

**THE THEMATIC PERFORMANCE AUDIT TO REFORM THE
ADMINISTRATION (CASE STUDY ON PERFORMANCE AUDIT OF DRINKING
WATER MANAGEMENT IN INDONESIA)**

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ABSTRACT

Millennium Development Goals (MDGs) ends in 2015 and will change towards Sustainable Development Goals (SDGs) by 2030. One of these goals is the sustainability of the environment, in particular the target of increasing access to drinking water for the whole community. That target is also adapted in the Indonesia's Medium Term Development Plan (RPJMN) for the year 2010-2014. RPJMN 2010-2014 targets the program of providing access to drinking water can reach 67% of the population. Nevertheless, until 2014, the target is still not achieved. Considering the impact from water management program to the health and environment aspect, Badan Pemeriksa Keuangan (BPK) as the Supreme Audit Institution (SAI) in Indonesia conduct performance audit of drinking water in thematic manner: massively in the 103 local governments and 2 ministries in central government.

This paper discusses how a performance audit can potentially be used to reform the administration, especially to catch up toward SDGs. The new information and a comprehensive input gained from these audits will be useful as a starting point before preparing a medium-term strategy on target in SDGs. This paper uses two approaches of the public administration. First, lesson-learnt approach between BPK and other SAI that once audited the same thing (SAI of Mauritius, USA, UK, Poland, Brazil and Costa Rica) the second approach is approach of SAI as a part of the regime of performance (Talbot, 2010).

This paper shows that the audit of BPK conclude that the target of the program to providing water access has not yet been reached and found the various problems encountered. This paper also shows that the performance audit in thematic manner can be considered as a better treatment to assess accountability and to responds the people needs than a stand-alone audit. It is shows that the manifestation of a paradigm shift of sector public audit from only accountable becomes responsive that especially to respond to the important issues both of national and global priorities. This paper suggests SAI to conduct an inventory of sectors or program that are indicated far lacking from achieving the target and conduct another thematic audit.

Keywords: performance audit, thematic audit, administrative reform, SDGs

Introduction

By the year 2015, the Millennium Development Goals (MDGs) has ended and continued towards Sustainable Development Goals (SDGs) in 2030. However, many of the MDGs targets that have not been achieved in Indonesia. One of them is related to the target in the field of environmental sustainability, particularly for access to drinking water for the entire community. Then, of regional scope in Asia, Indonesia is also lagging in the supply of

drinking water. From the pictures below show that access to drinking water in Indonesia in 2011 was still below the MDGs target of 55% and far below neighboring countries such as Malaysia and Singapore, which has reached 100%.

In the MDGs, the proportion of the population that is expected to use a clean water source is 67%, which can be divided into 67% pipelined coverage for the urban water and 52,8% coverage for rural communities. Similar with the MDGs, target of providing drinking water also stated in Presidential Decree No.5 of 2010 about the National Medium Term Development Plan (RPJMN) for 2010 to 2014 which has a target that by the end of 2014 providing access to drinking water can reach 67% of the population. A detailed plan of development of drinking water placed into the priority number 3 in the Action Plan of Health Sector that focuses on health development through a preventive approach through the improvement of public health and the environment, such as by the expansion of water supply coverage. As for reaching the target of access to drinking water is given a budget of Rp2.054 trillion ceiling. The funding for drinking water infrastructure by the mechanism of Special Allocation Fund (DAK) because the field is supports the achievement of national priorities.

By realize the importance of drinking water for the whole stakeholders, the Supreme Audit Institution (SAI) in Indonesia named Badan Pemeriksa Keuangan (BPK) adopt the operational plan of the audit in 2013 until 2015 that focus on drinking water management. The poor performance of drinking water management in Indonesia is also the reason of BPK to conduct performance audit for the Regional Water Company (Perusahaan Daerah Air Minum/PDAM) at the local level in Indonesia. The importance of water management and the poor performance are the reasons for BPK to selects it as audit topic.

SAI role as an external audit institution of government can play an important role in the system of checks and balances, including for vital programs and priorities of the government. BPK's summary report for the second semester of 2014 shows that BPK already conducted performance audits related to the drinking water management to the 105 entities considering the national program and priorities.

This paper will discuss the key audit findings of that performance audit drinking water management that conduct in thematic manner and compares it with other SAI does. The audit findings, including its recommendation will be analyzed to assess its contribution to the administrative reform in the case of water management. In addition, this paper will show that BPK recommendation could be used as a valuable tool to help the achievement of SDGs not only for water management.

Paper staging

The analysis in this paper is conduct with the following steps:

- a. Data collection. Data collection based on the literature and various sources: namely (a) audit results of BPK-RI concern drinking water management, (b) UN's documents related MDGs.
- b. Data analysis. This paper analyze of secondary data in the form of BPK's Semester Summary of Audit Result (Ikhtisar Hasil Pemeriksaan Semester/IHPS) for the second semester in 2014 and audit report for 105 entities both at the level of central government,

provincial governments, and the district/city governments. This paper also doing lesson-learned with a similar audit of another SAI.

- c. Inference. Conclusion in this paper including a suggestion for the development of thematic performance audits on BPK.

Conceptual Framework

a. Performance audit by SAI

The definition of performance audits in Indonesia can be obtained from the Law No.15 of 2004 on State Management and Financial Responsibility in Article 4 paragraph (3) as follows:

"Audit of the performance is the examination of the management of state finances which consists of examining the economic aspects and the efficiency and effectiveness aspects of the investigation."

Thus, understanding the concept of performance audit can be obtained from the International Standards of Supreme Audit Institutions (ISSAI) 300 stated by the International Supreme Audit Institutions (INTOSAI), which defines the performance audit as:

"An independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement."

The performance audit can be understood as an activity study of depth that are independent, objective and reliable about whether an audit object (government entities, systems, operations, program, activity or organization) conducted by the principle of good performance (economical, efficient, and effective) and if there are opportunities for performance improvement. In short, performance audit is an activity analysis of the performance of the entity or program to provide recommendations for improvement. According to UNDESA (2007), a performance audit has become a trend in many SAIs in recent years that increase the number of their performance audit because the audit is able to reveal more about the effectiveness of government operations. UNDESA (2007) also mentions the importance of a comprehensive audit framework, which requires that the three types of audit (financial, compliance, and performance) still need to be combined to provide a complete picture of public financial management.

According to Rai (2011, p.22-24), aspects of performance measurement (inputs, processes, outputs and results) will be closely related to aspects of economic performance (provision resources in the right quantity and quality, at the right time, with costs as low as possible), efficiency (the ratio between output and more minimal input), and effectiveness (the relationship between outcomes and outputs). Related effectiveness, Norman and Flynn (1997) in Rai (2011) mentions two categories of outcomes that changing conditions and changing in behavior. In addition to economy, efficiency, and effectiveness of which is known as the "3E", there are other values that can be considered as the value of the performance of the equity. This is similar to the reflection of the fairness issue Frederickson (2010) that states:

"... , the most productive governments, the most efficient governments, and the most economizing governments can still be perpetuating poverty, inequality of opportunity and Injustice "

Performance audit is an audit that can be used not only to assess the accountability of public sector organizations but also responsive manner of the government. UNDESA (2007) mentions that civil society organizations can use the information gathered through the audit to encourage the government to respond to audit recommendations and improve governance. Public participation can be done either on the policies that are national or local nature. Audit function in developing countries is, for the most part, oriented compliance. Compliance is certainly a legitimate concern. But in the context of the MDGs and poverty reduction, the concern for effectiveness should receive much more attention from auditors.

b. Performance audit to enhance public trust

Administrative reforms face the threat of failure because of the strong resistance and the latent power. That is why reformers and leaders of administrative reform needs sufficient trust to carry out administrative reforms. According to the Prasojo (2014) there are six root public distrust, namely (1) abuse of power, (2) breach of ethics and integrity, (3) rupture of relations between the public and the government, (4) public services are poor, (5) government system is not functioning well and (6) the inability of human resources. Thus there are opportunities for external auditors to help increase the performance of the government by providing constructive recommendations that ultimately enhance the confidence of stakeholders. This analogy gives the assumption that the better performance of reformers in the government can be helped by the external auditors that audit (performance audit) is done based on the purpose of management itself.

c. SAI's role in the administrative reform

Literature that discusses the SAI's role in the evaluation of performance and relationship with the administrative reform is still not too much. The concept of administrative reform itself has positioning of other concepts about changes such as acculturation, technological innovation, modernization, as well as the change itself. According Caiden (1969, P8) the definition of administrative reform is: "... the artificial inducement of administrative transformation against resistance." Thus it is understandable that the administrative reform started from malfunction of the natural process of administrative changes and resistance to the status quo that thus to generate change need encouragement that is artificial. More clearly, Caiden (1969, p.65-66) mentions that the concept of administrative reform has at least three main criteria namely moral purpose, artificial transformation and resistance administration. First, the moral purpose as mentioned Caiden is "the object of the administrative reform is to improve on the status quo by removing alleged defects, ending evil or wrong ways, and curing administrative faults". Second, as mentioned artificial tranfromation is "Reform is a calculated contravention of the principle of the dangerous precedent". The latter, resistance is "Because of opposition, reform needs to be backed by the power either through existing channels or by usurpation of authority". The concept of administrative reform continues to grow and more and more attention to aspects of the public. It is as Caiden (1991, p.301) mentioned that:

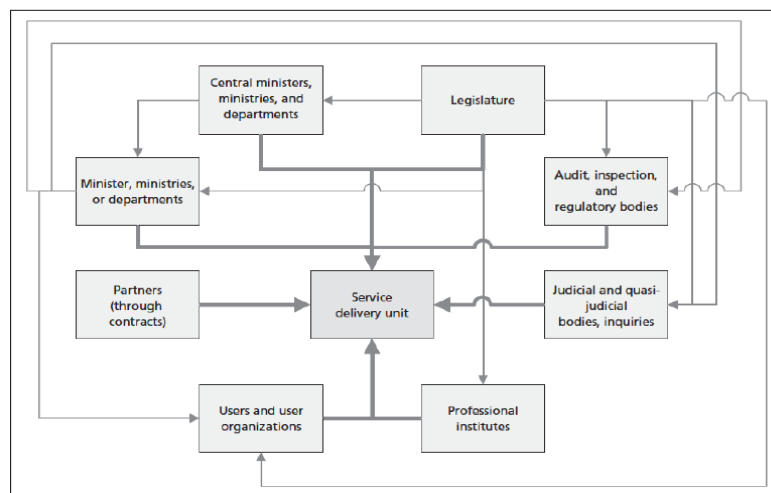
"High on the future agenda of administrative reform will be ensuring that Governments do get better value for reviews their money, do spend well and wisely, and do safeguard public money as a true guardian should. "

This view emphasizes on how the future agenda of administrative reform is that the government should be responsible for managing finances (obtained from the public) and how to use it effectively, efficiently, and economically (3E). That's where the role of SAI performance audits can help reform the administration primarily through its recommendations to the government. Related to the importance of the performance audit recommendations on the public perspective, Wibisono (2015) states that:

"... The most important factor is how the performance audit can be carried out according to the context in which the stakeholders' needs appropriately responded. ... Audit recommendations will be give any benefit if it is proven to increasing performance. Then, this appropriate and successful recommendation will increase of the confidence of management to follow the recommendation and correct reviews their performance deficit. That action will be done as a reinforcing cycle that larger than before. "

This view emphasizes the cycle of audit performance is very dependent on the strength of recommendations that meet the auditor (respond) to both the needs of stakeholders (including the public). It can continue to reinforce the results of a performance audit by means of fostering trust through continuous optimization of feedback, especially from users or the public.

Besides viewed as one tool in the administrative reform, this paper looked at the performance audit of BPK as one of the SAI's role in the regime's performance. Based on the concept of administrative reform that the bureaucracy itself could not trigger reform or things that are regularly changed, but it can be triggered by external factors, BPK could play a role as a trigger for it. BPK as part of a performance regime can carry out these functions. Talbot (2010) shows the framework of the regime's performance in figure as follows:



In addition, the SAI gets indirect influence on the political aspects. In the previous research, Moon (2011) argues that the practice of performance management Indonesia is still premature and far from the expected positive results. Ironically, the results showed that the obstacles in the performance management reforms are political actors and bureaucracy actors.

Moon (2011) in line with Caiden (1991) in view that performance management should be considered as a tool for long-term reform of the bureaucracy. Considering that, it is considered feasible for use in a performance audit to guard them. Besides guarding the performance audit of performance management can also help in the right of public accountability through reporting of SAI performance audit results to the Parliament. Nevertheless, it should also consider the opinions Cheema (2005, p.84) that the effectiveness of SAI's report as a tool depends many factors such as the role of public account committee and the ability of parliament to take actions to correct mismanagement.

e. Clean Water Management

Provision of clean water associated with water resources. According Stalker (2008), the use of water resources of the MDGs definition as follows:

- Definition of the percentage of households using piped water (considered as a definition of the most reliable and closest to the standard of health).
- Definitions related to the percentage of the population using water from "improved water sources" (such as pumped water, bottled water, water from a protected well or protected spring or rainwater) with a distance of 10 meters from landfills.
- Definitions related to the percentage of households using water from "improved source" but regardless of the spacing of the landfill.

According Stalker (2008), World Summit 2002 on Sustainable Development has been set up that water is a right for humans. Eventhough, drinking water supply in Indonesia is not yet a priority area of development. The drinking water management of this function has been delegated to local governments and municipalities, financing mechanisms for water infrastructure is centralized and the central government is still regarded as exclusively responsible for the supply of drinking water. Given the increasing public demand for drinking water and the limited budget of the central government, the MDGs targets for safe drinking water will not be achieved if current funding trends continue. In addition Stalker (2008) emphasizes less reliance on routine data on drinking water and the inability to identify areas lacking safe drinking water, and the availability of more data relating to quantity rather than quality. In addition, Stalker (2008) also mentions that the lack of technical and managerial deficiencies in the taps is one of the major drawbacks that are slowing efforts to increase the coverage of clean water.

Results

a. Access of drinking water in the MDGs, SDGs, and national policies as a goal for administration reform.

Providing drinking water is a national program that received great attention from stakeholders. The government has set a achievement target of drinking water supply through RPJMN by taking into account the achievements of the Millennium Development Goals (MDGs) agreed by the government of Indonesia. In the MDGs, the Government is targeting access to protected drinking water in 2015 amounted to 68.87% of which 41.03% is piped drinking water nationwide. Aligned with the MDGs, the Government in 2010-2014 RPJMN assign 67% of Indonesia's population has access to drinking water quality.

The drinking water supply is became the target number six in SDGs named *"Ensure availability and sustainable management of water and sanitation for all"*. Resolution Adopted by the General Assembly on 25 September 2015: *"Transforming our world: the 2030 Agenda for Sustainable Development"*. General Assembly of the United Nations vision related water is *"a world where we reaffirm our commitments regarding the human right to safe drinking water and sanitation and where there is improved hygiene; and where food is sufficient, safe, affordable and nutritious"*. In the new Agenda, the General Assembly of the United Nations stated that: *"We will reduce the negative impacts of urban activities and of chemicals roomates are hazardous for human health and the environment, including through the environmentally sound management and safe use of chemicals, the reduction and recycling of waste and the more efficient use of water and energy"*. In complete details of the sixth goal are:

- 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- 6.2 By 2030, achieve and equitable access to adequate sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and Reviews those in vulnerable situations.
- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing releases of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- 6.4 By 2030, the increase is substantially water-use efficiency across all sectors and Ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people Suffering from water scarcity.
- 6.5 By 2030, implement integrated water resources management at all levels, Including through transboundary cooperation as appropriate.
- 6.6 By 2020, protect and restore water-related ecosystems, Including mountains, forests, wetlands, rivers, aquifers and lakes.
- 6.A By 2030, expand international cooperation and capacity-building support to developing countries in Waterman and sanitation-related activities and Programmes, Including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
- 6.b Support and strengthen the participation of local communities in improving water and sanitation management.

From a national perspective, water has also been stipulated in the constitution. Constitution 1945 in the article 33 declared, "Earth and water and natural resources contained therein shall be controlled by the state and used for the greatest prosperity of the people". Target of providing clean water are also stated in Presidential Decree (Presidential Decree) No.5 of 2010 on the National Medium Term Development Plan (RPJMN) 2010 to 2014 which has a target that by the end of 2014 providing access to clean water can reach 67% of the population.

b. Drinking water management as audit priority of BPK

Strategic Plan 2011-2015 of BPK established through Decree No.3 of 2011 on the strategic plan of BPK of fiscal year 2011 to fiscal year 2015. In the Strategic Plan 2011-2015 BPK mentioned the strategic goal of *"realizing the quality inspection to produce audit report useful and appropriate to the needs of stakeholders"*. For these strategic objectives are one of

the strategic objectives of *"improving management function checks"* which has four key performance indicators, one KPI is *"number issued LHP performance"*.

Related to the use of thematic audit as a mechanism in water management audit it is already ruled by BPK. In accordance with the Decree of BPK No.5 of 2015 on Guidelines for Audit Management also organized on a thematic audit. Thematic audit is the kind of audit outside the audit conducted in financial audit and it themes contained in the policy and strategy of BPK on government programs in an area held by various entities audit.

c. The audit findings that valuable for administrative reform.

BPK deliver IHPS each semester to the representative institutions. One theme in IHPS II/2014 that needs to get the big attention of government is related to drinking water management to 103 local governments. Mentioned there that in general the supply of drinking water through the PDAM at the local government has not yet reached the target. The main problems that exist are 95 local governments have not set a strategic policy of the development of water supply (Kebijakan Strategis/Jakstra) and 90 local governments have not set a master plan of water supply system (Sistem Penyediaan Air Minum/SPAM). In addition all local governments were audited have not realized a decrease in the rate of water loss well.

1) Related to the development of drinking water supply system.

The performance audit aims to assess the effectiveness of the implementation of the development of water supply system in the capital district in order to expand access to public drinking water. Audit results conclude these activities are still not effective. One of the problems found in the audit results is the water treatment plant asset utilization by managing/taps of 754 liters/second, which is not in accordance with the plan. Assets resulting from the development of water supply system planned can provide water service to 61,600 new home was used to provide water service to 1,244 homes. This resulted in the assets of the water treatment plant had been installed was not able to provide access to drinking water services to the citizens in accordance with the planned capacity. Against these weaknesses, BPK recommends that the Minister of Public Works and Public Housing (Kemenpupera) to order Central Government coordinate with local government and PDAM to utilize the capacity of the water treatment plant has been installed.

2) Related to the coaching of PDAM

Performance audit over Minister of Internal Affairs (Kemendagri) aims to assess the effectiveness of coaching by Directorate of Local Government Investment (DPDID) to the performance of PDAM. Audit results conclude that the performance is not yet fully effective because of main problems in setting the implementation of regulations issued Kemendagri. These regulations are inadequate and the dissemination and technical assistance (Technical Guidance) related to these regulations were not implemented. Facing these problems, BPK recommends to instruct the Minister to instruct the Director of DPDID to draw up standard operating procedures on standardization for the implementation of policies/regulations issued by Ministry of Internal Affairs and draw up guidelines for the implementation of socialization and technical guidance associated with the implementation of policies/regulations.

3) Related to the management of water supply

Performance audit of water management conducts in 103 local authorities covering two provincial governments, 71 local governments and 30 municipalities. Performance audit for the supply of drinking water in general, aims to assess the achievement of local government in the provision of drinking water through the taps. Audit results have generally concluded that the provision of drinking water through the taps at the local government has not yet reached the target. The problems that need attention are related to weakness planning, the lack of local government support, less optimal financial management, lack of human resources and the weakness in the control of water loss. Against these problems, BPK has give recommendation as below:

- The head of the local government to immediately establish a Jakstra SPAM and/or a Master Plan SPAM.
- The head of the local government to observe the principles of full cost recovery (FCR) in setting tariff.
- The head of the local government to establish reasonable dividend policies/regulations.
- Director of PDAM to re-record the customer in order to update the customer database.
- The head of the local government to carry out the fit and proper test in the election of Directors Board of PDAM.
- The head of the local government to formulate and establish policies in reducing loss of water taps.

BPK's recommendations can be a trigger for the better administration if the government has trust to follow up these recommendations.

d. Lesson-learnt from similar audit

The vast majority of SAI's environmental audits has audit national and sub-national programs on such areas like the area of drinking water, water quality, and water quantity. (INTOSAI WGEA, 2012). When get insight with other SAI audit results are known that the performance of BPK audit coverage has been quite extensive. Gain insight from other SAI source of INTOSAI WGEA namely the SAI of Mauritius, USA, UK, Poland, Brazil and Costa Rica. In line with the global importance of drinking water, the SAI generally devote much attention to this topic. Audit is generally focused on the availability or the quality of drinking water, often in relation to cost. Most audited objects were public water company. The insight of the audit conducted another SAI are as follows:

Table 1: Insight of Drinking Water Audit conducted SAI

Audit detail and SAI	Audit reason	Audit finding	Main recomendation
Leakage in the storage and distribution of drinking water (SAI Mauritius, 2000)	Mauritius leads to the "water crisis".	Various main cause of the leakage problem that the poor performance of contractors; inadequate monitoring of their work by the water company; abundant use of substandard materials; general shortage of materials, equipment,	The intensive program to control the leakage.

Audit detail and SAI	Audit reason	Audit finding	Main recommendation
		and skilled labor; and restricted job specifications	
Planning study about drinking water by the EPA (SAI United States, 2009)	Large research budgets to millions of dollars.	EPA plans to research on drinking water rated detailed but not meet the elements of identification of the resources needed in the implementation and does not have an effective system to monitor the progress of ongoing research.	Corrective action.
Leakage and water efficiency (SAI United Kingdom, 2000)	Drought in 1995.	<ul style="list-style-type: none"> Leakage is managed using targets or self-proclaimed compulsory for companies of drinking water and managed to suppress the leakage of up to around 21% in 1999-2000. Water Company has made progress in promoting the efficiency of drinking water. 	<ul style="list-style-type: none"> State Agency for Water Service needs to straighten uncertainty associated water saved from an attempt to overcome the leak. Water Company still needs to improve information on the effectiveness of such promotional activities.
Supply of drinking water in urban agglomerations (SAI Polandia, 2002)	Not all surface water in Poland in accordance with high standards of the EU drinking water quality.	Legislation is still not optimal taking into account the EU requirements related to the quantity and quality of drinking water supplies.	<ul style="list-style-type: none"> Strengthening the supervision of the drinking water quality control and waterways. The need for policy related to water management in the watershed and related to the preparation of a water management plan
Water resources management (SAI Brazil, 2002)	Water supply crisis in 19 metropolitan areas.	<ul style="list-style-type: none"> The responsible institutions in the central government do not deal with these issues in a systematic and integrated because of the lack of coordination and sufficient analysis of the impact of water use policies. 	<ul style="list-style-type: none"> National Water Resources Council should take part as coordinator of planning budget plan. The central government should support the corrective actions, such as the reopening of credit and a focus to improve institutional management.

Audit detail and SAI	Audit reason	Audit finding	Main recommendation
National strategy on water resources and water use management (SAI Costa Rica, 2003)	Lack of financial resources	National Development Plan has not been set, the responsible authority does not have an adequate strategic plan, and the responsible authorities have not been have adequate coordination mechanisms.	Corrective action.
The project of increased access to clean water and sanitation in developing countries. (SAI UK, 2003)	Accountability for Department for International Development (DFID).	There is no evidence that these improvements will be sustained. Inadequate operation and maintenance of individual projects.	DFID developed an approach to project evaluation.

(Source: INTOSAI WGEA, 2004, proceed by writer)

Insight of another SAI can be used as an alternative ways to improve the performance of the drinking water management in Indonesia. Perspective another SAI of the water management tend to be similar with a similar audit reason and problems-solutions logic that can be adopt by BPK.

Table 2: Problem Identification of Drinking Water Audit conducted SAI

SAI (Year)	Political	Financial	Institutional	Technical
Indonesia (2014)	V	V	V	V
UK (2003)	-	-	-	V
Costa Rica (2003)	-	-	V	V
Brazil (2002)	-	-	V	-
Poland (2002)	V	-	V	-
United Kingdom (2000)	-	-	-	V
Mauritius (2000)	-	-	V	V
United States (1999)	-	-	-	V

(Source: IHPS BPK, 2015 dan INTOSAI WGEA, 2004, proceed by writer)

By looking at the table above it is known that BPK is generally not much different from other SAI that already conduct similar audit. BPK comprehensively found problems related to water problems. The first factor, from a political point related with support from the head of government for the sustainability of taps both related to additional funds and related dividend policy. Hence the political factor is also related to financial factors. The second factor, from the financial side of the mentioned influenced by political factors from the head

area and also the supervision of the central government ministries such as the Ministry of Internal Affairs. The third factor, related to institutional, BPK found unfavorable governance institutions supporting the implementation of the drinking water service providers, both central-local government and vertical-horizontal institutions. The last factor, technical-related leaks/loss of the water are also found and should be addressed technically.

The result is surprising because it is generally concluded that the supply of drinking water through the taps at the local government has not yet reached the target. The findings are the supporting of the Kemenpupera and Kemendagri that is not optimal. Related to the administrative reform, BPK findings and recommendations should be able to be a good trigger. If the water-related MDGs are still not satisfied with BPK to implement the recommendations optimism SDGs can also be achieved. The new information and a comprehensive input gained from these audits will be useful as a starting point before preparing a medium-term strategy on target in SDGs. It was exactly that will encourage other BPK to audit the strategic direction of the SDGs and national priorities, as there is in RPJMN.

Conclusion

The thematic performance audit is matter, important, and vital by using a case study of the management of drinking water. The thematic audit can be an attractive alternative to escalate the achievement of the objectives of SAI audit, especially performance audits. From the case studies in this study the performance audit of the management of drinking water, BPK can obtain a broad overview of a number of the audited entity, including the entity regulators (in the central government) and the implementor entity (in the local government). In addition to a broad overview, BPK also can provide recommendations that are specific for touching locality problems at the grassroots to improve managerial (technical). By taking the essence of a recommendation from a massive audit, policy makers can take better strategic decisions.

This paper is not to see how the recommendations are implemented and the outcome that will be obtained. Nevertheless this paper can give an idea of how much potential performance audit conducted in thematic to solve national problems, priorities, and touch the people's needs. By using this approach, further paper can close the existing gap by discussing the implementation of the recommendation (audit follow up) and the impact of changes after audit follow up. This paper suggests BPK and other SAI to conduct an inventory of sectors or program that are indicated far lacking from achieving the target of SDGs and conduct another thematic audit. After that, SAI can contribute not only to build “a world where we reaffirm our commitments regarding the human right to safe drinking water” but also sustainable development as a whole.

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