

Term of Reference

Government Internal Control System (SPIP)

Workshop

Background

The Government of Indonesia has declared to revitalize the government internal control by issuing target to achieve IA-CM level 3 by 2019 for 85% of the internal audit unit in the country. IA-CM level 3 is needed to support the Government Internal Control System (SPIP) implementation. In addition, 2017 PEFA assessment on Internal Audit elements also shows that the performance of Internal Audit needs to be improved. In overall, the performance of Internal Audit practice in Indonesia is graded as C+ (in a scale of A to D) due to the lack of focus on the adequacy and effectiveness of internal audit and response to audit recommendations. The Implementation of Government Internal Control System (SPIP), then, will help to improve the performance of internal audit

BPKP and all government internal audit unit (AAIPI members) in the country have significant role in facilitating the Government Internal Control System (SPIP) implementation. Continuous monitoring and evaluation has been conducted by BPKP with support from internal audit units across the country.

Due to vast population of local governments (there are 508 districts/ municipalities and 34 provinces in Indonesia), Government Internal Control System (SPIP) implementation is still weak in most local governments. It is timely that Government of Indonesia to review Government Internal Control System (SPIP) implementation which started in 2008. Lesson learned expected to be shared from units which have implemented and benefited from Government Internal Control System (SPIP) to encourage others for adoption. This will also provide the way for a new strategic implementation framework for AAIPI and BPKP to improve its Government Internal Control System (SPIP) implementation.

Objectives

The objective of the assignment is to enhance Government Internal Auditors capacity to support Government Internal Control System (SPIP) implementation.

Scope of Works

This activity requires the consultant to do the following:

1. Obtain data on the Government Internal Control System (SPIP) implementation in Government of Indonesia from both BPKP and selected ministries and local governments.
2. Obtain best practices on Government Internal Control System implementation data from other countries and IIA.

3. Facilitate discussions on how to improve the current support provided to improve Government Internal Control System (SPIP) implementation (including improvement of PEFA assessment grade).
4. Document the proposal for sharing with bigger audience in the workshop.

During the workshop, AAIPI with support from consultant will facilitate the following:

- a. Sharing experience from government units facilitated by AAIPI members which have good Government Internal Control System (SPIP) implementation with the rest of the members regarding tips and benefit in getting good Government Internal Control System (SPIP) implementation.
- b. Sharing experience regarding internal control maturity rating practice in Indonesia.
- c. Sharing experience regarding good practice in Government Internal Control System (SPIP) and internal control maturity from donor and other countries.
- d. Get updates on strategic/current issues from Institute of Internal Audit (IIA) regarding internal control practice and review and any development within AAIPI.

Deliverables

The expected deliverables for this activity is report on the conduct of all sessions, including individual data gathering sessions, as well as proposals and recommendation for improvement of Government Internal Control System (SPIP) framework and the maturity level of internal control implementation and improvement of PEFA assessment grade as well.

Consultants' Qualification

This activity requires consultants with following criteria:

1. Excellent understanding on Government Internal Control System (SPIP) and Internal Control System Framework.
2. Good understanding of Public Sector Financial Management. Prior experience working with Indonesian government will be considered as strong advantage

Method of Consultant Qualification

Competitive selection of firms or individual consultants refers to the guidelines for Selection and Employment of Consultants by World Bank Borrowers.

Monitoring Arrangements

To monitor the progress of the project, there will be report prepared by the consultant to be submitted to AAIPI.

Cost Estimate (US\$)

a. Consultant fee (including accommodation and travel , if any)	55,000
b. Workshops (venue, meals and workshop kit)	<u>15,000</u>
Total	70,000