

# **CSR AUDIT FOR BUSINESS SUSTAINABILITY: Case Study at Pertamina Geothermal Energy Kamojang Indonesia**

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## **Abstract**

*Oil and gas industry plays a very strategic role in Indonesia because it involves the lives of many people and become the main driving force of national economic activity, as well as foreign exchange resources, which is also directly related to defense and national security. Oil and gas sector in 2010 has contributed by 185 trillion rupiah (78%) of total state revenue. Besides its crucial role, oil and gas industry is also a sensitive industry, which has a great impact on social and environmental aspects of community and society at large.*

*To minimize business risk, Pertamina Geothermal Energy Area Kamojang (PGE Kamojang) implements community development program within the framework of Corporate Social Responsibility (CSR). The purpose of this study is to assess how effective CSR Audit activities covering the following aspects: People, Planet, Profit, and the Procedure carried out by PGE Kamojang in supporting its business activities.*

*In this study, purposive sampling with structured interviews of managers of companies associated with CSR programs is conducted to determine the goals and targets of CSR and also to the 596 heads of families in six regions around the location of the company to evaluate the achievement of CSR programs operated by the company. From the research it can be concluded that the CSR activities carried out is not yet optimal because there are many indicators on Procedure and Profit aspects that still need improvements.*

*Keywords: Audit CSR, People/Planet/Profit/Procedure, Business sustainability, Oil and gas industry, Indonesia.*

## **1. Introduction**

One important factor that supports the continuity of business enterprise is the company's attention to social environment. This means that the success of Pertamina Geothermal Energy Kamojang (PGE Kamojang) cannot only be seen from the number of employees and size of company, but also from how company can manage its corporate social responsibility (CSR) with the stakeholders. To that end, efforts to create relationships with surrounding communities through the CSR program absolutely needs to be done in a planned, measurable and continuous way. This