

Analysis of Policy Implementation for The Improvement Capability of Internal Government Supervisory Apparatus (APIP) at Inspectorate General of Ministry of Health

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Abstract. The capability of the Internal Government Supervisory Apparatus (APIP) is the ability to carry out supervisory tasks consisting of three interrelated elements: capacity, authority, and competence. The objective of this research is to give policy recommendations for enhanced APIP capability in the Inspectorate General of the Ministry of Health. This research is a descriptive study with qualitative analysis method with in-depth interview and literature study. Results of this research indicate that there are some obstacles: the socialization done only to some employees of Itjen; no Special Team on the process of improving APIP capability; the time and task division is unclear; has no special budget yet; there has not been a derivative rule from the Internal Audit Charter (IAC); no reward and punishment system; no documentation of supervision working papers; the policy has not been internalized. This research concludes that the implementation of the policy has not been reached optimally based on PERKA BPKP Number PER-1633/K/JF/2011. Communication is the most influential factor in the implementation of APIP enhancement policy. The recommendation from this research are consistently socialize to employees within the Inspectorate General, make Standard Operating Procedures (SOP), allocate budget activities in 2018, create memorandum of understanding with other agencies, and self-assessment and program evaluation absolutely must do continuously.

Keywords: Internal Audit Charter, capability of APIP, communication, program evaluation

Abstrak. Kapabilitas Aparat Pengawasan Intern Pemerintah (APIP) adalah kemampuan untuk melaksanakan tugas-tugas pengawasan yang terdiri dari tiga unsur yang saling terkait yaitu kapasitas, kewenangan, dan kompetensi. Tujuan dari penelitian ini adalah untuk menyampaikan rekomendasi kebijakan untuk peningkatan kapabilitas APIP di Inspektorat Jenderal Kementerian Kesehatan. Penelitian ini merupakan studi deskriptif dengan metode analisis kualitatif dengan wawancara mendalam dan studi literatur. Hasil dari penelitian ini yaitu terdapat beberapa kendala yaitu sosialisasi dilakukan baru sebatas pada sebagian pegawai Itjen belum dilakukan secara keseluruhan; belum ada Tim Khusus terhadap proses peningkatan kapabilitas APIP; pembagian waktu dan tugas belum jelas dan belum memiliki anggaran khusus; belum dibuat peraturan turunan dari Internal Audit Charter (IAC); belum ada sistem reward dan punishment; belum ada dokumentasi kertas kerja pengawasan; Kebijakan belum terinternalisasi. Kesimpulan dari penelitian ini yaitu pelaksanaan kebijakan belum tercapai dengan optimal berdasarkan PerKa BPKP Nomor: PER-1633/K/JF/2011 Komunikasi merupakan faktor yang paling berpengaruh terhadap implementasi kebijakan. Belum ada dukungan dan komitmen dari seluruh pegawai dalam pelaksanaan kebijakan peningkatan kapabilitas APIP. Saran dari penelitian ini: konsisten melakukan sosialisasi kepada pegawai di lingkungan Inspektorat Jenderal, membuat Standar Operasional Prosedur (SOP), mengalokasikan anggaran kegiatan di tahun 2018, membuat nota kesepahaman dengan instansi lain, dan Self-assessment serta evaluasi program mutlak dilakukan secara kontinyu.

Kata kunci: Internal Audit Charter, kapabilitas APIP, komunikasi, evaluasi program

INTRODUCTION

In order to realize good governance in Indonesia, the Government tries to make a bureaucracy reform. One of the main areas of the reform is in the field of supervision, in which improving a governance that is free from corruption, collusion and nepotism. Therefore, Indonesian Government issued a President Regulation Number 81 Year 2010 on Grand Design of Bureaucratic Reform 2010-2025. In the field of supervision, bureaucracy reform aims to improve a clean and free of corruption, collusion, and nepotism governance. (Sekneg, 2010).

The control over the government activities to achieve an effective, efficient, transparent and accountable financial management must be conducted by referring to Government Regulation Number 60 Year 2008 on Internal Government Control System (IGCS). Government Regulation Number 60 Year 2008 is one of the important milestones in the effort to realize a good and clean governance (Sekneg, 2008). Government Regulation Number 60 Year 2008 purely adopts five elements of internal control from Internal Accounting Office (IAO) which is a part of Committee of Sponsoring Organization (COSO), which includes: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5)

Monitoring. The implementation of those elements is expected to be able to provide adequate confidence in the implementation of activities in a certain government agency.

Control Environment is the basic foundation underlying a government internal control system. One of the elements of the IGSC Control Environment is the realization of the effective role of the Internal Government Supervisory Apparatus or *Aparat Pengawasan Intern Pemerintah* (APIP). Achieving effective APIP is an obligation of government institution leaders in maintaining and creating a control environment that leads to conducive and positive behavior. Under the Government Regulation Number 60 Year 2008, the effective role of APIP must fulfill: (1) Providing adequate confidence in the obedience, austerity, efficiency, and effectiveness of the achievement of the tasks and functions of government agencies; (2) Providing early warning and improve the effectiveness of risk management in the execution of duties and functions of government agencies; and (3) Maintaining and improving the quality of governance in the performance of duties and functions of government agencies.

APIP is a government element established with the task of implementing internal supervision within the environment of central and/or local government. The Article 49 of Government Regulation Number 60 Year 2008 states that the APIP consists of *Badan Pengawasan Keuangan dan Pembangunan* or Finance and Development Supervisory Agency (FDSA); The Inspectorate General or any other names that functionally executing the internal supervision; Provincial Inspectorate; and Regency/City Inspectorate. APIP in every government agency has different conditions, both in terms of management, resources owned, and the surrounding environment (BPKP, 2011). This leads to the diversity of the level of APIP capability value in Indonesia. To realize the effective APIP, we need a general pattern of APIP capability development. The Institute of Internal Auditors (IIA) has developed the Internal Audit Capability Model (IACM). The IACM demonstrates the steps to move forward from a less strong internal supervision level to a strong and effective state, linked to a more mature and complex organization (IIARF, 2009).

The Internal Audit Capability Model is a framework that identifies the fundamental aspects needed to do internal supervision effectively in public sector. It describes the path of evolution for the public sector organizations in order to develop an internal supervision that is effective to fulfil the requirements of organization management and professional expectations. It shows the steps to a strong and effective condition of internal supervision capability. (BPKP, 2015b). The IACM can also being self-assessed by each APIP with the Key Process Area (KPA) and is

completed with the steps to the improvement of its level. IACM consists of five levels, i.e level 1: initial, level 2: infrastructure, level 3: integrated, level 4: managed, and level 5: optimized. The higher the level is, the better the capability will be. In this method, there are six elements that is measured, which are: (a) roles and services; (b) human resources management; (c) professional practice; (d) accountability and performance management; (e) cultural and organizational relations; and (f) governance structures (BPKP, 2011).

The statistics that is taken from the 2010 Global Internal Audit Survey show that there are only 3% public sector internal auditors in the world who are at level 3. In Indonesia, based on the capability level assessment at 474 APIP of Ministries, Institutions, and Local Government per December 31st 2014, there are 85.23% APIP at level 1, 14.56% at level 2, and 0.21% at level 3. In 2019, it is expected that all APIPs will be at level 3 in accordance with the target of *Rencana Pembangunan Jangka Menengah Nasional* or National Medium-term Development Plan 2015-2019 (BPKP, 2015a). In the IACM structure, the level 3 (integrated) shows that APIP is able to assess the efficiency, economics effectivity of a certain activity and able to provide a consultation regarding management, risk management, and internal control. This capability is an international standard to state whether the APIP capability in a ministry or institution is already good.

The results of FDSA assessment on APIP capability of Inspectorate General of Ministry of Health in 2015, only get level 2 (infrastructure) with improvement. Based on the gap between the results (level 2) with the level that should be achieved (level 3), it is necessary to conduct research to know and analyze the factors influencing the implementation of policy in APIP capability improvement in Inspectorate General of Ministry of Health to conform with the national target. The purpose of this study is to analyze the factors that influence the policy assessment of improving the performance of Government Internal Supervisory Apparatus (APIP) in Inspectorate General of the Ministry of Health, including communication, resources, bureaucratic structure, and disposition factors.

Theoretical Review

The logical framework of APIP capability assessment that is developed in Indonesia is basically refers to the Internal Audit Capacity Model (IACM) developed by The Insitute of Internal Auditor (BPKP, 2011). Based on the Technical Guidelines of Capacity Improvement of Government Internal Supervisory Apparatus made by FDSA (BPKP, 2011), the APIP capability assessment tool which is developed in Indonesia has been made to be more easily understood in its implementation. All elements of APIP capability, which are Role and Service, Human Resource Management, Professional

Practice, Accountability and Performance Management, Culture and Organization Relations, and Organizational Structure are assessed by using fulfillment of statements (240 statements) developed for all Key Process Area (41 KPAs). Based on these results, we will be obtained general conclusions APIP capability, which are grouped into five levels (BPKP, 2011).

The definition of public policy by R. Dye is “*whatever government choose to do or not to do*”. It states that any government activity, either explicit or implicit, is a form of a certain policy. Meanwhile, Lasswell (1951) wanted a public public policy also include a research method of a policy process and research findings that gave the most important contribution to fulfil the needs of intelligence (Indiahono, 2009). In the view of a political expert, David Easton, 1972, as cited by (AG Subarsono, 2005), a policy can be seen as a system consisting of input, conversion, and output. Many experts state that in implementing a policy, its success will be determined by the number of variables and how those variables interconnected each other. Implementation readiness also determines the effectiveness and success of a policy (Ayuningtyas, 2015).

According to Edward in (Nawawi, 2009), the implementation is influenced by four variables related to each other, which are (1) Communication, (2) Resources, (3) Disposition, and (4) Bureaucratic Structure.

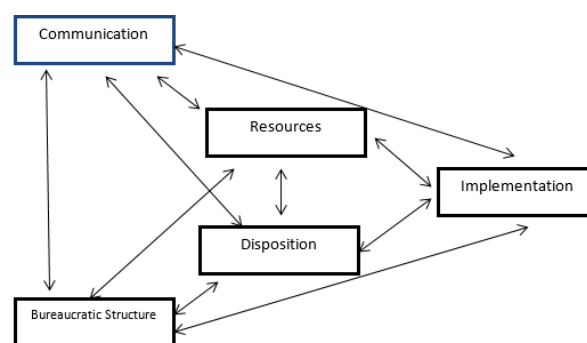
To achieve communication success, the implementer must know the policy goals that must be achieved and the target that must be done. All of these should be informed to the target group thus reducing the implementation distortion. Therefore, it is needed to do three things, which are good distribution (transmission), the clarity received by the implementer, and the consistency in the implementation of the policy.

The implementation of a policy must be supported by resources, both human resources, materials, and methods. Although the goals, targets, and content of the policy has been communicated clearly and consistent, but if the implementer has lack of resources to implement, the implementation will not be effective and efficient. These resources consist of human resources, budget, facilities, and also implementation and authority.

A disposition in policy implementation is the behavior that must be undertaken by the policy implementer, such as commitment, honesty, communicative, cleverness and democratic nature. A good implementer should have a good disposition, so he can run the policy as well as desired and as determined by the policy makers. If the policy implementation has a

different behavior or different perspective with the policy makers, the implementation process becomes ineffective and inefficient.

In the bureaucratic structure, the organization provides a simple map to show in general its activities and the distance from the peak shows its relative status. According to Edwards, the organization has two main characteristics, which are SOP (Standard Operating Procedure) and fragmentation.



Source: Edward III in (Nawawi, 2009)

Figure 1. Defining Factors of Policy Implementation

METHOD

This study is an analytical study with qualitative analysis through in-depth interview and document tracing to analyze factors related to the capability improvement of Government Internal Supervisory Apparatus (APIP) in Inspectorate General of Ministry of Health. The research was conducted in May - June 2017 in Jakarta. The in-depth interviews were conducted with Inspectorate General of Ministry of Health, Inspectorate General of Ministry of Finance and FDSA.

RESULTS AND DISCUSSION

APIP capability assessment using IACM in the Ministry of Health has been done 3 times, i.e in 2012, 2015, and 2017 (currently in process). The results of the assessment in 2012 concluded that the Inspectorate General of the Ministry of Health has fulfilled the criteria in accordance with the conditions at level 2 (BPKP, 2012). The assessment in 2015 concluded that APIP of the Inspectorate General of the Ministry of Health was at level 2 with improvement (BPKP, 2015a). The assessment (evaluation) was done by using self-assessment approach. The Inspectorate General of the Ministry of Health carries out its own assessment of its supervision management. The self-assessment was done only when the assessment would be conducted by FDSA and not annually conducted. The comparison of the assessment results in 2012 and 2015 can be seen in table 1 below.

Table 1. Results of APIP Improvement Capability Assessment in Inspectorate General of Ministry of Health of 2012 and 2015

No	Assessment Element	2012	2015
1	Element I: Role and Services	Level 3: <i>integrated</i>	Level 1: <i>Initial</i>
2	Element II: Human Resources Management	Level 2: <i>infrastructure</i>	Level 2: <i>infrastructure</i>
3	Element III: Professional Practice	Level 2: <i>infrastructure</i>	Level 1: <i>Initial</i>
4	Element IV: Accountability and Performance Management	Level 2: <i>infrastructure</i>	Level 2: <i>infrastructure</i>
5	Element V: Culture and Organization Relations	Level 3: <i>integrated</i>	Level 2: <i>infrastructure</i>
6	Element VI: Management Structure	Level 2: <i>infrastructure</i>	Level 1: <i>Initial</i>
Conclusion		Level 2: <i>infrastructure</i>	Level 2: <i>infrastructure with improvement</i>

Based on Table 1, it is known that overall there is a decline in APIP capability assessment results in Inspectorate General of the Ministry of Health in 2015 when compared with the assessment results in 2012.

The following sections convey the factors that influence the implementation of the policy.

1. Communication

The communication of a program can only be implemented well if it is clear to its executors. This concerns the process of delivering information, clarity of information and consistency of delivered information (Akib, 2010). First, the information delivery process. The implementation of policy capability improvement of APIP in Inspectorate General of Ministry of Health did not escape from the transmission process that is through socialization. The socialization that has been done was only limited to certain employees of Inspectorate General of Ministry of Health, it has not been done to all employees comprehensively. The new socialization was conducted at the level of the leaders of Inspectorate General of Ministry of Health and middle auditors (auditor madya). Furthermore, it was expected that the middle auditors will do socialization or training in their own office to the auditors who are below their levels. However, it has not been done comprehensively, so the delivered information has not been completely disseminated. The result of this action is not all of the policy implementers know the importance of this policy and are not involved in the implementation. This policy has not been internalized by all of the Inspectorate General of the Ministry of Health employees.

Second, is about clarity of the information. The process

of policy transmission should be accompanied by clarity of information so that the transmitted policy can be accepted clearly so that policy implementers and policy targets are able to know the purpose, objectives and targets of the policy. The unclear information will hamper policy implementation (Ratri, 2014). Until now the process of delivering information has been quite clear delivered by the implementers of the policy although not all of them get the information.

Third, in order to improve the rapidity and effectiveness of the policy implementation process, the commands given must be consistent and clear. The inconsistency of the command will encourage policy implementers to take very loose actions in implementing the policy (Ratri, 2014). This is what happened in the Inspectorate General of the Ministry of Health. The implementation of this policy has not been done consistently, seen in the assessment results in 2015 that experienced a reduction compared to the assessment results in 2012. There are several improvement efforts can be taken, for example reforming the Audit Working Papers, conducting workshop or training so that all employees know about the APIP capability improvement process, and the most important thing is making an understanding and commitment from the leaders and the ranks of its supporters to make this policy consistent. It can be concluded that communication on policy of APIP capability improvement in Inspectorate General of Ministry of Health has not run well.

2. Resource

According to Edward (1980), resource is an important factor in supporting the successful implementation of a policy. The resource includes the adequacy of the number and competence of staff to carry out their duties, the adequacy of relevant information on how to implement the policy and how the resource factors are involved in implementing the policy; the authority to ensure that policies are implemented as desired, and the facilities needed to translate policies into functional services such as office buildings, equipment, land and funds (Supriadi, 2012). Resource variables in this study focused on four types of resources, which are human resources, budget, facilities, and policy instruments.

First, the availability of the human resource of Inspectorate General of Ministry of Health APIP is sufficient to implement this policy. The number of auditors in Inspectorate General of Ministry of Health is 166 people out of a total of 315 employees. In terms of number and levels of auditors, it is already sufficient to implement the IACM. Taskforce Team has been formed and is in the process of making the Decree. The problem is the different busyness of the employees, especially the auditors who often get official duties out of the area in a long time. It makes it difficult to find

time to gather together. When assessments are conducted in 2012 and 2015, there was no specific team focusing on self-assessment. Newly formed in 2017 a unit of officers (Taskforce Team) consisting of middle auditors (technical controller) derived from the representatives of each Inspectorate I, II, III, IV and Investigation and chaired by the Head of Program and Information of The Secretariat of Inspectorate General of Ministry of Health. It is expected that this task force will be able to mobilize other auditors to prepare all matters related to the IACM assessment and work in accordance with applicable audit standards.

Special competences of the human resources that are involved in this policy is not necessarily needed. A few competences that have to be possessed are having the performance audit capability and perform audit with the 3Es principal (effective-efficient-economical), able to have a good coordination with others, understand the core team of Inspectorate General of Ministry of Health, and the most important thing is having a strong commitment to be involved in the acceleration of the APIP capability improvement in Inspectorate General of Ministry of Health.

Second, regarding the budget, according to Edward III, the limits of the budget makes the quality of the service that supposed to be given to the society also limited (Akib, 2010). The budget is needed to fund the operational costs on the implementation of the policy, such as to pay the wages of policy practitioner, facility procurement, program operational and other expenses (Ratri, 2014). To implement this policy, the Inspectorate General of Ministry of Health does not provide the budget solely to improve the capability. All this time, the implementation of capability improvement of APIP used the budget that is scattered in different budget posts, such as human resource development budget is taken from employee training budget, meetings outside office hours is using the coaching meeting budget, and other expenses that uses the budget of the strengthening of supervision that is a part of Program and Information. The lack of special budget is one of the reason that the implementation of the policy is not considered as important by the employee of the Inspectorate General of Ministry of Health. This matter suits the Edward III theory that states the limited budget also makes limited service, in this matter is the implementation of capability improvement of APIP in Inspectorate General of Ministry of Health.

Third, facility or infrastructure that is used in the operational of implementing a policy can be in form of building, land, equipment and tools must all be functional to ease the service delivery in policy implementation (Ratri, 2014). In this matter, the facility that is provided by the Inspectorate General of Ministry of Health to support the competence of the implementation of the policy, including the base rules

of facility or the SOP, is not available yet.

Fourth, policy instruments is the base and the similarity of procedures in achieving the desired goals. The lack of rules and a special SOP to support the capability improvement of APIP in Inspectorate General of Ministry of Health becomes an obstacle in implementing the policy itself. The derivative rules that made must refer to Internal Audit Charter (IAC) that is already available to simplify the implementation.

3. Bureaucratic System

Bureaucracy becomes one of the most frequent organization as policy practitioner. In this research, the investigated bureaucracy are inter-agency supervisions and coordination. The concept of bureaucracy first introduced by Max Weber, after that Dwijowijoto (2004:63) in (Supriadi, 2012), said that organization is including a standard, formal and followed by procedures structure. A structure is a unity of a certain part or people that is formal in nature so that if translated to another meaning, it is the same as system.

Inspectorate General of Ministry of Health has done a coordination with other ministries regarding the supervision. Among them are Ministry of Transportation, Ministry of Agriculture, Ministry of Education and Culture, and the Ministry of Internal Affairs. The coordination done with the Ministry of Internal Affairs are monitoring and joined audit for *Dana Alokasi Khusus* (Special Allocation Budget) in the health sector. Coordination with the Ministry of Transportation is in the form of a cooperation to benchmark the efficiency of the goods and services procurement in the ministry that is very significant with the value reaching beyond trillions of Rupiah. While the coordination with the Ministry of Education and Culture is sharing about the problem of the title *Wajar Tanpa Pengecualian* (Unqualified Opinion) as the program have similar characteristics which is both ministry has many work units and spread throughout Indonesia. The Ministry of Agriculture is being contacted to have cooperation in peer review of the reports on results of supervision. All of these coordinations are in the informal state, as the Memorandum of Understanding is yet to be made.

A supervision from FDSA is done in form of socialization, guidance, evaluation, and monitoring upon the implementation of policies until the APIP in Inspectorate General of Ministry of Health is able to do a self-assessment. The guidance that is done aims to improve the level of capability to the demanded level or above.

4. Disposition

Disposition includes the will, desire, and tendency of the policy actors to execute the policy seriously so that the goal of the policy can be achieved. The process of

disposition needs knowledge, understanding and deepening upon the policy, which leads to the action of acceptance, indifference and even refusal of a certain policy. According to Edward (1980) in (Supriadi, 2012), if the implementation of the policy desired to be effective, then the policy implementer not only have to know what to do and have the capability to do it, but also must have the desire to implement the policy.

The gesture of the leader in Inspectorate General of Ministry of Health is very supporting and encouraging all the employees to support the implementation of this policy. Furthermore, the existence of strong commitment is also shown by joining into the an internal audit forum in Indonesia, *Asosiasi Auditor Intern Pemerintah Indonesia or* Indonesian Government Internal Auditors Association (IGIAA). IGIAA is a professional organization that have the members of individuals and work units of APIP. The work unit of APIP is a government institution that was formed with the duty of internal supervision in the environment of central and/or local government (AAPI, 2014). The Inspectorate General of Ministry of Health is actively participate as the Vice-Head of the Audit Standard Committee in IGIAA.

Unfortunately, other employees of Inspectorate General of Ministry of Health are not so supportive on this matter. Most of them are not yet to care and aware to understand the importance of IACM. Since only few employees are focused on implementing this policy, many obstacles are encountered. The busyness when doing routine tasks becomes one of the them.

In the process of policy implementations, it is often to imposed incentives and sanctions to support the policy implementation so it will run smoothly. The goal by giving incentives is to improve the motivation of the policy implementer to achieve organization goals (A Subarsono, 2005). The Inspectorate General of Ministry of Health has not given direct incentive upon this implementation of the policy. The incentive will be given through a Decree that is still in the forming phase. However, based on the in-depth interview, it is known that the incentive factor does not have a significant impact upon the policy implementation of APIP capability improvement in Inspectorate General of Ministry of Health. Whereas, incentive is needed to make the task force unit maximizes their work and as a binder for the team responsible in carrying out its duties in accordance with existing rules.

Based on the in-depth interview, it is known a few obstacles that are faced by the Inspectorate General of Ministry of Health in order to achieve level 3 in APIP capability. In table 2 is shown the obstacles that are faced by Inspectorate General of Ministry of Health in every process of policy implementation and the comparison with the Inspectorate General of Ministry of Finance.

Table 2. Obstacles Faced by Inspectorate General of Ministry of Health Compared to Inspectorate General of Ministry of Finance

No	Policy Implementation Component	Inspectorate General of Ministry of Health	Inspectorate General of Ministry of Finance	Obstacle
1 Communication				
	Transmission (way of delivery)	Done through socialization but not reaching all employees, so it is yet to be internalized by all employees	Communication done not only to all Inspectorate General employees but to all Echelon I in the ministry and the Minister of Finance	The policy has not reached everyone, so team focused to implement the policy yet
	Information clarity	Done through tiered socialization	Through socialization inside General Inspectorate Ministry of Finance and coming to other Echelon I to describe the unit's involvement	Socialization has not reached everyone, so the understanding is not equal
	Consistency	Yet to be consistent	Consistent	Lack of commitment
2 Resources				
	Human Resource	Sufficient, but no one is focused enough in working on the policy (no team yet, barely in proposal draft)	Sufficient, have a separate subdivision that is responsible in improving APIP capability in Inspectorate General of Ministry of Finance	No specific team or division that is responsible of improving APIP capability in Inspectorate General of Ministry of Health Difficulty in organizing the work time
	Budget	No specific budget, scattered in many subbudgets	Have a specific budget, strengthen with Decree	None
	Facility	Partially exist	Exist	Unclear time and task management
	Policy Instrument	Yet to exist	Exist	No Regulation of Health Minister, no derivative rules from Internal Audit Charter (IAC)
3 Bureaucratic Structure				
	Inter-Agency Coordination	Done informally	Done informally	No Memorandum of Understanding
	Supervision	Supervised by FDSA	Supervised by FDSA	None
4 Disposition				
	Attitude of the implementer	Commitment from the leader, but not supported comprehensively	Commitment from the leader and employees of Inspectorate General of Ministry of Finance	The policy has not internalized yet and not all personnels are empowered maximally in accordance to their competence
	Incentive	No specific incentive	No specific incentive	None, no reward and punishment system

According to that matter, the solution that can be given to the Inspectorate General of Ministry of Health to achieve level 3 (integrated) capability of

APIP are:

- a. Putting the APIP capability improvement program into *Rencana Aksi Program* (Plan of Action) of Inspectorate General of Ministry of Health 2015-2019
- b. Creating a task force unit who is focused on the IACM assessment and putting it into a Decree
- c. Creating a human resource development plan that supports the supervision activity
- d. Allocating a special budget for APIP capability improvement in 2018
- e. Creating rules in the form of *Surat Keputusan Inspektur Jenderal* (The Decree of Inspectorate General) or a technical guidance
- f. Doing a standard cost variance analysis review in the phase of internal supervision
- g. Creating Memorandum of Understanding with other institutions to strengthen the cooperation in supervision sector
- h. Providing incentives to the special team that implemented the policy and create its Decree
- i. Creating a reward and punishment system.

CONCLUSION

1. Policy implementation of the APIP capability improvement in Inspectorate General of Ministry of Health has not achieved its optimal outcome referring to the technical guidance in the FDSA Chief's Rules Number: PER-1633/K/JF/2011;
2. Communication, resources, bureaucratic structure and disposition factors have not work optimally due to each components stagnancy in most of the part:
 - a. No communication transmission regarding about the policy of APIP capability improvement in Inspectorate General of Ministry of Health;
 - b. Resources, which in this case human resources and facility in the Inspectorate General of Ministry of Health have been adequate in terms of quantity, but no commitment from the human resources to implement the policy, no policy instrument and budget support;
 - c. Bureaucratic structure in Inspectorate General of Ministry of Health such as supervision and inter-agency coordination have done well, but informally without Memorandum of Understanding;
 - d. The form of disposition in Inspectorate General of Ministry of Health is the support and commitment from the Inspectorate General leader to the success of the APIP capability improvement policy implementation. However, it is not fully supported by the employees of Inspectorate General who are still ignoring the policy. No special incentive given to the policy implementer.
3. Communication is the most impactful factor upon

the policy of APIP capability improvement in Inspectorate General of Ministry of Health.

RECOMMENDATIONS

Inspectorate General of Ministry of Health:

1. Inspectorate General as Government Internal Supervisory Apparatus (APIP) in the Ministry of Health consistently socialize to the employees in the internal of Inspectorate General and Echelon I employees in the ministry;
2. Putting the assessment of APIP capability improvement program to the Plan of Action of Inspectorate General of Ministry of Health 2015-2019;
3. Creating derivative rules from Internal Audit Charter such as Operational Guidance and Technical Guidance for the policy implementation of APIP capability improvement;
4. Creating the Standard Operational Procedure regarding the assessment of APIP's capability that is needed as the basis of policy implementation;
5. Allocating the budget to improve the capability of APIP in the 2018 activity plan;
6. Crating Memorandum of Understanding to strengthen the cooperation in the supervision part between Ministry of Health and other institutions, such as but not limited to:
 - a. Ministry of Transportation: cooperation in workshop regarding the procurement of goods and services;
 - b. Ministry of Agriculture: cooperation in inter-agency peer review;
 - c. Ministry of Education and Culture: make a ministry audit guidance with a very large number of work units to the level of districts;
 - d. Ministry of Internal Affairs: cooperation in the field of audit upon *Dana Alokasi Khusus (DAK)* or Special Budget Allocation.
7. Self-Assessment and Program Evaluation to be done continuously;
8. Improving the commitment of the leaders in implementing the APIP policy through the forming of the acceleration team of APIP capability improvement;
9. Need support and commitment from all of the employees in the Inspectorate General of Ministry of Health in the implementation of APIP capability improvement policy.

Financial and Development Supervisory Agency:

1. Doing supervision to the Inspectorate General of Ministry of Health as an annual routinity to know that the process of APIP capability improvement policy implementation is done well and correctly so that the assessment outcome of level 3 is achieved as targeted;
2. Creating rewards for the Ministry or Agency that has a positive progress in improving the APIP capability.

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