



# Economics and Business Quarterly Reviews

---

**Anugraheni, E. P., Setiawati, E., & Trisnawati, R. (2022). Analysis of Risk-Based Internal Audit Planning Implementation and Its Impact on Audit Quality: Case Study at the Inspectorate of Surakarta, Indonesia. *Economics and Business Quarterly Reviews*, 5(3), 202-217.**

ISSN 2775-9237

DOI: 10.31014/aior.1992.05.03.448

The online version of this article can be found at:  
<https://www.asianinstituteofresearch.org/>

---

Published by:  
The Asian Institute of Research

The *Journal of Economics and Business* is an Open Access publication. It may be read, copied, and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but is not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.



ASIAN INSTITUTE OF RESEARCH  
Connecting Scholars Worldwide

# Analysis of Risk-Based Internal Audit Planning Implementation and Its Impact on Audit Quality: Case Study at the Inspectorate of Surakarta, Indonesia

Erika Pristiwati Anugraheni<sup>1</sup>, Erma Setiawati<sup>2</sup>, Rina Trisnawati<sup>3</sup>

<sup>1,2,3</sup> Muhammadiyah Surakarta University

Correspondence: Muhammadiyah Surakarta University, Indonesia. Phone: +62 815 4855 0424.  
E-mail: erikapristiwati@gmail.com

## Abstract

This study aims to determine the implementation of risk-based audit planning in the Inspectorate of Surakarta and its impact on audit quality. In addition, this study also identifies factors that hinder the implementation of the risk-based audit plan. The approach used in this research is a qualitative approach with a case study method. This study concludes, firstly, that the risk-based audit planning at the Inspectorate of Surakarta consists of the strategic planning stage, annual audit planning, and individual audit planning assignments. Second, the Inspectorate of Surakarta has encouraged the identification and risk assessment process for local government agencies through the preparation of a risk register, which has been well documented. But the Local Government Agency is taking a long time to send the Inspectorate its risk register. Furthermore, the impact of risk-based audit planning at the Inspectorate of Surakarta on audit quality can be seen from the value of the results of the external peer review in 2022, with the category "Good." In addition, risk-based audit assignments are able to narrow the scope of audits on high-risk programs and activities and save audit time. Factors that hinder the Surakarta City Inspectorate in implementing risk-based audit planning in terms of annual planning include the inadequate quality of risk management in OPD, delays in compiling risk registers in the Local Government Agency, and changes in nomenclature.

**Keywords:** Risk-Based Audit, Planning, Risk, Audit Quality, Inspectorate of Surakarta

## 1. Introduction

Internal audit plays an important role in providing adequate assurance that the activities of governance and accountability through the accountability system can be carried out as expected. According to Supreme Audit Agency and Government (BPKP) in 2018, internal audit is an independent and objective activity through

*assurance activities* and *consulting activities*. These activities aim to provide added value and improve the operations of an organization. An internal audit assists an organization in achieving its objectives through a systematic and orderly approach to assessing and improve the effectiveness of risk management, control, and governance processes in the public sector. Internal audit activities that are in line with the objectives of the regional government are very necessary in order to be able to provide added value and improvement in governance, organizational risk management, and internal control. Preparing strategic plans and Government Internal Supervision Apparatus (APIP)'s annual supervisory work plan or work program is important because these two plans are the basis for putting APIP's internal supervision activities into action within a certain time frame.

Internal audit has evolved through several phases of change. One of them is the paradigm that changes the audit orientation from a control-based *audit* to a risk-based *audit*. This change focuses on a high-risk area and will help the audit team do its job more effectively and efficiently (Coetzee and Lubbe, 2013).

Audit planning greatly impacts the quality of audit implementation and results. Any audit activity without planning will result in an audit that is not in accordance with the audit objectives. If each audit assignment is carried out with planning that is in accordance with the required resources and audit techniques, a high quality audit will be created. Another reason audit planning is important is so that the auditor can obtain competent evidence and achieve the audit objectives. Better audit planning will improve the quality of audit results. In paragraph 2010 of the Indonesian Government's Internal Audit Standard (SAIPI), it says that the APIP Leader must make a Risk-Based Internal Audit plan to figure out the order of importance of internal audits based on the organization's goals. APIP is required to prepare a five-year strategic plan in accordance with the laws and regulations. In addition, APIP is also required to prepare an Annual Supervision Plan, which contains a plan for audit activities and the required resources for one year. Priority determination of audit activities is based on risk *scoring* conducted by APIP and taking into account public complaints. According to Minister of Home Affairs Regulation, the annual supervision plan is made based on the principles of harmony, integration, avoiding overlap and repeated inspections, and paying attention to the efficiency and effectiveness of the use of supervision resources.

The Surakarta City Government, through Surakarta Mayor Regulation concerning Audit Standards for Government Internal Supervision Apparatuses at the Surakarta City Inspectorate, states that the Auditor coordinates with the secretary of the Inspectorate to prepare an annual audit and supervision plan with priority on activities that have risks. largest and most in line with the organization's objectives, as well as in paragraph (6). The auditor must manage and utilize the available resources economically, efficiently, and effectively and prioritize the allocation of these resources to activities that have high risk. This approach is known as "risk-based internal control planning."

Risk-based internal control planning can be applied optimally in conditions of *risk enabled and risk managed* (Chartered IIA, 2014). For the maturity level of the Surakarta City Government's internal control system in 2020, it has been at level 3 (defined) with a maturity value of 3.125. This means that the Surakarta City Government has implemented internal control practices that are well documented. While the APIP capability in 2020 has also been at level 3 (*integrated*), which means that the internal audit unit at the Surakarta City Government has had strategies and policies related to risk management and has been communicated, in addition to organizational management, it has also determined risk appetite.

The Surakarta City Inspectorate since 2017 has implemented the Risk-Based Annual Monitoring Work Program. By 2021, it will have given 16 Surakarta City Government Organizations each two separate tasks for risk-based audits. However, for these activities, there is no official source that describes in detail the process of implementing risk-based audit planning, so the author are interested in examining the implementation of risk-based audit planning at the Surakarta City Inspectorate from the strategic audit planning process to planning individual audit assignments and how such planning is able to improve the quality of audit results.

## 2. Literature Review

### 2.1 Agency Theory

This study refers to agency theory which explains the importance of transparency and accountability in the public sector. Agency theory explains the existence of agency relationships, where the company is a collection of agreements or contracts between the parties having economic resources (principals) and management (agents) who have the task of managing the use and control of resources. Such delegation of resources also means that the principal needs to place trust in the agent to act in the principal's best interest.

There are two problems in agency theory, namely (1) the existence of information asymmetry. Information asymmetry can occur when management as an agent has more information, both in terms of information about the company's financial position and operating position. (2) the emergence of a conflict of interest, because the agent does not always have the same goals as the principal (Messier, Glover, & Prawitt, 2014).

## 2.2 Contingency Theory

Contingency theory states that there is no best way to manage a corporation or company other than depending on the company's internal and external situations (Anwar, 2015). The basic premise of contingency theory was put forward by Zeithaml et al. (1988) that effectiveness, defined as the adaptation and survival of the organization, can be achieved in more than one way. Each of these methods is not equally effective in all conditions. Depending on the situation, some things you do or say to the organization are better than others.

Contingency theory can be applied to studies of organizational design, performance, and behavior, as well as studies of strategic arrangements (Sari et al. 2006). Contingency theory explains that the design and use of a control system depends on the performance system of the company in which the control is operated. So the appropriate control system varies depending on the company's settings.

The contingency theory approach in the field of management accounting is based on the fact that there is no management accounting system that can be applied to the entire organization completely and precisely in every situation and condition. Management accounting systems depend on situational factors within an organization.

## 2.3 Internal Audit

Internal audit has an important role in order to provide adequate assurance that the implementation and accountability of government activities through the accountability system can be carried out as expected. Skoczylas & Nowak (2012) explains that internal audit is an independent and objective assessment process from management that aims to improve and add value to an organization.

Meanwhile, according to *the* Institute of Internal Auditors (IIA) internal audit is an independent and objective assurance activity and consulting activity, both of which are designed to provide value added and improve organizational operations. Internal audit supports an organization to achieve its goals through a systematic and disciplined approach to improving the effectiveness of risk management processes, control processes and organizational governance processes.

The current focus of internal audit has shifted from being just a "watchdog" or "spy" whose presence is not liked by organizational units, to now being "consulting" which is able to assist an organization in achieving its goals.

The scope of internal audit activities can be grouped as follows:

a. Quality assurance activities, consisting of:

1) Audits:

(1) Financial Audit

(2) Performance Audit

(3) Audit with a Specific Purpose

2) Evaluation

3) Review

4) Monitoring

b. Other supervisory activities that do not provide quality assurance include consulting, outreach, and assistance.

#### 2.4 Risk Management

COSO ERM–Integrated Framework (2004), defines risk management as: “The process influenced by the president director, management and other personnel within the entity, which is applied to strategy formation throughout the company, designed to identify potential events that could affect the entity, and manage risk in line with the entity's risk appetite, to provide reasonable assurance against the achievement of the entity's objectives.”

The application of risk management in Indonesia is regulated by Government Regulation concerning the Government Internal Control System (SPIP). The elements of the Government Internal Control System (SPIP) include:

- a. Control environment
- b. Risk assessment
- c. Control activities
- d. Information and communication
- e. Internal control monitoring

Dewi (2017) was able to prove that there are differences in the tendency of an individual who has a low level of moral reasoning and a high level of moral reasoning and in conditions where there are elements of internal control and no elements of internal control in committing accounting fraud. The results of her research show that a person is more likely to do accounting fraud when there are no internal controls.

#### 2.5 Risk-Based Internal Audit Planning

Risk-based audit focuses more on high-risk areas, helps audit organizations conduct audit activities more effective and efficiently (Coetzee and Lubbe 2013), and provides value added by maximizing the use of limited audit resources (Zacchea 2003).

This risk-based audit approach has also been accommodated by international institutions engaged in audit services, including the International Financial Auditing Committee (IFAC), which publishes the International Standard of Audit (ISA). The risk approach is also carried out by the Institute of Internal Audit (IIA), the Information System Audit and Control Association (ISACA), and other audit institutions.

Risk-based internal auditing in Indonesia is regulated by the Regulation of the State Minister for Administrative Reform and Bureaucratic Reform Number 19 of 2009 concerning Guidelines for Quality Control of Government Internal Supervisory Apparatus Audits. Chapter III, states that APIP must prepare an annual monitoring plan with priority on activities that have the greatest risk and are in line with organizational goals.

From the planning side, SAIPI 2021 explains that the APIP leadership must prepare a risk-based internal audit plan to determine the priority of internal control in accordance with organizational goals.

In the Guidelines for the Concept of Risk-Based Internal Control Planning for Regional APIP (2018) The stages of preparing a risk-based internal control plan can be divided into five stages. The five stages include the preparation of the audited map (audit universe), assessment of the maturity level of risk management, determination of major risks, preparation of internal control plans, and delivery of information to Regional Government Leaders.

Audit planning includes the collection and analysis of initial data and information relevant to the audit assignment to be carried out. Audit planning consists of three parts, namely:

1. A strategic (long-term) audit plan is prepared for more than one year and must refer to the strategic plan.
2. Planning for the annual audit can identify the list of auditees, schedule, and audit objectives that will be covered in audit activities for the next one-year period.
3. Individual audit planning (audit assignments) At this stage, it begins with the appointment of a team that will be involved in an assignment. According to Zamzami et al. (2018), several steps must be taken in preparing for an audit assignment, namely:

1. Issuance of a letter of assignment
2. Coordination with other auditors
3. Auditee Notice
4. General information collection about the object to be audited
5. Preparation of assignment plan
6. Audit Program Planning

Meanwhile, according to the IIA Research Foundation '98, the steps for determining the audit object with a macro risk assessment are :

1. Determination of the audit universe
2. Risk identification
3. Elaboration and scoring of risk factors for potential auditable units
4. selection of auditable units
5. Planning development

### *2.6 Audit Quality*

Audit quality is the possibility of the auditor finding violations during the examination and ensuring that audit procedures and accounting processes and internal control systems at the auditee are in accordance with applicable regulations and comply with accounting standard rules. The quality of the audit plan made by the auditor has a big impact on how well the audit goes.

The quality of audit implementation is largely determined by the expertise of an auditor in conducting an audit of all resources in the auditee agency. The basic skills an auditor must have include how to make an effective and efficient audit plan. One of the efforts to improve audit quality is that an auditor must have the necessary knowledge, skills, and other competencies. An auditor also needs to know and understand things, especially when it comes to risk-based auditing.

Several steps for auditors to improve the quality of their audit results include:

1. improve education and training.
2. Maintain an independent attitude toward the task.
3. Using professional expertise in carrying out the audit.
4. Carry out the audit planning stages carefully.

### *2.7 Past Research*

Research related to risk-based internal audits, especially in the public sector, is still limited. This research was conducted by, among others, Coetzee and Lubbe (2013) wrote "Improving the Efficiency and Effectiveness of Risk-Based Internal Audit Engagements." The most interesting approach to this problem is to develop a model that incorporates the risk management process into the internal audit engagement process. Overall, the case studies show that if the model had been used, there would have been fewer audit procedures (which is more efficient) but all audit findings would have been included in the audit report (which is effective).

BW Hariadi (2020) in his research entitled Risk-Based Internal Audit Planning Analysis at the Main Inspectorate of the Central Bureau of Statistics (BPS RI) produced several conclusions, namely: First, the Main Inspectorate's internal audit planning is a continuous process that considers risks starting from the strategic planning stage, annual audit planning, and individual audit assignments. Second, risk-based internal audits cannot be carried out comprehensively in accordance with the IIA guidelines (2014) due to risk management not being fully implemented by the satkers at BPS RI. Third, the Main Inspectorate has included risk considerations in its audit planning process. Fourth, budget cuts, limited data, and limited methods or tools are all things that make it hard for the Main Inspectorate to do risk-based internal audit planning, especially when planning the annual audit. Then, the factors that hinder the audit assignment include the shortage of auditors and the long distance between the auditing work unit and the headquarters. Fifth, several influencing factors related to the acceptance of the WDP

opinion from BPK on BPS Financial Statements for Fiscal Year 2015, namely related to risks at the central level working unit, changes in accounting policies, and lack of anticipation of risks. In order to improve risk-based internal audit planning, the Main Inspectorate has taken a number of follow-up steps. These include implementing the E-SPIP program, setting up an audit desk, and inspecting the Provincial BPS Team from the inside.

A recent study was also conducted by Nugraheni and Pamungkas (2021) with the title Analysis of RBA implementation and preparation of audit programs in the Ministry of Villages, Development of Disadvantaged Regions and Transmigration. The purpose of this study is to analyze the implementation of the RBA on the audit conducted by the Supreme Audit Agency (BPK). The results showed that the implementation, performance, and monitoring of the RBA by the BPK Audit Team were in accordance with the instructions and guidelines set by the BPK.

### **3. Research Method**

The approach used in this research is a qualitative approach with a case study method. The case study approach is a research strategy in which the researcher carefully investigates a program, event, activity, process, or group of individuals (Creswell 2014).

This research took place at the Surakarta City Inspectorate and the research time was limited to 2021. Data collection techniques were carried out in 3 (three) ways, namely: in-depth interviews, literature studies, and questionnaires.

Data from interviews in this study will be analyzed using the Textual Data Analysis technique, which consists of a series of core analytical tasks, namely data coding, description, comparison, categorization, and conceptualization (Hennink et al. 2011).

The techniques that can be used to determine the validity and reliability of the data, namely triangulation between data sources and triangulation techniques.

### **4. Research Results and Discussion**

#### *4.1 Risk-Based Audit Planning*

Improving audit quality at the Surakarta City Inspectorate through a risk-based audit planning process is a continuous series of activities. This process starts from strategic audit planning to annual audit planning to planning audit assignments.

##### **4.2.1 Strategic Audit Planning (Long-Term)**

###### *4.2.1.a Strategic Planning (Renstra)*

Prior to entering into the annual audit planning process and individual audit assignments, the Surakarta City Inspectorate conducts audit planning, which begins with preparing a Strategic Plan (Renstra) every five years. This strategic plan is the guide for how supervising how local government works.

The preparation of the Strategic Plan of the Inspectorate of Surakarta City went through several stages. First, review the vision and mission of the elected regional head. Second, set goals. Third, develop a strategy. The preparation of the Strategic Plan is still based on the main tasks and functions of the Surakarta City Inspectorate, the vision and mission of the City of Surakarta, and taking into account the vision and mission of the relevant ministries.

###### *4.2.1.b Risk Based Audit Planning*

In general, neither the central nor the regional level of APIP Indonesia has conducted this risk-based internal audit completely and thoroughly. One of the problems is that there isn't enough risk maturity, which means that there isn't enough risk management to use as the basis for a risk-based internal audit. Surakarta City Government, Surakarta Mayor Regulation Number 5 of 2021, says that since 2021, the Surakarta City Government has carried out a full and specific risk identification and assessment process.

"Risk management, if it is implemented starting in 2020, it will only be complete starting in 2021." (R)

Actually, starting from 2012-2013, socialization has been carried out to the Surakarta City Government regarding risk identification and assessment procedures as the basis for determining the audit *universe* (audited map). However, due to a lack of understanding of risk-based planning, its implementation has been delayed. Risk-based audit planning at the Surakarta City Inspectorate starting in stages in 2019, and carried out by the planning sub-section accompanied by the SPIP Task Force.

The process of preparing the Audit universe for the first time was in 2016 with reference to the 2016-2021 RPJMD for the City of Surakarta. The basis for determining the *audit universe* is an understanding of the OPD business process. The *audit universe* is updated annually to adapt to changing conditions and the latest regulations.

Each OPD identifies the OPD risk itself accompanied by the Inspectorate. From the identification results, a risk assessment (scoring) is then carried out. After the risks are known, a Control Action Plan (RTP) is prepared. These three elements are called the Risk Register and are used as one of the basis for determining the audit universe.

For the Surakarta City government, a program of OPD activities is considered risky when the Risk Register score is in the range of 4–12. The higher the score, the higher the risk. The result of the Audit Universe scoring is a recommendation for the audit period, the number of audit days, and the budget needed for the audit.

"Well, later we will score the risk, then later in the ranking with high scores, later the recommendation is, later the audit is once a year for example, then later for the medium or low risk, meaning the audit period can be every two years or every three years." (B)

#### 4.2.2 Annual Audit Planning

##### 4.2.2.a Updating Audit Universe

Audit universe update is carried out by adjusting the latest regulations and the latest program scoring so as to produce the latest/ up to date risks.

Of the programs that have been set, scoring is done by each OPD (usually through the FGD process) of any programs and activities that have a high risk (risk scoring formula = scale of possibility x scale of impact). The results of the program scoring are then compiled with all OPDs.

After compilation, they will be ranked to determine auditable units. The next procedure is to include the budget for each of the high-risk programs as supporting data that can strengthen that the program is indeed at risk. The bigger the budget, the more priority it gets for auditing.

"There were some whose RTPs were less accurate, right, so why are we backing by using budget considerations for risk assessment as well. Like for example, according to this article, A is at risk, it turns out that A's budget is only small. This is program B, the budget is the biggest, it means that it's also a risky one, right, so we are not only considering the RTP but also considering the budget." (B)

##### 4.2.2.b Preparation of PKPT

The next step is to make the Annual Monitoring Performance Planning (PKPT) list based on the principles of harmony, integration, avoiding overlap and repeated inspections, and making sure that supervisory resources are used efficiently and effectively.



The basis for the preparation of the PKPT is the Surakarta Mayor's Regulation on Planning for Development and Supervision of Regional Government Administration or what is often referred to as Supervision Policy. The Perwali is derived from the Permendagri which is prepared every year. In the Perwali there are several supervisory focuses that must be included in the PKPT.

"Yes, the entire Jakwas mandate is usually. So the mandatory ones are installed first, only after that we analyze the ones that are not included using RBA Plan. Because mandatory must be implemented. Because of the laws and regulations. The mandate varies depending on the central policy, depending on the regulation." (H)

Both Minister of Home Affairs Regulation Number 23 of 2020, which is about Planning for Development and Supervision of Regional Government Administration in 2021, and Surakarta Mayor Regulation No. 1.1 of 2021, which is about Planning for Guidance and Supervision of the Implementation of the Surakarta City Government in 2021, show where supervision will be most important in 2021.

Next, The basis for the preparation of the PKPT is the Risk Register, which is compiled by each OPD every year. However, the obstacles that occur are that the preparation of the risk register by the OPD is often late, so when it is compiled to be used as the basis for the preparation of the PKPT, it is not fully possible. So the budget factor must be added to each program as a basis for risk assessment.

"Actually, the PKPT element is that the risk register should have been completed in October of the previous year. So if we want to audit in 2022, it should have been made in October 2021 and then attached to the RKA, so that the DPA before it was stipulated there was already a register. That is the basis for the PKPT." (R)

#### *4.2.2.c Information and Communication*

Communicating with external parties is carried out with the Provincial Inspectorate to avoid overlapping supervision through the Program Synchronization Meeting (Rasingram) with the output of the APIP Annual Supervision Plan signed by the Central Java Provincial Inspector and Surakarta City Inspector. The implementation of this communication is parallel to the preparation of the PKPT as the basis for finalizing the PKPT.

Further communication is carried out between APIP and the Regional Head through the submission of a Memorandum of Service Requesting the approval of the Surakarta Mayor's draft Regulation on Planning, fostering and supervising the administration of the Surakarta City Government. After everything is approved, the Mayor's Regulation is issued which is then revealed in the Inspector's Decree concerning the Surakarta City Government's Annual Supervision Work Program.

The PKPT Inspectorate of Surakarta City contains a list of audit objects, audit objectives, scope, number and composition of the team, inspection days, required budget/costs, plans to start monitoring, plans to issue reports and the number of reports to be published. However, this PKPT is not absolute. Determination of the object of inspection and auditing schedule will dynamically adjust to the latest regulations and the latest risks faced by the OPD.

#### *4.2.2.d Monitoring*

Monitoring and evaluation of the implementation of Risk-Based Internal Audit Planning are carried out by BPKP Representatives of Central Java Province every year together with all Regional Governments in Central Java Province.

The monitoring is carried out to find out the obstacles faced by each Regional Government and to encourage improvements in the implementation of Risk-Based Internal Audit Planning.

#### *4.2.3 Individual Audit Assignment Planning*

Individual Audit Assignment Planning begins with the preparation of an Assignment Order for each team by the planning department and signed by the Inspector based on the PKPT that has been prepared. However, as previously written, the references in the PKPT are not absolute. Determination of the object of inspection and auditing schedule will dynamically adjust to current conditions or whether there is an immediate mandatory assignment, either from the central government or regional heads.

“And then there were no reviews as much as now. In the past, regulars were our mandatory. Now everything is reviewed. The schedule is just delayed, going back and forth back and forth, so it's okay to move the bottom one up first, so it's shifted around. So that's how it is, very dynamic, very dynamic.” (B)

The formation of the composition of the audit team at the Surakarta City Inspectorate has basically been determined at the beginning of the year by a Decree of the Mayor of Surakarta. The composition consists of 4 Assistant Inspectors, each of whom oversees 2 audit teams. Based on the Annual Supervision Work Program, the APIP Leader through the Secretary together with the Planning section arranges a Team consisting of the Inspector in Charge, Assistant Inspector as Assistant in Charge/Quality Control, Technical Controller in charge of 2 teams, Team Leader, Team Members.

Assignment of Risk-Based Audit at the Surakarta City Inspectorate in 2021 has been carried out to 16 Regional Apparatuses in the Surakarta City Government area. The preparation of a Risk-Based Audit Task Order, in addition to including the composition of the team and the assignment schedule, also includes the Regional Apparatus programs that must be audited.

After the assignment letter is completed, it is then handed down to each team. The next step is the team leader with the review/revision of the Technical Controller and the Assistant in Charge to analyze the auditee's internal control and auditee's compliance with laws and regulations as well as the possibility of fraud in accordance with the program of activities that have been stipulated in the Risk-Based Internal Audit Task Warrant. The results of the analysis are stated in the Audit Work Program as a guide in the implementation of the examination. The Audit Work Program which has been approved by the Technical Controller and Quality Control, is submitted to the APIP Leader through the Planning section. In addition, the team also coordinates with the evaluation and reporting department to ascertain when the SKPD was last audited and the types of findings last year.

The next step is to carry out internal coordination within the team to determine the time to go to the object of examination and the documents to be borrowed for the implementation of the preliminary examination. Next, an *entry meeting will be held*.

#### *4.3 Impact of Risk-Based Internal Audit Planning on Audit Quality.*

Quality assurance at the Surakarta City Inspectorate is stated in the Surakarta City Inspector's Decree number 0285 of 2020 concerning Guidelines for Quality Control Audits for Internal Supervisory Apparatuses of the Surakarta City Government. In the Quality Control Guidelines, it is stated that in order to realize quality APIP supervision in accordance with the audit mandate of each APIP and APIP audit standards, an audit quality control system is required.

Because the implementation is still quite new, it is necessary to analyze the impact of implementing risk-based audit planning on audit quality.

##### *4.3.1 Implementation of the review.*

###### *4.3.1.a Implementation of tiered reviews*

In the audit standard it is stated that at each stage of the performance and investigative audit, the auditor's work must be adequately supervised to ensure the achievement of objectives, quality assurance, and improvement of the auditor's ability. One of the implementations of this supervision is through a tiered review of individual audit

assignments, starting from the team leader supervising team members – technical control over the audit team – assistant in charge/quality control over the overall audit results – secretary – Inspector.

"Reviews for reviews mean that inter-Irban reviews or tiered reviews are corrected. A review is tiered, like KKA is reviewed in stages, corrected, that's also called a review." (M)

The implementation of the tiered review has been based on the Audit Quality Control Guidelines in the Surakarta City Inspector's Decree number 0285 of 2020 dated January 31, 2020 regarding the Guidelines for Quality Control Audits of Internal Supervisory Apparatuses of the Surakarta City Government. The review aims to test the accuracy of the audit findings to the preparation of the Audit Results Report concept so that APIP can produce quality audit reports that meet audit standards.

#### *4.3.1.b Implementation of peer review / internal peer review*

Based on the provisions of Article 55 of Government Regulation Number 60 of 2008 concerning the Government's Internal Control System, to maintain control and improve the quality of the audit results of the Government Internal Supervisory Apparatus (APIP) periodic peer reviews are carried out. Therefore, an internal peer review team was formed at the Surakarta City Inspectorate to ensure that the implementation of the audit tasks reviewed was in accordance with auditing standards and APIP audit quality control guidelines. The basis for this internal peer review is stated in the Decree of the Surakarta City Inspector number 07 of 2022 concerning the Establishment of an Internal Peer Review Team within the Surakarta City Inspectorate.

For internal peer review, it is carried out between teams periodically with a sample of several assignments. The implementation of this internal peer review will only be carried out in 2021.

"Yes, after the LHP was merged, it was in the routing slip, then in the peer review now it is required to be like that. So my friends have also tried to adjust. That peer review has been running since last year. Peer review is to ensure that our friends have carried out according to the standards that have been set" (R)

#### *4.3.1.c Implementation of peer review / external peer review*

External peer review is an assessment process carried out between inspectorates in Central Java Province with the aim of assessing the suitability of the Surakarta City Inspectorate's internal control practices against standards. An external peer review / review has been carried out at the Surakarta City Inspectorate in 2022 to assess supervisory activities in 2021, but the review is comprehensive in terms of supervisory activities within the Surakarta City Inspectorate.

"If you reviewed yesterday's peer review, broadly speaking, you can. Because our PKPT has been referred to... even though it's not completely risk-based, but it's not comprehensive, you know. He's already referring to risk-based. So if it is based on risk, then in peer reviews, what is done automatically is also risk based. If we talk about it in general terms, we can. But when it comes to details, not yet." (R)

Based on the results of the study, the Surakarta City Inspectorate's internal supervision practices are rated as "Good." This means that governance, professional practice, and auditor communication have been designed well and most have been done well in line with auditing standards. APIP has an adequate internal control structure, policies, and procedures that are required, and most of them have been carried out consistently in the organization and implementation of APIP's internal control. The "good" conclusion allows room for improvement and improvement, especially in terms of consistency in the implementation of audit standards in a number of areas.

#### *4.3.2 Compliance with planning.*

##### *4.3.1.a Strategic and annual audit planning.*

In terms of PKPT preparation, the planning carried out by the Surakarta City Inspectorate has referred to the risk-based internal control planning guidelines issued by BPKP. Where the preparation of the audit universe has been in place since 2016 when the RPJMD was initially stipulated and continues to assess the maturity level of OPD risk management. The preparation of the annual plan is also carried out on the basis of the audit universe by taking

into account changes in conditions that occur as well as being guided by the supervisory policies issued by the Ministry of Home Affairs every year. Intensive communication has also been made to regional heads and external auditors.

However, the preparation of the planning cannot be said to be fully risk-based, there are still several things that are not appropriate, including the quality of risk management carried out by each OPD is not adequate, so that the risk register cannot really be used as the basis for the preparation of an internal control plan based on at the Surakarta City Inspectorate. It is necessary to add other criteria as the basis for the preparation of risk-based PKPT, including the budget.

Another thing that hinders the conformity of the realization of the assignment with the PKPT that has been prepared is the mandatory assignment from the central government whose execution time cannot be ascertained, so that it often causes a shift in the schedule of the object of inspection.

"It used to be set at the beginning of the year, the PKPT has been fixed for 1 year and it won't change, now it can't. If you didn't use a risk assessment like this in the past, it's just this OPD, that's all, that's just the way it is. Just cap cip cup. And then there were no reviews as much as now. In the past, regulars were our mandatory. Now everything is reviewed. The schedule is just delayed, going back and forth back and forth, so it's okay to move the bottom one up first, so it's shifted around. So that's how it is, very dynamic, very dynamic." (B)

#### *4.3.1.b Planning of individual audit engagements.*

Each audit team has basically compiled an Audit Work Program (PKA) for each audit assignment as a guide for the division of tasks in the implementation of the audit. However, in practice, due to the lack of human resources, each individual works together and complements each other in all aspects of work.

In terms of implementation until the completion of the report, there are often delays due to the high workload and lack of human resources. However, in 2020-2021, there has been an increase in the timeliness of report completion. Moreover, risk-based audit assignments are more focused on certain programs and activities, thereby shortening the inspection time.

#### *4.3.3 Improvement of audit quality.*

There is a positive side to risk-based audit assignments for improving audit quality, namely that auditors can be more focused on planning and carrying out audits because high-risk programs and activities have been established, which means narrowing the scope of the audit and saving audit time. Another positive side is that planning preparation can be more detailed and in-depth in order to analyze data and problems that occur and/or may occur so as to be able to obtain higher quality output, be able to detect weaknesses in internal control and comply with laws and regulations better and earlier. , able to act as an early warning system so as to be able to provide more appropriate solutions in the form of recommendations.

"Oh, I think we have been able to improve audit quality because we as a team of examiners already know which focus to focus on or deepen the audit, so especially for large audits like the agency or agency, we can do that, with risk-based planning to focus on we can be on one thing or a program that has a high risk so that it can, besides saving time we can also explore it." (F)

#### *4.3.4 Independence and objectivity.*

The independence of the audit is indicated by the openness of the auditee in providing the information needed by the auditors. In addition, the approval of the Surakarta City Government's Annual Supervision Work Program (PKPT) in 2021 which includes a risk-based monitoring plan, supervision budget and resource plan as well as the approval of budget submissions in the form of the Surakarta City Inspectorate's Budget Implementation Document (DPA). independence of the Surakarta City APIP.

Furthermore, the Auditor must have a neutral and unbiased attitude, and always avoid the possibility of a conflict of interest. The Surakarta Inspectorate has data regarding the list of family/kinship relationships between the auditor and the audited party to ensure that the auditor does not receive an assignment to an agency that could create a conflict of interest.

"There is already a conflict of interest, if there are relatives or family there, it is impossible to include them in the assignment letter, so the object must be free from any conflict of interest with the examiner." (M)

In order to emphasize and remind APIP auditors at the Surakarta Inspectorate regarding independence and objectivity, in every issuance of an Assignment Order, at the very bottom it is always written, "Based on Mayor Regulation Number 27 of 2013 concerning Code of Ethics for Government Internal Supervisory Apparatus at the Surakarta City Inspectorate Article 11 paragraph 3 states that in the implementation of APIP's duties it is prohibited to accept or request a gift from the auditee / Regional Apparatus related to professional decisions and considerations."

The Inspectorate of the City of Surakarta has also made policies and disclosure mechanisms for obstacles to auditor independence or objectivity through the preparation of a Code of Ethics and Integritas Pact signed by each APIP.

#### 4.3.5 Quality of Human Resources.

Training on risk-based planning was carried out in 2017-2018 for planning personnel and some functional officials with resource persons from BPKP. Meanwhile, in 2021, a risk-based audit self-employment training (PKS) has also been carried out as well as an integrated SPIP risk management and maturity assessment workshop. However, these various trainings were deemed insufficient to provide knowledge and understanding of risk-based auditing.

"...because of the low level of risk-based knowledge, there has been no internal evaluation, so it's not optimal either. Well, let's just live it, but we can't ideally do it, asking one by one is not necessarily able to answer, no one really understands which one is right." (M)

The knowledge possessed by the APIP auditors is then general knowledge about Regional Apparatus Organizations, Internal Control Systems and auditing and accounting theory. In addition, there has been no internal evaluation regarding the appropriateness of the implementation of risk-based audit assignments.

#### *4.4 Barriers to the Implementation of Risk-Based Internal Audit Planning.*

##### 4.4.1 Barriers to Annual Risk-Based Audit Planning.

###### *4.4.1.a Quality of Risk Management in OPD.*

In the Surakarta City Government, the risks disclosed in the risk register of each OPD sometimes do not show the actual risk in that OPD. It can be said that the quality of risk management in OPD is not adequate. This is because the OPD has not been serious in conducting risk analysis and is still reluctant to disclose the actual risk, so that sometimes serious risks are not disclosed in risk management, which means they do not represent the real risks. Another reason is that those who compile a risk management analysis in an OPD are not the technical team but the personnel in the planning department so that they do not know the actual risks in the field.

###### *4.4.1.b Delay in compiling the risk register at the OPD.*

According to the Deputy for Regional Financial Implementation Supervision Regulation number 04 of 2019 concerning Guidelines for Risk Management in Regional Governments, OPD operational risk assessment is carried out simultaneously with the process of preparing OPD RKA documents starting with the issuance of circulars from Regional Heads regarding guidelines for OPD RKA preparation. The Head of the OPD is expected to have a draft of the OPD strategic and operational risk assessment at the time of the preparation of the RKA OPD.

But what happened in the Surakarta City Government, the preparation of the Risk Register document was often too late. The Surakarta City Inspectorate as an assistant to the OPD Risk Management management has tried to encourage the acceleration of the preparation of the risk register through Circulars and assistance to the OPD, but this has not been able to make the OPD send its Risk Register on time, so the Surakarta City Inspectorate has difficulty in compiling an Audit-Based Planning. Accurate risk.

"We will make the 2021 PKPT in October 2020. But in reality, not all OPDs have completed it in October. Some are in January, some are in March 2021. So when we want to collect them to be used as the basis for a risk-based PKPT, we can't." (R)

#### *4.4.1.c Changes in Nomenclature.*

The issuance of the Decree of the Minister of Home Affairs number 050-3708 of 2020 concerning the Results of Verification and Validation of Updating Classification, Codefication and Nomenclature of Development Planning and Regional Finance, has an impact on the preparation of development planning and regional budgets for the City of Surakarta in 2021. So, in 2021 there will be a change in Classification, Codefication, and Nomenclature of affairs, fields of affairs, programs, activities, and sub-activities; function; organizations and accounts in the Surakarta City Government.

This change resulted in the unsynchronization of the Risk Register that the OPD had compiled in 2020 with the 2021 Budget Implementation Document (DPA) due to differences/changes in the names of programs and activities. So the planning section of the Surakarta City Inspectorate must adjust the activity program on the Risk Register with the activity program listed in the 2021 DPA.

"Oh, if the nomenclature is different. So it's time to collect programs and activities, then the program for these activities is scored. What is the score from, from RTP. But from the RTP, the name of the activity program is different from the current one... It's like a different name, you know." (B)

#### 4.4.2 Barriers to Planning Risk-Based Individual Assignment Assignments.

##### *4.4.2.a Guidelines for the Audit Work Program (PKP / PKA).*

The absence of standard guidelines in the preparation of PKP/PKA risk-based audits causes each team to define their own PKP/PKA preparation so that the accuracy of the preparation of PKP/PKA for risk-based audits cannot be ascertained. This is contained in the following interview excerpts:

"From PKP, yes... if from PKP there is no standard guideline, what is the correct way to include anything in the PKP. Actually, even between teams, the meaning is not the same." (M)

##### *4.4.2.b Period of inspection, quantity of personnel and workload.*

The Surakarta City Inspectorate has 157 inspection objects, which are divided into various audit assignments and mandatory. The high workload results in a narrow number of inspection days plus an inadequate number of auditor personnel, which only has 28 functional officers, which is still very low when compared to the job analysis and workload analysis that have been prepared. This causes assignment overload and timeliness with the plans that have been prepared.

##### *4.4.2.c Quality of Auditors.*

The lack of training and knowledge regarding risk-based auditing was revealed by the informants in this study. Lack of training results in different perceptions of risk-based audit planning.

## **5. Conclusion**

First, risk-based audit planning at the Surakarta City Inspectorate is a continuous process of considering risks starting from the strategic planning stage, annual audit planning, and planning individual audit assignments. Second, the risk-based audit planning stage at the Surakarta City Inspectorate is in line with the Risk-Based Internal

Control Planning Guidelines issued by BPKP, where the Surakarta City Inspectorate has encouraged the identification and assessment of risks to OPD through the preparation of risk registers and has been well documented. However, the process of completing and submitting the OPD risk register to the Inspectorate is often not timely or is delayed. So, the annual planning (PKPT) needs to include a budget as one of the things to think about.

Furthermore, the impact of risk-based internal audit planning at the Surakarta City Inspectorate on audit quality can be seen from the value of the suitability of internal control practices based on the results of an external peer review in 2022 by APIP in the ex-Surakarta Residency, namely the Surakarta City Inspectorate in the category "Good", which means the suitability of the internal supervision practices of the Surakarta City Inspectorate with the standards of governance, professional practice, and auditor communication have been designed adequately and most of them have been carried out effectively in accordance with auditing standards. In addition, risk-based audit assignments are able to narrow the scope of audits on high-risk programs and activities and save audit time so as to obtain a higher quality output and be able to act as an early warning system.

The third conclusion is the factors that hinder the implementation of risk-based internal audit planning in the Surakarta City Inspectorate, namely from the side of the Risk-Based Audit Annual Planning, including the inadequate quality of risk management in the OPD, the delay in compiling the risk register at the OPD, so that they have difficulty in preparing the Audit-Based Planning. Accurate risk, Because the names of programs and activities have changed, the Risk Register made by the OPD in 2020 and the 2021 Budget Implementation Document (DPA) match up.

## 6. Suggestions

Based on the results of the discussion of the research results described in Chapter IV, the researcher makes a number of suggestions that the Surakarta City Inspectorate can take into account to improve risk-based audit planning. These are:

1. The key to good risk-based audit planning is the accuracy of the risk identification and assessment process, including the timely submission to the Inspectorate. In the future, the Surakarta Inspectorate can ask OPD to send in its risk register during the review of the Work Plan and Budget (RKA). As a result, the RKA sent by the OPD must be accompanied by the Risk Register.
2. establishment of an OPD risk management monitoring and evaluation team. In order to improve the quality of OPD risk, the Surakarta City APIP must also monitor the preparation of the risk register and the extent of the implementation of risk management in the OPD. In addition, APIP should also evaluate the preparation and implementation of risk management by assessing the effectiveness of the built-in risk controls and identifying the controls that are still needed.
3. Improving the quality of the government's internal supervisory apparatus (APIP) of the Surakarta Inspectorate. increasing APIP's competence regarding risk-based auditing by intensifying education and training, discussions, and workshops/seminars starting from the planning process, implementation, and risk-based audit reporting. so that a uniform understanding is obtained between APIP auditors.

## 7. Limitations

The limitations of this research are:

1. The object of this research is only the Surakarta City Inspectorate, so the analysis and conclusions obtained only come from the point of view of the internal auditors and the management of the Surakarta City Inspectorate and have not been able to uncover problems from the audited point of view (OPD) or vertical parties, such as the Provincial Inspectorate, BPK, and BPKP, to produce a more comprehensive analysis.
2. This research only involves the Surakarta City Inspectorate and has not involved other APIPs. If you look at a wider range of objects in your research, you can draw deeper conclusions about how risk-based audit planning affects audit quality.

## References

- Indonesian Government Internal Auditor Association. (2021). *Regulation Number: PER-01/AAIPI/DPN/2021 about Indonesian Government Internal Audit Standar.*
- Anwar, Mokhamad. (2015). Contingency Theory and Its Implications to Corporate Financial Planning and Organization Structure. *JAM : Jurnal Aplikasi Manajemen*. Vol 13 no. 3.
- Ayagre. (2014). *The Adoption of Risk Based Internal Auditing in Developing Countries: The Case of Ghanaian Companies*, 2, 52-65. Retrieved November 15, 2016.
- Castanheira, N., Lima Rodrigues, L., & Craig, R. (2009). Factors associated with the adoption of risk-based internal auditing. *Managerial Auditing Journal*, 25(1), 79-98. <https://doi.org/10.1108/02686901011007315>
- Chartered Institute of Internal Auditors. (2014). *Risk Based Internal Auditing*. <https://www.iaa.org.uk/resources/risk-management/risk-based-internal-auditing?downloadPdf=true>
- Coetzee, H., & Fourie, P. (2009). Perceptions on the role of internal audit function in respect of risk. *African Journal of Business Management African Journal of Business Management*, 3(13).
- Coetzee, P dan Lubbe, D. (2013). Improving The Efficiency and Effectiveness of Risk-Based Internal Audit Engagements. *International Journal of Auditing*. John Wiley & Sons.
- Creswell, J.W. (2013). *Research Design Qualitative, Quantitative, and Mixed Method Approach (4th ed.)*. Yogyakarta, Indonesia: Pustaka Pelajar.
- COSO ERM Integrated Framework. (2004). *The Committee of Sponsoring Organizations of the Treadway Commission*.
- Darmasto, G. (2015). *Contribution to encourage an effective APIP Role*. Retrieved from <http://pusbinjfa.bpkp.go.id>.
- Deputy for Supervision of Regional Financial Administration. (2018). *Guidelines for the Concept of Risk-Based Internal Control Planning for Regional APIPs*. Development Finance Supervisory Agency. <https://apip.bpkp.go.id/pedoman/Pedoman/P08-Pedoman-Perencanaan-Pengawasan-Berbasis-Risiko.pdf>
- Dewi, Gusti Ayu Ketut. (2017). The Influence of Individual Morality and Internal Control on Accounting Fraud (Experimental Study on Bali Provincial Government). *Jurnal Ilmiah Akuntansi*.
- Erlina, Putri, D. R., Sopanah, A., & Young, I. (2018). A Model of Successful Risk Based on Internal Audit Implementation in Regencies / Cities In North Sumatra. *International Journal of Civil Engineering and Technology (IJCIET)*. Vol. 9 Issue 9. 615-627. [https://www.researchgate.net/publication/336716101\\_Model\\_of\\_Successful\\_Risk\\_Based\\_Internal\\_Audit\\_Implementation\\_in\\_RegenciesCities\\_in\\_North\\_Sumatera](https://www.researchgate.net/publication/336716101_Model_of_Successful_Risk_Based_Internal_Audit_Implementation_in_RegenciesCities_in_North_Sumatera)
- Hariadi, Bayu Wicaksono. (2020). Analysis of Risk-Based Internal Audit Planning at the Main Inspectorate of the Central Bureau of Statistics. *Accounting and Business Information System Journal*. Vol 8 no. 1. <https://journal.ugm.ac.id/abis/article/view/58883>
- Hennink, M., Hutter, I., Bailey, A. (2011). *Qualitative Research Methods*. London: SAGE Publications, Ltd.
- Herawati, Tuti. (2014). The Effect of Internal Control System on the Quality of Financial Reports (Survey on Cianjur Regional Government Organizations). *Study and Accounting Research*. Vol. XI no. 1. DOI: <https://doi.org/10.55916/jsar.v11i1.44>
- KPMG. (2013). *Taking the Pulse a Survey of Internal Audit in Singapore 2013*.
- Messier, William F., Steven M. Glover, Douglas F. Prawitt. (2014). *Audit Services and Assurance*. 8<sup>th</sup> edition. Jakarta: Selemba Empat.
- Nugraheni, Nur Meilani Tri and Bambang Pamungkas. (2021). Analysis of RBA implementation and the preparation of an audit program at Ministry of Villages, Development of Disadvantaged Regions and Transmigration. *Jurnal Tata Kelola dan Akuntabilitas Keuangan Negara*. Volume 7, Number 1, Jan-Jun 2021, 77-93. <http://jurnal.bpk.go.id/index.php/TAKEN/article/view/489>
- Pujiono, P., & Jati, I. (2007). The Effect of Public Sector Audit on the Development of Government Accounting in Indonesia. *Jurnal Ilmiah Akuntansi dan Bisnis*. Vol. 2 no. 2. <https://ojs.unud.ac.id/index.php/jiab/article/view/2557>
- Regulation of the Deputy for Supervision of Regional Financial Administration Number 4 of 2019 concerning Guidelines for Risk Management in Regional Governments.
- Surakarta Mayor Regulation number 29 of 2013 concerning Audit Standards for Government Internal Supervisory Apparatus at the Surakarta City Inspectorate.
- Surakarta Mayor Regulation Number 1.1 of 2021 concerning Planning for Guidance and Supervision of the Implementation of Surakarta City Government in 2021.
- Surakarta Mayor Regulation Number 5 of 2021 concerning Guidelines for Risk Management in the Surakarta City Government.
- Prakoso, Robby. (2020). *Covid-19 : The New Normal Risk Based Internal Auditing*. <https://robyprakoso.wordpress.com/2020/05/12/covid-19-the-new-normal-risk-based-internal-auditing/>



- Prasasti, Dea. (2014). *Performance Audit Planning With a Risk-Based Internal Auditing Approach at the Inspectorate General of the Ministry of Energy and Mineral Resources*. Master's Degree Thesis. Gadjah Mada University.
- Republic of Indonesia. (2007). Minister of Home Affairs Regulation Number 23 of 2007 concerning Guidelines for Supervision of Regional Government Administration.
- Republic of Indonesia. (2008). Regulation of the Minister of State for the Utilization of State Apparatus Number PER/05/M.PAN/03/2008 about Audit Standar Government Internal Supervisory Apparatus.
- Republic of Indonesia. (2008). Government Regulation Number 60 of 2008 concerning Government Internal Control System.
- Republic of Indonesia. (2009). Regulation of the State Minister for the Empowerment of State Apparatus and Bureaucratic Reform 19 of 2009 concerning Guidelines for Quality Control of Government Internal Supervisory Apparatus.
- Republic of Indonesia. (2016). Minister of Finance Regulation number 12/PMK.09/2016 concerning Implementation of Risk Management in the Ministry of Finance.
- Republic of Indonesia. (2020). Minister of Home Affairs Regulation Number 23 of 2020 concerning Planning for Guidance and Supervision of the Implementation of Regional Government in 2021.
- Rahmawati, Lis. D. 2015. *Analysis of Changes in PKPT Preparation at the DIY Inspectorate*. Master's Degree Thesis. Gadjah Mada University.
- Sari, R.N., Ainuddin, R.A. and Tengku Abdullah, T.A. (2006). The impression of a match between strategic management accounting and trading strategy on firm performance. *Jurnal Pengurusan*, 25, 87-109. <http://journalarticle.ukm.my/8071/1/874-1659-1-SM.pdf>
- Scokzylas, A. & Nowak, W.A. (2012). The Era of Internal audit in the Public Finance Sector in Poland. *Journal of US-China Public Administration*, 9(1), 8-25
- Setiawan, Hajar. (2014). *The Effect of Auditor Competence and Independence on Audit Quality with the Application of Risk-Based Auditing as a Moderating Variable (Case Study at the Inspectorate of West Kalimantan Province)*. MAKSI UNTAN. Vol. 4 no. 1 <https://jurnal.untan.ac.id/index.php/maksi/article/view/28316>
- Susanto, Slamet. (2020). The Role of Government Internal Supervisory Apparatus in Optimizing Risk Management Implementation. *Jurnal Pengawasan*, Vol. 2 (2). <https://www.bpkp.go.id/public/upload/unit/puslitbangwas/files/Jurnal%20Pengawasan%20Vol.%202%20No.%202%20September%202020.pdf>
- Sugiyono. (2009). *Quantitative and Qualitative Research Methods*. Bandung, Indonesia: CV.Alfabeta.
- Suwanda, Dadang, Burdan Ali Junjuran, Ellen Rusliati. (2019). *Risk Management: Regional Financial Management as an Effort to Increase Public Transparency and Accountability*. Rosda Bandung.
- The Institute of Internal Auditors Inc. (1998). *Standards for the Professional Practice of Internal Auditing*. Institute of Internal Auditors, Altamonte Springs, Florida.
- Tuanakotta, T. M. (2013). *ISA (International Standards on Auditing) Based Audit. First Edition*. Salemba Empat. Jakarta.
- Tunggal, Amin Widjaja. (2007). *Management Audit*. Jakarta : Rineka Cipta.
- Yin, Robert K. (2015). *Case Study: Design and Method*. Jakarta: Rajawali Pers.
- Zacchea, Nicholas M. (2003). Risk-Based Audit Target Selection Can Increase The Probability of Conducting Value-Added Audits. *The Government Accountants Journal: Financial Management in the Public Sector*. Vol. 52.2003, 1, p. 22–38.
- Zamzami, Faiz. Ihda Arifin Faiz. Mukhlis. (2018). *Internal Audit Concepts and Practices*. Gadjah Mada University Press.
- Zeithaml, Valarie, A.P. "Rajan" Varadarajan, Carl P. Zeithaml. (1988). The Contingency Approach: Its Foundations and Relevance to Theory Building and Research in Marketing. *European Journal of Marketing*, Vol. 22 Iss: 7.