

Digital Government Role

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Abstract: Good Corporate Governance (GCG) implementation is the key to the company's success to grow and develop and provide long-term benefits, while winning business competition. Failure to implement GCG can be one of the main causes of a company's failure to survive in business competition, which if it occurs massively can lead to a systemic economic crisis. For this reason, policies in the form of Corporate Governance Guidelines and procedures that apply in the company are always the basis and guideline of management in directing and determining the company's strategy and the development and implementation of all management decisions in each of the company's operational activities.

Index Terms: Digital, Government, Role, Digital Government, Good Corporate Governance, Business Competition.

1 INTRODUCTION

Implementation of corporate governance in a company it is very important as one of the processes to maintain continuity long-term business enterprises prioritizing the interests of shareholders and stakeholders. The digital age has a significant direct impact on the company in running its business. Digital assets, both in the form of transaction data and all other forms of data containing text, and multimedia, are produced and used massively every day in the company's business activities. The discussion of digital assets certainly cannot be separated from the management of Information Technology (IT) both in the area of infrastructure in the form of software and hardware, processes, and human resources, in order to support its management. Digitizing transactions and information in various industrial sectors has been driven by business needs in the face of competition, expectations from customers, and the company's efforts to improve the efficiency of its business processes. The government did not remain silent in facing the current developments. Various regulations have been issued to ensure a balance between the needs of the community and industry players, so that no one is harmed. The digital age has provided a series of new capabilities for service users in the convenience of transactions, the diversity of service providers' choices, and also the increased security in using services. Services or transactions in this case not only in the context of trade in goods, but also services. For example, for social media users, a high level of user trust is needed for management companies that their digital assets will not be misused. In terms of business people, the digital era also provides benefits that are very useful in business management, for example the use of websites as information and sales channels with a geographical reach to inform and promote their businesses and products. Companies can also collect complete and richer information about markets, customers and competitors. Companies not only find abundant information, companies can also conduct marketing research in a completely new way using the internet. Companies can communicate two-way with customers and prospective customers, and transactions more efficiently. If we take the example of the health industry, digitalization is driven by an increase in good service levels, especially the speed and accuracy of services for patients.

At present the Hospital has begun to use electronic medical records in storing patients' historical data. Imagine if this has been implemented thoroughly, then patient data can be used throughout the hospital easily without limited location, so that the speed and accuracy of services can be better provided. If we look at the financial industry sector, it is no longer strange if all the information currently has a digital form and is used in various forms. However, is this digital era sure to benefit all parties? Digitizing without good governance will only result in losses. Many security cases that occur from theft and misuse of data, counterfeiting of transactions, to cessation of services due to disruption to company information technology that can cause losses to the company and users. The risks faced by the company include security risk, reputation risk, operational risk, and also compliance risk. Required application of risk management and good internal control as part of corporate governance to ensure that these risks have been managed properly. Companies need to implement Governance, and the community as service users must also be well educated, so they can choose the best service and information. Every organ of the company must carry out its role so that misuse or the provision of non-quality services and information can be avoided. In corporate organs, the supervisory and management functions must be carried out, starting from mapping business needs, planning, implementation, to ongoing supervision.

2 LITERATURE REVIEW

Good Corporate Governance (GCG) provides the foundation for transparent and healthy business activities. The Company consistently applies good corporate governance in compliance with capital market regulations and the guidelines that have been issued by the relevant institutions. The values of transparency, accountability, responsibility, independence, and fairness and equality must be implemented at every level of the organization and in every business activity. This is the Company's commitment to maintaining the trust of our customers, shareholders, bondholders, business partners and other stakeholders. Good Corporate Governance in this digital era is certainly inseparable from good Information Technology Governance. Information Technology (IT) is not only a work aid, but has entered into the realm of business strategy, so that decision making and supervision have become important agendas discussed at the company's Board of Directors and Board of Commissioners meetings. It is a false understanding that IT Governance is only the responsibility of the Chief Information Officer. Good IT Governance is a business need to ensure that IT can support the company's business goals and needs. The principles of Good Corporate Governance in the digital era are certainly inseparable from good Information

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Technology Governance. Information Technology (IT) is not only a work aid, but has entered into the realm of business strategy, so that decision making and supervision have become important agendas discussed at the company's Board of Directors and Board of Commissioners meetings. It is a false understanding that IT Governance is only the responsibility of the Chief Information Officer. Good IT Governance is a business need to ensure that IT can support the company's business goals and needs. IT Governance (IT Governance) itself has actually become a hot topic in the global arena since the 1990s. ISACA an independent and nonprofit international organization, which focuses its organization on the practice and profession of information systems in the world, has discussed this challenge and issued an IT Governance framework called COBIT in 1996 as a general reference framework for implementing IT Governance to be applied to various type of organization. COBIT itself has been widely used by various organizations in Indonesia since the 2000s, both in the implementation of IT Governance in the company as well as a reference for regulators in making regulations related to IT Governance. In implementing IT Governance specifically in facing digitalization of data and information, here are some things that can be considered by the Company:

A. Support and direction from top management

It is very important in implementing IT Governance to get full support and direction from top management considering that Governance will involve various aspects of the company. Without the "tone from the top" then the implementation of Governance cannot be carried out optimally. The alignment of the business movement with IT support in providing the best benefits for stakeholders, is impossible to create by relying on IT capabilities only. The strategy to be able to meet business needs and provide optimal benefits to stakeholders is the domain of top management. The process of giving direction and evaluating the implementation of IT strategies can be done by management with the help of the IT Steering Committee.

B. Good planning and supervision

IT strategy and planning must be in line with the company's business strategy. Translating business strategies into an IT strategy and plan is not an easy matter, but this is a critical aspect so that IT support can meet business goals and expectations. In implementing IT strategies and plans, good direction and supervision are also needed. In this digital era, the application of business strategies will be very closely related to the direction of technology. Companies must keep up with the technological direction and can adaptively apply it to IT strategies and plans so that investments in infrastructure and human resources can be done well. The supervisory function can be carried out by the internal audit function owned by the company, by ensuring the ability of the auditors owned has sufficient competence in conducting audits. One way to ensure competency that can be done is to attend education and obtain CISA (Certified Information System Auditor) certification managed by ISACA.

C. Security of digital assets

Security risk is an important aspect that needs to be managed. Some security principles that need to be maintained are Confidentiality, Integrity, and Availability of digital assets. Good

security management is part of IT Governance. In ensuring that digital asset security is well maintained, the principles of risk management and internal control need to be carried out. Starting from identifying risks, analyzing risks, and determining appropriate actions to mitigate risk through good internal control. In addition, ongoing supervision is needed both internally through internal auditors and independent external parties. By implementing risk management, internal control and regular audits, management can gain confidence in the security level of the company's digital assets management.

D. Compliance with regulations

At present the regulator has issued various regulations and laws that require service providers to manage security from data and services provided. One aspect of the implementation of good IT Governance is to ensure that the company complies with regulations so as to avoid sanctions in terms of material, reputation, termination of services, and revocation of business licenses. In principle, IT Governance is not specific to large companies and only certain industrial sectors. But if we look at the conditions in Indonesia, it is the financial industry that has the most contact with the principles of IT Governance. However, that does not mean that the financial industry is exposed to the risks of the impact of managing digital assets that are not good. If we consider the news, there are many cases of misuse of digital assets that have occurred. Of course prevention can be done by implementing good IT Governance in the company.

4 CONCLUSION

IT Governance is not designed as a business barrier, although in its implementation it often causes companies to make additional efforts and sometimes additional resources in order to implement Good Governance. This is a challenge, not to get rid of the principles of IT Governance, but to implement IT Governance according to those needs. IT governance is not a rule, but is a good principle to be implemented by the company in maintaining good IT management rules, so that the company can achieve its plans and objectives according to business needs. In applying the principles of IT Governance, it will be very specific for each company. Companies with a culture that runs the process with fast pace will be different from companies that attach great importance to the principle of prudence in each of their business activities. IT Governance presents principles that must be maintained by implementation that can be tailored to the specific needs of the company.

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