



Book of Abstracts

**1st Borobudur International Symposium on Humanities,
Economics and Social Sciences (BIS-HESS) 2019**

'Local resources empowerment towards advance, smart and sustainable system'

Universitas Muhammadiyah Magelang

Grand Artos Hotel & Convention

Magelang, October 16, 2019

Book of Abstracts

**1st Borobudur International Symposium on Humanities,
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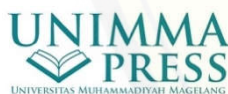
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Greeting from the Chairman



Assalamualaikum warahmatullahi wabarakatuh

Good morning Ladies and Gentlemen,

The honored ones: Rector of UMMagelang, Keynote speakers, Mayor of Magelang City, and participants,
Welcome to the 1st Borobudur International Symposium.

The main theme of this symposium is "Local resources empowerment towards advance, smart and sustainable system" as a part of the United Nations agenda for sustainable development goals in 2030.

Let me inform you that the 1st Borobudur International Symposium is attended by 475 participants, including those from India, Philippines, China, Malaysia, and United States.

I'm absolutely aware that the major comment for this symposium must be: why was this symposium in engineering and applied sciences (such as computer engineering, physics, and health sciences) combined with social and humanities sciences (such as education, economics, and law).

I'll answer it clearly that for now to the future, there is almost no barrier between hard sciences and soft sciences. For example, economics and education need technological touch. Likewise, technological findings need social science for culture implementation.

Therefore, I present you world-class keynote speakers whom able to capture the interdependence between these scientific topics, they are:

First, Professor Tony Lucey from Curtin University, Australia

Second, Professor Noorefendi Tamaldin from UTEM, Malaysia

Third, Mr Rajesh Ranolia from NIIT, India, and

The most beautiful keynote speaker, Mrs Yun Fatimah, PhD, Dean of the Faculty of Engineering, Universitas Muhammadiyah Magelang.

Please, give them a big round of applause!

I hope our later discussion may result transfer of experiences and research findings from participants to others, from one institution to another, from social researcher to

engineering researcher and vice versa. Also, I hope this event can build a new and strong research network.

Certainly, this event will not be successful without the support of co-hosts. On behalf of the Scientific Committee, I thank the co-hosts:

1. Badan Penelitian dan Pengembangan Kota Magelang
2. Universitas Muhammadiyah Surabaya
3. Universitas Muhammadiyah Buton
4. Universitas Muhammadiyah Ponorogo
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Finally,

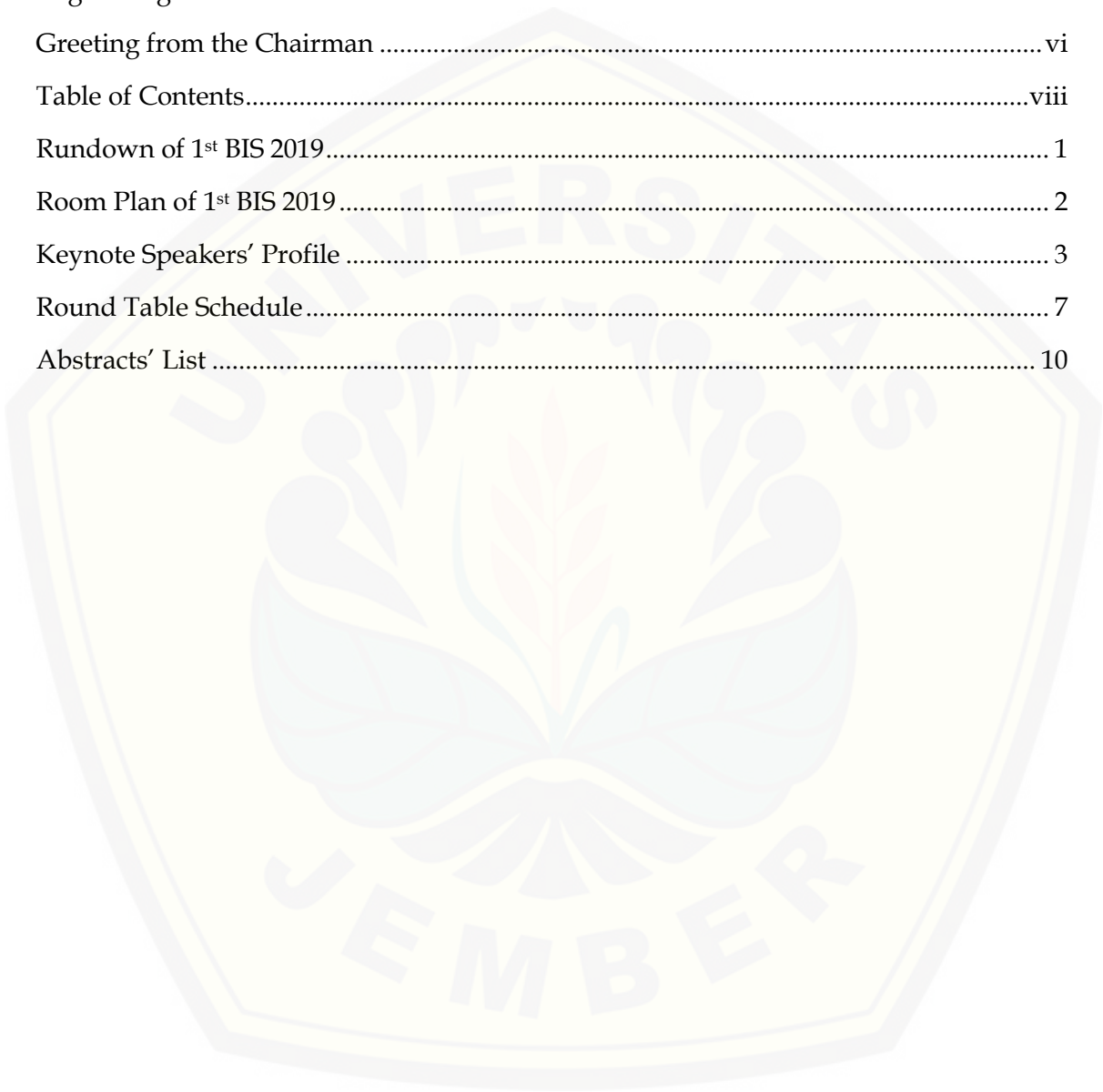
Take my hand, and let's introduce Indonesia local wisdom to the world.

Enjoy your discussion and I love you all.

Wassalamualaikum warahmatullahi wabarakatuh

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[ABS-53]

Developing Positive Risk Management Culture in Public Sector: Case Study in Banyuwangi Regency Government

Resha Dwi Ayu Pangesti Mulyono, Sudarno and Nining Ika Wahyuni

University of Jember

Abstract

The aim of this study is to develop positive risk culture in a specific Banyuwangi Government. The research results will be used to make recommendations on how to entrench risk culture so that it forms part of the organisation's daily activities at all levels of operations. Building Risk Management Culture is important in order Government have Good Governance and Free Corruption. This research used qualitative method with case study approach. Data analysis used by direct interview in Banyuwangi Regency Government. The results of the study explain that building a culture of risk management awareness in a government is part of every decision making process at all levels of the organization that begins with the leaderships commitment to consider risk by making continuous, transparent communication in managing program activities, employee awareness of the importance of risk and integrating risk management in order to give the right decision, one of which is in the form reward and punishment depend high or low risk that arise in each activity program and every work level.

Keywords: Risk Management Culture, Banyuwangi Government, Good Governance, Decision Making

Topic: Government Studies

[ABS-322]

Becoming a Safe and Successful Indonesian Migrant Worker: A Collaborative Governance and Local Wisdom Approach

Bambang Widiyahseno, Rudianto, Ida Widaningrum

Universitas Muhammadiyah Ponorogo

Abstract

In the era of globalization with the advancement of transportation and technology as it is now working abroad is something we cannot avoid. Regardless of the level of education and background of competence. Seeing friends, neighbors around success by working abroad then become an attraction for everyone to imitate. Apart from the various problems encountered when working abroad, it is often overlooked and ignored. The purpose of this paper is to convey ideas that can be used to improve the gaps in the implementation of the protection of Indonesian migrant workers. The method used is researchers call the collaborative governance approach and local wisdom as a way to solve the fundamental problems of prospective Indonesian migrant workers if they want to successfully work abroad. The results of this study indicate that this approach will be very effective in solving their basic problems starting from the lowest level, namely the village. Every village community is used to having the wisdom that has been carried down for generations as their culture. The village government as the lowest institution that is directly in contact with the problems of the community has an interest in the security and safety of the citizens of their community who will work abroad.

Keywords: Indonesian Migrant Workers, Collaborative, Local Wisdom

Topic: Government Studies

[ABS-187]

Zakat Corporation: The Way to Improve the Management of Zakat Institutions in Indonesia

Lungid Wicaksana, Kristina Setyowati, Didik Gunawan Suharto

Master of Public Administration, Universitas Sebelas Maret

Abstract

The emergence of a new law on the management of Zakat raises pros and cons, both among the citizen and private sector zakat institutions. Whats more, recently, there were rules about cutting 2.5% of zakat for Civil Servants. This seems to make the private sector zakat institution more subordinated. In several studies revealed that with the latest zakat management rules, private sector zakat institutions feel they dont get enough space and are subordinated to several existing policies. And it is feared that it will be very detrimental to the private sector zakat institution which is considered to have a small amount of people, because there must be a requirement that must be approved to obtain legality. Nonetheless, several attempts have been made by the government to embrace the interests of zakat management through good cooperation between public and private zakat institutions. Through a literature review study with Boolean Logic, several online journals were selected according to the needs of this study. With the aim of research to find out how the efforts of zakat institutions in Indonesia in order to develop and improve the mechanism of zakat management systems optimally and to embrace various interests that develop in society.

Keywords: Corporation, Zakat, Management

Topic: Government Studies

[ABS-443]

Anti Corruption Risk Based

Andriana, Dewi Ayu Puspita, Taufik Kurrohman

University of Jember

Abstract

Corruption is a form of fraud that can harm other parties. In Indonesia corruption means that it is a criminal offense related to state finance in the government sector and involves public officials. So to reduce the potential for corruption, prevention efforts are needed. The purpose of this study is to analyze how risk management prevents corruption. This research uses a qualitative case study method. The object of research was carried out at the Banyuwangi Regency Government. The reason for choosing this object is because the Banyuwangi Regency Government has implemented a risk-based audit. This study focuses on selecting three work units, namely the Inspectorate, the Financial Management Agency and the Asset Management, and the Public Works Agency. The results showed that the identification of corruption risks can be classified based on the red flag, namely (1) the accuracy of the goods and services received at the time of procurement, (2) identification of indications of corruption. The implication of this research is to know the risk of corruption, we can minimize corruption by controlling both operational and strategy control.

Keywords: Corruption, Risk Management, Banyuwangi Government, Risk Based Audit

Topic: Government Studies

[ABS-231]
**Risk Management in the Local Government of Indonesia:
drivers, constraints, and strategies**

Oktaviani Ari Wardhaningrum, Kartika, Hendrawan Santosa Putra

University of Jember

Abstract

Risk management is an emerging issue in the Indonesia government. This study seeks to reveal why and how risk management applied in local governments. A case study conducted at the Banyuwangi District Government, which was one of the initiators of risk management in Indonesia. In-depth interviews conducted with 19 participants from three work units, namely the Public Works Agency, the Regional Financial and Asset Management Agency, and the Inspectorate. Data analysis uses the constant comparative method with NVivo. The results show that the development of risk management triggered by regulations, preventing corruption, and synchronizing with risk-based audits. There are obstacles such no specific team to handle it, the risk of knowledge and awareness not evenly distributed in all work units, and there are no coercion rules for work units. Implementation of risk management in local governments requires the right strategy.

Keywords: risk management; local government; risk-based audit; prevent corruption

Topic: Government Studies

[ABS-493]
**Supply Chain Management Improvement through Strategic Planning
for Human Resources in the Industrial Revolution 4.0**

Nida Hanin Dary, Ismi Dwi Astuti Nurhaeni, Didik Gunawan Suharto*

Public Administration Department, Faculty of Social and Political Sciences, Universitas Sebelas Maret
*nidahanin@gmail.com

Abstract

Human resources in Indonesia are required to be improved to be internationally competitive, actively synchronized, and innovative with rapidly developing information technology to support the quality of Supply Chain Management (SCM) and also support sustainable development. Nevertheless, in the era of the Industrial Revolution 4.0, Supply Chain in Indonesia was increasingly confronted with the challenges of international competition in terms of innovation and technology. In addition to increasing the quality of technology to improve SCM, it is necessary to do strategic planning of human resources to equip the suppliers with international capacity in using technology that has been provided by the government to innovate or cooperate with other countries. This study aims to examine the strategic role of human resource management to produce human resources with international capacity, innovative, and able to support the improvement of SCM in Indonesia in facing the challenges of the Industrial Revolution 4.0. This research was conducted using qualitative research methods with a systematic literature review approach. Efforts to increase human resource capacity are carried out by creating human resource strategic planning based on analysis of the situation and potential of human resources, then training and development are carried out based on international standardization.

Keywords: Supply Chain Management; strategic planning; human resources; Industrial Revolution 4.0; Indonesia

Topic: Government Studies

Developing Positive Risk Management Culture in Public Sector : Case Study in Sunrise Of Java

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Abstract— The aim of this study is to develop positive risk culture in a specific Banyuwangi Government. The research results will be used to make recommendations on how to entrench risk culture so that it forms part of the organisation's daily activities at all levels of operations. Building Risk Management Culture is important in order Government have Good Governance and Free Corruption. This research used qualitative method with case study approach. Data analysis used by direct interview and observation in Banyuwangi Regency Government. The results of the study explain that building a culture of risk management awareness in a government is part of every decision making process at all levels of the organization that begins with the leadership's commitment to consider risk by making continuous, transparent communication in managing program activities, employee awareness of the importance of risk and integrating risk management in order to give the right decision, one of which is in the form reward and punishment depend high or low risk that arise in each activity program and every organization level.

Keywords—*Risk Management Culture, Banyuwangi Government, Good Governance, Decision Making*

I. INTRODUCTION

Globalization era demands a good institutional framework, which is able to encourage a democracy and accommodate people's aspirations to participate in development. Therefore, the key to the success of development is in a bureaucratic reform that is able to be productive and can be trusted to carry out the mandate of sustainable development. Azwar Anas's leadership as regent in Banyuwangi Regency can be one of the references and lessons learned how a regional leader is able to revolutionize the bureaucracy and successfully deliver regional development towards better welfare and people's lives. In accordance with the Banyuwangi Regent's Vision is "The Reality Of The Independent Banyuwangi Community, Prosperous And Excellent Noble Through Improvement Economy And Human Resources Quality" and his mission is Realizing effective, clean and democratic governance through the implementation of professional, aspirational, participatory and transparent governance, Increasing togetherness and cooperation between the government, business actors and community groups to improve community welfare and Build economic independence and community welfare.

Azwar Anas as a regent of Banyuwangi in a relatively fast time was able to change the image of Banyuwangi for the better, from what was previously known as the "City of Santet" to become one of the important icons of national and international tourism. In addition, he is also able to create in directing an inclusive development policy strategy, involving the community in every development process. This inclusive leadership model is very important because in most examples of development, people's economy does not have a large portion. Not only inclusive, he create an innovation in some sectors to support development process like Banyuwangi as a reference for the administration of government, especially in terms of the use of information technology (IT) through e-government and e-village budgeting. The importance of a technological approach in administration a government system, with this system, they do not need to conduct direct surveillance in thousands of physical projects, but just monitor it on the system.

Many appreciations and achievements who received Azwar Anas as Regeant of Banyuwangi for his innovation ideas has also received many awards, one of which has been given an Unqualified Fair Opinion for seven times in a row on accountable and transparent financial management. It has also changed many sectors of infrastructure, culture, tourism and the economy. Doing improvement must continue to be done, one of which is to minimize and map the risks of what might arise in each of these sectors. The element of risk assessment starts with looking at the compatibility between the objectives of the activity carried out with the objectives of the target, as well as the conformity with the strategic objectives set by the Government. One form that can be done by the Banyuwangi Government is to carry out risk management in each line, sector and related services and work together.

Government organisations have struggled to implement and maintain effective and efficient risk management processes. Many of the government organisations have, however, managed to establish and maintain basic risk management processes and structures. According to Bozeman and Kingsley (1998) a common challenge in government institutions is that benefits of risk management have not been realised. In Indonesia according to Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP) is an effort of the Government to fulfill article 58 of Law Number 1 of 2004 concerning the State Treasury, namely to implement a system of internal control in the Government as a whole in order to improve performance, transparency and accountability. With the application of effective internal control, it is expected to provide. Government Internal Control System (SPIP) has 5 (five) elements of control, namely: 1) Control environment, 2) Risk assessment, 3) Control activities, 4) Information and communication, and 5) Internal control monitoring.

Banyuwangi Regency Government has tried to be able to apply the rules that have been made by the Government related to Risk management. The trigger for the implementation of Risk Management in the Banyuwangi Regency Government area is the commitment of the leaders in the Banyuwangi Regency Government to prevent corruption, fulfill obligations under the Government Regulation No. 60 of 2008 and the motivation to make the Banyuwangi Regency Government environment free of corruption-free areas. The first step that can be taken is to build a culture of risk awareness in each activity and workplace in each department within the Banyuwangi Government. Risk culture is the responsibility of the board and management and that it is essential for the effective management of a business. According to Culp (2001) the adoption of a risk culture is the most important success factor for the organisation when shifting from a purely risk control business model to a risk transformed organisation model. The best way to comprehend the risk culture across an organisation is to engage directly with the employees whose daily activities are to identify, take and manage risk (Cortez, 2011).

The aim of this study is to develop positive risk culture in a specific Banyuwangi Government. The research results will be used to make recommendations on how to entrench risk culture so that it forms part of the organisation's daily activities at all levels of operations. Building a risk culture on all fronts will help improve government performance, be controlled and in accordance with the objective of being free from corruption in accordance with the KPK's direction.

II. LITERATUR REVIEW

A. Risk Culture

According to Protivity (2014) and Power *et al.* (2015) describes that risk culture is defined in different ways by an organization's characteristics and operating environment. Influential organizations such as the Institute of Risk Management refer to risk culture as a term describing the values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose. This applies to all organisations - including private companies, public bodies, governments and not-for-profits.

As stated in KPMG (2015) define that "risk culture is the sum total of the strategy, organization, processes, systems, people, incentives, etc. expressed through how people think, feel and behave relative to risk and risk management". This is the central tenet of Roschmann (2014) who suggested that risk culture is a cognitive, dynamic concept with psychological and behavioral aspects interacting with organizational aspects such as systems, processes and structures. An effective risk culture is one that enables and rewards individuals and groups for taking the right risks in an informed manner.

B. Risk Culture Aspect Models

As organisational theorists have pointed out (Schein, 2010) culture influences all aspects of organisational life. Culture ultimately dictates what structures, methods and procedures can be successful in an organisation. Most organisational culture theories emphasise or at least accept the fact that there is no single best organisational culture. What is good and what is bad depends always on the context. The term risk culture means how people in organizations see, understand and act related to risks. Much like organizational culture risk culture affects all risk management related aspects and ultimately affects whether risk management structures, methods and procedures will benefit or damage an organization.

The approach models can be applied to measure risk culture in an organization to self-assess in the areas of:

1. Tone at the top
 - a) risk leadership - clarity of direction
 - b) how the organisation responds to bad news
2. Governance
 - a) the clarity of accountability for managing risk
 - b) the transparency and timeliness of risk information
3. Competency
 - a) the status, resources and empowerment of the risk function
 - b) risk skills - the embedding of risk management skills across the organization
4. Decision making
 - a) well informed risk decisions
 - b) appropriate risk taking rewarded and performance management linked to risk taking.



Source : Institute Risk Management (2012)
 Picture 1. Model of Risk Culture

C. Organization Culture in Government

Organizational culture is the subject of resolving external and internal problems whose implementation is carried out consistently by a group which then bequeathed to new members as an appropriate way to understand, think and feel about related problems such as above (Laksmi, 2011). The organizational structure that has many bodies and different locations makes coordination in government organizations require a good communication system and a bureaucratic system that is difficult because it refers to the hierarchy to make communication needs to be optimized. Effective communication can be a good effort in optimizing coordination and relations between agencies in government organizations. In developing organizational culture, it is almost always certain that the leadership of the organization becomes an agent of change (change agent). As an agent of change, one of the expected significant contributions is to act as a role model.

According to Regulation Of The Minister Of Education Of State Applications And Bureaucratic Reform Of The Republic Of Indonesia Number 39 Of 2012 Concerning Guidelines For Development Of Work Culture described that Organizational culture within Ministries / Institutions and Local Governments can be recognized as an organizational excellence in responding to challenges and changes. Ministries / Institutions and Local Governments are expected to be able to create and develop an organizational culture oriented to improving performance, including through training, evaluating the performance of work units and employees, socializing, benchmarking, and learning laboratories. Every organization included in the government organization there is a work culture (culture set). Work culture is defined as a person's perspective in giving meaning to "work". Thus work culture is defined as the attitudes and behaviors of individuals and groups that are based on values that are believed to be true and have become the nature and habits in carrying out daily tasks and work. In practice, work culture is derived from organizational culture. Work culture is an organizational commitment, in an effort to build human resources, work processes, and better work results. The achievement of improved quality improvement is expected to come from every individual involved in the work organization itself. Therefore, bureaucratic reform seeks to change the current work culture, into a culture that develops attitudes and results-oriented work attitudes (outcomes) obtained from high work productivity and performance.

III. RESEARCH METHODOLOGY

This article presents the case study as a type of qualitative research. Its aim is to give a detailed description of a case study, its definition, some classifications, and several advantages and disadvantages in order to provide a better understanding of this widely used type of qualitative approach. This paper explain how to develop positive risk management culture in government within Banyuwangi Government. A simple definition of qualitative research is not possible; therefore a description of its purpose and characteristics is provided. As Merriam (2016) described, "Qualitative researchers are interested in understanding how people interpret their experiences, how they construct their worlds, and what meaning they attribute to their experiences." The primary characteristics of qualitative research include: 1) the focus on understanding peoples' experiences with intent to convey experiences into meaning, 2) the researcher is the key instrument for data collection and analysis, 3) the research process is inductive and not deductive, and 4) the product of qualitative research is richly descriptive.

In order to obtain the expected results in this study, researchers conducted data collection by interview method directly on 20 informants in the Banyuwangi Regency Government and observation. The activity which is also the object of research is to understand the main tasks and functions of each researcher in order to obtain maximum results. The purpose of the researchers is only to convey the clearest, most comprehensible and comprehensible results which are then outlined in this article. Researchers are required to understand in terms of motives, social, individual life experiences and behavior of respondents. Then the steps taken by researchers to analyze interview data by: (a) informal conversation interviews, (b) approaches using interview general guidelines, and (c) open standard interviews. The results of the interviews were recorded with a recording aid and then processed with NVIVO software then analyzed and the conclusions drawn from the interviews.

IV. RESULT AND DISCUSSION

4.1 Result

The application of risk management is a risk management practice that has entered into everyday life. In the Government environment, risk management is important to ensure that we can achieve the best performance points set by each Government. And the most important thing is how we can also secure ourselves because there are some things related to civil law or criminal law in the effort to implement risk management by recognizing that risks will appear close to the duties and scope of work. Risk management exists to be integrated into the process of achieving organizational goals, one of which is in the District Government of Banyuwangi.

Currently the Banyuwangi Regency Regional Government has made many improvements in its organizational environment initiated by the Regent's commitment, namely Abdullah Azwar Anas, who wants that every work unit in the Banyuwangi Regional Government must be transparent, serve the public, free from corruption and work together to achieve the welfare of the Banyuwangi people. Referring to the vision and mission when elected as the Regional Head who wants to create an independent, prosperous and noble society through improving the economy and the quality of human resources by building cooperation between the government and the community. Measures of success in realizing the vision and mission can be outlined in the work program of the Regional Head, activity programs, and activity reports, financial reports as a form of financial support for the implementation of activities to produce awards both at national and international level. Every activity must have inherent risks, so the thing that must be done is to minimize the risk through integrated risk management (built-in) with each other. Integration at this time is needed to get tangible results on the performance carried out. One of the efforts currently carried out by the Banyuwangi Regency Government is to build a culture of risk in each work unit of the organization.

Building a risk culture means how an organization, especially the Regional Government, manages and responds to the risks that arise. Thus, a strong risk culture illustrates the conditions in which an organizational environment has been created which considers the importance of risk management in each unit of activity for all parties within it. There is a shared understanding of risk appetite that has been set by the Banyuwangi District Government in each regional apparatus organization (OPD). Later all decisions made by each regional apparatus are carried out by the strategic level up to the operational level always referring to the set value and the risk value that is in accordance with the organization's capacity. If the risk culture that is applied has been started through the awareness of each employee in the Banyuwangi Regency Government. If the application of this risk culture awareness is strong it can provide a competitive advantage for the Regional Apparatus Organization (OPD) within the Banyuwangi Regency Government because it can support the organization in utilizing all opportunities that can arise without worrying about the existence of harmful risks in every activity or work unit in each OPD.

Risk culture developed in the Regional Government of Banyuwangi Regency in its implementation is expected to be realized by all levels. The risk culture is manifested through the understanding and management of risk in each unit part of each decision making process at all levels of the Regional Apparatus Organization (OPD). This form of understanding and risk management begins with the inculcation of work culture values that have been held in the Banyuwangi Regency Regional Government, namely "Banyuwangi Bahagia" which is an acronym of Banyuwangi with a moral, prosperous, beautiful and safe attitude. Where it starts from the commitment of the Regional Head, Mr. Abdullah Azwar Anas, who wants Banyuwangi Regency to be more advanced, prosperous, beautiful and safe so that the happiness of Banyuwangi people continues to increase. So the value of the work culture that has been communicated can be sustainable to all levels of the Regional Apparatus Organization.

4.2 Discussion

According to the Institute of Risk Management (2012) the meaning of risk is the impact of uncertainty on organizational goals. Every action taken by the organization to achieve the goals will surely face risks. Good or bad for an organization in managing risk depends on a culture of risk that starts with attaching awareness that certain risks arise in every work program, goals and targets within the Banyuwangi District Government. A culture of risk, if well understood and applied, will have an influence in making strategic decisions and assessing their performance.

At the moment the Regional Government of Banyuwangi Regency is developing a culture of risk awareness, during field observations and interviews with several Regional Apparatus Organizations (OPDs) the trigger for holding awareness of risk is a demand that the Government environment must be free of corrupt areas where the KPK has campaigned for each Organization Regions must have high integrity and be free of corruption. Starting from the commitment of regional leaders namely the Banyuwangi Regent, Regional Secretary, Inspectorate and Head of the Regional Apparatus Organization (tone at the top). The role of the leader becomes the main driver for starting a culture of risk care. Next will be communicated to the level of Section Chief, Sub Division Head to the lowest staff. The role of communication is very important, this will affect the behavior of employees in efforts to implement risk management in every activity and target of the organization. The spirit of building a risk management environment in the District Government of Banyuwangi is very necessary in order to realize Banyuwangi as a happy and prosperous city for the community. Synergy between Regional Apparatus Organizations and parties directly related to the Government is very much needed by giving them an understanding of how potential risks can arise and can provide both material and immaterial losses if without good risk management.

Risk response starts from within oneself (risk self assessment) or can be trained by conducting workshops or training on risk management that starts from the top level to the bottom level, even stakeholders or partners from the Banyuwangi

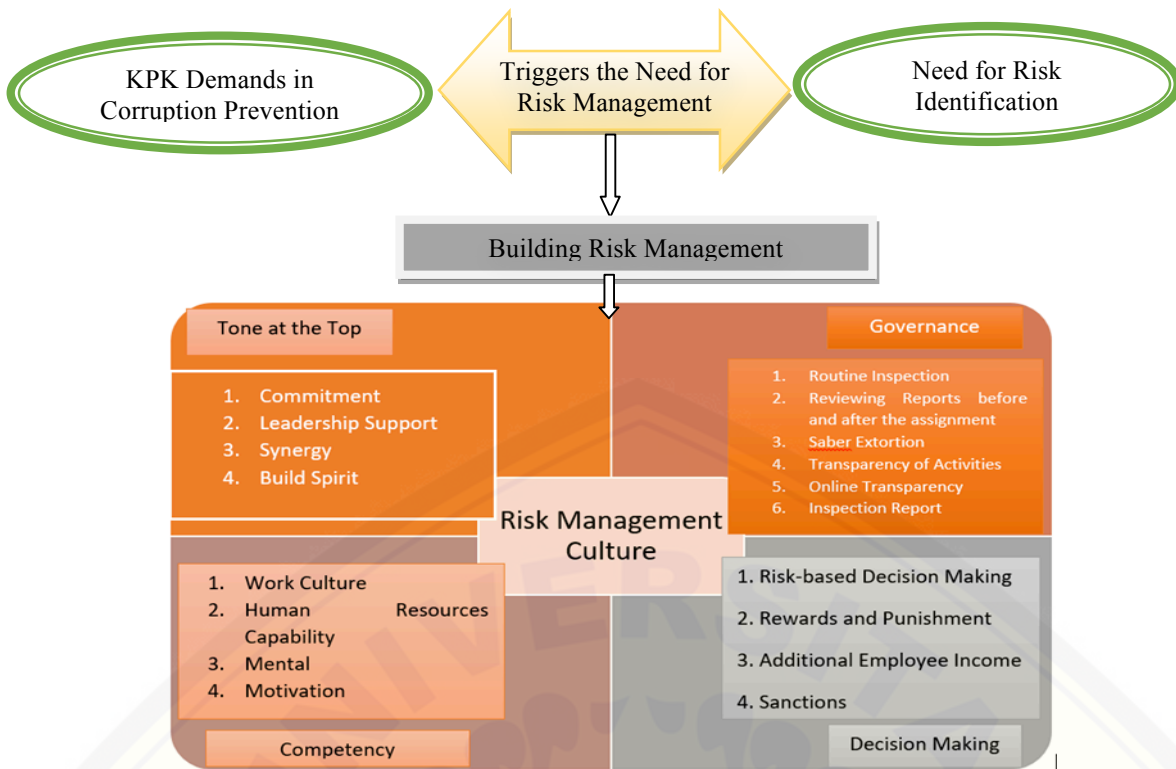
District Government. This is so that the party understands that related to the program of activities to be carried out, risk management can be carried out with the same standard. Risks that have the potential to arise in the Banyuwangi Regency Government are wasteful use of costs that could be indicated as potential fraud. The attraction of the potential to do so is considered to be of great benefit so they tend to ignore the warnings of the impact of the risks that occur. Regional Government Organizations that have a lot of activity programs and high expenditure costs tend to have a high risk of fraud, so later leaders must respond immediately in order to make the best decision responding to it.

Process of recognizing and assessing risk in each unit of activity can be implemented in good governance and transparent. If governance is weak, the potential for potential losses and risks generated will be even greater. The Regional Government of Banyuwangi has made improvements every year related to governance, for now things have been done such as transparency in every activity by providing online reports from planning to implementation of activities, conducting routine checks before and after assignment, internal audit processes and externally in every program of activities, reviewing every report, transparency with Government partners such as auctions and tenders, the emergence of a cashless program (non-cash movement) on each receipt and payment transaction until an online saber extortion program is made for a public complaint forum in case of brokering. For now the Banyuwangi Regent's commitment to the community is to provide the best and fast public services, all of which can be easily obtained through online access that is integrated with each other so that monitoring can be a control for the Government and the community. All levels are responsible for all activities carried out, so that understanding related to risk is better and can immediately take precautions. Risk monitoring and reporting in every activity program or activity must always be up to date and accurate in order to also enable better decision making. The benefit is that if monitoring and reporting is done periodically, it will increasingly provide an understanding of the potential risks that can later be made to analyze the losses that occur. All information relevant to the risk management process within the Banyuwangi Regency Government is collected and communicated in an adjusted format and time.

To support good governance in the Government, the Regional Government of Banyuwangi Regency always improves the competency of human resources. The Regional Government of Banyuwangi Regency starts by mapping the workplace in accordance with the capabilities of human resources such as educational background or work experience in the Government environment, always motivating each other starting from the leadership level, building mentality for work and predetermined work culture values. by the Head of the Region which is moral, prosperous, beautiful, safe, patient, and sincere in carrying out work. If this culture has been developed in the environment of the Regional Government of Banyuwangi Regency, carried out continuously and consistently over a long period of time, a culture of risk management can be created. The steps that can be taken are sharing knowledge and experience about why risk management is needed for each employee. If each Regional Apparatus Organization is able to expect that everyone in the environment understands risk management, the risks that arise can be minimized. Effective ways that can be created through a clear approach, documented, socialized with workshops or training, then implemented in everyday life for decision making (decision making). The goal is to make it clear and there is no confusion about what steps should be taken when the risk is large.

Regional Government of Banyuwangi Regency proactively ensures that the implementation of risk management can run well by ensuring continuity, community service, and goals or objectives according to the vision and mission of the Regional Head can be realized. To realize this it requires synergy and commitment at every level of employees and Government Management needs to continually recognize risks in organizational governance which can affect the ability to achieve the goals set by the right decision. Decision making will also have an impact on reward or punishment depending on how well management can manage risk. The Regional Government of Banyuwangi District has committed that those who can manage high risk become low or whose jobs have high risk and then the employee cares to be able to minimize the risk then the Additional Employee Income (TPP) as an award but if the employee is not concerned and is not aware of the risk which has the potential to even infringe, punishment can also be obtained.

If described in a model, the Culture of Risk Management in the Regional Government of Banyuwangi Regency is as follows:



PICTURE 2. MODEL OF RISK CULTURE OF REGIONAL GOVERNMENT BANYUWANGI

V. CONCLUSION AND SUGGESTION

5.1 Conclusion

To build a positive risk management culture within the Banyuwangi District Government requires a strong commitment from the Regional Head because of the risk uncertainty that can emerge in each activity program and the demands of the KPK in order to prevent potential corruption. Risk response starts from within oneself (*risk self assessment*) or can be trained by conducting workshops or training on risk management that starts from the top level to the bottom level, even stakeholders or partners from the Banyuwangi District Government. This is intended so that risk assessments at each level can be implemented in good governance and transparent. If this culture has been developed in the environment of the Regional Government of Banyuwangi Regency, carried out continuously and consistently over a long period of time, a culture of risk management can be created. If self-awareness of the importance of caring for potential risks, then every decision making process at all levels of the organization will be wiser. Appreciation for them is very much needed so that risk management can be carried out properly and integrated in every process of implementing program activities.

5.2 Suggestion

For the good of academically and practically related to building a risk management culture in the Government environment are:

1. Ensuring that the risks in the government are then identified / recognized and assessed for their level of significance, and an action plan has been made to minimize the impact and likelihood of these risks occurring.
2. Ensuring that if the action plan is implemented effectively, the action can minimize the impact and the possibility of risk occurrence.
3. Building a culture of risk awareness must be maintained on an ongoing basis at every level of the Organization so that conditions are created that are more transparent and responsive to what needs to be done about risks.
4. Further research can be developed related to Risk Management Culture within the Regional and Central Government environments by mapping, evaluating and evaluating the risks posed
5. Not only qualitatively, research testing related to risk management can be done using quantitative methods so that the results obtained are more accurate.

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Risk Management in the Local Government of Indonesia: Drivers, Conditions, and Strategies

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Abstract—Risk management is an emerging issue in the Indonesia government. This study seeks to reveal why and how risk management applied in local government. A case study conducted at the Banyuwangi Regency Government, which was one of the initiators of risk management in Indonesia. In-depth interviews conducted with 19 participants from three work units, namely the Public Works Agency, the Regional Financial and Asset Management Agency, and the Inspectorate. Data analysis uses the constant comparative method with NVivo. The results show that the development of risk management triggered by regulations, preventing corruption, and synchronizing with risk-based audits. There are obstacles such as no specific teams to handle it, the risk of knowledge and awareness not evenly distributed in all work units, and there are no coercion rules for work units. Implementation of risk management in local governments requires the right strategy.

Keywords—*risk management, local government, risk-based audit, prevent corruption*

I. INTRODUCTION

As economic, social, and political changes rapidly grow, the risk becomes unavoidable. For sustainability and development of operations reason, organizations need to ensure that risks are managed effectively and require a robust internalization of risk culture. Organizations need a guarantee that risks that will occur can be predicted, anticipated, overcome, and managed properly. Risk is essential to be considered and managed the existence and the impact that will be caused.

In the context of government, there are some risks from both external and internal factors that must be considered by government organizations, such as hazard, financial, operations, strategy, and reputation risks [1]. Hazard risks include natural disasters, fires, theft, and criminal acts. Financial risks, such as price changes, liquidity, and loans. Operational risks such as community service, proper planning, and cybersecurity. Strategic risks include demographic, cultural and social change, technological innovation, and political risks such as misconduct policies and procedures, misuse of government resources, and fraud or mismanagement.

This research is important for two reasons. Firstly, fill in the gaps in risk management research in the government environment that is still rarely conducted and published. Characteristics of different government organizations with business organizations will contribute new knowledge on the topic of risk management. Secondly, the practitioners of the government need this kind of research to complement their practices. They need an in-depth study from academics

as a basis for reference in making policies, regulations, and technical implementation regarding risk management.

Typical problems that arise in the implementation of programs or activities are the quality of implementation that are not by the targets set and the risk of being exposed to corruption [2]. The causes of those problems are as follows: first, the not fulfillment of work time targets, because of unexpected technical problems in the field. Besides, the capability and quantity of human resources do not match the specifications and needs of the work with the type of program or activity carried out.

Second, the activity cannot be carried out because suddenly, there is a budget cut at unit work even though it has been budgeted. It can occur because the planning and budgeting process has not considered carefully the risks that might occur. Also, the priority scale for determining annual programs and activities has not been carefully synchronized with the unit's long- and medium-term plans.

Third, risk control does not cover all aspects of the organization. The existing risk control system is still limited to applications for the internal audit process. There are several missing things from the internal audit application [3]; examples of budget cuts and HR that are less qualified cannot be detected or controlled from the audit application because this application is only designed for the audit process.

Fourth, a risk management culture has not yet been formed. It is because the leaders have not yet committed to civilizing and socializing risk management in the organization. It is proven that there are no regional regulations regarding risk management, and there are no leaflets or slogans attached at all levels of the organization.

The question in this study is how risk management can control the quality of government activities and their relation to risk-based auditing. This research is limited to the context of the Banyuwangi Regency because it is still rare for local governments in Indonesia to implement risk management.

II. RESEARCH METHOD

A. Methodology

This research uses a qualitative case study method. In the context of local government, the risks that arise in the implementation of a program or activity will very likely occur. Control of the course of the program or activity needs to be done to maintain the fulfillment of the expected time and quality targets. Meeting this target raises a high level of complexity because the course of a program or activity has many influencing factors such as planning suitability,

budget accuracy, running human resources, management support, the technology used, and other external factors. The case study method is suitable for use in the context of problems that are occurring, complex, and essential to be investigated [4], [5].

B. Data Collection and Analysis

The object in this research is the Banyuwangi Regency Government. The reason for choosing this object is because the Banyuwangi Regency Government has implemented a risk-based audit. Also, the Banyuwangi Regency Government Inspectorate, as an internal control unit, is developing risk management applications for all work units. This study focuses on selecting three work units, namely the Inspectorate, the Financial Management Agency and the Asset Management (BPKAD), and the Public Works Agency (DPU). The Inspectorate was chosen because this work unit became an internal control center that carried out risk-based audits and developed risk management. BPKAD was chosen because this work unit was a supporter of the treasury, administration, and reporting of each program or activity. DPU was chosen because this work unit is a work unit that can represent the complexity of various risks and controls.

This research used in-depth interviews with 19 participants consisting of top, middle-level managers, and technical staff from the three work units above. Besides, this research also uses documentation data such as vision, mission, work unit strategy. This research also explores documents relating to risk management, such as risk-based audit manuals, risk mitigation tables that they have created, as well as laws and regulations that are relevant to this research. The results of the transcript of all in-depth interview records and documentation data were processed using grounded theory techniques [6]. The researcher conducted the stages of open coding, axial coding, and selective coding using NVivo [7].

III. RESULT AND DISCUSSION

A. History and Motivation of Risk Management in the Banyuwangi Regency

In addition to improving the effective control system, risk management is arranged in the framework of preventing corruption. With this risk management, the risks that might arise can be reduced or eliminated in action or work in each unit. In this risk management, each risk is identified, and alternative risk management is made [8]. So, it is expected that fraud and corruption could be reduced or even eliminated. The development of risk management in the Banyuwangi Regency government is also intended to assist the KPK (Corruption Eradication Commission) task in eradicating corruption in the local government, especially in the Banyuwangi Regency and an effort to make the Banyuwangi Regency free from corruption in 2019.

The Banyuwangi District Government has developed and implemented a risk-based internal audit. With the implementation of risk management in work units, the implementation of risk-based internal audits will be easier to apply and more efficient.

B. Risk and Control

Local governments carry out programs and activities to ensure development and services to the community.

According to the Minister of Home Affairs Regulation No. 13 of 2006, the program is a translation of the unit policy to achieve the unit mission. While the activities are part of the program carried out by one or more units. Based on the definition in the regulation, it can be concluded that the program is a manifestation of the mission of a unit, while activities are specific activities to support programs that can be implemented in more than one unit.

Within each program and activity, there is a risk that must be managed so that program and activity objectives can be achieved [9]. In this section, the researcher tries to identify the risks that might occur in the programs and activities of the Regional Government of the Banyuwangi Regency. Banyuwangi Regency classifies programs and activities into five functions, that is mandatory affairs-basic services, mandatory affairs-non basic services, preference affairs, general government, supporting affairs for general government affairs. To simplify this classification, researchers divide programs and activities into three types, namely: service to the community (programs/activities carried out by units that provide services directly to the community, namely DPU), supervision (programs/activities in unit that have responsibilities in the field of supervision, namely Inspectorate), and supporting (programs/activities in this field support the implementation of programs/activities in other units, namely BPKAD). Researchers conducted interviews with 19 participants from three work unit levels that reflected this division, namely DPU in the field of service to the community, Inspectorate in the field of supervision, and BPKAD in the field of support.

The first risk that might occur is a political risk. For example, in the election of village heads, candidates for village heads ask for support from the Cipta Karya and Spatial Planning concerning infrastructure in the village of the prospective village head. It relates to the DPU program, which is a rural infrastructure development program. Concerning political risks, this program may not be evenly distributed throughout the village, but only certain regions that support individual village heads.

"... village heads who are running again, he needs support from the infrastructure of the Public Works Office" - P15

Political risk is not only limited to the election of village heads. The election of other regional heads, such as regents or governors up to the presidential election, can pose political risks to programs carried out by agencies that deal with services to the community.

The other risk is complaints. Programs for service to the public are the most vulnerable programs exposed to the risk of complaints because they deal with third parties. The risk of a complaint in its development can penetrate the realm of law. For example, public complaints about damaged roads, the subsequent process of presumption of innocence that the road budget is not used according to standards, it can proceed to legal issues. This risk is very closely related to the potential risk of corruption. If there is a risk of complaints that spread to corruption cases, the OPD concentration is divided to serve the community and resolve legal issues (including the risk of wasting time).

"... there was an opinion from the community that the work was bad, or there was a report from the community that to

law enforcement officers, then to the inspectorate the work was not appropriate ... " - P18

"... law enforcement officers do not see the report as true or not, as soon as there is a report ... the process is, this thought is indicated, suspected, suspected, so that when we become ... we become this work we should be able to finish it in a certain period, but our concentrate is divided ... " - P15

"... if the potential for corruption is actually in any part, yes, if the potential for corruption is so that anyone can play in their respective fields ... " - P17

The risk of complaints can also occur for projects with an auction system. It is possible that auction partners who do not work on infrastructure according to standards, giving rise to complaints from the public. If that happens, the partner will be reprimanded and asked to work on the project following the Work Order (SPK). If the partner does not acknowledge this, the partner can make a repeat complaint to the appropriate office. Even if the partner has a problem, the DPU must be responsible for the mistakes made by the partners. It is related to inherent risk.

Default risk can be in the form of planning risk. This risk can occur in any field because it is an inherent risk that is inevitable or is likely to occur. Planning risk is defined as a mismatch between planning and implementation, for example, programs/ activities that on time, time, place error, unit of quantity/ price, or proportion — reputational or wrong sequence in implementing the program. Planning risk is very closely related to the risk of error implementation. The higher the risk of planning, the greater the risk of error implementation. The risk of mismanagement that exceeds the tolerance level or threshold can result in a high potential for legal risk (the potential for corruption). The risk of this error can occur both on the internal side and on the external side.

Supervising consultants are expected to conduct supervision under procedures and standards previously stated. However, the supervising consultant, who is also the executor, can make mistakes. Supervisory consultants are not always in the project area and cannot oversee projects 24 hours a day. Also, other mistakes that can occur are violations of agreed procedures. If this happens, the DPU provides sanctions in the form of verbal reprimands, written reprimands, up to termination of contracts, and blacklists to supervisory consultants who commit violations. This sanction applies both to the supervisory consultant and to the partners.

Banyuwangi Regency DPU also conducts online control through *e-mondal* (e-monitoring and control). Through *e-mondal*, supervision, and control to supervisors from the office (non-tender supervisor) and supervisory consultant (tender supervisor) who are on duty in the field can be done online or in real-time.

Excellent communication is a useful tool for controlling risk. Communication between Banyuwangi Regency local government personnel is carried out through a variety of media, ranging from formal media in the form of regular meetings and evaluations every day through morning breakfast, to informal information through groups on social media. The ease of communication has an impact on the

ease of getting information so that if there is a potential risk can be done quickly. Coordination and communication are also carried out with village, village, and NGO institutions to reduce the risk of complaints due to community ignorance of government programs.

C. Factors Influencing Risk Management Implementation

The main factor that triggers the implementation of risk management is the need to identify and manage risk. Risk management is seen as a tool for early identification of corruption. By managing risk properly, it is expected that the prevention of corruption can be carried out. A healthy and corruption-free government environment is a condition that triggers the implementation of risk management.

Another condition that influences are political conditions. The fact that the head of government can change once every 5-10 years is one of the triggers for the importance of risk management implementation. Different heads, different policies are a different reality that often occurs in government. Besides, political factors can also trigger program priorities for "successful teams" or community areas that support the head of government. This risk can arise at the beginning of the democratic party (election) and is likely to always arise at every turn of the leaders.

Another condition that triggers the implementation of risk management is the different characteristics of the programs/activities in each unit. Obligatory affairs, optional affairs, general government, and support have different characteristics. For example, the Public Works Department of Cipta Karya and Spatial Planning classified as compulsory matters that are supportive of other units and have a high budget value considered to have a high risk as well.

Construction work is indeed considered to have a high risk related to the nominal budget attached to the work. On the other hand, the assessment of a risk in a program is not necessarily only seen from the budget of the program, because many factors that can affect the risk.

Overloaded work conditions can also trigger the need for risk management implementation. Job overload can cause significant delays to the work that must be done, which in turn can cause burnout to employees. In this case, risk management can be used as a guide to doing work and map work that is important, not important, and urgent, non-urgent, and high, medium, and low-risk jobs.

D. Constraints in Implementing Risk Management

Data obtained from personnel interviews of Banyuwangi Regency Government employees shows that personnel commitment is a factor that supports the implementation of risk management. Banyuwangi Regency Government has an excellent work culture seen from the values shared by employees and the synergies that are seen between employees [10].

Factors that can hinder the implementation of risk management in the Banyuwangi Regency include external factors, for example, partners who are only concerned with profit. Then also from the sanctions regulations that may be given to external parties considered not to provide a deterrent effect. For example, if a partner has a problem and

is blacklisted, the individual partner can still take part in the auction using another legal entity

E. Strategies for Implementing Risk Management

There are several strategies for implementing risk management. Several strategies have been carried out by the Banyuwangi Regency Government, and there have not been carried out. The strategy that has not yet been carried out is a documented risk management SOP. So far, risk management has been implemented but has not been explicitly stated in a document/ manual. The implementation of risk management is only an informal internalization in each individual. It is better to make documentation of risk mapping so that individual perceptions of risk management can be aligned and can be implemented in all lines of government (goal congruence).

Another strategy that can be done is to look at trends between planning and targets in previous years. If in the previous year the target had been exceeded, this year's target could be adjusted to the previous year's target. Whereas if it has not been exceeded, a target can be adjusted, for example, a decrease in the target. Associated with a budget that is not the same every year and the possibility of a budget deficit that occurs must also be considered in setting targets. It relates to the risk of implementation errors that are not following the plan. Establish good coordination and communication with all internal and external parties. Strategies for implementing risk management can also be carried out by holding specialized training to equalize the perceptions of all stakeholders and enhance human resource capabilities.

An important strategy that needs to be done is to use information systems as a tool to force work units to implement risk management. In the budgeting process, work units are required to fill possible risks, degrees of risk, and coping strategies if risks occur in every program and activity that they propose in the budget. If the work unit does not fill in the three things in the budgeting information system, then the budget submission process will not be able to proceed further.

The overall discussion is shown in Figure. 1.

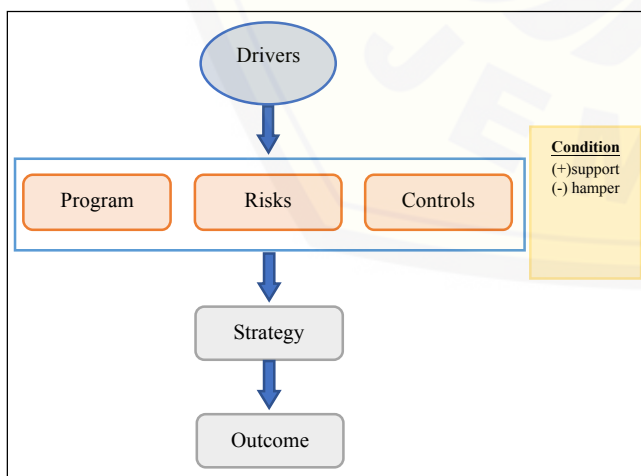


Fig. 1. Strategy of Risk Management Implementation

CONCLUSION

This research succeeded in uncovering the triggers, the conditions of influence, and the strategy of early implementation of risk management in government entities. The main trigger for implementing risk management is a request from the KPK to develop a corruption prevention system. Generally, some risks that arise in the implementation of programs and activities are a political risk, planning risk, and the risk of meeting the target activities. Some obstacles that arise in the implementation of risk management are that there are no coercive rules and comprehensive personnel understanding about risk management. The strategies that can be done are risk management training as a means of equating perceptions comprehensively manner. Also, the formality of the rules applied in the budgeting information system is needed as a means of communication, control, and coercion.

This research has not revealed further how to work units identify, measure, mitigate risks, and impact implementation. It is a limitation of this study because the object of the research turned out to be still at the beginning of the implementation of risk management. Further research should start to explore in each stage of risk management implementation.

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Audit Based Risk Management Toward Anti Corruption

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Abstract- Corruption is a form of fraud that can harm other parties. In Indonesia corruption means that it is a criminal offense related to state finance in the government sector and involves public officials. So to reduce the potential for corruption, prevention efforts are needed. The purpose of this study is to analyze how risk management prevents corruption. This research uses a qualitative case study method. The object of research was carried out at the Banyuwangi Regency Government. The reason for choosing this object is because the Banyuwangi Regency Government has implemented a risk-based audit. This study focuses on selecting three work units, namely the Inspectorate, the Financial Management Agency and the Asset Management, and the Public Works Agency. The results showed that the identification of corruption risks can be classified based on the red flag, namely (1) the accuracy of the goods and services received at the time of procurement, (2) identification of indications of corruption. The implication of this research is to know the risk of corruption, we can minimize corruption by controlling both operational and strategy control.

Keywords— *Corruption, Risk Management, Banyuwangi Government, Risk Based Audit*

I. INTRODUCTION

One of the objectives of the decentralization policy is to improve the people's welfare more equitably. Wider authority to local governments in organizing government and managing finances will bring the government closer to its people. However, to achieve this goal is not easy, the existing political system, gave birth to local political dynasties that utilize post-conflict local elections as a procedural democracy to perpetuate power. In the end, corruption will also be decentralized so that the people's economic equality is not fully realized because it is only enjoyed by a handful of bureaucratic elites and local politicians.

Considering the current condition of Indonesia, it can be seen that it has a complete anti-corruption instrument, starting with anti-corruption legislation, the establishment of the Corruption Eradication Commission (KPK), and the existence of a corruption court, and there is a National Strategy for Corruption Prevention and Eradication or known as the Stranas PPK Term The length of 2012-2025 and the mid-term National Strategy for 2012-2014 PPK, as a follow-up to the formulation of the government's strategy to compile actions to prevent corruption that are implemented and evaluated every year, are issued based on Presidential Regulation No.55 of 2012 [1].

The Banyuwangi District Government, one of the regional governments that supports the mid-term and long-term National Strategy for PPK programs as a plan for preventing and eradicating corruption. This is evidenced by the award obtained by the Banyuwangi District Government who won the Regional Action Plan for the Prevention and Eradication of Integrated Corruption (RAD-PPKT) at the East Java level. The award was obtained thanks to a number of innovations based on public transparency, and a strong commitment to preventing and eradicating corruption. A simple example that has been done is announcing the annual APBD managed by the Regency Government that is displayed in every strategic corner of the city. Even monitoring of infrastructure development programs can be done in real time based on geospatial coordinates.

Various efforts have been made by the government to minimize the risk of corruption in the management of state finances. One of them is by issuing regulations related to risk management namely Bureaucratic Reform

Ministerial regulations No.19 of 2017 concerning the application of risk management within the Ministry of Administrative Reform and bureaucratic reform so that it will be able to realize *government* better [2]. In addition, the importance of using risk management in the current 4.0 era in Government is also due to the manual work governance process in Government which has gradually switched to using technology and information so that the resulting information is more efficient and effective and accurate. Like the use of *cloud computing* in the application of infrastructure that is more adequate in the implementation of *e-government* in Government Agencies. The new paradigm promoted by *cloud computing* is cost reduction, high service flexibility and access methods that can be done at any time and using any device [3]. The risk that will occur from the use of information technology will be more and more so the control through risk management needs to be done.

This research is important, the demands of a clean and authoritative government become a separate issue that needs to be revealed. The risk of corruption in government organizations is a challenge to be prevented. Good risk management should be able to prevent corruption from happening. Or in other words, when there is still corruption in government, it means that the risk management that is built is still poor. In the context of this risk management research, corruption remains a problem and a challenge to be prevented, especially in the implementation of programs and activities in government organizations.

The purpose of this study is to find out how risk management can help identify corruption critical points as same asure to *preventive* prevent corruption in the Banyuwangi Regency Government. So that later risk management will support an effective internal control system. Risk management is an inseparable part in the implementation of the government's overall internal control system in enhancing effective, efficient performance, transparency and accountability. The results of the study are expected to increase awareness and ability of all parties in the application of risk management,

meaning that a joint commitment to implementing risk management in implementing activities in the local government environment is realized.

II. Research Methodology

This research uses a qualitative case study method. In the context of local government, the risks that arise in the implementation of a program or activity will very likely occur. The case study method is suitable for use in the context of problems that are occurring, complex, and essential to be investigated [4].

Research locations in the Banyuwangi Regency Government with a sample of speakers from Local Government Organizations (OPD), namely the Public Works Agency (Bina Marga and Cipta Karya). The reason for choosing this object is because the Banyuwangi District Government has implemented a risk-based audit. In addition, the Banyuwangi Regency Government Inspectorate, as an internal control unit, is developing risk management applications for all work units.

This study uses three stages in data acquisition, first observation by directly observing how OPD in Banyuwangi Regency applies the strategy and risk management techniques that are being formulated. Second, in-depth interviews with resource persons that have been determined to have strategic power and special influence, including the head of the OPD, the secretary of the OPD, the Head of Planning and Budgeting, the Head of Finance and Staffing, the Head of the Internal Supervisory Unit at the OPD level, the official implementing technical activities, and the development consultant information Technology. In-depth interviews with 19 participants consisting of top, middle level managers and technical staff from the three work units above.

The last stage is the documentation process, collecting data related to risk management such as laws and regulations, guidelines or working papers that have been used, findings, BPK recommendations, inspectorate

recommendations, community reports, and data that may arise when the research team is already in field.

III. RESULT AND DISCUSSION

4.1 Corruption Prevention with Risk Management

1. Identification of Red Flag Corruption

Corruption is a form of fraud that can harm other parties. In Indonesia corruption means that it is a criminal offense related to state finance in the government sector and involves public officials. So to reduce the potential for corruption, prevention efforts are needed. Corruption prevention can be done by identifying the *Red Flag* that has the potential for corruption. By detecting these potentials at an early stage, the government will spend less money. Based on the results of interviews and theory confirmations, identification of obtained *Red Flag* corruption in the Public Works department was.

Table 1
Critical Point Identification of Government goods / services procurement Office of Public Works

No	Red Flag PBJ	Conditions in DPU	Remarks
1	compliance with procurement procedures	v	has been carried out in accordance with SOP
2	price reasonableness	v	there are HPS for each procurement
3	accuracy of goods and services received	v	there are several procurement it is not in accordance with.
4	domestic component level ignition	-	not identified
5	use of domestic products	v	no foreign partners
6	package backup for small businesses	-	not identified
7	sustainable procurement	-	not identified

8	utilization of results of activities (value for money)	-	not identified
9	identification indications corruption	v.	there are indications of corruption.

Identification of the *red flag* found in the public works service from compliance with procurement procedures has been carried out properly. All procurement procedures from planning to reporting have been carried out well, but in terms of implementation of procurement that must be more considered, because there is a point *red flag* that must be controlled to minimize corruption. Interview results from interviewee P.09

"If in Banyuwangi the planning side is good sir, the planning division is good, the reporting is good but the gap is being implemented" (P09)

In the procurement process, the government must make its own estimated prices (HPS) is a mandatory requirement that must be in the procurement document, using a minimum of 3 comparative vendors, so it is expected that the compiled HPS can be accounted for and in accordance with market conditions.

The accuracy of the goods and services received is important in the procurement process because it will be detrimental to the country's finances if the goods received are not in accordance with the order. The accuracy of the goods received is point *red* an important that is important to be identified. This is consistent with the results of the interview

"yes maybe it can be physical like for example it is not in accordance with the plan or maybe the procurement of capital expenditure is not in accordance with the spec maybe the gap is there ..." (P 08)

The role of the inspectorate as an internal auditor of the local government is one of them is coaching and consulting. So that the possibility of corruption

opportunities is very small. The results of interviews with informants in accordance with research, which states that internal audit has a role to help management in preventing, detecting and investigating fraud in organizations [5]. And which states that fraud prevention can be done by activating internal controls [6]. So that with an inspectorate, corruption can be minimized at all levels of the organization.

4.2. Risk of Corruption

Corruption can be interpreted as a violation of the authority of the management of state finances for the benefit of individuals by way of violating the law. There are so many modes that are done to do corruption. Actors will usually exploit the weaknesses of the system and look for loopholes to do no corruption. So we must be able to identify the risk of corruption, especially in government for managing the country's finance. Based on the research results of the identification of corruption risks in the Banyuwangi District Government, especially the Public Works Office. From the results of identification of the *Red flag*, risk identification can be carried out for points that have a high potential for corruption.

Table 2
Corruption risk identification
Public Works Agency

No	Red Flag	Corruption Risk
1	The accuracy of the goods and services received The	goods received are not in accordance with the contract specifications. the volume of work is not in accordance with the contract the quality of the goods received is not the same
2	Identification of indications of criminal acts of corruption	Cooperate with partners in the purchase.

The research results obtained related to the identification of corruption risks can be classified based on the *red flag*, namely (1) the accuracy of the goods and

services received at the time of procurement, (2) identification of indications of corruption. The risk of corruption in the Banyuwangi Regency Government in the procurement process is that goods are received not in accordance with the contract specifications. This can cause state losses. The results of the interview show that

"yes maybe it can be physical like for example not in accordance with the plan or maybe the procurement of capital expenditure is not in accordance with the spec maybe the gap is there ..." (P 08)

Not only that, the risk of corruption that occurs in procurement is the volume work does not comply with the contract. So the procurement of goods is obtained by having less volume than what is stated in the contract, causing national losses. This is supported by the statement of the resource person.

" ... after we checked it only happened to lack of volume. the lack of volume is diverted in another work unit and the village has not yet made a document what is the name of the written document that the intended budget difference is in another work unit ... "

In the government if the implementation of the work is not in accordance with the planning and contract will be detrimental to the country. If there is a change in planning, changes must be made in accordance with the regulations and if there is a change in the contract, an addendum to the contract must be made, so that everything goes according to applicable regulations.

The next risk of corruption is that the quality of goods received is not in accordance with the contract. Quality provided under specifications will cause state losses. There are also procurement of goods in Banyuwangi Regency Government that the quality of goods received is not in accordance with the contract.

"In this sense, for example before 40, but in terms of modules usually, in terms of quality in question. From the volume, God willing, nothing. Usually the

specifications are A, he is the specifications B. For example, there are reports relating to the quality of paving. What is the name. 300 paving violence actually, while the reporter was allegedly up to 900. Yes, I went down. It turns out cool Really, not according to quality, maybe only 10%. 100% later paved. Well ... I call the village head, the executive. This is 10% that is not according to specifications, meaning it must be replaced. It means the volume is yes, but the quality is lacking”(P01)

The results of this interview are in accordance with statement that the reduction in quantity and quality during procurement is often done by falsifying the document of the handover of goods, where the delivery of goods is followed by an official statement stating that delivery of goods has been carried out in accordance with the contract [7].

4.3. Corruption Risk Management

Potential corruption risks that occur can be minimized by controlling corruption risk. In the Regency of Banyuwangi, efforts have been made to prevent corruption as an effort to control the risk of corruption. Some controls that have been carried out by Banyuwangi Regency Government are:

1. Payment of purchases of goods using the LS mechanism.
2. Application of SOP in all activities.
3. Implementation of activities in accordance with systems and procedures (SISDUR)
4. The existence of reward and punishment.
5. Reporting assets regularly.
6. Zone of integrity and corruption free.
7. Increased transparency to the public.

Based on the results of risk identification, control is needed to control the risk. The following is a control table of corruption risks that occur in the Banyuwangi Regency

Government. This is consistent with, which states that control activities help ensure that the necessary actions regarding risks have been taken to achieve the entity's objectives. So that risk control will be able to achieve the objectives of the entity [8].

Table 3
Map of Corruption Risk Identification Public Works Agency

No	Red Flag	Corruption Risk	Type of control
1	The accuracy of the goods and services received	goods received is not in accordance with the contract specifications. the volume of work is not in accordance with the contract. quality of the goods received is not the same	operational control, during contract implementation. By using physical control activities, with the aim of program effectiveness and efficiency.
2	identification of indications of corruption	in cooperation with partners in the purchase.	controlling strategy with the aim of effective and efficient programs.

IV. CONCLUSION AND SUGGESTION

5.1. Conclusion

The conclusion of this research is Identification of corruption risks can be classified based on *red flags*, namely, the first is accuracy of goods and services received at the time of procurement, The second is identification of indications of corruption. From the results of the identification of corruption risks can be controlled by operational control and strategic control. And suggestions for further reseach , more in-depth interviews are conducted to identify the risks that exist in the work unit, so that existing risks can be mitigated in an appropriate manner.

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