

ANALYSIS OF THE PREPARATION OF RISK-BASED ANNUAL SUPERVISION WORK PROGRAM (PKPT) AT THE BANYUWANGI REGENCY INSPECTORATE

Drajad Surya Maulana, Siti Maria Wardayanti, Alwan Sri Kustono, Wasito

*Universitas Jember, Indonesia
drajadsurya007@gmail.com*

ABSTRACT

Activities in a government will always change and develop along with the changing times. The demand for changes and improvements in APIP capabilities in local governments raises risks and at the same time can be opportunities for the government. This research aims to provide information and reference materials related to the Annual Supervision Work Program (PKPT) for the Banyuwangi Regency Inspectorate agency. This research is qualitative. The results of this research are expected to improve the Banyuwangi Regency Inspectorate to improve its work program based on risk. Risk-based PKPT guidelines were also made by researchers so that they could be the basis for making risk-based PKPT. The method used in this study is qualitative. The result of this study is the formation of a risk-based PKPT in accordance with regional development goals. The risk-based concept has begun to be mitigated from the beginning so that the assignments that will be carried out by auditors are going well. The existence of inhibiting factors in the preparation of risk-based PKPT can be minimized by auditors so that the goals of the Inspectorate organization can be achieved.

Keywords: *Work Program, Annual Monitoring, Risk-Based*

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INTRODUCTION

Activities in a government will always change and develop along with the changing times. The demand for changes and improvements in APIP capabilities in local governments raises risks and at the same time can be opportunities for the government. This requires the government to carry out risk management. The development of the role of internal audit from time to time has changed rapidly along with the times (Van Asseldonk & Velthuis, 2014) (Lois et al., 2021). There has been a paradigm shift in which at the beginning internal audit acted as a supervisor in every government operational activity, now internal audit can also play a role as a consultant, partner and catalyst for management. Therefore, risk-based management planning is very important for the Inspectorate (Hariadi & Slamet, 2019). Risk-based supervision planning is supervision that focuses and prioritizes business risks and their processes as well as control of risks that can occur. In the concept, the higher the risk of an area, the higher the attention in the supervision of that area.

Banyuwangi Regent Regulation no. 12 of 2020 explains that Risk is the possibility of an event that has a negative impact on the achievement of goals. Every activity carried out by an organization certainly contains risks. However, this risk can be mitigated and evaluated so as not to hinder the process of achieving goals. This is what the Banyuwangi Regency Inspectorate will do so that the audit assignment process can run optimally.

The main activity in risk-based planning is allocating audit activities to areas that have greater risks that can hinder the achievement of organizational goals (Hashimzade & Myles, 2017). The planning that will be discussed in this study is the Annual Supervision Work

Program (PKPT). APIP should have a risk-based PKPT so that the audit process carried out is more measurable and directed. Risks can have an impact on the Inspectorate to be able to find new ways to carry out its duties and functions. Auditors are also expected to add value to the obrik (object of inspection) (Indonesia, 2014).

In addition, the Banyuwangi Regency Inspectorate is currently trying to raise the level of APIP Capability in 2024 to level 4. The level obtained by the Banyuwangi Regency Inspectorate is now level 3. Therefore, if you want to raise the level, improvements are needed in the assessment element. BPKP representative of East Java Province as the APIP coach has provided a means of self-assessment application to improve APIP capabilities which contains six elements *Key Process Area* (KPA) includes human resource management, professional practices, accountability and performance management, organizational culture and relationships, governance structure and roles and services. The Banyuwangi Regency Inspectorate has actually prepared various documents to fulfill APIP capabilities, but especially for risk management, there are still many shortcomings (BPKP, 2021) (Wardayati et al., 2023).

The high demand to create good governance and clean government and support the role of the Banyuwangi Regency Inspectorate in carrying out assurance and consulting activities, the achievement of capability assessment to reach level 4 is still considered not optimal. Meanwhile, the target that has been announced that the Banyuwangi Regency Inspectorate in 2024 will be at level 4. Professional practice is considered an element that needs more attention. This needs to be realized considering that the key process area of professional practice at level 4 requires a risk-based PKPT that has been implemented. The comprehensive implementation of PKPT is a role required in the APIP level 4 capability assessment, which is found in two elements in the KPA. First, APIP's role and services, namely providing guarantees for risk management. Second, professional practice, namely establishing an audit strategy that utilizes risk management in the organization. Therefore, supervision planning in which PKPT is included is the main key in efforts to improve the capabilities of the Banyuwangi Regency Inspectorate. The problems and challenges that have been described above indicate that the role of the Banyuwangi Regency Inspectorate as a quality guarantor or consultant in OPDs in the Banyuwangi Regency Government is not optimal as a result of inadequate supervision planning. Therefore, there is a need for an analysis of the preparation of risk-based PKPT that can provide added value for the Banyuwangi Regency Inspectorate.

METHOD

This research uses a qualitative approach. The qualitative method is focused on problems based on facts carried out by means of observation, interviews and studying documents (Moleong, 2012) (Hennink et al., 2020). The purpose of this method is to get an idea of how PKPT that already exists in the Banyuwangi Regency Inspectorate can be risk-based. In this study, we will try to see the events that are the main focus, and then illustrate the picture in the Banyuwangi Regency Inspectorate. The types of data used in this study are primary and secondary data. Primary data is obtained directly from interviews and observations, while secondary data is data obtained from related documents and regulations. The data collection process consists of interviews and documentation. The data analysis technique uses the Miles

and Huberman (2014) model which consists of data collection, data reduction, data presentation, and conclusion drawn.

RESULTS AND DISCUSSION

The determination of supervision priorities in the preparation of the Annual Supervision Work Program at the Banyuwangi Regency Inspectorate is an effort to ensure effective and efficient resource allocation. The Banyuwangi Regency Inspectorate has fewer personnel when compared to the area in Banyuwangi Regency. The number of personnel and budgets in the Inspectorate is very limited. Therefore, the priority of supervision is a consideration in choosing the object to be supervised, taking into account the availability of resources, both in terms of personnel and budget. The determination of supervision priorities includes:

1. Risk Level and Maturity of Risk Management Process

Identify potential risks that may affect the achievement of the objectives of the organization or unit to be supervised, conduct an assessment of the risks that have been identified to determine the level of impact and likelihood of occurrence, assess the maturity level of the risk management process. prioritizing risks based on the level of impact and probability, focusing on risks that have a high impact and high probability, as well as a low level of risk management maturity.

2. Significance and urgency

Identify goals, objectives, programs, or activities that have a significant impact on organizational or societal goals, consider the urgency or urgent importance of those activities or programs to the success of the organization, determine priorities based on significance and urgency, and focus on activities or programs that have a high impact and urgency.

3. Contribution to the goals of the Regional Government

Identify goals, objectives, programs, or activities that have a significant contribution to the achievement of organizational goals, evaluate the extent to which these activities or programs contribute positively to the organization's vision and mission, prioritize activities or programs that make a significant contribution to organizational goals.

4. Public Interest and Stakeholders

Consult with interested parties to understand their needs and expectations for supervision, identify areas or activities that have a significant impact on the community or interested parties, prioritize supervision in areas that have a significant impact on the public interest and stakeholders.

5. Possible Fraud

Identify areas or processes that have a high risk of fraud, prioritizing supervision on areas or processes that have a high risk of fraud.

6. Achievement of Regional Government's Strategic Goals

Identify the strategic objectives of the organization that have a major impact on the achievement of the vision and mission, focusing supervision on activities or programs that contribute significantly to the achievement of strategic objectives.

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The Banyuwangi district Inspectorate's supervision plan in order to encourage the achievement of poverty alleviation goals in the region is through the following types of supervision:

1. MR and KPI Assistance
2. MR implementation assistance
3. Review of planning, implementation, accountability, and reporting documents
4. Monitoring the activity process and mitigation process
5. Periodic evaluation of performance achievements and mitigation process achievements
6. Performance audits

To carry out the role of APIP in encouraging the performance of the achievement of poverty alleviation goals, it is detailed as follows:

1. Performance Accountability Assistance
2. Cross-Sectoral Performance Assistance and Monitoring
3. Goal Achievement Performance Audit
4. MR Assistance and Socialization
5. Evaluation of Risk Control Effectiveness
6. Risk Control Performance Evaluation
7. MR Process Maturity Performance Audit
8. SAKIP Evaluation
9. SPBE Evaluation
10. CSR Governance Evaluation
11. Evaluation of Transfer Fund Governance
12. Evaluation of Employee Training Governance
13. Evaluation of Regional Policy Governance
14. Evaluation of Public Service Governance and Licensing
15. Evaluation of Community Skills Training Governance
16. Evaluation of Regional Revenue Governance
17. Probity Audit
18. Review and Evaluation of Social Assistance Grants
19. Development Planning Review

Table 1. PKPT that is included in the risk register

	INDICATOR	RISK	REASONS FOR RISK	UC/C	IMPACT	CONTROL	RISK STATUS				CONTROL P
							K	D	SCORE	CATEGORY	
PDTT Related to Alleged bezzlement of Land and Payments from 2019 to ge X, District Y, Regency	- Issuance of audit report - There is a follow-up to the audit results	- The data obtained is incomplete	- data from obrik is missing	UC	- The results of the examination are not optimal- There is a difference in the results of the examination with the investigator	- request data from other sources	3	5	15	tall	- At the time expose, the completeness documents ca checked ag

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at the Performance of the Regional Apparatus in Quarter of Fiscal Year District	- Issuance of evaluation results report - SKPD Ranking	- Evaluation of material documents have not been made by SKPD	- SKPD HR has not understood the performance evaluation document	C	- low SKPD performance score	- provide assistance to SKPD	3	2	6	keep	- Carry out performance evaluation technical guidance
PDFTT Related to Alleged Committed by the Head of District B	- Issuance of audit report - There is a follow-up to the audit results	- The data obtained is incomplete	- The data from the object of the investigator is incomplete	UC	- Unsatisfactory examination results	- requesting data from the object of inspection	3	3	9	keep	
PDFTT on Community Related to Objections to Sub-Regarding Mutation in the Position of Status G, District J, Regency	- Issuance of inspection report	- The data obtained is incomplete	- Human resources in obrik lack understanding	UC	- The conclusion of the examination results is difficult/takes longer when compiled	- request data from other sources	3	3	9	keep	
the Calculation of State Expenses (PKKN) on Alleged Crimes of Reducing Work on Road Structure (Capacity Building Agency Only) for the 2023	- Publication of the PKKN results report	- The auditor does not master the science of the material complained of- there is a difference of opinion between the auditor and the prosecutor/investigator- <i>conflict of interest</i>	- The complaint material is technical, so that the auditor and investigator are both not in control	C	- Decision-making takes a long time	- Using experts according to their fields	3	4	12	keep	- Attend the necessary expertise/scientific training
PDFTT for submitting and overlapping budget at the district level at the ABC	- Issuance of audit report - There is a follow-up to the audit results	- incomplete data obtained - intervention from other parties - the provider being examined is less objective	- previously audited several times - the activities carried out involved many parties - the provider did not understand the concept of inspection by APIP	C	- Late issuance of audit report - auditor independence is disturbed	Reporting to superiors and asking for advice	3	5	15	tall	
Evaluation of SAKIP in District E	Sakip value	- Documents for sakip evaluation materials have not been made by SKPD	- SKPD HR has not understood the performance evaluation document	C	- low SKPD sakip score	- provide assistance to SKPD	3	2	6	keep	

The PKPT Risk Register that has been carried out above will be included in the risk map according to the priority scale. The higher the risk status, the image will be red, the smaller the risk level, the green. The categories of each risk are very high, high, medium, low and very low. This can be a reference for assignment auditors who have high risk characteristics (Istianah, 2007), so that auditors can better prepare themselves in the supervision process. The following is a risk map that has been made:

Table 2. Risk Map

Risk Analysis Matrix (5x5)	Impact Level				
	1	2	3	4	5
5					
4					
3		2,7	3,4	5	1,6
2					
1					

Factors Hindering the Preparation of Risk-Based PKPT

1. Still stuck in the routine of work done from last year

Risk-based PKPT was created to make it easier for auditors if they are going to carry out an assignment. The purpose of the preparation of this risk-based PKPT is to find out what risks may occur during the implementation of the audit. The work routine of the auditors makes a comfortable zone for them so that there is no desire to make a change to the PKPT. If there is a risk in the middle of the assignment carried out, it cannot be completely overcome by the auditors.

2. Lack of awareness from auditors about risks

Auditors only carry out tasks from PKPT that have been made or mandatory assignments from districts and ministries. The risk-aware culture has not been fully implemented for auditors in the Banyuwangi Regency Inspectorate. Not everything is like that. Most auditors are already aware of the risks and have begun to identify the risks of each assignment taken. This is because the Banyuwangi Regency Inspectorate often holds technical guidance and training on risks. The assignment carried out must have inherent risks but not documented from the auditors. A risk-aware culture must be continuously built so that it can become a good habit for the Banyuwangi Regency Inspectorate assignment process.

3. There are no guidelines for the preparation of PKPT

Guidelines for the preparation of PKPT can be a reference for auditors in making risk-based PKPT. Until now, the Banyuwangi Regency Inspectorate has not had a standard guideline on the preparation of PKPT. The auditors are still making their work programs like in previous years. All assignments are summarized into one and compiled by the secretariat.

4. The E-Audit Application Is Not Yet Optimal

The E-Audit application is the same as the guidelines for the preparation of PKPT. The difference is that the E-Audit application already exists but has not been optimized by

auditors. E-Audit is designed and built to make it easier for auditors in supervisory activities. The application already provides a menu to upload audit working papers until there is a tiered review from the technical controller to the Assistant Inspector. E-Audit is only used when making a Task Warrant after which the auditor immediately carries out its supervisory activities. E-Audit can also help auditors to identify risks faced by auditors. Not only for auditors but also this application can be used by other OPDs to identify risks.

CONCLUSION

The preparation of this risk-based PKPT is very necessary for the Banyuwangi Regency Inspectorate to support the main tasks and functions of the Banyuwangi Regency Inspectorate of supervision. In addition, this risk-based PKPT is an important component in increasing the value of the APIP capability held by BPKP to reach level 4. Even so, not only the risk-based PKPT problem can be raised to level 4, but there are also other components that must be met if you want to level up. The high demand for good governance makes the Inspectorate continuously improve the quality of supervision in a better direction, starting from the preparation of audit planning and risk-based PKPT.

Risk management that has existed within the local government has begun to be felt at the Banyuwangi Regency Inspectorate. Regent Regulation No. 12 of 2020 has regulated risk management techniques, while the Banyuwangi Inspectorate has also built an E-Audit application to facilitate the work of auditors. The PKPT made by the Banyuwangi Regency Inspectorate is not yet risk-based but only based on the assignment of the past, after which it is collected to the Inspectorate secretariat.

Supervision planning carried out by the Banyuwangi Regency Inspectorate must be in line with regional development goals. The supervision of the Banyuwangi district inspectorate is directed at efforts to encourage the achievement of regional development goals (Poverty Alleviation) in an economic, efficient, effective, rule-abiding, fraud-free and accountable manner. There are many risks inherent in regional development and the Inspectorate as a compliance unit of the Regional Government must carry out its supervisory duties and functions effectively. Effective supervision is created from planning that is prepared systematically, including in the preparation of risk-based PKPT. Risk-based PKPT must also look at regional development goals and however must be biased to support programs that have been set by the Banyuwangi Regency Government.

The results of PKPT that have been included in the risk register make auditors able and easy to carry out supervisory activities. The important point here is that after analyzing the risk of the PKPT, it does not mean that this small risk score is not implemented. Everything that is already in this PKPT is carried out, but the risk register that is made is an anticipation of every planned activity. The higher the inherent risk, the higher the anticipation and control action plan that must be carried out by the auditors

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