



# Evaluation of Audit Quality Control at the Surakarta City Inspectorate

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## ABSTRACT

Audit quality control is required to ensure and provide the assurance of audits that had applied with auditing standards and code of ethics.. The Government Internal Supervisory Appartus (APIP) considered the three lines model functions to provide independent for objective assurance and advice on all matters related for the achievement of organizational goals. Therefore, APIP is obliged to apply the Guidelines for Quality Control Audit of Government Internal Supervisory Apparatus. This research aims to analyze the suitability of the implementation of audit quality control at the Surakarta City Inspectorate using the eight elements contained in the APIP Pedoman Kendali Mutu APIP dan Pedomaan Telaah Sejawat, and to analyze the strategies implemented for improving audit quality controls at the Surakarta City Inspectorate. The research methodology used a case study-based on qualitative descriptive method. The data used in this study are primary data, which obtained through interviews with source person and secondary data from 32 documents. The results of data analysis indicated, that the audit implementation at the Surakarta City Inspectorate had not been fully implemented the APIP Audit Quality Control Guidelines. The strategy needs for improving the effectiveness of the implementation of audit quality control are the commitment of the leadership and all employees to enforce the supervision in according with PKMA-APIP.

## INTRODUCTION

The escalating demands of the Indonesian people for the realization of good governance had brought major changes in the implementation of governance, which had been implications for the accountability and transparency of the government's financial management system. Audit quality control is the core for ensuring the supervision performed optimally and minimizes the possibility of deviations that occur during the audit process. APIP supervised activities carried out by units / work units in its environment which aims as prevention and early detection so that there are no deviations in financial management, as well as errors that can affect the achievement of goals, and is tasked with overseeing various programs and activities in government administration. Therefore, APIP is required to further improve its quality and role as an effort to achieve the goals and objectives of government administration that had been set.

To ensure and provide adequate assurance whether the audit performed in accordance with the Auditing Standards, the State Ministry for Administrative Reform and Bureaucratic Reform (KemenPAN and RB) stipulates Guidelines for Quality Control Audit-Government Internal Supervisory Apparatus (PKMA-APIP) through a regulation of the State Minister for Empowerment State Apparatus and Bureaucratic Reform (Permenpan and RB) Number 19 of 2009 as a procedure and control review that must be carried out by each APIP unit which include policies, procedures and control programs within the scope of the APIP unit's obligations.

The purpose for preparing PKMA-APIP in Permenpan-RB Number 19 of 2009 is to solve various problems, namely the first one is the ineffectiveness of internal control, then the second one is the audit process that is not transparent, then the third one is the quality and integrity of technical controllers and audit quality controllers that are inadequate. Then the fourth is the implementation of the audit which is not of guaranteed quality so that it does not achieve the objectives of the audit, then the fifth is the absence of APIP audit quality control guidelines that support so that the audit can run efficiently and effectively.

Although various guiding standards have been set to be used as a reference in carrying out the audit, based on the results of the BPK examination of the Surakarta City LKPD in 2021, several audit findings were still found, such as the findings on weaknesses in the internal control system, and problems of non-compliance with laws and regulations, and there are problems in managing regional assets that have not been orderly. Then based on the results of the BPK's examination of the Surakarta City LKPD in 2022, even though it had received an Unqualified Opinion (WTP), there was an increase in inspection findings in the form of non-compliance with laws and regulations, problems with weaknesses in the internal control system, problems with the recording system. Financial reports on BLUD and BUMD that are not in accordance with the provisions, and there are problems in managing regional assets that have not been orderly. In addition, in the BPKP Supervision Report on the Surakarta City Government in 2022, it was stated that the APIP Capability Level (IA- CM) owned by the Surakarta City Government APIP was still at level 3, namely the integrated level. For more details can be seen in table 1. the following:

**Table 1. Comparison of LHP Findings**

No	Types of Findings	2021 (Number of Finds)	2022 (Number of Finds)	Percentage Increase
1	Weaknesses in the internal control system	2	6	200%
2	Non-compliance with laws and regulations	1	3	200%
3	Recording of Financial Statements at BLUD and BUMD that are not in accordance with the provisions	-	1	100%
4	Management of regional assets that have not been orderly	2	2	0%

Data Source: BPK LHP of LKPD Surakarta in 2022 and 2021

According to Anggraeni (2020), the audit findings found by the BPK have indicated that the review of financial reports that had been carried out by APIP before being submitted to BPK had not been able to improve the quality of financial reports. If the Financial Report review conducted by APIP has shown adequate results, of course the records for audits by the BPK will not be as many as those listed in the LHP of Surakarta LKPD for 2022 and 2021.

Rosnidah et al (2018) conducted case study research at the Cirebon District Inspectorate, and found that the audit quality conducted by APIP was relatively poor if there were still many audit findings detected by the BPK as an external auditor rather than by APIP as an internal auditor. According to Simatauw (2021), who conducted case study research at the Inspectorate of the Province of Maluku, found that the low capability of APIP was caused by several things and one of them was that auditing was not implemented in accordance with auditing standards and a code of ethics. This means that the implementation of an audit in accordance with the standards is very important, because these audit standards are used as a reference for the auditor in carrying out, assessing, directing, and encouraging the auditor to be able to achieve the audit objectives. In order to realize internal audit professional practices in a uniform manner and in full harmony with auditing standards and provide advisory services for improving governance processes, risk management, and organizational control, the Surakarta City Inspectorate must always maintain its quality. The purpose of this study is first to evaluate the implementation of audit quality control at the Surakarta City Inspectorate, then second to analyze strategies to improve the implementation of audit quality control at the Surakarta City Inspectorate. The Surakarta City Inspectorate has a role as the third line in the three lines model concept. According to IIA (2020), in the three lines of defense concept,

Based on IIA (2020), the Three Lines Model is an update to the Three Lines of Defense that we are familiar with, clarifying and strengthening the underlying principles, expanding the scope, and explaining how key roles in the organization work together to facilitate governance strong and risk management. The Surakarta City Inspectorate, which in this case is an internal audit of the Surakarta City Government, has a role as a third line in the three lines model concept. According to IIA (2013), in the concept of three lines of defense, the duties and responsibilities of the third line are to ensure that the activities carried out on the first and second lines have been carried out effectively and in accordance with the provisions.

Then in the renewal of the three lines model concept, the role of the third line expanded into three types, namely the first to maintain primary accountability to the management organs and their independence from carrying out work which is the responsibility of management. The second step is to communicate independent and objective assurance and advice to management and governing bodies regarding the adequacy and effectiveness of governance and risk management (including internal control) to support the achievement of organizational goals, as well as promote and facilitate continuous improvement. Then the last thing is to report damage to independence and objectivity to the management organs and implement the required safeguards.

Based on the three-line model from IIA (2020), if the BPK still finds weaknesses in the internal control system in the Surakarta City Regional Financial Report, this indicates that the Surakarta City Inspectorate, which plays the role of internal audit of the Surakarta City Government, has not carried out its role. as the third line optimally and maximally. This is also emphasized in the BPKP in the practical guide to increasing APIP capabilities, that APIP plays a role in ensuring that the first and second lines are running in accordance with the provisions.

Based on SA-APIP (2008), in order to ensure the implementation of effective and efficient government internal supervision, it is necessary to formulate guidelines and statutory regulations regarding government internal supervision which contain the main provisions in the field of government internal supervision so that APIP has audit standards. uniform. So in order to ensure and provide adequate assurance (quality assurance) whether the audit carried out is in accordance with the established standards, it is necessary to carry out quality control over the quality of the audit carried out by APIP. According to Andayani (2019), by following these standards, audit implementation and reporting will provide results whose validity and accuracy can be trusted.

## LITERATURE REVIEW

Previous research that took the theme of audit quality control was used as reference material by considering the similarities in the scope of the research. The first research to be used as reference material was research from Leonardo (2022), which took the research theme Evaluation of Audit Quality Control Using PKMA APIP (Study on the Inspectorate of the City of Lubuklinggau). This research is descriptive qualitative in nature, by conducting interviews, the results of this study found that there are still many audit quality control procedures at the Lubuklinggau City Inspectorate that are not in accordance with PKMA APIP. What makes this research different from previous research lies in the object of research, and the theoretical concepts used, as well as the addition of new research instruments, namely peer review,

The second research that is used as reference material is research from Rachmawati (2021), which takes the research theme Analysis of Audit Quality Control Using PKMA APIP (Studies on the Inspectorate of the City of Kupang). This research is descriptive qualitative, by conducting interviews, the results of this study found that there are still many audit quality control procedures at the Kupang City Inspectorate that are not in accordance with PKMA APIP. What makes this research different from previous research lies in the object of research, and the theoretical concepts used, as well as the addition of a new research instrument, namely peer review.

Furthermore, the third research used as reference material is research from Anggraeni (2020), which took the research theme Audit Quality Control Analysis with the research object being the Merangin Regency Inspectorate. This research is descriptive qualitative in nature, by conducting interviews, the results of this research found that there are still many audit quality control procedures at the Merangin Regency Inspectorate that are not in accordance with PKMA APIP. What differentiates this research from previous research lies in the research object, the theoretical concepts used and the addition of research instruments, namely peer review.

Then the fourth research is from Hakim (2019), which takes the research theme Audit Quality Control Analysis with the research object, namely the DKI Jakarta Provincial Inspectorate. This research is descriptive qualitative in nature, by conducting interviews, the results of this study found that there were still many audit quality control procedures at the DKI Jakarta Provincial Inspectorate that were not in accordance with PKMA APIP. What makes this research different from previous research lies in the object of research, the theoretical approach used and the addition of a research instrument, namely peer review.

Furthermore, the fifth research is research conducted by Sadono (2010), which takes the theme of the research of Audit Quality Control Analysis with the research object of the Inspectorate General of the Ministry of Energy and Mineral Resources. The results of this study are that the Inspectorate General of MEMR has not developed and implemented PKMA APIP as a whole. The difference between this research and the three previous studies lies in the object of research, the formulation of the problem used and the addition of a research instrument, namely peer review.

## **METHODS**

This research is a qualitative descriptive research with a case study approach at the Inspectorate of Surakarta City. This study evaluates the implementation of the Audit Quality Control Guidelines for APIP (PKMA-APIP) at the Surakarta City Inspectorate based on the three lines model. Furthermore, the data used in this study is primary data, namely data obtained directly from the object of research by conducting interviews. Then in this study also used secondary data, namely data obtained from checking documents related to this research.

The methodology used in this study is a qualitative descriptive method, which is an approach by exploring a phenomenon that occurs by using data from various sources. The unit of

analysis in this study is the Surakarta City Inspectorate. Then the steps that will be carried out by the author in this study are that first the writer will check secondary data whether the documents made by the Surakarta City Inspectorate have fulfilled the quality control criteria according to the Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 19 of 2009, with how to make a checklist of the documents that have been made by the Surakarta City Inspectorate whether or not they are in accordance with PKMA APIP. The author wants to see whether the Surakarta City Inspectorate has made 32 types of document forms that have been regulated in PKMA - APIP and are appropriate. In the next stage, the writer will cross check all elements of PKMA APIP and peer review the sources who are in the research object by conducting interviews to obtain primary data. Then from the data that has been obtained, the next step that will be carried out by the author is to analyze the data from the information that has been collected through secondary data and interview transcripts, then from the results of the data analysis strategies are developed that can be used to improve audit quality control in Surakarta City Inspectorate. In the next stage, the writer will cross check all elements of PKMA APIP and peer review the sources who are in the research object by conducting interviews to obtain primary data. Then from the data that has been obtained, the next step that will be carried out by the author is to analyze the data from the information that has been collected through secondary data and interview transcripts, then from the results of the data analysis strategies are developed that can be used to improve audit quality control in Surakarta City Inspectorate. In the next stage, the author will cross check all elements of PKMA APIP and peer review the sources in the research object by conducting interviews to obtain primary data. Then, from the data that has been obtained, the next stage that the author will carry out is to analyze the data from the information that has been collected through secondary data and interview transcripts, then from the results of the data analysis, strategies are created that can be used to improve audit quality control in Surakarta City Inspectorate.

## **RESULTS AND DISCUSSION**

### **Analysis and Quality Control Strategy in Preparing Strategic Plans**

Based on an analysis of the 2021-2026 Strategic Plan and Renja documents and the 2022 audit objectives, targets and strategy documents, problems were found, namely the first was that the vision and mission were not explained briefly and clearly. Furthermore, the second, the Inspectorate of the city of Surakarta has not made a matrix of the relationship between goals, strategies and the unit responsible for implementing supervision. Furthermore, in order to explore the elements of implementing quality control in the preparation of the strategic plan, interviews were conducted with the Head of the Planning and Finance Subdivision, so in general the preparation of the Surakarta City Inspectorate Strategic Plan was still not in accordance with PKMA-APIP.

This is becauseThe first is that the vision, mission, goals and objectives that have been created are not yet concise, clear and concise. This is not in accordance with the opinion of Bryson (2016) who recommends that in the process of preparing a strategic plan, vision and mission statements must be explained briefly and clearly. Furthermore, secondly, the Surakarta City Inspectorate has not communicated the monitoring strategy that will be carried out to the auditee. Then the third, the Surakarta City Inspectorate has not prepared a written statement of vision, mission and objectives as well as authorities and responsibilities signed by the Mayor. Furthermore, fourthly, the Inspectorate has not yet created a relationship matrix between targets, strategies and the unit responsible for implementing supervision.

Strategies that can be carried out to improve the implementation of audit quality control in preparing strategic plans, the first is related to the vision, mission, goals and objectives, it is best

if the Surakarta City Inspectorate displays them in the strategic plan by creating a special sub-section that discusses the vision, mission, objectives and targets to be achieved by the Surakarta City Inspectorate, so that they can be easily understood by auditees and other parties. This strategy is certainly not difficult to implement considering that the Surakarta City Inspectorate has sufficient human resources, and it is best if the Surakarta City Inspectorate creates an official website for the Inspectorate, so that it can make it easier for external parties to obtain information.

Then the second strategy to overcome non-conformities with PKMA-APIP is in the form of a supervisory strategy that will be carried out that has not been communicated to the auditee in order to obtain input, and this input is used to reformulate the supervisory strategy that will be carried out by the Inspectorate. By considering the existing resources in the Inspectorate, the recommended strategy is for the Surakarta City Inspectorate to be able to communicate and ask for input from the auditee in preparing the strategy formulation in the Strategic Plan that will be used in order to achieve the organization's goals and objectives. This is necessary so that the strategy formulation prepared is not only based on the perception or views of the Inspectorate,

Strategies that can be carried out in order to improve the implementation of audit quality control in the preparation of strategic plans, the third is related to the absence of a written statement of vision, mission and objectives and authority as well as authority signed by the Mayor, it is best if the Surakarta City Inspectorate provides at least a copy to organizational leaders within the City Government Surakarta, in order to facilitate coordination. Then the fourth strategy to overcome discrepancies with PKMA-APIP is in the form of not having made a matrix that explains the relationship between targets, strategies and units in charge of implementing supervision and supervision strategies, it is suggested that the Surakarta City Inspectorate should compile a matrix that explains the relationship between monitoring objectives, supervision strategy and the person in charge of the implementation of supervision.

### **Quality Control Analysis and Strategy in Audit Planning**

Based on the analysis carried out on the audit map form documents, 5 year medium term audit plan, proposed annual audit work program, annual audit work program and the results of interviews with the Head of the Planning and Finance Subdivision, the suitability between the audit planning carried out by the Surakarta City Inspectorate and PKMA – APIP in general is still not appropriate, this is because firstly the Surakarta City Inspectorate has not prepared an annual monitoring plan based on priority activities that have the greatest risk and are in line with the organization's objectives. This is not in line with PKMA-APIP CHAPTER III point 08 which explains that risk determination is a very important thing to make because it will determine which auditee will be audited.

Then secondly, the Surakarta City Inspectorate has not communicated the annual monitoring plan to the heads of organizations and related units. Based on PKMA APIP CHAPTER III point 18, the Surakarta Inspectorate should carry out communication or outreach regarding the annual supervision plan to the OPD leadership or related units. The third is because the Surakarta City Inspectorate has not yet determined the amount of risk for all auditees. This is not in accordance with PKMA APIP CHAPTER III point 08, section 06 which requires APIP to determine the amount of risk for each auditee at least once a year when preparing the annual audit plan.

Furthermore, fourthly, the Surakarta City Inspectorate has not yet made a five-year medium-term audit plan based on the Strategic Plan and audit map. This is not in accordance with PKMA APIP CHAPTER III point 10 which requires units carrying out Inspectorate planning functions to make five-year medium-term audit plans based on strategic plans and audit map data. Next, the fifth is because at the Surakarta City Inspectorate, the five-year audit plan has not been determined by the Inspectorate leadership. Then sixthly, the PKAT at the Surakarta Inspectorate

has not yet been determined by the Inspectorate leadership. These two things are not in accordance with PKMA-APIP CHAPTER III, points 13 and 18 which require that the five-year audit plan and PKAT must be ratified by the APIP leadership, whereas in the Surakarta City Inspectorate it is directly determined by the Mayor.

Then the seventh is because the Surakarta Inspectorate has not coordinated the approved PKAT to the authorized minister to establish a national supervision policy so that overlapping supervision does not occur. This is regulated in PKMA APIP CHAPTER III, point 19 which explains that PKAT which has been approved is sent to the authorized minister to establish national supervision policies and coordinate the implementation of national supervision policies so that overlapping supervision does not occur.

Strategies that can be implemented to improve the implementation of audit quality control in audit planning, the first is related to the preparation of an annual monitoring plan that does not prioritize activities that have the greatest risk and are in line with organizational goals. After considering the existing resources at the Surakarta City Inspectorate, it is best for the Inspectorate in preparing the annual supervision plan to always prioritize activities that have the greatest risk, this is so that the supervision and audit process that will be carried out will be more effective and efficient.

Furthermore, the second strategy is to overcome the problem of the Inspectorate who has not communicated the annual oversight plan to organizational leaders and related units. can be better prepared, so that all requested data or information can be obtained more quickly, so as to prevent delays in the audit process from the timeline that has been made.

Strategies that can be implemented to improve the implementation of audit quality control in audit planning, the third is related to the Surakarta City Inspectorate which has not yet determined the amount of risk for all auditees, the Surakarta City Inspectorate should create and determine the amount of risk for all auditees, this is because the audit process is will be implemented to be more effective and efficient. Furthermore, the fourth strategy is related to the absence of the Surakarta City Inspectorate making a five-year medium-term audit plan. It would be better for the Surakarta City Inspectorate to make a five-year medium-term audit plan. This aims to prevent auditees from repeating the same mistakes, so that in the future there will be no findings. repeated.

Furthermore, the fifth strategy is related to the annual audit work program (PKAT) which has not been determined by the Inspectorate leadership, it is better if the Surakarta City Inspectorate determines the PKAT while still seeking approval from the Surakarta City Government (Mayor) organizational leadership, this aims to make human resources and time more effective which will be used. Then the sixth strategy used to deal with PKAT that has not been coordinated with the authorized Minister, it is best if the Surakarta City Inspectorate always coordinates with the authorized minister, and other APIP agencies so that overlapping supervision does not occur.

### **Analysis and Strategy for Implementing Quality Control in Compilation of Audit Work Plans and Programs**

Based on the analysis carried out on assignment card documents, audit time budget allocations, weekly reports, audit work programs, check list forms for completing planning assignments, and minutes of agreements, as well as the results of interviews with field assistant inspectors, middle auditors, the suitability between the preparation of plans and programs is determined. The audit work carried out by the Surakarta City Inspectorate with PKMA – APIP can be briefly seen in table 2. below:

#### **Table 2. Conformity between the Implementation of Preparation of Audit Plans and Work Programs with PKMA-APIP**

No	Description	Yes	No
1	In preparing audit work plans and programs at the audit team level, the audit team must carry out activities to determine targets, scope, methodology and resource allocation by taking into account: previous audit reports, audit objectives and required tests, internal control systems, understanding of rights and obligations, an effective and efficient audit approach	✓	
2	Based on the Annual Audit Work Program, the Quality Controller then appoints an audit team that will carry out the audit function, and the team consists of the Technical Controller, the Team Leader, and the Team Members	✓	
3	The team leader is assigned to complete the Assignment Card in 2 (two) copies, one included in the Audit Working Paper (KKA) and one copy submitted to the Technical Controller (Dalnis)	✓	
4	The Team Leader who has been appointed then proposes the budget allocation for inspection time to be provided for each type of work (activity) in the audit process, then as the control the Team Leader must complete the Time Budget Allocation Form.	✓	
5	The Technical Controller (Dalnis) always gives approval for the time budget allocation by signing the form, and this form is then stored in KKA so that it can be used as a reference for the implementation of audit activities	✓	
6	The Team Leader, assisted by team members, then conducts an analysis of the auditee's data, for which the objectives, scope, and methodology will be determined.	✓	
7	An analysis was carried out on the auditee's internal control and the auditee's compliance with laws and regulations as well as the possibility of fraud committed by the auditee	✓	
8	The progress of the implementation of the work (activities) is then outlined in a weekly report, which should be filled in gradually (daily).	✓	
9	The team leader together with the team members then prepare an audit plan in the form of an Audit Work Program which describes in detail the steps that will be taken in connection with the implementation of the audit and the Audit Work Program is approved by the Technical Controller (Dalnis) and known to the Quality Controller (Daltu).	✓	
10	After obtaining the Audit Work Program, Dalnis filled out the checklist form, as control over the implementation of audit planning work at the audit team level	✓	
11	Before carrying out the audit, the audit team coordinates with the auditee so that the audit can run as it should	✓	
12	Coordination procedures with auditees in audit planning have followed the procedures of PKMA-APIP	✓	
13	Agreement Minutes are documented in Audit Working Papers	✓	

In general, the implementation of the preparation of audit work plans and programs carried out by the Surakarta City Inspectorate is in accordance with PKMA-APIP. A strategy that can be implemented to improve the implementation of audit quality control in the preparation of Audit Work Plans and Programs (PKA), is that the Surakarta City Inspectorate should provide training related to audit techniques, because based on interviews with Assistant Inspectors, there



are many things related to the technical implementation of audits that are not yet known. This is so that Irban can provide better supervision.

### **Analysis and Strategy for Implementing Quality Control in Audit Supervision**

Based on the analysis conducted on the supervision review sheet form document and the results of interviews with field assistant inspectors and middle auditors, the suitability between the audit supervision that has been carried out by the Surakarta City Inspectorate and PKMA - APIP is in accordance with PKMA-APIP, however there are some that are not appropriate with PKMA-APIP, namely the first is that the Quality Controller (Daltu) has not carried out supervisory duties on Dalnis and all audit teams for audit work through a review of the supervision forms that have been carried out by Dalnis.

Furthermore, the second is that Daltu has not conducted a direct review with Dalnis and the Team Leader in a review meeting, as well as providing comments on audit performance and filling out supervision forms to communicate the results of the review. These two things are not in accordance with Chapter V, point 12 which explains that the quality controller must carry out supervisory duties on all audit teams and technical controllers for audit work carried out through a review of supervision forms by technical controllers, and quality controllers are also obliged to provide comments on audit performance and fill out supervision forms to communicate the results of the review.

Strategies that can be implemented to improve the implementation of audit quality control in audit supervision, the first is related to the absence of Daltu to carry out supervisory duties over all audit teams and dalnis on audit work, then the second is related to Daltu not having carried out direct reviews of Dalnis and Team Leaders by providing comments on audit performance by filling out the supervision form. Taking into account existing resources and the minimum requirement to be able to become a daltu is to have a class IV D rank, if possible the Surakarta City Inspectorate can request from other agencies to fill the vacant Daltu formation, or the Surakarta City Inspectorate can prepare human resources (HR. ) who is competent to fill the position of Daltu, one way is to provide opportunities for continuing education, in which the majority of the education levels of the Surakarta City Inspectorate employees are still dominated by bachelor degrees. If the Daltu formation has been filled in, the audit supervision carried out on the performance and quality of the audits that have been carried out can be more effective.

### **Analysis and Strategy for Implementing Quality Control in Audit Implementation**

Based on document analysis of the weekly test and evaluation report form, test and evaluation completion checklist, and the results of interviews with Assistant Inspectors, intermediate auditors, the conformity between the implementation of the audit carried out by the Surakarta City Inspectorate and PKMA-APIP is appropriate, however there are several things that not in accordance with PKMA-APIP, namely that strict supervision has not been carried out on the timeliness of audit implementation. This is not in accordance with PKMA APIP CHAPTER VI point 8, which stipulates that the timeliness of this audit must be strictly implemented.

Strategies that can be carried out to improve the implementation of audit quality control in audit supervision, which is related to the absence of strict supervision of the timeliness of audit implementation, it is suggested that the Surakarta City Inspectorate carry out strict supervision of the timeliness of audit implementation with the planned timeline. This is intended so that budget and time allocations can be measured more accurately, and audits can be carried out more efficiently and effectively.

Apart from that, in order to ensure that the implementation of audit quality control related to the implementation of audits can run well, it is recommended that the Inspectorate form a team whose task is to monitor the effectiveness of the implementation of the Inspectorate's audit quality control periodically, through peer review. This aims to ensure and guarantee that the implementation of quality control over the implementation of audits has been carried out adequately.

### **Analysis and Strategy for Implementing Quality Control in Audit Reporting**

Based on the analysis of the report preparation control form documents, review of report concepts, and report completion checklists as well as the results of interviews with Assistant Inspectors and middle auditors, the suitability between the audit reporting that has been carried out by the Inspectorate of Surakarta City and PKMA-APIP is in accordance with PKMA-APIP, will but some were not in accordance with PKMA-APIP, namely the Team Leader had not prepared the Report Concept Review form for Dalnis and Daltu. This is not in accordance with PKMA APIP CHAPTER VII point 6, which stipulates that the Team Leader must prepare a report concept review form for technical controllers and quality controllers.

Strategies that can be implemented to improve the implementation of audit quality control in audit supervision, related to team leaders and team members who have not prepared report concept review forms for Dalnis and Daltu, it is recommended that the Surakarta City Inspectorate provide training to team members and team leaders on how to prepare draft report review form document to be provided to Dalnis and Daltu. This aims to ensure that the LHA produced has gone through an adequate review process and is prepared in accordance with standards.

### **Analysis and Strategy for Implementing Quality Control in Follow-up Monitoring of Audit Results**

Based on an analysis of the findings concept form documents and follow-up plans, follow-up reports on audit findings, follow-up monitoring reports, and minutes of updating data, as well as the results of interviews with the Head of the Surakarta City Inspectorate, the suitability between the implementation of the Monitoring Follow-Up Audit Results (TLHP) which has been carried out by the Surakarta City Inspectorate with PKMA-APIP, which can be briefly seen in table 3. below:

**Table 3. Conformity between Follow-up Monitoring of Audit Results and PKMA-APIP**

No	Description	Yes	No
1	The Inspectorate has included follow-up monitoring activities in the strategic plan and annual supervision plan	✓	
2	The Inspectorate has created procedures for monitoring the implementation of follow-up actions based on the level of difficulty, timeliness, consideration of risks and losses	✓	
3	The Inspectorate has continuously monitored the follow-up carried out by the auditee	✓	
4	The audit team takes the previous TLHP status into consideration when conducting a re-audit of an auditee	✓	
5	When communicating audit findings with the auditee, the auditor has conveyed that the responsibility for carrying out follow-up actions on audit findings and recommendations lies with the auditee.	✓	

6	The audit team has prepared and submitted a form for submitting findings and a follow-up monitoring plan	✓	
7	The follow-up monitoring team has tested the effectiveness of the follow-up carried out by the auditee	✓	
8	The follow-up monitoring team has recorded and determined the follow-up status carried out by the auditee in the Inspectorate audit findings list	✓	
9	The implementation of the follow-up was deemed unsatisfactory, then the follow-up monitoring team reported this to the Inspectorate leadership	✓	
10	Based on the report, has the Inspectorate leadership sent a letter to the auditee to take additional actions so that the follow-up is complete and effective	✓	
11	If the deadline for completing the follow-up is exceeded, the Inspectorate will then issue and deliver a first warning letter to the auditee leadership for recommendations that have not been followed up and for follow-up that is still lacking.	✓	
12	The TLHP monitoring team has issued and submitted a second warning letter if follow-up has not been carried out beyond the period of time for the second warning letter.	✓	
13	The follow-up monitoring team has updated the follow-up on the balance of findings that have not been followed up and follow-up that is still lacking at least once a year	✓	
14	The results of the update are set forth in an official report signed by the auditee leader and the follow-up monitoring team	✓	
15	All forms and documents or supporting evidence have been properly documented, and there has been a separation between findings that have been followed up and findings that have not been followed up.	✓	

In general, follow-up monitoring of audit results carried out by the Surakarta City Inspectorate is in accordance with PKMA-APIP. Strategies that can be carried out to improve the implementation of audit quality control in monitoring follow-up audit results, which are related to results in updating follow-ups on balance findings that have not been followed up, have not been included in the minutes signed by the auditee leader, it is suggested that the Surakarta City Inspectorate it is better to make an official report signed by the auditee leader, this aims to facilitate administration if there are differences of opinion between the Inspectorate and the auditee.

### **Analysis and Strategy for Implementing Quality Control in Administrative and Human Resource Management**

Based on the analysis of the auditor's performance assessment document on the audit assignment and the results of interviews with the Head of the General Subdivision and the Head of the Personnel Subdivision, the compatibility between the implementation of administration and human resources that has been carried out by the Surakarta City Inspectorate with PKMA-APIP is in accordance with PKMA-APIP, will but some are not in accordance with PKMA-APIP, namely the first result is that there is no receipt for the filing of the Audit Working Paper (KKA) and Audit Result Report (LHA) which have been completed and have been approved by Daltu. Then the second is that KKA borrowing procedures have not yet been established, both for internal and external purposes.

Strategies that can be carried out to improve the implementation of audit quality control in administration and human resources, related to not yet providing a receipt for the Audit Working Paper documents and Audit Reports that have been completed and approved by Daltu, it is recommended that the Surakarta City Inspectorate provide a receipt for the document, it is useful for orderly archiving. Furthermore, related to the undetermined procedure for borrowing KKA, both for internal and external purposes, it is suggested for the Surakarta City Inspectorate to make a procedure for borrowing KKA. This aims to make it easier for parties who have a need for the KKA that has been worked on by the Surakarta City Inspectorate.

### **Peer-Reviewed Implementation Analysis and Strategy**

There are many demands from stakeholders regarding the quality of the Government Internal Audit Apparatus (APIP), which in this case is the Surakarta City Inspectorate. So apart from the Surakarta City Inspectorate carrying out internal assessments through continuous supervision, the Surakarta City Inspectorate should carry out peer reviews, which are based on the Inspectorate's peer review guidelines at least once every three years by an independent team which is usually carried out by other Inspectorate agencies. Based on interviews with Inspectors, the Surakarta Inspectorate has not carried out peer reviews by other agencies in order to guarantee and develop quality.

Strategies that can be implemented to improve the implementation of audit quality control in the implementation of peer reviews have not been carried out by the Surakarta City Inspectorate, so it is recommended that the Surakarta City Inspectorate ask another Inspectorate to carry out audit quality inspections with reference to peer review guidelines. This is useful so that the Surakarta City Inspectorate can get input regarding the weaknesses that exist in the organization, and then can improve it based on suggestions and input from the results of peer reviews by other Inspectorates.

### **CONCLUSION**

The purpose of this research is to analyze the implementation of audit quality control at the Surakarta City Inspectorate and what strategies can be applied to improve audit quality control at the Surakarta City Inspectorate. Based on the results of the analysis and discussion, it can be concluded that the implementation of audit quality control at the Surakarta City Inspectorate is not fully in accordance with the provisions stipulated in the Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 19 of 2009 concerning Guidelines for Audit Quality Control of Government Internal Supervisory Apparatuses (PKMA-APIP) and have not been examined through peer review by other Inspectorates.

Based on the above conclusions, it is suggested to the Surakarta City Inspectorate to improve the implementation of audit quality control in order to provide adequate certainty and assurance that the audit carried out is in accordance with audit standards. Based on the results of this study, it is expected that the leadership and all employees of the Surakarta City Inspectorate can implement the strategies recommended from this study to increase the effectiveness of audit quality control in order to provide adequate certainty and assurance that the audits carried out are in accordance with audit standards.

If a quality audit is carried out, then the results of the Inspectorate audit can be used by organizational leaders and auditees with full confidence so that they can provide benefits and improve overall organizational performance. Academically, the results of this study are expected to provide additional academic knowledge regarding the application of audit quality control at APIP agencies. For regulators, it is hoped that the results of this research can be used as material for discussion to develop technical guidelines for the implementation of audit quality standards for District/City Inspectorates in Indonesia.

## LIMITATION

A limitation in this research is that the instrument used in the analysis of the implementation of audit quality control in this research only uses PKMA-APIP and peer review. It is recommended that in future research other instruments can be added if there are updates to regulations or technical instructions from regulators or the Indonesian Government's Association of Internal Auditors. Apart from that, this research only interviewed several leaders, team leaders and team members at the Surakarta City Inspectorate. It is hoped that in the next research we can conduct interviews with all employees at the Inspectorate in order to get more comprehensive results.

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