

# Differences in State Financial Management Irregularities Before and After Assessment of Anti-Corruption Initiative in The Ministry of “XYZ”

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**Abstract:** In order to realize the implementation of clean and respectable country, the Indonesian government has committed for preventing and eradicating of corruption. According Maheka (2008), the eradication of corruption is a series of measures to prevent and tackle corruption with public participation based on the legislation. Based on these descriptions can be concluded that the eradication of corruption, there are 3 forming elements, namely prevention (anti-corruption/preventive), action (prevention/contraction/repressive), and community participation. In the National Strategy for Preventing and Eradicating of Corruption laid the prevention as the foundation for eradication of corruption in Indonesia. One of the strategies in the prevention of long-term focus is the strengthening of anti-corruption commitments on all elements of government (executive), judicative, and legislative. Anti-corruption initiative as one of commitments in the prevention of corruption has actually been carried out by institutions not only at central government but also at local government. However, the anti-corruption initiatives are generally not run as an integrated system.

The Corruption Eradication Commission as the agency charged with the prevention of corruption in Indonesia, has an instrument called the Anti-Corruption Initiative Assessment to measure and reward these efforts. Assessment Initiative of Anti-Corruption aims to provide an overview of the efforts of anti-corruption that are being taken by the main unit in the public sector, pushing the main unit to be responsible for the success of efforts to prevent corruption in the unit primarily, and ensure that each of the main unit have the initiative and a strong enough commitment to eradicating corruption within the scope and authority (Directorate of Research and Development of Corruption Eradication Commission, 2009). Anti-Corruption Initiative Assessment consists of eight main elements, namely: 1) Specific Code of Conduct; 2) Transparency in the Management of Human Resources (HR); 3) Transparency of State Officers; 4) Transparency in Procurement; 5) Public Complaint Mechanism; 6) Public Access to obtain Information; 7) Implementation of Suggestion Advice Provided by Corruption Eradication Commission or State Audit Agency or Government Internal Supervisory Apparatus; and 8) Promotion Activity of Anti-Corruption; as well as an element of innovation, namely the Another Anti-Corruption Initiative Adequacy.

In addition to anti-corruption initiatives, the efforts to prevent corruption are also done through supervising the management of state finances. This is in accordance with the instructions of President of the Republic of Indonesia Number 5 Year 2004 on the Acceleration of Corruption Eradication, which confirms the need for the management of state finances optimally efficient and effective in a manner that an orderly correspond the legislation in force with surveillance objective, in order to avoid and prevent possible irregularities in its use.

This study was conducted to compare and obtain empirical evidence of differences in state financial management irregularities before and after the assessment of anti-corruption initiative of the Ministry of XYZ, Indonesian Republic, in 2005 – 2014 periods. The hypothesis was tested that irregularities in the financial management of the state prior to the assessment of anti-corruption initiatives differ significantly than after the assessment of anti-corruption initiatives.

The design of this research is the comparative study. The research variable is assessment of anti-corruption initiatives and irregularities in the management of state finances. The sample

in this study using nine of the 10 Echelon Units in the Ministry XYZ conducted an audit by the Inspectorate General of the Ministry of XYZ from 2005 through 2014 periods. The statistical tests performed using Wilcoxon Signed-Ranks Test with significance level used was 0.05.

The output of Wilcoxon Signed-Ranks Test can be described as follows: 1) the average value of the state's financial findings before assessment of anti-corruption initiatives greater than after assessment of anti-corruption initiatives; 2) the difference between the findings of state finances after assessment of anti-corruption initiatives and before assessment of anti-corruption initiatives is negative value, means the value of the state's financial findings after doing assessment of anti-corruption initiatives smaller than before assessment of anti-corruption initiatives; and 3) irregularities in financial management of state prior to assessment of anti-corruption initiatives significantly different than after assessment of anti-corruption initiatives. This result shows that the assessment of anti-corruption initiatives can lower the country's financial management irregularities in the Ministry of XYZ.

**Keywords:** Assessment of anti-corruption initiatives, irregularities in state financial management

### Introduction

The phenomenon of corruption by government officials of the Republic of Indonesia is very interesting to study, especially in situations like the present, where there are indications reflects the public's distrust of the government. Many pessimistic attitude displayed by the various parties if it is associated with action to eradicate corruption, ranging from uncertainty over the government's commitment to the community with their disappointment over some of the decisions taken by the government in law enforcement on cases of corruption. Public demands for clean government was intensified. Related to this, in order to realize the implementation of clean and respectable country, the Indonesian government has committed to the prevention and eradication of corruption. According Maheka (2008), the eradication of corruption is a series of measures to prevent and tackle corruption with public participation based on the legislation. Based on these descriptions can be concluded that the eradication of corruption, there are 3 (three) forming elements, namely prevention (anti-corruption/preventive), action (prevention/contra-corruption/repressive), and community participation.

In the National Strategy for Preventing and Eradicating of Corruption laid the prevention as the foundation for eradication of corruption in Indonesia. Through prevention strategies is expected to appear sustainable measures that contribute to improvements in the future. The prevention strategy is an answer to a focused approach to the repressive actions that believed to provide a deterrent effect against subjects of corruption but still has not been able to reduce systematically massive corrupt behavior and practices. Therefore, prevention becomes feasible seated as the first strategy in the National Strategy for Preventing and Eradicating of Corruption. Indonesian Presidential Regulation No. 55 Year 2012 on the Long Term National Strategy for the Prevention and Eradicating of Corruption Years 2012-2025 and Medium Term 2012-2014 has six strategies, namely: 1) implement preventive measures; 2) implement strategic measures in the field of law enforcement; 3) carrying out measures to harmonize the preparation of legislation in the field of combating corruption and other related sectors; 4) carry out international cooperation and rescue assets from corruption; 5) improve education and culture of anti-corruption efforts; and 6) improving coordination in the framework of the reporting mechanism for the implementation of anti-corruption efforts.

One of the prevention strategies of long-term focus in the National Strategy for Preventing and Eradicating of Corruption is the strengthening of anti-corruption commitments on all elements of government (executive), judicial, and legislative. Corruption prevention activities require a commitment and a high consistency in the implementation, because the results can't be felt in the short term. Anti-corruption initiative is one of the commitments in preventing of corruption that has actually been carried out by agencies both in central and local government levels. However, the anti-corruption initiatives are generally not run as an integrated system.

In order to improve efforts to prevent corruption by government agencies and assess the progress of a public agency in developing efforts to eradicate corruption in his office, the Corruption Eradication Commission as the agency charged with the prevention of corruption in Indonesia, has an instrument called Assessment Initiative Anti-Corruption to measure and appreciate such efforts. The assessment of Anti-Corruption Initiative is the development of the Anti-Corruption Initiative Assessment (AIA), which has been applied by the anti-corruption agency in Korea, The Anti-Corruption and Civil Rights Commission (ACRC) since 2002. The assessment of Anti-Corruption Initiative aims to provide an overview of efforts anti-corruption that are being taken by the main unit in the public sector, pushing the main unit to be responsible for the success of efforts to prevent corruption in the unit primarily, and ensure that each unit of the main initiative and commitment are strong enough to efforts to eradicate corruption in the neighborhood and authorities (Directorate of Research and

Development Commission, 2009). Anti-Corruption Initiative Assessment is also an instrument used to assess and give awards to the main unit that has been developing initiatives to improve the integrity and anti-corruption culture in the main unit. Things become an important key success of efforts to combat corruption on a main unit/institution is an initiative of the internal unit itself.

The most important thing in the Anti-Corruption Initiative Assessment is an indicator to be used because the basis of assessment is an initiative so the determination of the indicators should be mutually agreed and can be applied to all of main unit that involved and can be justified scientifically. Assessment Indicator for Anti-Corruption Initiative consists of eight main elements, namely: 1) Specific Code of Conduct; 2) Transparency in the Management of Human Resources (HR); 3) Transparency of State Officers; 4) Transparency in Procurement; 5) Public Complaint Mechanism; 6) Public Access to obtain Information; 7) Implementation of Suggestion Advice Provided by Corruption Eradication Commission or State Audit Agency or Government Internal Supervisory Apparatus; and 8) Promotion Activity of Anti-Corruption; as well as an element of innovation, namely the Another Anti-Corruption Initiative Adequacy. Indicators Initiative Assessment of the Anti-Corruption Commission has been through a Focus Group Discussion (FGD) in the determination of their indicators and criteria. The Anti-Corruption Initiative Assessment conducted by assessing the main unit based on internal opinion of the main unit (self-assessment).

In addition to anti-corruption initiatives, efforts to prevent corruption are also done through supervising the management of state finances. This is in accordance with the instructions of President of the Republic of Indonesia Number 5 Year 2004 on the Acceleration of Corruption, which confirms the need for the management of state finances optimally efficient and effective with a manner that an orderly correspond the legislation in force with surveillance objective, in order to avoid and prevent possible irregularities in its use. This is important, because the state finances from planning to its responsibilities not escape the temptation exposure irregularities. Therefore, to achieve an orderly state finances, obey the laws and regulations, efficient, economical, effective, transparent, and responsible for the necessary supervision in the implementation.

Exercising controlling over public finance management have done over the external monitoring by the State Financial Audit Agency and the internal watchdog of government, namely the Financial and Development Supervisory Agency, the Inspectorate General of the Ministry, and the Regional Inspectorate. Inspectorate General as an internal watchdog in the Ministry has the task of implementing the internal control within the Ministry. Akbar (2014) said, the purpose of the implementation the controlling of state finances are to: 1) ensure that the budget formulated and established really can be successfully implemented; 2) ensure that the collection activities of incomes and expenditures of state expenditures in accordance with a set of the budget; and 3) ensure that the implementation of the state budget can actually be accounted for.

Up to now there is no research that discusses the anti-corruption initiatives assessment in relation to decrease in corruption. A previous study that discuss anti-corruption initiatives, focusing more on the design of anti-corruption initiatives and indicators of anti-corruption initiatives that expected as variable in eradicating corruption was conducted by Richard Heeks in 2011 with the title Understanding Success and Failure of Anti-Corruption Initiatives. In that study Heeks (2011) states that most anti-corruption initiatives failed due to a mismatch between the expectations built into the design of anti-corruption initiatives and the reality of what happened. In addition Pacoy (2008) doing research with the title Tracking Anti-Corruption Initiatives: Perceptions and Experiences in Philippines, which shows that the government remains a major player in the fight against bribery and corruption in Philippines.

Related about that and given the importance of anti-corruption initiatives in an effort to eradicate corruption in Indonesia, this research aims to find empirical evidence on the magnitude of the difference irregularities in the management of state finances before and after an assessment of anti-corruption initiatives of the "XYZ" Ministry.

## **Literature Review And Hypothesis Development**

### **Corruption and Anti-Corruption Initiative**

Corruption comes from the Latin language *corruptio* or *corruptus* meaning damage or decay. While the understanding of corruption under article 2 of the Law of the Republic of Indonesia Number 31 of 1999 as amended by Act of the Republic of Indonesia Number 20 Year 2001 is an unlawful act with the intention of enriching himself/others (individuals or a corporation) which directly or indirectly impair the financial or economy of the state, the terms of substantive action was seen as an act that contrary to the values of civils' justice.

The important key success of efforts to combat corruption on a main unit/institution is an initiative of its own internal main unit. Some initiatives such as the enforcement of the code of ethics, controlling over the

procurement of goods and services, as well as transparency in recruitment are an effort that can prevent the occurrence of corruption (Directorate of Research and Development in Corruption Eradication Commission, 2010). Corruption Eradication Commission as agency charged with the prevention of corruption, initiating the use of the assessment instrument called Assessment Initiative Anti-Corruption which is an effort the Commission to build a system of anti-corruption in the agency with a more systematic through the assessment of the initiatives undertaken by the leadership of the agency in implementing anti-corruption programs. The use of this instrument is expected to encourage and pursue the initiative in the main unit make concrete steps to eradicate corruption and improve the quality of its service.

Anti-Corruption Initiative Assessment Indicator consists of eight main elements and had been through Focus Group Discussion in the determination of indicators and criteria, namely:

#### 1. Special Code

Indicator Assessment code of ethics in the Anti-Corruption Initiative is intended to encourage the initiative of the main unit to regularly update and improve the application of the code of ethics in the agency or the main unit. Assessment indicator codes is done by assessing the three sub-indicators, namely: a) the availability of the code of ethics; b) the availability of reporting mechanisms and the institutionalization of the code of ethics; and c) the enforcement of the code of conduct.

#### 2. Transparency in Human Resource Management (HRM)

Indicators of transparency in human resource management are essentially highlight three things, namely: a) the recruitment process is open and transparent; b) placement and promotion process that is open, scalable, and transparent; and c) measurable performance appraisal systems.

#### 3. Transparency of State Officers

To increase Transparency of State Officers have two sub-indicators of assessment, namely: the percentage of compliance to report the Wealth of State Officers and reporting mechanisms of gratification. This sub-indicator assesses whether there is a mechanism in the main unit which enables state officials to be able to report the gratuities that received or not.

#### 4. Transparency in Procurement

Procurement of goods and services is a process in government that vulnerable to manipulation and corruption. To overcome of this, the procurement of government goods and services need more efficient, open and competitive on the availability of goods and services that are affordable and quality, so that will have an impact on improving public services. The condition can be realized among others by the procurement of goods and services electronically (e-procurement) and the establishment of the Procurement Services Unit. Indicators of transparency in the procurement provides an overview of the initiatives undertaken by the main units, which are divided on the implementation of e-procurement (electronic procurement auction) and external control mechanisms (outside of the Procurement Services Unit or the procurement committee).

#### 5. Public Complaint Mechanisms

Indicators of public complaint mechanism can directly impact on the prevention and eradication of corruption. The readiness of a complaints mechanism allows for optimum supervision and feedback from external parties for the performance of the main unit. Complaint handling should be performed by qualified staff for the reporting of complaints because of the need to immediate attention to problems that complaint.

In a complaint handling mechanism known as the term of whistleblower is a system that can be used as a medium for a witness to submit information on action indicated irregularities that occur within an organization. This system is important because it is an effective method as early detection of fraud.

#### 6. Public access to Obtain Information

Increased public access to information consists of two sub-indicators of assessment, namely the openness of the main unit of disseminating information and level of activity of the main unit of disseminating information. The open mind of the main unit of disseminating information and how active a pass main unit is a decisive factor in the efforts to implement the principles of transparency and accountability.

#### 7. Implementation Repair Advice Provided by Corruption Eradication Commission/Fanincial Audit

Agency/Government Internal Supervisory Apparatus

Initiative to implement the recommendations of the Corruption Eradication Commission/Fanincial Audit Agency/Government Internal Supervisory Apparatus is one form of prevention of corruption through improved systems. Although these recommendations is basically an external impetus for improvement of the systems in a main unit, but the actual implementation of these recommendations is voluntary so clearly needed initiatives and awareness of each main unit to change.

#### 8. Activity Promotion of Anti-Corruption

Promotion of anti-corruption activities is one way to internalize to all parties in a main unit to understand of corruption so as to create an anti-corruption behavior. Anti-corruption promotional activities should ideally be done both to the internal and external parties are constantly in touch with the main unit for the prevention of corruption would be optimal if all parties have an understanding about anti-corruption. Assessment indicators of anti-corruption campaign done by assessing two sub-indicators, namely: a) internal promotional activities; and b) external promotional activities.

#### 9. Other Anti-Corruption Initiatives

Assessment for this indicator is actually intended to assess qualitative report on the prevention of corruption by the main unit outside the eight indicators that have been set.

### **The Management of State Financials**

State Financials according to the Law of the Republic of Indonesia Number 17 of 2003 Article 1 Paragraph 1 was all the rights and obligations that can be valued in money and everything is good in the form of money or goods that may be used as state property in connection with the implementation of rights and obligations. The state's financial management is the overall activities of state financial management officer in accordance with the position and authority, including planning, implementation, monitoring, and accountability. While the financial responsibility of the state is the government's obligation to carry out the management of state finance in order to obey the laws and regulations, efficient, economical, effective, and transparent, with due regard to fairness and propriety (Law of the Republic of Indonesia Number 15 of 2004).

According to Article 3 Paragraph (1) of the Law of the Republic of Indonesia Number 17 of 2003, public finance must be managed in an orderly, obedient to laws and regulations, efficient, economical, effective, transparent, and accountable with regard fairness and propriety. Management encompasses the overall activities in the field of state finance includes planning, control, use, monitoring, and accountability.

In addition it should be stressed that the principle applies universally that any person who is authorized to receive, store and pay or deliver cash, securities or property of the state are responsible personally for all the flaws that occurred in the submission. The obligation to indemnify the state finances by the state financial managers is an element of internal control reliably.

Law No. 31 of 1999 states in article 32 that explanation is manifestly existing state financial loss is a loss that can be calculated based on the findings of the competent authority or public accountant appointed. A clear definition of state financial loss on Law No. 1 of 2004 on State Treasury, section 1 number 22, which cost the country/region is short of money, securities, and goods, real and definite amount as a result of an unlawful act either intentionally or negligent.

The guidance to prepare Organization Overview Monitoring Reports by Government Internal Supervisory Apparatus set out in the Regulation of the Minister of State for Administrative Reform and Bureaucratic Reform No. 42 of 2011, irregularities in the management of public finance in the form of: 1) deposit into the state treasury could be a loss to the state/province or losses to the state/region occurred in the company's country/region; and 2) lack of acceptance of country/region or state-owned enterprises/regions.

### **Hypothesis Development**

Up to now there is no research that discusses the evaluation of anti-corruption initiatives in relation to the reduction of corruption. It's become an important key to the success of efforts to combat corruption is an initiative of the board of the internal unit. Evaluation of Anti-Corruption Initiative is an effort of the Corruption Eradication Commission to establish a system of anti-corruption in agencies with a more systematic through the assessment of the initiatives undertaken by the leadership of the agency in implementing anti-corruption programs. The use of these instruments is expected to encourage the emergence of initiatives and efforts in the main unit make concrete steps against corruption and the improvement of service quality.

Based on that idea, the study will develop a hypothesis, as follows:

**H1:** Irregularities in financial management before the anti-corruption initiatives assessment is different than after the assessment of anti-corruption initiatives.

## **Research Method**

### **Operational Definition and Measurement of Research Variable**

The variables used in this study are the assessment of anti-corruption initiatives and irregularities in the management of state finances. Assessment of anti-corruption initiatives in 2010 has seven main indicators and one of the indicators of innovation. The seventh of the major indicators, derived in the form of a questionnaire consisting of 57 questions, while in 2011, the Corruption Eradication Commission added an indicator on main indicators, namely Public Grievance Mechanism. Eighth major indicators are derived in the form of a questionnaire consisting of 68 questions.

Each question in the questionnaire filled out by participants of the Anti-Corruption Initiative Assessment by enclosing evidence to support the validity of the answer. For Indicators of Innovation, participants of the Anti-Corruption Initiative Assessment enclosed qualitative reports contain reports of innovation efforts to prevent corruption committed, outside of the things that have been used as supporting evidence of the answers to the questionnaire of major indicators. The final assessment is obtained from a combination of an assessment of the main indicators and indicators of innovation.

The other variables used are irregularities in the management of state finances with the indicators used in the form of financial findings that must be paid to the state treasury, audit results from Inspectorate General of the Ministry of XYZ. The findings obtained by adding the state financial losses to the state and state revenue shortfall for each year is contained in the audit report on the Central Unit and Technical Implementation Unit in accordance of each in First Echelon Unit respectively from 2005 until 2014 and than made the mean average per First Echelon Unit for the period before and after the implementation of the Anti-Corruption initiative Assessment.

### **Research Sample and Method of Collecting Data**

The target population of this study is 10 First Echelon Unit at the Ministry of XYZ conducted audit by the Inspectorate General of the Ministry of XYZ from 2000 through 2014. This study used a non-probability sampling with the type that used is convenience sampling because not of all units in echelon one qualify to be sampled.

The data used in this study comes from the findings of the state financial audit results of the Inspector General at nine of First Echelon Unit at the Ministry of XYZ 2005 through 2014, with details as follows: a) The findings of state finances in the Ministry of XYZ before the evaluation of anti-corruption initiatives is executed, namely in the year 2005 to 2009 and b) Findings of state finances in the Ministry of XYZ after the implementation of anti-corruption initiatives assessment, namely in 2010 through 2014.

### **Method of Hypothesis Testing**

This study uses data analysis to test the hypothesis as follows: 1) to test the normality of the data in this research is done by using the Shapiro-Wilk test on Statistical Product and Service Solutions applications, with a significance level used was 0.05; 2) to hypothesis testing is done by using Statistics Paired t-test or Wilcoxon Signed Ranks Test.

Normality test results will determine the statistical test to be used in this study. If the normality test results stating that the data in normal distribution, the hypothesis testing used Paired t-test, whereas if the data distribution is not normal then used the Wilcoxon Signed-Ranks Test. Statistical test in this study was conducted using SPSS application, with a significance level used was 0.05.

## **Results And Discussion**

### **Research Object Description**

Object of this research is the Ministry of XYZ who participated in the Anti-Corruption Initiative Assessment since 2010. Anti-Corruption Initiative Assessment 2010 was the second implementation after the implementation of the pilot project of the Anti-Corruption Initiative Assessment in 2009 by the Corruption Eradication Commission. The comprehensive assessment that combines quantitative and qualitative assessment measurably. The things that characterize Anti-Corruption Initiative Assessment are:

- a) the implementation of measurable indicators and not abstract, thus ensuring the validity of reporting;
- b) the use of experts to ensure the independence of assessment;
- c) the self assessment of the main unit is supported by a review and reassessment of the Corruption Eradication Commission;
- d) the main unit is given the opportunity to make a qualitative report to reveal anti-corruption initiatives that have been implemented but have not summarized in a quantitative report;

e) the assessment process Anti-Corruption Initiative Assessment conducted by the three parties, namely:

1) Self assessment:

The main unit filled out questionnaires of Anti-Corruption Initiative Assessment equipped with relevant evidence for reviewed by the Inspectorate. In addition to filling out questionnaires, participants of Anti-Corruption Initiative Assessment is also expected to complete the questionnaire with qualitative reports/indicators of innovation that contain reports of innovation efforts to prevent corruption committed, outside of the things that have been used as supporting evidence in response to the questionnaire

2) The Corruption Eradication Commission collects the results of votes that each agency through Inspectorate for confirm and assessment

3) Institute for research/academia will set the score for qualitative reports.

f) The final value is a combination of quantitative and qualitative assessment, with a range of values from 0-10. A value of 0 means that the participants of Anti-Corruption Initiative Assessments do not have anti-corruption initiative as expected in the assessment. While the value of 10 indicates the main unit has conducted anti-corruption initiatives in accordance with all indicators Rate of Anti-Corruption Initiative.

In 2010, the Anti-Corruption Initiative Assessment has seven main indicators and one of the indicators of innovation. The seventh of the major indicators, derived in the form of a questionnaire consisting of 57 questions. Initiative Anti-Corruption Assessment in the Ministry of XYZ by the Corruption Eradication Commission only carried out in 2010. However, since the year 2011 Inspectorate General of the Ministry of XYZ initiative to continue the votes to determine the development/advancement initiatives of the main unit in the Ministry of XYZ in efforts to prevent corruption. The method used to adopt is the method used by the Corruption Eradication Commission, including the indicators used in the assessment.

Indicators in the main variables of Anti-Corruption Initiative Assessment in 2011 through 2014 were generally similar to those used in 2010, but in the context of sharpening the assessment, the Corruption Eradication Commission since 2011 to add an indicator on the main indicators that public complaints mechanism. Eighth major indicators are derived in the form of a questionnaire consisting of 68 questions. Complete the indicators used in the Anti-Corruption Initiative Ratings are presented in appendix 1 and 2 (not submitted in this paper), while an example of one of the instruments Rate Anti-Corruption Initiatives in the questionnaire used is presented in Appendix 3 (not submitted in this paper).

The study population was 10 First Echelon Unit at the Ministry of XYZ conducted audit by the Inspectorate General of the Ministry of XYZ from 2000 through 2014, while the samples are nine First Echelon Unit of 10 First Echelon Unit in the Ministry of XYZ conducted audit by the Inspectorate General XYZ Ministry in the year 2005-2014. This study used convenience sampling because not all First Echelon Unit eligible to be sampled. There is a new Echelon Unit was formed in 2004 and one unit in 2008, making the whole unit of First Echelon do not have enough data to be tested since 2000. Therefore, the sample uses is 9 of First Echelon Unit from 10 of First Unit Echelon in XYZ Ministry conducted audit by the Inspectorate General of the Ministry of XYZ from 2005 through 2014, with the division of the period as follows:

- a. Before the implementation of the Anti-Corruption Initiative Assessment, that in the year 2005 to 2009;
- b. After the implementation of the Anti-Corruption Initiative Assessment, that in 2010 through 2014.

Irregularities in the management of state finances, using indicators such as the findings of state finance that must be paid into the state treasury audit results Inspectorate General of the Ministry of XYZ. The findings obtained by adding the state financial losses to the state and state revenue shortfall for each year is contained in the audit report on the Central Unit and Technical Implementation Unit in accordance Echelon Unit respectively from 2005 to 2014. The study then made on average per First Echelon Unit for the period prior to the implementation of the Anti-Corruption Initiative Assessment (2005-2009) and after the implementation of the Anti-Corruption Initiative Assessment (2010-2014). The average of state finance findings on First Echelon Unit for the period before and after the implementation of the Anti-Corruption Initiative Assessment are presented in Table 1 below:

Table 1. The average value of State Financial Findings on Nine of First Echelon Unit at the Period Before and After the Implementation of Anti-Corruption Initiative Assessment

No	UNIT ESELON I	Sebelum PIAK (Tahun 2005-2009)	Setelah PIAK (Tahun 2010-2014)
1.	A	554.057.423,42	14.478.822,23
2.	B	4.377.153,00	-
3.	C	667.855.552,31	802.804.813,25
4.	D	473.479.760,05	14.407.513,72
5.	E	1.247.985.344,25	728.403.333,76
6.	F	121.635.030,97	54.719.947,01
7.	G	259.419.105,86	32.850.915,75
8.	H	492.843.549,63	53.119.258,79
9.	I	254.077.866,39	40.029.799,17

### Results of Data Processing

Before performed statistical tests to the research sample, the normality test was conducted to meet the requirements of statistical analysis. Test for normality in this study using the Shapiro-Wilk test on SPSS with significance level used was 0,05. If the p-value is greater than 0.05 then the distribution of data were normal, whereas if the p-value less than 0.05 then the data distribution were not normal. Normality test results using the Shapiro-Wilk test on the sample are presented in Table 2 below:

Table 2. Normality Test Results Using the Shapiro-Wilk test

Periods	Shapiro-Wilk		
	Statistic	df	Sig.
State Financial Findings Before	0.910	9	0.318
State Financial Findings After	0.602	9	0.000

Based on the table 2 it is known that p-value state financial findings before the Anti-Corruption Initiative Assessment is 0.318. This value is greater than 0.05, which means the normal distribution of data. The p-value state financial findings after the Anti-Corruption Initiative Assessment is 0,000 or less than 0.05, which indicates that the data distribution is not normal.

Based on the results of the normality test, the hypothesis testing performed statistical tests using the Wilcoxon Signed Rank Test. This method selected for the normality assumption is not met. This is in accordance with Berenson et al (2012) which states that the Wilcoxon Signed-Ranks Test can be used when the assumptions on which Paired t-test data is measured at the interval or ratio scale and normal distribution can't be met. When the t-test assumption is not met, the procedure Wilcoxon Signed-Ranks tend to be more robust in detecting significant differences. Moreover, even in conditions correspond to the paired t-test, Wilcoxon Signed Ranks Test have proven to have powers similar to paired t-test. Resultsof Wilcoxon Signed Ranks Test are presented in Table 3, 4, and 5 below:

Table 3. Results Descriptive Statistics-Wilcoxon Signed Ranks Test

Periods	N	Mean	Std. Deviation	Minimum	Maximum
Before	9	452.860.000	367.167.000	4.377.153	1.250.000.000
After	9	193.420.000	325.436.000	0	803.000.000



Table 3 above shows the average value of the state financial findings before the Anti-Corruption Initiative Assessment is greater than after the Anti-Corruption Initiative Assessment. The value of the state financial findings lowest in the period before the Anti-Corruption Initiative Assessment is equal Rp4.377.153 and a maximum of Rp1.250.000.000, a mean of Rp452.860.000. Meanwhile, in the period after the Anti-Corruption Initiative Assessment, the minimum value can be known the findings of state finances amounted to Rp0 or no findings of state finances and the maximum is equal Rp803.000.000, and a mean of Rp193.420.000.

Table 4. Rating - Wilcoxon Signed Ranks Test

	N	Mean Rank	Sum of Ranks
After – Before	Negative Ranks	8 <sup>a</sup>	42.00
	Positive Ranks	1 <sup>b</sup>	3.00
	Ties	0 <sup>c</sup>	
	Total	9	

a. After < Before

b. After > Before

c. After = Before

Table 4 shows the difference in the value of the state financial findings after Initiative Anti-Corruption Assessment and before Anti-Corruption Initiative Assessment. The difference in the state financial findings after Initiative Anti-Corruption Assessment and before Anti-Corruption Initiative Assessment had negative value means the value of the state financial findings subsequent to the Anti-Corruption Initiative Assessment is smaller than before the Anti-Corruption Initiative Assessment. This occurred in 8 of 9 samples tested. While one sample showed the value of the state financial findings after the implementation of Anti-Corruption Initiative Assessment is higher than before the Anti-Corruption Initiative Assessment. There is not found samples that show the findings of state finances after the implementation of Anti-Corruption Initiative Assessment has the same value as before the Anti-Corruption Initiative Assessment.

The difference of significance value of state financial findings after Anti-Corruption Initiative Assessment and before Anti-Corruption Initiative Assessment can be seen in Table 5 below:

Table 5. Test Results Statistics Wilcoxon Signed Ranks Test

	After - Before
Z	-2.310 <sup>a</sup>
Asymp. Sig. (2-tailed)	.021

a. Based on positive ranks.

Table 5 shows the Z value of -2.310. The value of sig or p-value shows 0.021 or less than 0.05. If the p-value < critical limit 0.05 then there is a significant difference between the two groups, which means that hypothesis is accepted, in other words the irregularities in the management of state finances before the Anti-Corruption Initiative Assessment is significantly different than after the Anti-Corruption Initiative Assessment.

### Research Discussions

Based on the hypothesis testing, it is concluded statistically that there are significant differences on irregularities in the management of state finances before and after the implementation of the Anti-Corruption Initiative Assessment. The state finances findings after the Anti-Corruption Initiative Assessment in 2010 - 2014 average of Rp193.420.000 smaller than before the implementation of Anti-Corruption Initiative Assessment in 2005-2009, that an average of Rp452.860.000. This is in line with the objectives Assessment Initiative Anti-Corruption that in addition for giving an overview of the efforts of anti-corruption that are being taken by the main unit in the public sector, also pushed the main unit to be responsible for the success of efforts to prevent corruption in the unit primarily and ensure that each unit of the main initiative and commitment are strong enough to efforts to combat corruption within the scope and authority. Also according to the Directorate of Research and Development the Corruption Eradication Commission (2010), some of the instruments in the Anti-Corruption Initiative Assessment as enforcement of the code of ethics, oversight of procurement of goods and services, as well as transparency in staff recruitment is an effort that can prevent the occurrence of corruption.

Lee (2003) states it is essential to build multi monitoring system to prevent corruption, given the political influence and paternalism including nepotism and cronyism is still developing in the community.

### Conclusions, Limitations, and Suggestions

The irregularities in the management of state finances is significantly different before the Anti-Corruption Initiative Assessment than after the Anti-Corruption Initiative Assessment. The value of state financial findings is lower in the period after the Anti-Corruption Initiative Assessment than the period before the Anti-Corruption Initiative Assessment. Difference in the state financial findings after Initiative Anti-Corruption Assessment and before Anti-Corruption Initiative Assessment is negative indicating that the value of the state financial findings subsequent to the Anti-Corruption Initiative Assessment is smaller than before the Anti-Corruption Initiative Rating. This occurred in 8 of 9 samples tested.

Results of this study are consistent with the purpose of implementation of the Anti-Corruption Initiative Assessment, which in addition to providing an overview of the anti-corruption efforts that are being taken by the main unit, also pushed the main unit to be responsible for the success of efforts to prevent corruption in the main unit, and ensure that each unit of the main initiative and commitment are strong enough to efforts to combat corruption within the scope and authority.

Suggestions for further researchers interested in conducting similar research or will continue this research, should be able to notice some of the following: 1) conducting tests on each of the main indicators that are known as the most influential indicators in the prevention of corruption/irregularities decline in public finance management and 2) adding the type of irregularities in the management of state finances, not only the findings of state finances is not only based on the results of audits of the Inspectorate General but also audit reports of State Finance Auditor.

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