

Optimization of Strategy Implementation of Financial Governance in an Effort To Improve The Quality of Financial Reporting in The People's Consultative Assembly (MPR - RI)

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Abstract

The People's Consultative Assembly (MPR) is a strategic high-state institution with constitutional functions that support accountable financial governance (Law of the Republic of Indonesia, 2003). Good financial governance in government institutions has become increasingly crucial, and the quality of financial reporting in the MPR-RI is often linked to the enhancement of public trust in the management of government finances. This research aims to evaluate the presentation of financial statements at the People's Consultative Assembly by analyzing financial governance, evaluating the presentation of financial statements, identifying what obstacles are faced in financial governance, and formulating optimal strategies that need to be implemented in good financial governance. The data in the present research was processed and scrutinized employing qualitative methods and strategy formulation with SWOT analysis. There are some conclusions obtained that the financial report of MPR-RI is currently in a good position, with a WTP status obtained from BPK. The results of the SWOT analysis in the context of MPR RI's financial governance are located in Quadrant 2, with a SW value of 0.03 and an OT value of -0.04. This result leads to a recommended strategy of diversification or defensive strength, which means that the MPR RI has good internal strength in financial management, but faces external threats (such as public pressure, changes in regulations, budget constraints, or national political dynamics). Some of the resulting recommendations are strengthen the security of data and financial application systems (SAKTI) using encryption and role-based authorization to prevent access breaches, utilize the advantages of internal oversight (Inspectorate and SPIP) to ensure consistent implementation of regulations across units, leverage external audits by the BPK to anticipate reporting discrepancies and encourage compliance with timelines, develop SOPs and cross-unit coordination protocols based on the successful experiences of existing reporting and oversight systems, and be responsive to technological changes by forming a special digital adaptation team in the financial sector.

INTRODUCTION

The People's Consultative Assembly of the Republic of Indonesia (MPR RI) holds a strategic role as one of the highest state institutions mandated by the Constitution to ensure that the functions of government run in accordance with the principles of accountability and transparency. Within this mandate, financial governance becomes a critical element since it reflects how effectively the institution manages public resources entrusted to it.

Financial governance in government institutions is not merely a technical matter of recording and reporting but represents a form of responsibility to the public. The Law of the Republic of Indonesia No. 17 of 2003 concerning State Finance emphasizes that each state institution must present financial reports that are reliable, transparent, and accountable as a manifestation of good governance practices.

Over the past decade, financial reporting quality has been increasingly associated with the credibility of public institutions. When financial statements are presented accurately, consistently, and in line with applicable accounting standards, they strengthen the public's confidence in government performance. Conversely, weak governance and non-compliance with standards tend to erode public trust.

The MPR RI is no exception to these dynamics. As an institution that contributes to shaping national policies, it is required to provide quality financial reporting that aligns with Government Regulation No. 71 of 2010 on Government Accounting Standards (SAP). The reliability of these reports will determine whether or not the MPR meets the expectations of transparency and accountability.

In practice, financial governance in the MPR RI involves various elements such as human resource capacity, availability of information technology systems, regulatory frameworks, and institutional culture. Each of these components needs to be optimized to ensure that reporting does not only comply with technical regulations but also supports long-term institutional credibility. Several studies highlight that quality financial governance in government institutions contributes to improved policy decisions, efficient budget utilization, and stronger institutional legitimacy. This underscores that financial reporting is not an administrative formality but a strategic tool in state management.

The implementation of accrual-based SAP, as mandated by PP No. 71 of 2010, has introduced a higher level of complexity in the preparation of financial statements. Institutions like the MPR are required to present financial positions more comprehensively, including assets, liabilities, and equity. This transition from cash-based to accrual-based reporting requires adequate adaptation in human resources and technology.

One of the challenges faced by many government institutions, including the MPR, is the readiness of human resources. Not all employees directly involved in financial reporting have a background in accounting or sufficient understanding of accrual principles. This gap may lead to inconsistencies in reporting across work units. In addition to human resource factors, the effectiveness of financial governance also depends on the robustness of technological infrastructure. The State Treasury and Budget System (SAKTI) is expected to streamline financial reporting across units. However, technical constraints such as system downtime, lack of integration, and limited IT infrastructure remain obstacles in achieving optimal results.

External oversight, especially from the Audit Board of the Republic of Indonesia (BPK RI), provides another dimension in ensuring quality financial governance. The audit results issued by BPK not only serve as an accountability mechanism but also provide constructive input for institutional improvements. Achieving an Unqualified Opinion (WTP) status is therefore a benchmark of institutional credibility. Despite the achievements, several recurring audit findings suggest that there are still areas in need of improvement. Issues such as internal control weaknesses, delays in data submission, and inconsistencies in budget realization reports indicate that the MPR must continue to refine its governance system.

From a strategic management perspective, financial governance in the MPR needs to be reviewed not only from compliance but also from adaptability to external challenges. These include public pressure for greater transparency, political dynamics that affect budget allocations, and technological changes that demand continuous innovation.

In line with stakeholder theory, public institutions must continuously align their governance practices with the expectations of society and stakeholders. The MPR's financial

governance therefore must not only satisfy internal rules but also respond to external demands for openness and accountability. Furthermore, legitimacy theory suggests that government institutions maintain their legitimacy by demonstrating transparency and accountability in their financial management. Thus, quality financial reporting is one of the most visible forms of legitimacy that the MPR can show to the public.

The use of SWOT analysis as applied in this research becomes highly relevant in formulating strategies for strengthening financial governance. By identifying strengths, weaknesses, opportunities, and threats, the MPR can determine strategies that are realistic, measurable, and aligned with institutional goals.

For example, one of the strengths identified is the existence of SAKTI, which integrates budget planning, implementation, and reporting. However, weaknesses such as uneven human resource capacity and lack of real-time monitoring systems highlight areas that need urgent attention. Opportunities such as digitalization and cross-unit coordination improvements provide momentum for the MPR to enhance its financial governance practices. On the other hand, threats such as regulatory changes, budget constraints, and political uncertainty require defensive strategies to maintain stability in financial reporting.

This study is therefore highly significant as it does not only analyze the current state of financial governance in the MPR but also provides strategic recommendations that can be implemented to achieve sustainable improvements. The focus is not only on achieving WTP audit opinions but also on strengthening institutional capacity in the long term.

The urgency of this research lies in the fact that public expectations of government transparency are continuously increasing. With the advancement of digital technologies and the growth of democratic governance, society demands more openness from institutions like the MPR. Failure to meet these expectations can lead to declining trust and legitimacy.

Based on this background, this research aims to evaluate the financial governance of the MPR RI, analyze the quality of its financial reporting, identify obstacles faced, and formulate optimal strategies for improvement. By doing so, the research is expected to contribute to both theoretical development in public sector financial management and practical recommendations for strengthening accountability in one of Indonesia's most strategic state institutions.

METHODS

This qualitative research method is used to find answers to the data gap between the existing financial governance condition at the MPR-RI and the ideal condition: the desired or improved financial governance at the MPR-RI. In this qualitative research, nine informants and three expert judgments (MPR experts, practitioners, and academics) were involved, fulfilling the elements of the qualitative triangulation method, which is an approach that uses more than one source of data, method, or perspective to ensure the validity and reliability of the research findings. By using four propositions, the results from the informants were obtained, and then the data were analysed using the SWOT method.

1. Proposition 1:

Analyzing financial governance in the People's Consultative Assembly.

- a. This process requires a long waiting time, so a good data archiving pattern for activities is needed.
- b. Activities take a long time to process, and due to this lengthy process, a support program for interim reports is required (where reports that are not complete are already being inputted into the interim system).

- c. There is a need for the continuous development of human resource capabilities in line with technological advancements.
- d. Research results, compliance with regulatory assessments serve as a basis for determining audit opinions and institutional performance.

2. Proposition 2:

Evaluating the presentation of financial statements at the People's Consultative Assembly.

- a. Automated review allows for the examination of financial transaction data in real-time without manual intervention. This system detects discrepancies or anomalies in financial data.
- b. It provides audit findings reports directly and automatically.
- c. Every transaction recorded in the financial system (such as SAKTI) is accompanied by a digital log containing information about who conducted the transaction, when, and the details of the transaction activity.
- d. A complete audit trail allows for tracing and verifying transactions to identify any deviations or errors.
- e. The integration between internal controls and the financial system through digitization facilitates oversight of the entire process from planning, execution, to reporting.
- f. Trained human resources are needed to keep up with developments in Information Technology.

3. Proposition 3:

Identifying the constraints faced in financial governance in an effort to improve the quality of financial reports as expected.

- a. Limitations of Human Resources (HR).
 - Many employees do not yet have a deep understanding of accrual-based government accounting.
- b. Technology Infrastructure that is not yet Optimal.
 - 1) Limitations of hardware and network in supporting the integration of financial systems.
 - 2) Dependence on a centralized system causes delays in access and data input.
- c. The complexity of accrual-based financial reporting (requires good archiving).
- d. The risk of non-compliance with SAP standards (Government Accounting Standards).
- e. The organization's readiness to adapt to technological changes is still not fully prepared.
 - Financial statements are often compiled from several units separately, potentially causing data inconsistencies.

4. Proposition 4:

The optimal strategy that needs to be implemented in the execution of good financial governance in order to improve the quality of financial reports in the People's Consultative Assembly.

- a. The use of digital systems has been implemented, but not yet maximized.
- b. The capacity of human resources is still uneven.
- c. The planning and realization processes are not yet fully performance-based.
- d. Coordination between units in financial management is less effective.
- e. Internal supervision is not optimal and lacks a risk-based approach.
- f. IT infrastructure is still limited.
- g. Financial information systems.

5. SWOT Analysis

The analytical approach used in this research is the SWOT method (Strengths, Weaknesses, Opportunities, Threats). This analysis aims to identify internal strengths, challenges, and strategic opportunities that can be leveraged to enhance the institution's financial performance (Raeburn, 2025).

After conducting field research and interviewing informants, the researcher analyzed the results of the interviews using SWOT analysis. The data analysis from the interviews in this study is as follows: The SWOT analysis method produced the following data:

Table 5
IFE Analysis

Strengths					
No.	Description		Weight	Average	Weight score
1.	Strengthening Transparency and Accountability	S	0,02	3,9	0,08
2.	Comply with the Work Plan and Budget of the Ministry/Agency (RKA-K/L)	S	0,03	3,8	0,11
3.	The budgeting process at the MPR is already based on needs and priorities.	S	0,02	3,9	0,08
4.	The budgeting process at the MPR is already based on needs and priorities.	S	0,04	3,8	0,15
5.	Conduct regular evaluations related to the use of the SAKTI application and identify potential feature improvements to support better financial governance.	S	0,05	3,9	0,19
6.	Regular updates on staff competencies are conducted.	S	0,03	3,7	0,11
7.	Optimization of financial information systems, strengthening internal oversight through periodic evaluations,	S	0,03	3,9	0,12
8.	Implementation of the Government Internal Control System (SPIP)	S	0,03	3,8	0,11
9.	The current budget recording is already using the SAKTI application, so all transactions are automatically recorded by the SAKTI system.	S	0,08	3,9	0,31
10.	Enhancing supervision over system access by using role-based access control, as well as securing data with advanced encryption technology.	S	0,08	3,8	0,30
11.	Prioritizing the development of human resource competencies in the field of finance.	S	0,05	4,0	0,20
12.	To prepare highly detailed financial reports that comply with the applicable regulations in Government Accounting Standards (SAP).	S	0,04	3,8	0,15
Sub Total Strength					1,92

Weakness					
No.	Description		Weight	Average	Weight score
1.	The consistency and accuracy of reporting from each unit greatly affect the accuracy of the report.	W	0,04	3,8	0,15

2.	There is no intermediate reporting application in the SAKTI application.	W	0,08	3,7	0,29
3.	The transaction recording system is still unreliable (system down)	W	0,03	4,0	0,12
4.	Transaction Recording System	W	0,03	3,8	0,11
5.	Not all staff have an accounting background.	W	0,06	3,8	0,23
6.	The capacity of individual human resources does not mean that everyone understands the regulations for budget implementation.	W	0,07	3,8	0,26
7.	Unit-related reports are often delayed.	W	0,06	4,0	0,24
8.	Real-Time Monitoring and Transparency	W	0,06	3,7	0,22
9.	The Time for Completing the Budget Usage Report is Too Short	W	0,07	3,7	0,26
Sub Total Weaknesses					1,89

Subtotal Strengths 1.92
Subtotal Weaknesses 1.89
Difference 0.03

Source: Processing 2025
Table 6
EFE Analysis

Opportunities					
No .	Description	SWO T	Weigh t	Average	Weight score
1.	The use of a reliable application	O	0,02	3,8	0,08
2.	Internal and External Audit	O	0,01	3,7	0,04
3.	Internal audit is the first line in improving the quality of financial governance	O	0,01	3,7	0,04
4.	Evaluation and Measurement of Budget Performance	O	0,02	3,7	0,07
5.	The innovation that we are implementing is the digitization of the financial system	O	0,01	3,8	0,04
6.	Maintaining the confidentiality and integrity of the financial data of the MPR RI	O	0,05	3,7	0,18
7.	Bringing the MPR closer to the community	O	0,01	3,6	0,04
8.	Level of Compliance with Procedures	O	0,01	3,7	0,04
9.	Continuous improvement of performance policies	O	0,01	3,7	0,04
10.	Prioritizing the development of competencies	O	0,01	3,6	0,04
11.	Coordination between work units	O	0,01	3,6	0,04
12.	The MPR RI can continue to be a public trust institution, not only through its constitutional role but also due to its clean and professional financial management.	O	0,04	3,8	0,15
13.	Empowerment of women and development of internal potential	O	0,01	3,7	0,04

14.	Innovation in the use of the SAKTI and SPAN system	O	0,05	3,7	0,18
15.	Conduct periodic training for all employees regarding the use of SAKTI, good.	O	0,05	3,7	0,18
16.	Implementation of integrated financial information systems	O	0,02	3,7	0,07
17.	Periodic socialization to work units, providing updated technical guidelines in case of regulatory changes	O	0,03	3,8	0,11
18.	Government internal control system (SPIP)	O	0,03	3,6	0,11
19.	Cross-department and stakeholder collaboration	O	0,02	3,7	0,07
20.	Optimization of information technology and digitalization	O	0,02	3,7	0,07
21.	To improve the capabilities of human resources to adapt to existing technology.	O	0,04	3,6	0,14
22.	The State Financial Law and other related regulations.	O	0,02	3,6	0,07
Sub Total Opportunities					1,83

Threats					
No .	Description	SWO T	Weight	Average	Weight score
1.	The existence of differences in the recognition of MPR assets	T	0,06	3,8	0,23
2.	Data and access security	T	0,05	3,8	0,19
3.	Limitations of training and competency development	T	0,03	3,7	0,11
4.	Delay in the collection of documents from the work unit,	T	0,05	3,8	0,19
5.	To ensure good coordination between the various existing work units,	T	0,02	3,7	0,07
6.	The lack of complete supporting data for the preparation of Performance and Budget from the echelon II work units.	T	0,04	3,9	0,16
7.	The lack of mutual commitment to the established timeline for the submission of supporting data for performance preparation.	T	0,03	3,7	0,11
8.	The weakness of the alignment between the continuously evolving regulations and the implementation on the ground.	T	0,03	3,7	0,11
9.	The challenge of maintaining consistency between regulations, systems, and their implementation in the field.	T	0,05	3,7	0,18
10.	The process of submitting financial report documents per unit at the MPR RI is carried out in stages and in accordance with the applicable guidelines.	T	0,06	3,7	0,22
11.	Changes in information technology	T	0,04	3,8	0,15

12.	The time to complete the budget usage report is too short.	T	0,04	3,8	0,15
Sub Total Threats					1,87

Sub total Opportunities 1.83
Sub total Threats 1.87
Difference -0.04

Source: Processing 2025



Source: Processing 2025

Figure 2: SWOT Quadrant

Table 3: ST Strategy (Quadrant 2)

ST Strategy	
Using power to mitigate or avoid external threats	
1.	Strengthen data security and financial application systems (SAKTI) using encryption and role-based authorization to prevent access violations.
2.	Utilize the advantages of internal supervision (Inspectorate and SPIP) to ensure the consistency of regulatory implementation across all units.
3.	Utilize the external audit from the BPK to anticipate reporting discrepancies and encourage compliance with the timeline.
4.	Develop SOP and cross-unit coordination protocols based on the successful experience of the reporting and monitoring system that has been implemented.
5.	Responsive to technological changes by forming a special digital adaptation team in the field of finance.

Source: Processing 2025

RESULTS AND DISCUSSION

1. Summary of Financial Report (FR)

This audited financial report for the fiscal year 2023 encompasses all financial aspects managed by the People's Consultative Assembly of the Republic of Indonesia.

This Financial Report is generated through the Financial Application System at the institutional level (SAKTI), which is a series of integrated applications at each working unit, from the Budgeting Process, Implementation, to Reporting. SAI consists of 9 (nine) modules in the SAKTI Application that are interconnected to form journals for each transaction, resulting in Financial Reports at the Ministry/Institution level, Echelon and working units, which include Budget Realization Reports, Balance Sheets, Operational Reports and Statement of Changes in Equity.

Based on Article 55 paragraph (2) of Law Number 1 of 2004 concerning State Treasury and Regulation of the Minister of Finance Number 2171/PMK.05/ 12/2022 concerning the Accounting and Reporting System of Central Government, the Minister/Head of Institution as the Budget User/Item User prepares and submits the Financial Report of Ministry/Institution (LKKL) which includes:

- a. Budget Realization Report, Balance Sheet,
- b. Operational Report,
- c. Statement of Changes in Equity and Notes.

Financial reports to the Minister of Finance as the fiscal manager, in the context of preparing the Central Government Financial Report (LKPP).

The Report of the People's Consultative Assembly of the Republic of Indonesia for the Fiscal Year 2023 has been prepared and presented in accordance with Government Regulation No. 71 of 2010 on Government Accounting Standards (SAP) and based on the principles of sound financial management within the government. This Financial Report includes:

2. Budget Realization Report

The Budget Realization Report is part of the summary of financial governance reports of MPR-RI. This report illustrates the comparison between the budget and its realization, which includes elements of revenue and expenditure during the period from January 1 to December 31, 2023. The realization of State Revenue in the Audited Fiscal Year 2023 is in the form of Non-Tax State Revenue amounting to Rp1,680,614,702. The realization of State Expenditure in the Audited Fiscal Year 2023 is IDR 863,930,512,516, or 94.17% of its budget of IDR 917,377,288,000. The total realization of the expenditure is the realization of Pure Rupiah Expenditure. A summary of the Audited Budget Realization Report for the Fiscal Year 2023 and the Audited Fiscal Year 2022 can be presented in the table below:

Table 1
Summary of the 2023 Audited
Budget Realization Report and the 2022 Audited Budget

Description	TA 2023 Audited			TA 2022 Audited
	Budget	Realization	% Realization against the budget	Realization
State Revenue	Rp. 205.759.000	Rp. 1.680.614.702	816,79%	Rp. 3.560.012.932
State Expenditure	Rp. 917.377.288.000	Rp. 863.930.512.516	94,17%	Rp. 732.096.313.253

Source: LK MPR RI 2023

3. Balance Sheet

The balance sheet reflects the financial position of the entity regarding assets, liabilities, and fund equity as of December 31, 2023, Audited. The value of assets as of December 31, 2023, Audited is recorded and presented at Rp. 1,154,634,598,063, consisting of current assets of Rp. 18,421,051,653. Net fixed assets amount to IDR 1,100,232,653,789, long-term receivables IDR

0, and other assets amount to IDR 35,980,892,621. The value of liabilities and equity is IDR 126,451,507 and IDR 1,153,370,546,556 respectively. A summary of the balance sheet as of December 31, 2023, Audited and December 31, 2022, Audited is presented in Table 2.

Table 2
Summary of the Balance Sheet as of December 31, 2023
Audited and December 31, 2022 Audited

Description	Balance Ladder		Increase/Decrease	
	31/12/2023 Audited	31/12/2022 Audited	In Rupiah	%
Asset				
Current Assets	Rp. 18.421.951.653	Rp. 19.568.017.353	-Rp. 1.146.065.700	-5,86%
Fixed Assets	Rp. 1.100.232.653.789	Rp. 1.077.900.620.522	Rp. 22.332.033.267	2,07%
Long-term receivables		Rp. 150.460	-Rp. 150.460	-100,00%
Other Assets	Rp. 35.980.892.621	Rp. 36.228.251.754	-Rp. 247.359.133	-0,68%
Total Assets	Rp. 1.154.635.498.063	Rp. 1.133.697.040.089	Rp. 20.938.457.974	1,85%
Obligation				
Debt to Third Parties	Rp. 1.197.933.507	Rp. 415.478.623	Rp. 782.454.884	188,33%
Income Received in Advance	Rp. 66.118.000	Rp. 334.727	Rp. 65.783.273	19652,81%
Total Obligations	Rp. 1.264.051.507	Rp. 415.813.350	Rp. 848.238.157	203,99%
Equity				
Equity	Rp. 1.153.370.546.556	Rp. 1.133.431.536.528	Rp. 19.939.010.028	1,76%
Amount of equity	Rp. 1.153.370.546.556	Rp. 1.133.431.536.528	Rp. 19.939.010.028	1,76%
Total Liabilities and Equity	Rp. 1.154.634.598.063	Rp. 1.133.847.349.878	Rp. 20.787.248.185	1,83%

Source: LK MPR RI 2023

4. Operational Report

The Operational Report presents various components of operational revenue, surplus/deficit from operations, surplus/deficit from non-operational activities, surplus/deficit before extraordinary items, extraordinary items, and operational surplus/deficit, which are necessary for fair presentation. The Operational Revenue for the period up to December 31, 2023 Audit is Rp. 83,738,888, while the total expenses amount to Rp. 863,758,545,257, resulting in a Deficit from Operational Activities of Rp. (863,674,806,369). The Non-Operational Activities and Extraordinary Items are Rp. 395,759,977 and Rp. 0, respectively, leading the entity to experience an Operational Deficit of Rp. (863,279,046,392).

Table 3
Summary of the TA 2023 Audited Operational Report and TA 2022 Audited

Description	31/12/2023	31/12/2022	Increase/Decrease	
	Audited	Audited	In Rupiah	%
Operational Activities				
Income	Rp. 83.738.888	Rp. 236.105.777	-Rp. 152.366.889	-64,53%
Operating Expenses	Rp. 863.758.545.257	Rp. 734.452.150.953	Rp. 129.306.394.304	17,61%
Surplus (Deficit) from operational activities	-Rp. 863.674.806.369	-Rp. 734.216.045.176	-Rp. 129.458.761.193	17,63%
Non-Operational Activities				
Surplus/Deficit of Non-Current Asset Disposal	Rp. 42.941.873	Rp. 1.439.705.740	Rp. 1.482.647.613	102,98 %
Revenue from Disposal of Non-Current Assets	Rp. 70.999.998	Rp. 1.463.965.669	-Rp. 1.392.965.671	-95,15%
Release Load of Non-Current Assets	Rp. 28.058.125	Rp. 2.903.671.409	-Rp. 2.875.613.284	-99,03%
Other Non-Operational Activities				
Surplus (Deficit) from other non-operational activities	Rp. 362.818.104	Rp. 2.418.691.665	-Rp. 2.065.873.561	-85,41%
Revenue from other non-operational activities	Rp. 1.073.564.369	Rp. 2.537.233.165	-Rp. 1.463.668.796	-57,69%
Non-operational burden	Rp. 720.746.265	Rp. 118.541.500	Rp. 602.204.765	508,01 %
Amount of Surplus (Deficit) from Non-Operational Activities	Rp. 395.759.977	Rp. 978.985.926	-Rp. 583.225.949	-59,57%
Surplus/deficit before Extraordinary Items	Rp. 863.279.046.392	Rp. 744.237.059.251	-Rp. 130.041.987.141	-17,47%
Surplus (deficit). LO	Rp. 863.279.046.392	Rp. 744.237.059.251	-Rp. 130.041.987.141	-17,47%

Source: LK MPR RI 2023

5. Statement of Changes in Equity

The Statement of Changes in Equity presents information on the increases and decreases in equity for the reporting year compared to the previous year. Equity as of January 1, 2023, was Rp. 1,133,431,536,528, plus an increase in equity of Rp. 19,939,010,028, so the audited equity of the Entity as of December 31, 2023, was Rp. 1,153,370,546,556.

Table 4
Summary of Equity Change Report

Description	31/12/2023	31/12/2022	Increase/Decrease	
	Audited	Audited	In Rupiah	%
Initial Equity	Rp. 1.133.431.535.528	Rp. 1.129.532.711.733	Rp. 3.898.823.795	0,35%
Surplus (Deficit) LO	Rp. 863.279.046.332	Rp. 733.237.059.251	Rp. 130.041.987.081	17,74%
Correction to Add/ Decrease Equity	Rp. 257.809.370	Rp. 5.442.032.285	Rp. 5.699.841.655	104,74%
Correction of Non- Revalued Asset Values	Rp. 1.016.324.937	Rp. 5.511.166.800	-Rp. 4.494.841.863	-81,56%
Others	Rp. 1.274.134.307	Rp. 69.134.515	Rp. 1.204.999.792	1742,98 %
Inter-Entity Transactions	Rp. 883.475.865.790	Rp. 731.693.851.761	Rp. 151.782.014.029	20,74%
Increase/Decrease in Equity	Rp. 19.681.200.718	Rp. 3.898.824.795	Rp. 15.782.375.923	404,80%
Final Equity	Rp. 1.153.112.736.246	Rp. 1.133.431.536.528	Rp. 19.681.199.718	1,74%

Source: LK MPR RI 2023

CONCLUSION

1. Conclusion of the Results of Qualitative Data Processing and Analysis

The results of the SWOT analysis on the 4 four quadrants of the SWOT strategy show a combination of internal factors (Strengths & Weaknesses) and external factors (Opportunities & Threats). The MPR's financial governance condition is located in Quadrant 2, with a Strengths-Weaknesses value of 0.03 and an Opportunities-Threats value of -0.04.

Quadrant 2 (ST—Strength–Threat Strategy), applied in the context of the MPR RI's financial governance, refers to diversification or defensive strength. This means that the MPR RI has internal strengths in financial management but faces external threats (such as public pressure, regulatory changes, limitations in the national budget, or national political dynamics).

Using power to mitigate or avoid external threats.

- Strengthen the security of data and financial application systems (SAKTI) using encryption and role-based authorization to prevent access breaches.
- Utilize the advantages of internal supervision (Inspectorate and SPIP) to ensure consistent implementation of regulations across all units.
- Leverage external audits from BPK to anticipate reporting discrepancies and encourage compliance with timelines.
- Develop SOPs and cross-unit coordination protocols based on the successful experiences of reporting and monitoring systems that have been implemented.
- Be responsive to technological changes by forming a special digital adaptation team in the financial sector.

2. Conclusion of Expert Judgment

- Implementation of the principles of good financial governance:

- 1) Developing strong human resource competencies with training programs tailored to the advances in financial technology.
 - 2) Regarding good governance in the MPR RI, there must be human resource development, thus training (human resource development) is required.
 - b. Preparation of financial governance reports based on information technology:
 - 1) Strengthen the security of financial data and application systems (SAKTI) using encryption and role-based authorization to prevent access breaches.
 - 2) Technology-based financial reports will be easier, accountable, and transparent.
 - c. The challenges faced in the financial governance of the MPR-RI:
 - 1) Utilize the advantages of internal supervision (Inspectorate and SPIP) to ensure the consistency of regulatory implementation across all units.
 - 2) That public oversight is very strong (BPK), there needs to be supervision over the financial statements.
 - 3) Utilize the external audit from BPK to anticipate discrepancies in reporting and encourage compliance with the timeline.
 - 4) There is usually a difference and BPK supervision is necessary.
 - d. Strategy for optimizing financial governance:
 - 1) Develop SOPs and cross-unit coordination protocols based on the successful experiences of existing reporting and monitoring systems.
- This SOP is important because it will lead to standardization of financial reports.

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