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EFFECTIVENESS OF LAMPUNG PROVINCIAL INSPECTORATE IN STRENGTHENING REGIONAL FINANCIAL ACCOUNTABILITY

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Abstract:

This study analyzes the effectiveness of the Lampung Provincial Inspectorate in strengthening the accountability of regional financial management and identifies the factors that support or constrain its performance. A qualitative descriptive case-study design was applied at the Lampung Provincial Inspectorate. Data were obtained through in-depth interviews with structural and functional officials and staff, direct observation, and analysis of official documents, including annual supervision programs, audit reports, standard operating procedures, and relevant regulations. Data credibility was established through source, method, and time triangulation as well as member checking, while analysis followed data reduction, data display, and conclusion verification. The findings show that internal supervision is implemented through an integrated cycle of risk-based planning, audit and review execution, evidence-based reporting, verification of recommendation follow-up, and continuous evaluation. This cycle encourages regulatory compliance and improves financial accountability. Evaluation and strengthening of internal control are the main supporting factors. However, delayed and insufficiently systematic reports, uneven responsiveness of regional agencies, high auditor workloads, weak inter-unit coordination, and limited use of supervisory information systems reduce the speed and impact of follow-up. The Inspectorate is therefore effective, but its performance still requires institutional and technological reinforcement.

Keywords: *accountability, effectiveness, inspectorate, internal supervision, regional financial management*

INTRODUCTION

Accountability in regional financial management is a central requirement of contemporary public administration because local governments manage public resources through an integrated cycle of planning, budgeting, implementation, administration, reporting, accountability, and supervision. The quality of that cycle affects not only the reliability of financial reports but also the legitimacy of public decisions and the trust placed in government institutions. Public-sector accounting therefore treats transparency, effectiveness, efficiency, regulatory compliance, and answerability as mutually reinforcing elements rather than separate administrative obligations (Mardiasmo, 2018; Halim & Kusufi, 2021). When these elements are weak, financial management becomes vulnerable to repeated errors, inefficient spending, and inadequate correction of irregularities.

Within the Indonesian governmental system, the regional inspectorate serves as the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah/APIP). Its function is broader than post-event inspection. The inspectorate conducts audits, reviews, monitoring, evaluation, and advisory activities designed to prevent irregularities, strengthen internal control, and improve the capacity of regional agencies. An effective internal audit function can create organizational value when it provides objective assurance, identifies risks early, formulates actionable recommendations, and ensures that recommendations are followed through. Prior studies connect internal audit quality and APIP capability with improved governance and financial accountability, while also emphasizing the importance of auditor competence, management support, independence, and coordination (Dacrea & Hermawan, 2023; Putri et al., 2024; Williyanto et al., 2025; Zeyn, 2022).

The Lampung Provincial Inspectorate operates in a setting where demands for high-quality regional financial accountability continue to increase. The preliminary study documented several operational signals that required deeper investigation. Only 56.7% of regional agencies followed up supervisory recommendations on time, while 43.3% experienced delays. The proportion of certified auditors was reported at 46.7%; 73.3% of respondents assessed the auditor workload as high; and optimal use of the supervisory information system was only 40.0%. These figures were not used as a statistical measure of institutional performance, but as an initial diagnostic indicating that follow-up, human-resource capacity, workload management, and digital support remained important practical issues.

Table 1. Preliminary Conditions of Supervision at the Lampung Provincial Inspectorate

No.	Preliminary indicator	Percentage	Category
1	Regional agencies following up recommendations on time	56.7%	Sufficient
2	Regional agencies experiencing delayed follow-up	43.3%	High
3	Certified Inspectorate auditors	46.7%	Low
4	Respondents assessing auditor workload as high	73.3%	High
5	Optimal use of the supervisory information system	40.0%	Low

Source: Preliminary study data in the thesis, 2026.

The literature indicates that inspectorate effectiveness is multidimensional. Professional competence determines the ability to identify risks and develop technically sound recommendations; organizational support affects resources and access; information systems determine the speed of monitoring; and follow-up mechanisms translate findings into actual improvement. Hilal (2024) emphasizes auditor competence and adherence to audit standards, while Haryanto (2024) highlights the value of audit reports for local-government oversight. Shidqi and Arfiansyah (2025) further show that internal control and audit are central to good governance and corruption prevention. These perspectives suggest that effectiveness should be assessed across the full supervisory process rather than through the number of audits or findings alone.

Previous studies have examined inspectorate supervision in district settings, APIP roles in fraud prevention, and determinants of internal audit effectiveness. Hendriyani (2020), for example, found that scheduling and documentation weaknesses reduced the effectiveness of inspectorate supervision, while Putriyuliawati (2023) examined the institutional role of a district inspectorate as APIP.

Dacrea and Hermawan (2023) identified competence, leadership support, and external audit relationships as determinants of effectiveness in the Indonesian public sector. However, limited attention has been given to a provincial inspectorate as a complete supervisory cycle that links planning, execution, reporting, recommendation follow-up, and control-system evaluation directly to regional financial accountability.

This study addresses that gap by analyzing the effectiveness of the Lampung Provincial Inspectorate and identifying the supporting and constraining aspects that shape its contribution to regional financial accountability. Its originality lies in treating effectiveness as a continuous, interconnected cycle and in distinguishing between the stage that most strongly supports institutional improvement and the stage that most often delays the realization of supervisory impact. The study is expected to provide both an empirical account of provincial internal supervision and practical directions for strengthening the Inspectorate as a strategic governance institution.

RESEARCH METHOD

This research used a qualitative descriptive approach with a case-study design. The Lampung Provincial Inspectorate was treated as a single unit of analysis so that the institutional role, supervisory mechanisms, and operational dynamics could be examined in their natural setting. A case study was selected because the research questions focused on how the supervision process was carried out, how it influenced accountability, and why particular organizational factors supported or constrained its effectiveness (Creswell & Poth, 2018; Yin, 2018).

Primary data were obtained from in-depth interviews and direct observation involving structural officials, functional supervisory personnel, and staff engaged in regional financial supervision. The informant roles represented the Inspector, Inspectorate Secretary, Head of the General Subdivision, Planning Team Leader, Head of Assistant Inspectorate 3, and staff. Source triangulation also considered information from representatives of regional agencies subject to supervision. Secondary data were derived from official audit reports, the Annual Supervision Work Program, standard operating procedures, the organizational structure, relevant regulations, and academic literature. These sources enabled the interview evidence to be compared with institutional records and actual work processes.

Three data-collection techniques were applied. First, semi-structured in-depth interviews explored the achievement of supervisory objectives, implementation of audits and reviews, quality of reports, recommendation follow-up, evaluation, supporting factors, and barriers. Second, observation was used to examine supervisory workflow, monitoring and evaluation activities, and interaction between supervisory personnel and regional agencies. Third, documentation analysis examined audit evidence, reports, procedures, annual work plans, and regulatory documents. The combination of interviews, observation, and documentation was intended to obtain a comprehensive account rather than relying on one source or one technique (Bungin, 2020; Moleong, 2021; Sugiyono, 2022).

Credibility was established through source, method, and time triangulation and through member checking. Information from different informants was compared; interview findings were checked against observations and documents; and data obtained at different times were reviewed for consistency. Informants were also invited to verify interview summaries and the interpretation of findings. Data analysis followed the interactive logic of qualitative analysis: data reduction, data display, and conclusion drawing and verification. Relevant statements were coded according to the five stages of supervision and the supporting or inhibiting conditions; the coded data were then organized into thematic displays and repeatedly checked against the original evidence before conclusions were formulated (Denzin, 2017; Miles et al., 2014).

FINDINGS AND DISCUSSION

Supervision as an Integrated Accountability Cycle

The empirical findings show that the Lampung Provincial Inspectorate has established a structured supervisory cycle comprising achievement-oriented planning, implementation, reporting, recommendation follow-up, and evaluation with internal-control strengthening. The stages are not independent administrative activities. Each stage supplies information and direction to the next, while evaluation feeds lessons back into subsequent planning. This cyclical character explains why the Inspectorate contributes to accountability through both assurance and organizational improvement.

Risk-based planning and achievement of supervisory objectives. The Annual Supervision Work Program is prepared by considering risk exposure, development priorities, prior findings, the complexity of supervised objects, and the available capacity of supervisory teams. The Inspector explained that the institution begins with the areas presenting the greatest financial-management risk and uses previous findings to refine subsequent plans. This practice makes supervision selective rather than merely routine and enables limited resources to be directed to areas with the highest potential impact. Early communication of the plan to regional agencies also improves administrative readiness, although differences in agency capacity remain a challenge. Risk-based planning therefore supports accountability by establishing clear priorities, measurable targets, and continuity across supervisory periods.

Professional and comprehensive implementation. The Inspectorate implements the plan through audits, reviews, monitoring, and evaluation in accordance with internal-government supervision standards. The examination covers the financial-management cycle from budget planning to accountability and assesses processes as well as documents. Interviews emphasized objectivity, evidence, division of duties, teamwork, and an advisory orientation. Supervision is thus not limited to detecting non-compliance; it also helps regional agencies understand corrective action. Intensive communication facilitates fieldwork, but the number of supervised objects and limited time create pressure on teams. The effectiveness of implementation is therefore closely linked to auditor competence, workload management, and internal coordination.

Evidence-based reporting. Supervisory reports contain findings, analysis, legal bases, and recommendations and are subjected to internal review before submission. A clear report functions as an accountability instrument and as a communication medium between the Inspectorate, regional leadership, and the supervised agency. It enables leaders to identify weaknesses and provides a documented basis for corrective decisions. Nevertheless, the capacity of agencies to interpret reports varies, so additional explanation is frequently required. The findings also reveal that report quality is affected by timeliness, administrative efficiency, data completeness, and coordination among units.

Verification of recommendation follow-up. Follow-up is treated as the substantive test of whether supervision creates change. Regional agencies submit evidence of corrective action, which the Inspectorate verifies. Where evidence is insufficient, the agency is requested to improve it, and monitoring continues until the recommendation is fulfilled. This mechanism prevents follow-up from becoming a formal administrative response. However, responsiveness differs across agencies. Resource limitations, competing workloads, and uneven leadership commitment may delay action. The Inspectorate must therefore maintain active monitoring and communication to ensure that recommendations lead to changes in systems and behavior.

Evaluation and internal-control strengthening. After supervisory activities are completed, the Inspectorate evaluates methods, findings, procedural weaknesses, and the quality of internal control. Evaluation results are used to improve the next annual plan and to recommend changes to procedures, standard operating mechanisms, monitoring arrangements, and staff capability. Continuous evaluation also encourages organizational learning and strengthens a culture of accountability. This stage has a preventive effect because it addresses the system that produces recurring weaknesses, not merely the individual occurrence. It consequently represents the strongest supporting component of the supervisory cycle.

Table 2. Synthesis of the Supervisory Cycle and Its Accountability Contribution

Stage	Main empirical practice	Accountability contribution	Remaining issue
Planning	Risk-based annual program; prior findings and capacity considered	Focuses resources and establishes measurable priorities	Different readiness across regional agencies
Implementation	Audit, review, monitoring, evaluation, and advisory communication	Improves compliance, efficiency, and understanding	High workload and limited time
Reporting	Evidence, legal basis, analysis, recommendations, and internal review	Supports decision-making and transparent correction	Delay, inconsistent structure, and varied report comprehension
Follow-up	Periodic monitoring and verification of corrective evidence	Converts recommendations into actual organizational change	Uneven agency responsiveness and leadership commitment
Evaluation	Review of methods, procedures, internal control, and lessons learned	Prevents recurrence and strengthens institutional control	Requires sustained coordination and capacity development

Contribution to Regional Financial Accountability

The supervisory cycle contributes to accountability in three closely related ways. First, it reinforces legal and procedural compliance. Risk-based planning and standardized implementation direct attention to areas where non-compliance may generate financial or governance consequences. Reports then translate the examination into an explicit statement of the condition, criteria, cause, and corrective direction. This pattern is consistent with the proposition that effective public administration requires procedures that lead to demonstrable results rather than administrative completion alone (Srebalová, 2022).

Second, the cycle strengthens managerial accountability. Audit and review findings allow agency leaders to connect financial use with program implementation, while follow-up verification places responsibility on management to demonstrate correction. The Inspectorate thereby supports vertical accountability to the governor and horizontal accountability within the regional-government system. The finding aligns with Zeyn (2022), who associates internal audit quality with the quality of financial accountability, and with Putri et al. (2024), who emphasize the complementary roles of internal control over financial reporting and internal audit in improving public-sector financial statements.

Third, supervision creates a preventive and learning function. The study found that evaluation does not merely summarize completed work; it identifies recurring procedural weaknesses and converts them into improvements in planning, procedures, staff capability, and internal control. This feature is important because the effectiveness of an inspectorate should not be measured by the quantity of findings. A large number of findings can indicate intensive supervision, but meaningful effectiveness is reflected in fewer repeated weaknesses, faster corrective action, and improved management behavior. The findings support Williyanto et al. (2025), who position effective internal audit as a contributor to good governance, and Shidqi and Arfiansyah (2025), who underline the role of internal control and audit in integrity and corruption prevention.

Supporting and Inhibiting Factors

The principal supporting factor is the evaluation and strengthening of the internal-control system. Evaluation enables the Inspectorate to identify not only individual errors but also weaknesses in procedures, standard operating arrangements, monitoring, and organizational capability. It also improves coordination among auditors and supervisory officials because evidence and recommendations are reconsidered collectively. Through this process, findings from one period become knowledge for the next period. The institution therefore develops adaptive capacity rather than repeatedly applying the same supervisory approach.

Leadership commitment, professional competence, clear division of duties, communication, and documented planning reinforce that support. These factors correspond with the determinants identified by Dacrea and Hermawan (2023) and Hilal (2024). Where teams understand their roles and leaders support corrective action, audit evidence can be transformed into practical recommendations and regional agencies are more likely to respond. The advisory dimension of supervision further improves acceptance because agencies receive guidance rather than only a statement of fault.

The most immediate inhibiting factor is the reporting stage. Reports that are delayed, incomplete, or insufficiently systematic weaken the relevance of recommendations and slow the follow-up process. The problem is not simply a writing issue; it reflects administrative inefficiency, high workload, uneven coordination, and differences in the quality of supporting data. When a report is late, the operational condition may have changed and the agency may assign lower urgency to the recommendation. When the report is ambiguous, additional clarification is needed before corrective action can begin. Haryanto (2024) likewise emphasizes that audit reports become valuable only when they can be effectively used in oversight.

Other constraints reinforce the reporting problem. The preliminary findings indicated a limited proportion of certified auditors, high workloads, and suboptimal use of supervisory information systems. Field evidence also showed uneven responsiveness among regional agencies and differences in leadership commitment. These conditions can lengthen verification, reduce the time available for careful reporting, and make monitoring dependent on manual communication. The result is a gap between the formal completion of supervision and the substantive completion of corrective action.

Table 3. Supporting and Inhibiting Factors Affecting Inspectorate Effectiveness

Supporting factors	Inhibiting factors
• Continuous evaluation and organizational learning	• Delayed or insufficiently systematic reports
• Strengthening of internal-control procedures and monitoring	• High auditor workloads and limited certified personnel
• Risk-based planning and documented work programs	• Weak coordination and inefficient administration
• Professional standards, teamwork, and advisory communication	• Uneven agency responsiveness and leadership commitment
• Leadership support and active verification of follow-up	• Suboptimal use of supervisory information systems

Implications for Institutional Strengthening

The balance between supporting and inhibiting factors indicates that the Inspectorate has an effective institutional foundation but has not yet achieved optimal effectiveness. Its procedures already form a coherent supervisory cycle and its activities promote compliance and improvement. The principal weakness occurs at the transition from findings to timely organizational response. Institutional strengthening should therefore prioritize the interfaces between teams, reports, regional agencies, and follow-up evidence.

First, report management should be standardized through clear completion deadlines, quality-control checklists, uniform structures, and responsibility tracking. Second, the supervisory information system should integrate annual planning, audit documentation, report review, recommendation status, evidence submission, and escalation of overdue follow-up. Digital integration would reduce repeated administrative work and allow leaders to identify bottlenecks quickly. Third, competency development should be matched with workload analysis, certification needs, and the complexity of assigned objects. Training without workload adjustment is unlikely to improve report quality or timeliness.

Fourth, recommendation follow-up should be treated as a shared governance obligation. Regional-agency leaders need clear deadlines and escalation mechanisms, while the Inspectorate should provide technical clarification where recommendations are not readily understood. Periodic coordination forums can distinguish between genuine resource constraints, technical misunderstanding, and lack of commitment. Finally, evaluation results should continue to inform risk-based planning so that recurring findings receive higher priority and successful corrective practices can be replicated across agencies. These measures would strengthen the Inspectorate not only as a compliance examiner but also as an institutional partner in improving regional financial governance.

CONCLUSION

The Lampung Provincial Inspectorate has carried out internal supervision through a structured and continuous cycle of risk-based planning, professional implementation, evidence-based reporting, recommendation follow-up, and evaluation. This cycle contributes to regional financial accountability by encouraging regulatory compliance, supporting managerial decision-making, verifying corrective action, and improving internal-control systems. The evaluation and control-strengthening stage is the most important supporting factor because it converts findings into institutional learning and preventive improvement. Nevertheless, effectiveness has not reached its optimum level. Delayed or insufficiently systematic reports, high workloads, limited certified personnel, weak inter-unit coordination, uneven responses from regional agencies, and underused supervisory information systems slow the transition from findings to correction. The practical priority is therefore to standardize and digitalize report and follow-up management, strengthen professional competence in line with workload, and reinforce leadership responsibility for timely corrective action. Future research may test these findings quantitatively or compare provincial inspectorates to determine whether the identified supervisory cycle and constraints are consistent across regional contexts.

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