



Indonesian National Police's Non-APBN Funds: Dividing Funds between High Officials in the National Police

The revelation of corruption allegations in the National Police points to a sour smell in its budget management. The public has been shocked by its wealth, with some officers already targeted as suspects by the KPK for money laundering (TPPU). These cases seem to confirm the existence of certain personnel in the National Police, who don't play by the rules of budget management accountability. Recent research analysis by FITRA on the Financial Supervisory Agency's (BPK) audit of the National Police's 2011 Financial Report, found that it contained non-APBN funds to the amount of Rp 268.9 billion; a significantly larger amount compared to 2010 (Rp 188.6 billion). In other words, non-APBN funds have increased by Rp 80.3 billion.

Non-APBN funds are used off-budget and internally recorded, outside of the appropriate budget management mechanisms stipulated in Law No. 17/2003 and Law No. 1/2004 on the State Treasury. As a result, the use of these funds isn't supported by evidence of accountability and has the potential to be misused.

Table 1.1 Non-APBN Funds – National Police (2010-2011)

No	Analysis	2010	2011	+ / (-)
1	DPK	112.544.146.502	120.331.403.538	7.787.257.036
2	Integrated Administration System (<i>samsat</i>)	32.554.095.176	113.172.547.773	80.618.452.597
5	Hospitals	28.679.734.180	21.437.536.024	(7.242.198.156)
3	Available funds	8.053.312.459	8.519.219.398	465.906.939
6	Jasa Rahardja	1.869.241.900	4.977.150.699	3.107.908.799
7	Safeguarding of vital objects	-	410.730.992	410.730.992
9	Security guard training	-	10.450.000	10.450.000
8	Remaining funds from the tsunami	-	7.063.145	7.063.145
4	Catur Sakti	4.889.543.522	-	(4.889.543.522)
Total		188.590.073.739	268.866.101.569	80.276.027.830

Source: LHP BPK of the Indonesian National Police's 2011 Financial Report, page 117.



The BPK audit reveals how the National Police received an income of Rp 97.8 billion as non-APBN funds, and listed the funds as non-tax revenue without reporting them to the Ministry of Finance or going through appropriate APBN mechanisms, despite the fact that the funds were directly used.

As such, its clear there's been a violation of the state budget management system. Indeed, Article 4 and 5 in Law No. 20/1997 on non-tax state revenue requires all non-tax revenue (PNBP) to be directly paid as soon as possible to the State Treasury, and managed within the APBN system. The National Police's Rp 97.8 billion non-APBN funds consist of:

TYPE	INCOME
Profit-sharing from the proceeds of parking violations	4.631.414.040
Training	17.719.574.069
Private hospital services	10.800.954.436
Safeguarding of vital objects	64.673.419.816
Total	97.825.362.361

Every single *rupiah* received by the government must be recorded as income and used within the APBN system. Henceforth, state institutions aren't allowed to use the budget arbitrarily as it creates potential for misuse, resulting in state budget losses.

Based on Seknas FITRA research, the National Police's utilisation of non-APBN funds isn't clear. The funds that ought to be used for fundraising activities were in fact used by its leaders - an annual incentive for officers in the National Police - and for unplanned programs. In 2011, Rp 6.9 billion was spent on high officers in the National Police. The problem is that the National Police's non-APBN funds are used without standard pricing, as opposed to APBN mechanisms which always adopt standards of expenditure. The same case happened in 2010 (LHP SPI National Police 2010, Page 35), whereby *samsat* funds of Rp 6.5 billion were used to pay high-ranking and field officers, and Rp 3.8 billion was used for *Eid al-Adha* gifts.

Table 1.2 Utilisation of *Samsat* and Rahardja Funds

Allocation		Work Unit	Value (Rp)	Source
Leadership activities	Chief and Deputy Chief of Police operations (daily household needs)	Coordinator of Chief's Personal Staff	1.990.000.000	Samsat
	Chief of Police activities during <i>Idul Fitri</i> (open house)	-	264.674.500	Rahardja



Total support for Chief's activities (1)			2.254.674.500	
Annual incentives (other National Police activities in line with management policies)	Incentives for the President's/Vice President's Aide De Camp, as well as their wives and military officials	Coordinator of Chief's Personal Staff	1.057.600.000	Samsat
	Incentives for the National Police's expert advisors, and field officers at the headquarters	-	2.610.750.000	Samsat
	Annual incentives for the former Police Chief, former Deputy Chief, the expert advisor to the Police Chief, Chief's Personal Staff, airport staff and YANMA, service staff outside the work unit, ADC RI-1, RI-2, military secretary, protocol staff of RI-1 and RI-2, operational control centre, internal affairs personnel (professionals and security), expert staff, security guards, financial centre, planning and budgeting staff	-	947.700.000	Rahardja
Total support for annual incentives (2)			4.616.050.000	
Unplanned programs	Consumption during <i>Eid al-Adha</i>	Coordinator of Chief's Personal Staff	27.104.000	Rahardja
	Procurement of personalised envelopes for <i>Eid al-Adha</i> celebrations	Financial Centre	37.500.000	Rahardja
Total support for unplanned programs (3)			64.604.000	
Total (1+2+3)			6.935.328.500	

Source: LHP BPK of the Indonesian National Police's 2011 Financial Report, page 222.



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These findings damage the National Police - which should, in reality, be a vehicle for budget management accountability - especially as an institution that's already received remuneration through Presidential Regulation No. 73/2010 on Employee Benefits (in effect from 2013). In accordance with the Financial Memorandum in RAPBN 2013, the salary of the military's and National Police's lowest ranks is currently Rp 2.9 million. But, if combined with remuneration, they're able to take home a pay packet of up to Rp 3.4 million (remuneration of Rp 553,000). Due to remuneration and a gradual increase in base salaries, there shouldn't be any further additions to their pay or any budget management undertaken external to APBN mechanisms. Based on these findings, Seknas FITRA demands that:

- The National Police include any funds sourced from the proceeds of parking violations, training, private hospital services, and the safeguarding of vital objects as non-tax revenue, in order to comply with Law No. 17/2003, Law No. 1/2004 and Law No. 20/1997. There also needs to be a revision of Presidential Regulation No. 50/2010 on Types and Tariffs of Non-Tax Revenue in the Indonesian National Police.
- The Ministry of Finance must immediately curb and regulate off-budget funds managed by the National Police, and either draw it into APBN mechanisms or record it in state budget documents.
- Commission III of the DPR should monitor the National Police's income and utilisation of non-APBN funds, so as not to open further opportunities for budget misuse.