KMK.09/2011 concerning Increasing the Application of Internal Control within the Ministry of Finance.

This unit is tasked with providing support to management in monitoring internal control so that risk management in an effort to achieve organizational goals can be improved and developed as needed. Because the risks are different at each management level, UKI can be formed at each of these management levels. In the implementation of PIPK, this unit can be played as an assessment team. In work units under the Supreme Court, management responsibility in carrying out this second line role can be carried out by the Court of Appeal as the front guard in supervising and developing courts in the regions. However, with regard to the PIPK judgment, it is necessary to determine whether the assessment team is a combination of the Courts of Appeal in the area or each Court of Appeal makes its own assessment team.

The determination of the assessment team is a step in the SPIP implementation stage, namely the infrastructure stage (norming). The organization builds supporting infrastructure in the system of internal control over financial reporting. Based on these explanations, it is known that the root causes that have caused the practice of internal control over financial reporting at the Supreme Court of the Republic of Indonesia to not be optimal, namely: (1) the absence of technical instructions for the implementation of SPI in general or PIPK in particular within the Supreme Court of the Republic of Indonesia and the Judiciary Body Underneath; (2) adequate socialization or guidance has not been given to management in understanding the role of first line and second line; and (3) limited human resources both in terms of number and competence of personnel.

The different organizational structures and characteristics between government agencies mean that the same form of internal control cannot be implemented in all agencies. Therefore, it is necessary to formulate technical guidelines for the implementation of internal control within the Supreme Court and the Judicial Bodies under it which are guided by the Government Regulation of the Republic of Indonesia Number 60 of 2008 with adjustments to the organizational structure and characteristics of the Supreme Court of the Republic of Indonesia. Determination of work units that carry out the role of the second line of management must also be maximized by the Supreme Court. This will encourage the creation of performance accountability and reliable supervision because with this unit, the internal control system can be implemented as a whole.

In addition, to address issues related to employee competence, the Supreme Court may conduct outreach, training and guidance related to the internal control system. Specifically for Training on Internal Control over Financial Reporting, the Supreme Court has conducted training for 17 batches with 456 participants. This training was held from 26 July 2021 to 15 October 2021. Participants in the training were Secretaries in work units at the Supreme Court and Judicial Bodies under it. All Secretaries on work units and work units at the Supreme Court must take part in this PIPK training so that they have competence related to management roles as first line and second line. If management already understands their role as a second line well, then the implementation of internal control over financial reporting will be able to support the achievement of the objectives of implementing the PIPK, namely to provide reasonable assurance that financial reporting is prepared with the implementation of adequate internal controls. When the technical guidelines for the implementation of the SPIP have been prepared and the assessment team has been determined, the Supreme Court can take the next step, namely internalization (forming) and sustainable development (performing).

A systematic and structured PIPK evaluation mechanism is an indicator of adequate internal control

Minister of Finance Regulation Number 17/PMK.09/2019 states that PIPK is applied by every Accounting entity and Reporting entity. The Supreme Court has ordered all work units to implement PIPK. However, the Supreme Court has not been able to monitor and evaluate the implementation of the PIPK in 2019 and 2020. In 2021 the Supreme Court will conduct a monitoring and evaluation process for the implementation of the work unit PIPK which can be carried out through the e-Bima (electronic Budgeting Implementation Monitoring and Accountability).

The PIPK menu in the e-Bima application consists of an Implementation menu and an Assessment menu. The implementation menu can be used by work units to upload documents related to the implementation that has been carried out by work units, while the assessment menu is still in the process of being finalized according to the statement from the MSUW informant:

"...for now, it is still data submission, meaning storing the implementation data into eBima. So later each work unit can upload the results of its implementation along with the supporting data. Not yet for evaluation".

The phrase "for now it is still data storage" It is interpreted by researchers that in 2021 the process of monitoring and evaluating the implementation of work unit PIPK cannot be carried out adequately by the Supreme Court. This is because the work unit implementing the PIPK is required to upload related documents into the e-Bima application, then for the monitoring and evaluation process, the assessor must reopen these documents one by one.

The PIPK assessment is carried out by the Supreme Court Assessment Team for work units that are determined as the object of the assessment (sampling/testing). In 2019 the Supreme Court PIPK assessment team conducted an assessment of 63 (sixty three) work units and in 2020 an assessment was carried out of 35 (thirty five) work units. Whereas in 2021 the Supreme Court assessment team will evaluate 15 (fifteen) work units for the Land, Building and Building Rent Income account (425131) and 33 (thirty three) work units for the Construction In Progress account (136211).

The results of the PIPK assessment carried out were work units that became the object of the assessment and then compiled by the assessment team so that the results of the PIPK assessment of the Supreme Court were obtained. The conclusion of the effectiveness of the Supreme Court PIPK implementation as a result of the compilation in 2019 and 2020 is Effective, while the effectiveness of

2021 PIPK implementation is Containing Material Weaknesses. According to explanations from sources, the conclusion of the 2021 assessment results is strongly influenced by the results of the assessment in the Land, Building and Building Rent Income account (425131) which have misstatements. The number of misstatements found by the assessment team exceeded the maximum materiality limit when compared to the total receipts. The following is a statement made by MSUW sources:

"... for those whose PDD or rent is (there is an error) material because the misstatement of the total revenue results in a figure of 5.3%, which means above 5%. Maybe it's not considered anymore by looking at the PMK, the comparison will not be total revenue, because MA is not a ministry/institution that has a revenue function (state revenue)."

Meaning "reconsidered" understood by the researcher as evidence that when the process of determining significant accounts, the Supreme Court did not set a materiality threshold sufficiently. Furthermore, according to IP sources, based on the results of a review conducted by the Oversight Body, the conclusion of the PIPK assessment results in 2021 was changed to Effective.

Conclusion

The conclusions obtained from this research are: (1) The Supreme Court of the Republic of Indonesia has carried out Internal Control over Financial Reporting in 2019 to 2021 covering application, assessment, and review. However, the Internal Control over the Financial Reporting of the Supreme Court is still not optimal because the understanding of SPIP in general and PIPK in particular is inadequate, (2) The role of the second line of management at the Supreme Court has not run adequately because it is still ad-hoc so that it is not well organized, and (3) the Assessment of Internal Control over the Financial Reporting of the Supreme Court has not been carried out in a systematic and structured manner so that it has not been able to fully support the achievement of the objectives of implementing the PIPK, namely to provide adequate assurance that the Financial Reporting is prepared with the implementation of adequate internal controls.

Researchers hope that the Supreme Court of the Republic of Indonesia can make efforts to increase the sustainable implementation of Internal Control over Financial Reporting by carrying out the following stages:

- i. Increase understanding (knowing) related management concept three lines model which forms the basis of the approach to implementing the Government Internal Control System (SPIP) and Internal Control over Financial Reporting (PIPK) including the principles of the three-line model, the main roles in the three-line model, the relationship between the main roles, and apply models.
- ii. Perform mapping (mappings) related to the organizational structure and characteristics of the Supreme Court of the Republic of Indonesia so that it can build infrastructure (norming) according to the needs of the organization to support the implementation of the PIPK.
- iii. Do internalization (forming) and sustainable development (performing) implementation of Internal Control over Financial Reporting.

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