

# The Implementation of Risk Management Policy in Enhancing the Effectiveness of Government Governance: A Study at the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency

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*Abstract: - This study examines the implementation of risk management policies in improving public governance effectiveness at the Ministry of ATR/BPN. A descriptive qualitative approach was used through in-depth interviews and document analysis involving regulations, internal guidelines, and the 2025 SPIP maturity assessment. The findings indicate that risk management has been carried out through the stages of identification, analysis, mitigation, and monitoring, although its effectiveness varies across units. Four main factors influence implementation outcomes: leadership commitment, human resource capacity, information system support, and organizational culture. Leadership commitment emerges as the most decisive factor because it shapes policy direction, execution consistency, and oversight quality. Risk management also contributes to strengthening internal control, as reflected in the ministry's achievement of the "managed and measurable" SPIP maturity level. Overall, the study highlights risk management as an essential foundation for developing adaptive and accountable public governance.*

*Key-Words: - Risk management; Internal control; Public governance.*

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## 1 Introduction

In the context of modern public administration that emphasizes accountability and transparency, the implementation of risk management has become a strategic instrument in strengthening effective governance. Risk management functions as an integrated control mechanism that enables public organizations to systematically identify, analyze, evaluate, and mitigate potential risks that may hinder the achievement of organizational objectives (ISO, 2018). As public institutions increasingly operate in complex, uncertain, and highly scrutinized environments, risk management is no longer merely an administrative requirement but a critical component of sound governance and evidence-based decision-making (Fraser & Simkins, 2016).

Despite its strategic importance, empirical evidence indicates that the implementation of risk management in Indonesia's public sector during the 2024–2025 period continues to face significant challenges. The 2024 Integrated Government Internal Control System (SPIP) Maturity Report issued by the Financial and Development Supervisory Agency (BPKP) reveals that most ministries and government institutions remain at the "Developing" maturity level. At this stage, risk management practices tend to be administrative in nature, insufficiently grounded in root cause analysis, and not yet fully integrated into performance planning and budget management (BPKP, 2024). As a result, risk identification processes are often incomplete, and mitigation measures are not optimally implemented.

Similarly, the 2024 National Bureaucratic Reform Evaluation conducted by the Ministry of Administrative and Bureaucratic Reform identifies weaknesses in the integration of risk management into institutional work plans, programs, and budgets. Many government institutions have not effectively utilized risk mapping results as a basis for decision-making, leading to the repeated emergence of operational, strategic, and reputational risks during 2024–2025 (KemenPANRB, 2024). These findings highlight a persistent gap between formal risk management policies and their practical implementation in public sector governance.

Within this broader governance context, the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN) plays a critical role in Indonesia's public administration system. Pursuant to Presidential Regulation No. 176 of 2024 on the Ministry of Agrarian Affairs and Spatial Planning and Presidential Regulation No. 177 of 2024 on the National Land Agency, the Ministry is mandated to administer governmental affairs related to agrarian management, spatial planning, land administration, and the management of state land assets at the national level. These regulations affirm the Ministry's responsibility not only as a policy formulator but also as a key implementing agency ensuring that land and spatial utilization support sustainable economic, social, and environmental development.

The Ministry of ATR/BPN carries out a wide range of strategic functions, including land and spatial policy formulation, geospatial data management, land registration and certification services, land restructuring, and the resolution of agrarian conflicts. The scope and complexity of these responsibilities inherently expose the Ministry to substantial institutional risks across policy, operational, financial, and reputational dimensions. This risk exposure has been further intensified by organizational restructuring mandated by recent presidential regulations, which require functional realignment, adjustments in work processes, and enhanced inter-unit coordination. Such dynamic conditions necessitate a risk management system that is systematic, adaptive, and fully integrated into organizational governance.

In this context, the implementation of risk management within the Ministry of ATR/BPN is essential to ensure that business processes and public service delivery adhere to the principles of effectiveness, efficiency, transparency, and accountability—core elements of good governance as articulated by UNDP (1997). Risk management supports evidence-based decision-making and serves as a preventive mechanism against deviations that may undermine public trust. Widiyanti et al. (2024) observe that risk management processes at the Ministry of ATR/BPN have been implemented in alignment with sound management principles and risk-oriented financial oversight. However, they emphasize that each organizational unit must actively identify key risks and implement effective mitigation strategies to ensure consistency and sustainability.

According to the Ministry of ATR/BPN's 2025 Self-Assessment Report on SPIP Maturity, the institution achieved a maturity score of 3.916, corresponding to the "Defined" level. This indicates that the policy framework and risk management structures are formally established and operational, yet not optimally implemented across all units. One of the key challenges identified is the misalignment between performance measurement systems and risk assessment, as well as variations in the effectiveness of internal controls among organizational units (ATR/BPN, 2025). Although the Ministry has established a clear regulatory framework through Ministerial Regulation No. 3 of 2022 on Risk Management Implementation—aligned with Government Regulation No. 60 of 2008 on SPIP and ISO 31000:2018—practical challenges remain in coordination, technical understanding, and the integration of risk management outputs into strategic decision-making.

Given these conditions, an in-depth examination of risk management policy implementation at the Ministry of ATR/BPN is both timely and necessary. This study seeks to analyze how risk management policies are implemented in practice, identify factors influencing their effectiveness, and assess their contribution to enhancing SPIP maturity and overall governance effectiveness. By providing empirical evidence on the consistency and impact of risk management implementation, this research is expected to contribute to strategic recommendations for strengthening an integrated, adaptive, and results-oriented risk management system, thereby supporting the realization of professional, service-oriented, and trustworthy public governance.

## **2 Research Method**

This study employs a descriptive qualitative research design, deliberately selected to provide a comprehensive analytical framework for understanding the processes, dynamics, and meanings embedded in the implementation of risk management policy in relation to the enhancement of effective governance at the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN). The qualitative descriptive approach is grounded in the assumption that governance practices—particularly those related to risk management—represent complex and contextual phenomena shaped by multilayered interactions among regulatory frameworks, organizational structures, actor behavior, bureaucratic culture, and the broader institutional environment. Accordingly, this approach enables an in-depth exploration of how risk management policies are interpreted, operationalized, and internalized within public sector organizations.

Data collection was conducted qualitatively using multiple techniques to ensure depth and contextual richness. The primary method involved in-depth interviews with key informants, including the Head of the Risk Management Division and staff members of the Risk Management Division within the Bureau of Organization, Governance, and Risk Management. These interviews were designed to elicit detailed insights into policy implementation processes, institutional coordination, perceived challenges, mitigation strategies, and the practical realities of risk management within the organization.

To complement the interview data, the researcher conducted direct observations of risk management activities to capture the actual dynamics of implementation. Observational activities included attending and monitoring risk register evaluation meetings, quarterly risk management evaluation report discussions, coordination meetings among risk management units, and meetings related to revisions of the draft Ministerial Regulation on Risk Management. These observations enabled the researcher to understand decision-making processes, patterns of interaction among organizational actors, and contextual factors influencing policy execution in daily administrative practices.

In addition, document analysis was employed as a key data collection technique. The researcher systematically reviewed a range of official documents related to risk management implementation within the Ministry of ATR/BPN. These documents included Ministerial Regulation of ATR/Head of BPN No. 3 of 2022 on the Implementation of Risk Management as the normative basis for internal risk governance; internal risk management guidelines used as technical references by organizational units; risk registers and risk mitigation action plans detailing identified risks, risk assessments, and mitigation strategies; as well as the 2025 SPIP Maturity Self-Assessment Report and relevant internal and external evaluation reports. The analysis of these documents provided a comprehensive understanding of regulatory compliance, institutional readiness, implementation effectiveness, and performance outcomes related to risk management.

Data analysis in this study followed the interactive analysis model proposed by Miles and Huberman (1994), which emphasizes a continuous and cyclical process of data interpretation. This model consists of three interrelated stages. The first stage, data reduction, involved selecting, coding, and categorizing data into key analytical themes such as policy implementation dynamics, structural and cultural constraints, effectiveness of risk mitigation measures, and contributions of risk management to governance improvement. The second stage, data display, entailed organizing reduced data into narrative descriptions, thematic matrices, process flow diagrams, and relational tables to facilitate the identification of patterns, trends, and causal relationships. The final stage involved conclusion drawing and verification, whereby interpretations were continuously refined and validated through comparison with empirical evidence to ensure analytical rigor.

To enhance the validity and trustworthiness of the research findings, several qualitative validity strategies were applied. First, data triangulation was employed by comparing information obtained from interviews, observations, and document analysis to ensure consistency and convergence of findings across different data sources. Second, source

triangulation was conducted by involving informants from different organizational roles and units to capture diverse perspectives on risk management implementation. Third, methodological triangulation strengthened the credibility of the analysis by integrating multiple data collection techniques. Furthermore, prolonged engagement and persistent observation enabled the researcher to develop a deeper understanding of organizational contexts and minimize misinterpretation. The iterative verification process within the Miles and Huberman analytical model further contributed to the dependability and confirmability of the findings.

The unit of analysis in this research encompasses three main components: the institution, research subjects, and supporting documents. Institutionally, the study focuses on the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN), particularly organizational units that play strategic roles in risk management, including the Bureau of Organization, Governance, and Risk Management; the Inspectorate General; and selected technical directorates directly involved in policy implementation. The research subjects consist of the Head of the Risk Management Division and implementing staff within the Risk Management Division of the Bureau of Organization, Governance, and Risk Management. These informants were selected through purposive sampling based on their direct involvement, responsibilities, and experiential knowledge related to the implementation of risk management policy, ensuring that the data collected were both relevant and sufficiently rich to address the research objectives.

### **3 Results and Discussions**

#### **3.1. Overview of the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency (ATR/BPN)**

The Ministry of Agrarian Affairs and Spatial Planning / National Land Agency (ATR/BPN) is a government institution that supports the achievement of the President's vision and mission as stipulated in the 2020–2024 National Medium-Term Development Plan (RPJMN). The vision of the Ministry of ATR/BPN is *“The Realization of Spatial Planning and Land Management that is Credible and of World-Class Standards,”* which aligns with the national vision of *“An Advanced Indonesia that is Sovereign, Independent, and Characterized by Mutual Cooperation.”*

This vision contributes directly to several RPJMN development agendas, including strengthening economic resilience, accelerating infrastructure development, promoting regional development, enhancing environmental sustainability, and improving the quality of human resources. To achieve this vision, the Ministry of ATR/BPN has established two main missions:

1. To implement spatial planning and land management that are productive, sustainable, and equitable, through land governance aimed at public welfare and spatial planning that is safe, fair, and environmentally sound; and
2. To deliver internationally standardized land and spatial planning services, with a strong emphasis on high-quality public services and competitive public governance.

Based on Ministerial Regulation of ATR/BPN Number 6 of 2025 concerning the Organizational Structure and Work Procedures of the Ministry of ATR/BPN, the Bureau of Organization, Business Process, and Risk Management (Bureau of OBT & RM) serves as a strategic unit under the Secretariat General. This bureau plays a crucial role in supporting effective public governance within the Ministry.

The Bureau of OBT & RM is responsible for policy formulation and implementation, coordination, guidance, monitoring, and evaluation related to organizational structuring, business processes, job analysis, risk management, and facilitation of bureaucratic reform within the Ministry of ATR/BPN. Its main functions are summarized in Table 1.

**Table 1.** Main Functions of the Bureau of OBT & RM

No.	Function Description
1	Formulation and implementation of policies on coordination, technical guidance, cooperation, development, monitoring, and evaluation of organizational structuring and strengthening
2	Formulation and implementation of policies on public service management, business processes, and facilitation of bureaucratic reform
3	Formulation and implementation of policies on coordination, guidance, monitoring, and evaluation of job analysis
4	Formulation and implementation of technical policies, frameworks, coordination, guidance, monitoring, and evaluation of risk management development and control

Overall, the Ministry of ATR/BPN has a strong institutional structure and clearly defined functions that support more efficient, accountable, and high-quality land and spatial governance.

### 3.1.2 Data Validity

As this study employs a qualitative descriptive approach, statistical normality testing was not applied. Instead, data validity was ensured through source and method triangulation by comparing interview results, documentation, and field observations. The collected data demonstrate consistency among informants regarding implementation procedures, challenges, and outcomes of risk management policy implementation within the Ministry of ATR/BPN.

## 3.2 Research Findings

### 3.2.1 Implementation of Risk Management Policy

Based on in-depth interviews with personnel from the Risk Management Division and a review of relevant documents, this study finds that the implementation of risk management policy within the Ministry of ATR/BPN has been conducted in a structured manner and in accordance with applicable regulatory guidelines. However, there are notable differences in implementation effectiveness across work units, largely due to variations in human resource capacity, levels of risk management maturity, and readiness of supporting infrastructure.

Risk identification is carried out at both activity and program levels. For example, the Head of the Risk Management Division within the Secretariat General for Spatial Planning is required to identify strategic, operational, compliance, and reputational risks that may hinder the achievement of organizational objectives. Most work units have conducted systematic risk identification through focus group discussions, document analysis, and evaluation of previous performance periods. This is evidenced by the existence of risk management charters and risk registers in each unit.

The second stage involves risk analysis and assessment, conducted by determining the likelihood and impact of each identified risk. Risk assessment matrices as stipulated in the Technical Guidelines for Risk Management of the Ministry of ATR/BPN and the Integrated Government Internal Control System (SPIP) framework are applied. This process enables prioritization of risks and effective allocation of resources to those with the highest urgency.

The third stage is the formulation of mitigation strategies, which involves selecting the most appropriate actions to reduce risks and their potential impacts on organizational objectives. Field findings indicate that while most work units have developed mitigation action plans, the depth and quality of these plans vary. Resource constraints and technical capacity limitations often require mitigation measures to be implemented gradually.

The fourth stage consists of monitoring and reporting, conducted periodically through quarterly risk reviews and data input into the Integrated SPIP application of the Ministry of ATR/BPN. Each work unit is required to submit quarterly risk management reports. This process ensures that mitigation plans are implemented as intended and that risk levels are

updated in line with program developments. All work units within the Ministry currently maintain a Risk Register as a key risk management instrument.

Interviews with the Head of the Risk Management Division of the Bureau of OBT & RM confirm that risk management implementation follows the cycle stipulated in Ministerial Regulation of ATR/KBPN Number 3 of 2022 on Risk Management Implementation within the Ministry of ATR/BPN. While most technical directorates—particularly those with high-risk profiles—demonstrate good implementation practices, some work units still face challenges in fully adopting risk management processes.

### 3.2.2 Factors Affecting Implementation Effectiveness

Interview results indicate that the effectiveness of risk management policy implementation within the Ministry of ATR/BPN is influenced by both formal regulations and internal organizational conditions. Four key factors are identified: leadership commitment, human resource capacity, availability of supporting infrastructure and information systems, and organizational risk culture. Among these, leadership commitment is the most decisive factor.

Strong leadership commitment fosters a supportive work environment, clear strategic direction, adequate resource allocation, and exemplary compliance with risk control procedures. The 2025 SPIP Maturity Self-Assessment Report shows that units with strong leadership commitment score higher in risk assessment and control activities.

The second factor is human resource capacity. Variations in employees' understanding of risk concepts result in inconsistent quality of risk registers across units. This finding aligns with previous studies highlighting limited analytical competence and insufficient advanced training as major barriers to effective public sector risk management.

The third factor concerns information systems and supporting infrastructure. Although the Integrated SPIP application and electronic risk databases facilitate risk recording, reporting, and monitoring, their effectiveness is constrained by data fragmentation, uneven digital literacy, and user interface limitations.

The fourth factor is organizational culture and risk communication. The study finds that risk awareness culture has not been evenly internalized across the Ministry. In some units, risk management activities are still perceived as administrative formalities rather than strategic governance tools. This observation is consistent with ISO 31000 principles and prior research emphasizing the importance of organizational culture in ensuring substantive risk management implementation.

### 3.2.3 Contribution to Public Governance Effectiveness

Evaluation results show that between 2024 and 2025, the SPIP maturity level of the Ministry of ATR/BPN improved to Level 3 (Defined). The overall SPIP maturity score reached 3.916, indicating that performance objectives, strategies, and control mechanisms have been defined and implemented, although not yet fully effective.

**Table 2.** SPIP Maturity Assessment Results (2025)

Assessment Component	Score
Objective Setting	1.800
Structure and Process	1.006
Achievement of SPIP Objectives	1.110
Total SPIP Maturity Score	3.916
Maturity Level	Level 3 (Managed and Measurable)

In addition to the SPIP score, the Ministry recorded a Risk Management Index (MRI) of 3.848 and a Corruption Prevention Effectiveness Index (IEPK) of 3.510. These results indicate that risk management implementation has contributed positively to internal control strengthening, accountability enhancement, and improved governance quality. Risk management serves as a strategic foundation for efficient, adaptive, and results-oriented public governance within the Ministry of ATR/BPN.

### **3.3 Discussion**

Overall, the findings demonstrate that the Ministry of ATR/BPN has established a robust and consistent risk management framework supported by an improving risk culture and integration into core business processes. The decentralization of risk management functions to the Secretariat General and high-risk technical directorates reflects a shift toward a more responsive and context-sensitive governance model. The integration of risk management across key directorates—Spatial Planning, Land Survey and Mapping, and Land Rights Determination and Registration—has strengthened institutional coordination and reduced gaps between policy guidelines and operational practices. However, further improvements are needed to enhance SPIP maturity, including continuous evaluation of strategic performance indicators, optimization of opportunity (upside) risk management, refinement of corruption risk registers, and sustained capacity building through training and certification programs. In conclusion, effective and comprehensive implementation of risk management policies has proven to be a critical driver in enhancing public governance effectiveness within the Ministry of ATR/BPN.

## **4 Conclusions**

Based on the findings and discussion regarding the implementation of risk management policy in enhancing the effectiveness of public governance at the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN), this study draws several key conclusions.

First, the implementation of risk management policy at the Ministry of ATR/BPN has been carried out in a systematic and structured manner, in accordance with Ministerial Regulation of ATR/Head of BPN No. 3 of 2022 on the Implementation of Risk Management. The policy has been operationalized through a formal risk management cycle that includes risk identification, risk analysis and assessment, risk mitigation planning, and periodic monitoring and reporting. The effectiveness of this implementation is influenced by four interrelated factors, namely leadership commitment, human resource capacity, the availability of supporting systems and infrastructure, and organizational risk culture. Among these factors, leadership commitment and organizational culture emerge as the most decisive elements, as they shape attitudes toward risk management and determine the extent to which risk-based thinking is embedded in organizational decision-making processes.

Second, the implementation of risk management policy has made a substantial contribution to improving the effectiveness of public governance within the Ministry of ATR/BPN. Risk management has supported the transformation of land and spatial planning services, enhanced the effectiveness of program and budget execution, and strengthened internal control mechanisms. Through more systematic risk identification and mitigation, the Ministry has been able to promote greater transparency, efficiency, and accountability, while aligning organizational activities more closely with strategic objectives. As such, risk management functions not merely as a compliance mechanism, but as a strategic instrument for achieving results-oriented and sustainable governance.

Based on these conclusions, several recommendations are proposed. Risk management should be further integrated into all stages of organizational planning, implementation, and performance evaluation to strengthen managerial commitment and internal oversight. Leaders and employees across the Ministry of ATR/BPN are encouraged to actively cultivate a risk-aware culture through continuous socialization and capacity-building programs. Priority should be given to enhancing competencies in risk analysis, risk register development, and integrated internal control. Capacity development can be pursued through technical guidance, webinars, and structured training programs on planning documents, performance cascading, risk management, key performance indicators, and program control, thereby enabling all organizational units to independently and consistently identify, analyze, and mitigate risks.

In addition, the development of an integrated digital risk management information system linked to the Government Internal Control System (SPIP) and institutional performance

management systems is strongly recommended. Such digital integration would accelerate risk reporting processes, improve data quality, enhance transparency, and support more informed decision-making. For future research, it is recommended to expand the scope of analysis by conducting comparative studies across ministries, agencies, or local governments. A comparative approach would provide broader insights into best practices and common challenges in the implementation of risk management policies within Indonesia's public sector governance framework.

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