

THE ANALYSIS OF THE INSPECTORATE AS INTERNAL AUDITOR IN REALIZING GOOD AND CLEAN GOVERNMENT IN THE POHUWATO REGENCY

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ABSTRACT

The current study aims to determine the role of the inspectorate as an internal auditor. It also aims to find out the factors that hinder the role of the Internal Auditor Inspectorate in Realizing Good Governance and Clean Government in the Regional Government of Pohuwato Regency.

This research uses a qualitative approach. Primary data was obtained through interviews with 8 informants within the Government Internal Supervisory Apparatus, 3 informants from related offices regarding data collection techniques. In analyzing the data, the researcher uses 3 components of activity, namely data reduction, data display, and conclusion drawing / verification.

The results show that: 1) The role of the inspectorate as an internal auditor in implementing good governance in the Pohuwato District Government is in accordance with the established rules. Seen the role of a supervisor. Supervision is carried out through audit activities in identifying problems, analyzing and evaluating evidence which is carried out independently, objectively and professionally based on audit standards as well as assessing the correctness, accuracy, credibility, effectiveness, efficiency and reliability of information on the implementation of duties and functions of government agencies. 2) Factors affecting the role of the inspectorate as internal auditors in the implementation of good governance in the Pohuwato District Government are independence, quality and quantity of human resources as well as the availability of facilities and infrastructure.

Keywords: Role of Auditor, Good Governance

INTRODUCTION

The increasing demands of society for the administration of a clean, fair, transparent, and accountable government must be taken seriously and systematically. All levels of state administrators, both at the executive, legislative and judicial levels, must have a shared commitment to upholding good and clean government. Several matters related the policies to realize good governance in the public sector include setting ethical standards and behavior of government officials, establishing organizational structures and organizing processes that

regulate the roles and responsibilities and accountability of organizations to the public, regulating organizational control systems that are adequate, and external reporting that is prepared based on an accounting system that complies with government accounting standards. The Inspectorate serves as the eyes and ears of the Regent/Mayor in assessing the process of administering the government. The results of supervision reported by the Inspectorate can be taken into consideration by the Regent/Mayor in implementing the wheels of government.

Supervisory Apparatus Internal Government (APIP) regulates the minimum requirements for individual auditors and organizations. APIP has been established through the Regulation of the Minister of State Apparatus Empowerment in Number PER/05/M.PAN/03/2008 concerning audit standards for government internal control apparatus.

Independence, states that the APIP Auditor must in carrying out his duties with the criteria that the auditor must have a neutral and unbiased attitude and avoid conflicts of interest in planning, carrying out, and reporting the work he does. If independence or objectivity is impaired, both factually and in appearance, the disturbance must be reported to the APIP leadership. Independence and accountability are also part of the role of the auditor. Accountability is a social psychological impulse that a person has to complete his obligations which will be accountable to his environment (Elisha and Icuik 2010 in Imal 2013).

Accountability is one of the principles of good corporate governance relates to the responsibility of the leadership for the decisions and results achieved, appropriate with the authority delegated in the implementation of the responsibility to manage the organization. The results of preliminary observations conducted by researchers in the field show that 75% of government internal auditors are at the beginner level of expertise (inexperienced) which is still weak in detecting potential corruption in government budgets. This is because of human resources that have not been trained directly/in the field (understanding in theory only), lack of experience in attending seminars, so that, the quality of work resources is less than optimal, the number of state financial supervision institutions has not carried out their duties optimally, state financial supervision running is not effective because there is an overlap in the system of the inspectorate general (Itjen) in each government agency. This is because the

Itjen does not yet have the competence as the state financial supervisory agency, BPK, and BPKP. The lack of budget allocated, especially for development, rewards, and sanctions (punishment) has not been fully applied to the Pohuwato Regency Inspectorate, and the fulfillment of the recommendations of the results of the audit cannot be followed up by the auditee to the maximum.

THEORITICAL REVIEW

Public Administration Concept

Silalahi (2011:9) in his book "The Study of Administrative Sciences" suggests that: "Administration is a whole series of structuring activities on the main work carried out by a group of people in cooperation to achieve certain goals".

Pasolong (2014:8), argues that: "Public Administration is a complex combination of theory and practice, to promote an understanding of government about the governed society, and also encouraging public policy to be more responsive to social needs". Public administration seeks to institutionalize management practices to better suit the values of effectiveness, efficiency, and meet the needs of the community. According to Abdussamad (2011:33), public administration can be interpreted as government administration carried out by government officials for the benefit of the community.

Human Resources Concept

Michael in Arif (2016:29) Human resources are the most important assets owned by an organization. Meanwhile, according to Gomes in Arif (2016:30), Human resources are the most important and very decisive of all available resources in an organization, both government and private organizations. Human resources are the only resources that have reason, feelings, desires, abilities, skills, knowledge, encouragement, power, and work. Human resources are the only resources that have ratio, taste, and intention. All potential human resources

are very influential on the organization's efforts in achieving goals.

The Concept of the Role of the Regional Inspectorate

According to the Regulation of the Minister of Home Affairs Number 64 of 2007, the Inspectorate also plays a role in carrying out the functions of inspection, investigation, testing, and assessment of supervisory duties which are useful for detecting whether or not deviations occur. So, with the internal supervision carried out by the inspectorate, it can be seen whether a government agency has carried out its activities that are appropriate with its duties and functions effectively and efficiently and appropriate with the plans that have been set.

The role and function of the Inspectorate, in general, has been regulated in Article 4 of the Regulation of the Minister of Home Affairs Number 64 of 2007 which states that the role of the inspectorate is as follows:

1. Supervision, like prevention of reporting errors, accountability, prevention of negligence of regional employees in implementing systems and procedures, prevention of errors in the use of authority carried out by SKPD officials;
2. The examination is collecting all evidence related to transactions that have occurred and assessing the suitability and criteria according to the rules that have been set. The inspectorate must be able to find all material errors that occur in regional financial management, both errors in the presentation of figures and errors due to not following certain procedures in financial management;
3. Guidance is providing technical guidance on proper financial management according to the prevailing laws and regulations appropriate with accountability and transparency.

Auditor Concept

Budi (2014: 82) states that auditing is a science used to assess internal control which aims to provide protection and security to detect fraud and irregularities committed by the company. The audit process is very necessary for a company because with this process a public accountant can provide a statement of opinion on the fairness or feasibility of financial statements based on generally accepted international auditing standards.

RESEARCH METHOD

Research Approach and Type

The type and research approach used in this research is descriptive research with a qualitative approach. Qualitative research according to Sugiyono (2015: 1) is a research method used to examine the condition of natural objects, (as opposed to an experiment) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive, and the results of qualitative research emphasize meaning rather than generalization.

Focus and Sub-Focus

The focus and sub-focus in this research are:

1. The Role of the Inspectorate as an Internal Auditor in Realizing Good and Clean Governance in the Pohuwato Regency with the following sub-foci:
 - a. Supervision
 - b. Inspection
 - c. Investigation
2. Factors that hinder the role of the Inspectorate as an Internal Auditor in Realizing Good and Clean Governance in the Pohuwato regency with the following sub-foci:
 - a. Independence
 - b. Human Resources Quality
 - c. Facilities and Infrastructure

Data source

Primary data sources are data sources obtained through interviews with informants, secondary data sources are data obtained from the results of studying and reviewing various existing literature according to research topics.

Data collection technique

1. Observation; Through observation, researchers want to see the facts in the field to produce data related to research.
2. Interviews: Interviews were conducted to add more references data that had not been found through observation, so, confirmation was needed directly in the field about data related to research.
3. Documentation; Document studies are complementary to the use of observation and interview methods in qualitative research. (Sugiyono, 2015:82). Matters that require evidence in the field by researchers will be documented so that the data obtained is not blurry and more accurate.

Data Analysis Technique

This research uses qualitative data analysis techniques in the Miles and Huberman interactive model field. Miles and Huberman (1984) in Sugiyono (2015: 91) suggest that activities in qualitative data analysis are carried out interactively and take place continuously at each stage of the research so that it is complete, and the data is saturated.

FINDING AND DISCUSSION

Finding

The Role of the Inspectorate as an Internal Auditor in the Implementation of Good Governance in the Pohuwato Regency

The Inspectorate as part of the Supervisory Apparatus Internal Government (APIP) at the State Ministries/Agencies/Government conducts a review of the Financial Statements to ensure the reliability of the

information presented that the financial statements have been prepared based on an adequate Internal Control System and presented appropriately with SAP before being submitted by Minister/Leadership, Institution/governor, regent/mayor to related parties as regulated in Government Regulation Number 8 of 2006 concerning Financial Reporting and Performance of Government Agencies. In carrying out the review, it is hoped that errors in the presentation of financial statements can be reduced. Therefore, the process carried out by the inspectorate is the main and important thing in supporting the improvement of the quality of regional financial reports and in the context of realizing good governance. The role of the inspectorate as the government's internal audit is in the form of supervision, inspection, and guidance.

a. The Inspectorate's Role as Supervisor

The regional inspectorate has the task of supervising all activities in the context of carrying out the general duties and functions of the regional government and other tasks assigned by the regional head which are funded by the regional revenue and expenditure budget. As regulated in Article 1 of Government Regulation Number 60 of 2008 concerning Government Internal Control System, the inspectorate or other names that functionally carry out internal control are the entire process of audit, review, evaluation, monitoring, and other supervisory activities on the implementation of organizational tasks and functions to provide adequate assurance that the activities have been carried out effectively and efficiently.

The roles and functions of the Provincial, Regency/Municipal Inspectorates are generally regulated in Article 4 of the Regulation of the Minister of Home Affairs Number 64 of 2007 concerning Technical Guidelines for the Organization and Work Procedures of the Provincial and

Regency/Municipal Inspectorates. The city has the following functions: planning of supervision programs, formulation of policies and facilities for supervision and inspection, investigation, testing, and assessment of supervisory duties. Then, the inspectorate as the government's internal supervisory apparatus reviews the financial statements and performance to ensure the constraints of the information presented.

b. The Inspectorate's Role as Examiner

The reformation era and the implementation of wider regional autonomy have resulted in stronger public demands for the implementation of good government leading to the realization of good governance because good governance has become a new paradigm that is highly coveted by the community. Good governance is characterized by three main pillars which are the main basic elements that are interrelated with each other, the three elements are participation, transparency, and accountability. To achieve this, every government activity must be monitored and checked, so that, it is known to what extent the participation, transparency, and accountability of government activities are often referred to as inspections.

c. The Inspectorate's Role as Investigation

Apart from supervising and examining, the role of the auditor in the Inspectorate is as the executor of the investigation. The investigation is carried out to reassess the results of the examination that have been found from the existing reporting system.

2. The Factors that Hinder the Role of the Internal Auditor Inspectorate in Realizing Good and Clean Government in the Pohuwato Regency.

a. Independence

Trisnansih, (2007) suggests that auditor independence includes practitioner

independence and professional independence. Practitioner independence relates to the ability of individual practitioners to maintain a fair or impartial attitude in program planning, carrying out verification work, and preparing audit reports. This independence includes three dimensions, namely the independence of programming, investigative independence, and reporting independence. Professional independence is related to the public's impression of the auditor profession.

b. Human Resources Quality

In-Law. Number 22 of 2009 and Law Number 20 of 2001 article 11 concerning the Inspectorate to supervise the implementation of functional supervision of the implementation of regional government and the management of Regional Owned Enterprises and other businesses. Then, the activities are carried out by conducting inspections, testing, investigations, and assessments of the performance of regional apparatuses as well as regionally owned enterprises and other businesses. It should be added that in carrying out its activities as a functional supervisor for the implementation of local government, several factors influence the Inspectorate in carrying out its function as a functional supervisor, while these factors include supervisory officers and supporting facilities and infrastructure.

c. Facilities and Infrastructure

To support the smooth implementation of the Pohuwato Inspectorate's duties, adequate work facilities are needed in the form of consumables and inventory items. Based on the results of interviews and observations, it can be concluded that the audit carried out by the Pohuwato Regency Inspectorate has been supported by facilities and infrastructure such as office equipment, computers, and other supporting tools that support the implementation of supervision, although there are still some that need to be completed. In this case, the inspectorate

seeks to improve these facilities by procuring through the Inspectorate's budget, including the procurement of laptops and printers that are used as media for compiling findings and presentations at each work unit audited, as well as the procurement of four-wheeled vehicles that are useful to support the mobility of Inspectorate employees, both auditors and administration when carrying out inspections.

Discussion

1. The Role of the Inspectorate as an Internal Auditor in the Implementation of Good Governance in the Pohuwato Regency

a. The Inspectorate's Role as Supervisor

The role of control and supervision is very important to achieve organizational success and progress. The Regional Inspectorate as part of the government carries out its role as a supervisory function that ensures the accountability of government administration. To further improve services to local governments, the Inspectorate is also asked to play its role in supervising and controlling the quality of services to the public or the community, especially those within the local government. In carrying out its role as an internal supervisor of the local government, the Pohuwato Regency Inspectorate aims to provide adequate confidence in the administration of government to realize good governance and clean government.

The supervisory function is carried out by paying attention to the implementation of other management functions such as planning, organizing, and mobilizing functions. One of the effective monitoring functions to implement is functional supervision because any deviation symptoms will be easier and faster to detect. In carrying out the four management functions properly, it will

automatically support the achievement of the main tasks as planned

b. The Inspectorate's Role as Examiner

About the pursuit of Good Governance and Clean Governance, the role of the regional inspectorate in carrying out audits is related to four things, namely: conformity with accounting standards; adequacy of the disclosure; compliance with laws and regulations; and effectiveness of internal control. The inspection process is one of the assurance services. Auditing is a systematic process of obtaining and evaluating evidence relating to assertions about economic actions and events objectively to determine the degree of correspondence between those assertions and established criteria and communicating the results to interested parties. In performing the audit, the auditor must collect and evaluate evidence relating to these assertions.

c. The Inspectorate's Role as Investigation

Based on the results of the research, it shows that the implementation of the investigation by the inspectorate auditor has been carried out appropriately with the established SOP. It can be seen that the investigation process carried out by external supervisors achieved a performance of 81.02% while that of internal supervisors was 80.02%. In addition, the investigation is carried out based on the principles of transparency, accountability, and independence. This is because it encourages the realization of Good Governance and Clean Government by taking an early warning approach to the possibility of errors, irregularities, abuse of authority, and KKN actions.

2. The Factors that Hinder the Role of the Internal Auditor Inspectorate in Realizing Good and Clean Government in the Pohuwato Regency.

a. Independence

The independence of the inspectorate as a supervisory function in the local government environment, one thing that must be an inherent characteristic that shows this independence is that the inspector or head of the inspectorate reports the results of his supervision to the regional head as the highest level of leadership in the administration of regional government. The inspectorate that carries out the supervisory function must also be free from interference from parties that can unfairly influence the determination of the audit scope, implementation of audit work, and communication of audit results.

b. Human Resources Quality

Another thing that is an obstacle in the role of the inspectorate as an auditor at the Regional Inspectorate of Pohuwato Regency is human resources. Human resources are an important factor for policy implementation to be effective both in quality and quantity. The human resource component includes the number of supervisory officers, the expertise of the supervisory officers as implementers, relevant information, as well as sufficient to implement policies and fulfill related resources in policy implementation.

c. Facilities and Infrastructure

In this case, the inspectorate seeks to improve these various facilities by procuring through the Inspectorate's budget, including the procurement of laptops and printers that are used as media for compiling findings and presentations at each audited work unit, as well as the procurement of four-wheeled vehicles that are useful to support the mobility of the Inspectorate's employees, both auditors, and administrative staff. effort when carrying out the inspection.

CONCLUSSION

Based on the results of the research and discussion, it can be concluded that the role of the inspectorate as an internal auditor in

realizing good governance and clean governance in the Pohuwato regency is as follows:

1. The role of the inspectorate as an internal auditor in realizing good governance and clean governance in the Pohuwato Regency that appropriate with the established rules. The following are the research results obtained:

a. supervisory activities carried out by the auditor that is appropriate with applicable regulations. The stages of supervision are carried out starting from the formation of the team to the survey stage. In the survey stage, several data were collected, namely: a) permanent data such as regulations, organizational structure, job descriptions, procedures, policies, and others, b) non-permanent data including financial data, personnel, equipment, and others. and c) data concerning the activity of the object to be examined. Furthermore, the supervision procedures carried out are regular and special supervision. Regular supervision is supervision carried out comprehensively by the PKPT (Annual Supervision Work Program), while special supervision is the supervision carried out on the orders of the Regent.

b. The inspection system that has been carried out by the Pohuwato Regency Inspectorate has been transparent and according to procedures. The list of findings is arranged in sequence. Examination Working Papers (KKP) are records and data that are systematically collected by the audit team during carrying out audit tasks, the working papers must reflect the audit steps taken by the examiner. All activities, the information, and the conclusions of the examination

results, and in the implementation of the examination, the examination team is obliged to make an Audit Working Paper. What is stated in the Audit Working Paper is the contents of the list of findings containing the following: a. Condition b. Criteria c. Cause of deviation d. Due to deviation e. Official comments f. Recommendation.

- c. The investigation by the inspectorate auditor has been carried out appropriately with the established SOP. It can be seen that the investigation process carried out by external supervisors achieved a performance of 81.02% while that of internal supervisors was 80.02%.
2. Factors that influence the role of the inspectorate as an internal auditor in realizing good governance and clean governance in the Pohuwato Regency, namely independence, quality and quantity of human resources, and the availability of facilities and infrastructure. These three factors are the main keys to the success of the main task of an auditor inspectorate in the Pohuwato Regency.

SUGGESTION

For the Government of Pohuwato Regency, it can reopen the acceptance of auditors, both young auditors, middle auditors, and first auditors, so that, the number of auditors available will be appropriate with the analysis of auditor needs in the field. For the Government of Pohuwato Regency, it can provide a budget in the form of an education budget and training for expert auditors, infrastructure in the form of an operational car so that the implementation of the auditor's duties does not experience obstacles. For the Auditor, it is necessary to take a firm attitude in providing audit recommendations to the object of examination or related parties

being examined in providing accurate data/information so that it can support reporting on irregularities that occur in the administration of local government. To improve the competence of Auditors, it is necessary to carry out education and training in the field of auditors, in particular, to increase public trust regarding the results of the examination which in the end can produce good governance and clean government.

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