

## Organizational Resources Capability of the Government Internal Supervisory Apparatus (APIP) in Conducting Financial Audits in Takalar Regency

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### ARTICLE INFORMATION

#### Publication information

#### Research article

#### HOW TO CITE

Nugraha, H. A., Ibrahim, M. A., Badu, & Sukri. (2025). Organizational resources capability of the Government Internal Supervisory Apparatus (APIP) in conducting financial audits in Takalar Regency. *Journal of International Conference Proceedings (JICP)*, 7(5), 1181–1195.

#### DOI:

<https://doi.org/10.32535/jicp.v7i5.3882>

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Published by JICP



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Received: 28 December 2024

Accepted: 24 January 2025

Published: 26 February 2025

### ABSTRACT

This qualitative case study examines the organizational resource capability of the Government Internal Supervisory Apparatus (APIP) in conducting financial audits in Takalar Regency, Indonesia. The research focuses on analyzing APIP's resources, including routine combinations, specific objectives, non-tradability, and organizational strategy. Data was collected through observations, in-depth interviews, and documentation. The findings reveal that APIP Takalar Regency has a structured auditor competency level, systematic work mechanisms, quality-focused auditor recruitment, and continuous competency development. However, challenges exist in auditor shortages and maintaining independence with local auditors. Achieving audit objectives requires support and commitment from supervisors and Regional Apparatus Organizations (OPD). Efforts to maintain auditor integrity, independence and objectivity include higher allowance policies and a code of ethics. However, APIP's position under the Regent poses dilemmas in reporting potentially unfavorable audit results. APIP's organizational strategy is based on HR development, key performance indicators, HR improvement budgets, and auditor training programs. Increasing APIP's capability level is a key objective.

**Keywords:** Organizational Capability, Resource Capabilities, Financial Supervision, Prevention of Corruption

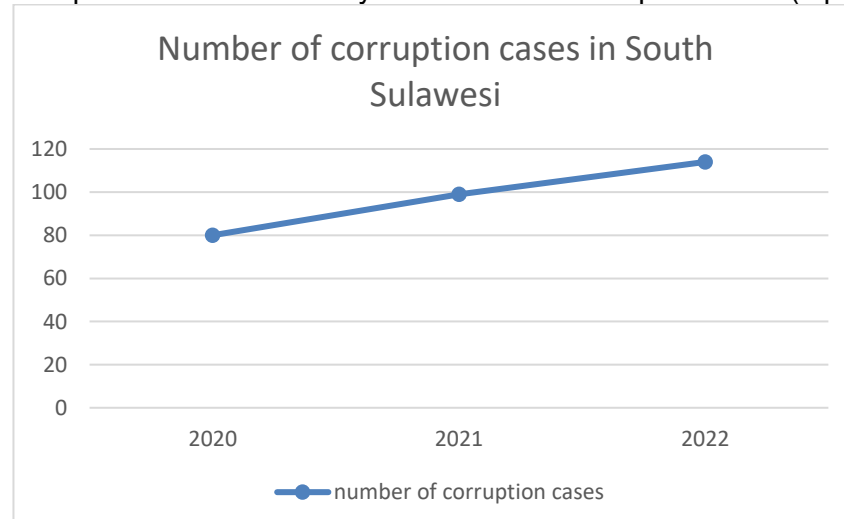
## INTRODUCTION

In the public sector, organizational capabilities play an equally important role as in the private sector (Pablo, Reay, Dewald, & Casebeer, 2007). Public sector organizations, such as government agencies, are expected to provide quality, efficient, and responsive services to the needs of the community (Osborne, Radnor, & Nasi, 2013). To achieve these goals, public sector organizations must have adequate capabilities, both in terms of human resources, technology, and supporting systems and processes (Piening, 2013). Strong organizational capabilities enable government agencies to formulate targeted policies, implement development programs effectively, and adapt to changes in the social, economic, and political environment (Andrews, Beynon, & McDermott, 2016). In addition, organizational capabilities are also important to improve accountability, transparency, and public trust in the performance of government agencies (Cucciniello, Porumbescu, & Grimmelikhuijsen, 2017). By developing organizational capabilities, the public sector can provide better services to the community, encourage economic growth, and create good governance (Teece, 2007).

Currently, public sector organizations such as the Government Internal Audit Agency (APIP) face increasingly complex challenges in carrying out financial supervision and audit functions. Research conducted by Nadirsyah, Indriani, and Mulyany (2024) explains the important role of internal audit in public sector governance to improve fraud prevention and internal control. One important aspect in building Government Internal Supervisory Apparatus (APIP) capability is resources. However, several facts indicate the weakness of Government Internal Supervisory Apparatus (APIP) resources, especially in conducting comprehensive audits and responding to public complaints related to alleged corruption.

Based on Law No. 31/1999 which has been amended into Law No. 20/2001, Government Internal Supervisory Apparatus (APIP) as part of law enforcement has the obligation to respond to public reports related to alleged corruption within 30 days (Article 41 paragraph 2). However, based on the author's initial observations, it was found that when the Law Enforcement Officials (APH) coordinated with Government Internal Supervisory Apparatus (APIP) /Inspectorate regarding public reports, it turned out that Government Internal Supervisory Apparatus (APIP) had never conducted an examination or audit of the reported case. The weak ability of the inspectorate to conduct examinations is an obstacle in handling corruption cases.

**Figure 1.** Corruption cases handled by the Makassar Corruption Court (Tipikor)



Source: ACC Sulawesi, 2022

The continued increase in corruption cases shows that the Internal Control System (SPI) at the local government level in South Sulawesi is still very low. Takalar Regency as one of the regions in South Sulawesi Province also faces challenges in regional financial management. The data shows that the level of corruption in South Sulawesi continues to increase every year, and in 2020, the South Sulawesi Provincial Government failed to get an Unqualified Opinion (WTP) from Supreme Audit Agency (BPK) Indonesian Republic. This indicates that there are still weaknesses in the internal control system and financial supervision at the local government level, including in Takalar Regency. This situation is exacerbated by the problem of inadequate human resources in Takalar District, especially in the field of financial supervision and control. Based on the analysis of employee needs, there are significant shortages in key positions that play an important role in the supervision and management of regional finances, which can be seen in the following table:

**Table 1.** Calculation of Officer/Staff Requirements

No.	Position Name	Total Staff Requirements	Number of Existing Employees
1	Planning, Evaluation and Reporting Analyst	1	0
2	Activity and Budget Plan Preparer	2	0
3	Regional Property Utilization Manager	1	0
4	Personnel Manager	1	0
5	Monitoring, Evaluation and Reporting Analyst	1	0
6	Surveillance Analyst	3	1
7	Government Internal Audit Analyst	3	0
8	Manager of Follow-up Evaluation of Audit Reports	3	0
9	Auditor	12	5
10	Auditor	9	7
11	Personnel Auditor	1	0
12	Auditor	5	0
13	Supervision of the Implementation of Government Affairs in the Region (Government Supervisor)	4	2
14	Supervision of the Implementation of Government Affairs in the Region (Government Supervisor)	12	9
15	Supervision of the Implementation of Government Affairs in the Region (Government Supervisor)	12	10
16	Auditor	5	1
17	Auditor	5	0
18	Supervision Plan Preparer	3	2

Source: Inspectorate of Takalar Regency, 2024

Based on the analysis of the employee needs table, several positions were identified that experienced personnel shortages. The largest shortage is in the Auditor position with a total of 18 people of various levels, followed by Government Supervisor with a shortage of 7 people. Analytical positions, such as Government Internal Control Analysts and Supervision Analysts, also show a need for additional staff. Furthermore, some important positions such as Planning, Evaluation and Reporting Analysts and Activity and Budget Planners remain unfilled. This situation indicates the need for strategic recruitment planning or redistribution of staff to optimize organizational performance and ensure that all critical functions are properly performed.

Based on these problems, this study aims to explain and analyze the capability of Government Internal Supervisory Apparatus (APIP) resources in conducting financial audits in Takalar Regency. By understanding the capability of Government Internal Supervisory Apparatus (APIP) resources in depth, it is hoped that factors affecting the effectiveness of the implementation of financial audits can be identified, and recommendations for improvement formulated to improve the capability of Government Internal Supervisory Apparatus (APIP) in carrying out supervisory functions.

This study specifically analyzes the resource capability (resources) of Government Internal Supervisory Apparatus (APIP) in conducting financial audits in Takalar Regency. Resources are one of the important aspects in building an organization's dynamic capabilities, but have not been studied in depth in the context of APIP at the local government level. This research uses a dynamic capabilities approach in analyzing APIP capabilities. This approach is still relatively new in the study of public sector organizations, especially in the context of government internal control. By using the dynamic capabilities approach, this research can provide a new perspective in understanding the factors that influence the effectiveness of the implementation of financial audits by Government Internal Supervisory Apparatus (APIP), especially from the resource aspect.

This research is expected to make a practical contribution to the Takalar Regency Government in improving the quality of regional financial management through strengthening Government Internal Supervisory Apparatus (APIP) capabilities, especially in the aspect of audit implementation resources. Theoretically, this research can also enrich the study of the dynamic capabilities of public sector organizations, especially in the context of government internal control at the regional level.

## **LITERATURE REVIEW**

Organizational capabilities play a crucial role in the performance of public sector organizations, enabling them to provide quality services, adapt to environmental changes, and achieve good governance (Andrews, Beynon, & McDermott, 2016; Osborne, Radnor, & Nasi, 2013; Teece, 2007). Developing strong capabilities in human resources, technology, systems, and processes is essential for government agencies to formulate effective policies, implement programs, and build public trust through accountability and transparency (Cucciniello, Porumbescu, & Grimmeliikhuijsen, 2017; Piening, 2013). Pablo, Reay, Dewald, and Casebeer (2007) emphasize the importance of organizational capabilities in the public sector, highlighting their impact on service delivery and overall performance.

Inadequate human resources within the Inspectorate of Takalar Regency exacerbate the challenges faced by APIP in conducting financial audits. An analysis of employee needs reveals significant shortages in key positions, such as auditors, government supervisors, and analysts (Inspectorate of Takalar Regency, 2024). These shortages

hinder the effectiveness of financial supervision and control, necessitating strategic recruitment planning and staff redistribution.

Dynamic capabilities, as introduced by Teece, Pisano, and Shuen (1997) and further developed by Teece (2007), provide a framework for understanding how organizations adapt and thrive in rapidly changing environments. This approach emphasizes the importance of an organization's ability to sense and seize opportunities, as well as reconfigure its resources and competencies to address emerging challenges (Teece, 2007). In the context of public sector organizations, such as the Government Internal Audit Agency (APIP) in Takalar Regency, applying the dynamic capabilities approach can shed light on the factors influencing the effectiveness of financial audits. By examining APIP's resource capabilities, including human capital, technology, and processes, through the lens of sensing, seizing, and reconfiguring (Teece, 2007), this study aims to identify areas for improvement and propose strategies to enhance APIP's ability to respond to the evolving demands of public sector governance and financial supervision.

## **RESEARCH METHOD**

This study employs a qualitative approach with descriptive research and case study design. The qualitative approach is chosen to gain a comprehensive understanding of the behavior, perceptions, motivations, and other phenomena related to the research subjects' experiences (Moleong, 2012). The case study design is used to thoroughly examine the context, conditions, and interactions of the phenomena occurring in the community. The focus of this research is to analyze the organizational capabilities of the Government Internal Supervisory Apparatus (APIP) in the implementation of financial audits in South Sulawesi Province using the Organizational Capabilities framework by Neo and Chen (2007). The research focuses on examining APIP's resources in the implementation of financial audits, including decision-making rules and knowledge embedded in the organizational structure.

The research is conducted in Takalar Regency, Indonesia. The data sources include: Primary data obtained through in-depth observations and interviews with the community and authorized parties regarding Government Internal Supervisory Apparatus (APIP)'s organizational capabilities in the implementation of financial audits in Takalar Regency. Secondary data obtained through a thorough review of literature, documents, and similar research studies related to the research problem. Data collection is carried out through field observations, in-depth interviews, and documentation. Purposive sampling is used to identify informants, focusing on the main areas and foundations of Government Internal Supervisory Apparatus (APIP)'s organizational capabilities in the implementation of financial audits in South Sulawesi Province. Snowball sampling was also employed to ensure an adequate sample size.

The data analysis method used is the interactive model by Miles, Huberman & Saldana (2014), which consists of data collection, data condensation, data display, and conclusion drawing/verification. The data condensation process involves selecting, focusing, simplifying, abstracting, and transforming the data. The research informants include the Inspectorate of Takalar Regency, the Head of Supreme Audit Agency (BPK) South Sulawesi, and Auditors from the Inspectorate of Takalar Regency. To ensure the validity of the data, the following techniques are used: trust, transferability, dependability, and confirmability.

## **RESULTS**



### ***Routine Combination***

The combination of routines is one of the important aspects of Government Internal Supervisory Apparatus (APIP)'s organizational capability. In Takalar Regency, the combination of APIP routines is reflected in the organizational structure, work mechanism, recruitment, and competency development of auditors. Government Internal Supervisory Apparatus (APIP) Takalar Regency has a structure of auditor competency levels consisting of provider level, first level, young level, and middle level. Each level has different main tasks and functions (tupoksi), with the provider level auditor serving as a team member who carries out the audit work program that has been prepared by the team leader. This division of levels and duties indicates a systematic work mechanism in conducting audits.

**Table 2.** Total Auditor Functional Position Data (Jfa)  
 Regional Inspectorate of Takalar Regency in 2024

No	Type	Number
1	Principal Expert Auditor	0
2	Associate Expert Auditor	3
3	Junior Expert Auditor	7
4	First Expert Auditor	9
5	Auditor Supervisor	0
6	Managing Auditor	0
7	Advanced Auditor	1

Source: Takalar Regency Inspectorate, 2024

In terms of recruitment, Government Internal Supervisory Apparatus (APIP) Takalar Regency seeks to attract auditors with quality and integrity through open selection in accordance with the regulations of the National Civil Service Agency (BKN). The selection includes an assessment of the ability and track record of prospective auditors. However, the capacity and capability of Government Internal Supervisory Apparatus (APIP) Takalar Regency is currently considered not in accordance with expectations because there is still a shortage of auditor personnel.

Auditor competency development in Takalar Regency is an ongoing process. This is based on the understanding that knowledge and regulations continue to develop, so that auditor competence must also be continuously improved. However, Government Internal Supervisory Apparatus (APIP) Takalar Regency still faces challenges in placing indigenous auditors in the inspectorate. A special policy is needed from the inspector to appoint an inspection investigation team to avoid conflicts of interest with the object of inspection. This shows an effort to maintain the independence and objectivity of auditors in carrying out audit tasks. Independence and objectivity are two fundamental principles that must be upheld by an auditor in carrying out audit tasks (Kassem, 2023). Maintaining auditor independence and objectivity is essential to ensure that the reported audit results are trustworthy, reliable and not misleading (Oulasvirta & Rönkkö 2023, Trklja et al 2024). Auditors who are not independent and objective can be influenced by personal interests, pressure from other parties, or special relationships with clients, so that their audit results are biased and do not reflect actual conditions (Apostolou et al 2023, Mokhtar et al 2024). This can reduce public trust in the auditor profession and reduce the quality of financial information presented (Boynton, Johnson, & Kell, 2018).

### ***Intended to Achieve Specific Objectives***

In order to achieve specific objectives, Government Internal Supervisory Apparatus (APIP) Takalar Regency requires support and commitment from various parties, especially from the supervisor and Regional Apparatus Organization (OPD). The commitment of the supervisor is needed to ensure that Government Internal Supervisory Apparatus (APIP) has adequate resources, authority, and support in carrying out its audit

tasks and functions. In addition, Regional Apparatus Organization (OPD) is also expected to be proactive in supporting the implementation of audits by Government Internal Supervisory Apparatus (APIP). One form of support needed is the provision of documents required for the audit process in a timely manner. However, there are still challenges in this regard, where some audits are delayed because the required documents are not immediately provided by Regional Apparatus Organization (OPD). The documents are often provided in stages or installments, which can hamper the audit process.

Delays in providing documents by Regional Apparatus Organization (OPD)s can be caused by a variety of factors, such as the Regional Apparatus Organization (OPD)'s lack of understanding of the importance of the audit, the unpreparedness of the requested documents, or even the Regional Apparatus Organization (OPD)'s unwillingness to be audited. This shows the need to increase Regional Apparatus Organization (OPD) awareness and understanding of the role and function of Government Internal Supervisory Apparatus (APIP) in realizing good governance (Ahmad & Warsono 2020, Maharani et al 2022, Harahap et al 2024). To overcome this challenge, intensive communication and coordination efforts between Government Internal Supervisory Apparatus (APIP) and Regional Apparatus Organization (OPD) are needed. Government Internal Supervisory Apparatus (APIP) needs to proactively socialize the audit plan and schedule, and explain the documents required for the audit process. On the other hand, Regional Apparatus Organization (OPD) must also have a commitment to support the implementation of the audit by providing the requested documents in a complete and timely manner.

### ***Non-tradable***

In the context of APIP organizational capability, the non-tradable aspect relates to efforts to maintain the integrity, independence, and objectivity of auditors in carrying out audit tasks. In Takalar Regency, there are several policies and mechanisms implemented to ensure that APIP cannot be "traded" or influenced by certain interests.

One of the policies taken by the Takalar Regency Government is to provide a higher income improvement allowance (TPP) to Government Internal Supervisory Apparatus (APIP) compared to other regional apparatus. This policy aims to maintain the integrity of APIP and reduce the risk of practices that can interfere with auditor independence, such as bribery or gratuities. In addition, the inspector's position as head of the APIP organization is also given a higher allowance than the heads of other Regional Apparatus Organization (OPD)s, but still below the regional secretary. This indicates an effort to place Government Internal Supervisory Apparatus (APIP) in a strategic and honorable position in the local government structure.

In addition to the allowance policy, Government Internal Supervisory Apparatus (APIP) also has a code of ethics that serves as a guideline in carrying out audit tasks. The code of ethics covers various aspects, such as auditor competence, objectivity, professional behavior, and relationships with audited entities. Auditors are expected to have sufficient competence in conducting audits, maintain objectivity and avoid reprehensible behavior such as accepting bribes or gratuities, and maintain professional relationships with fellow auditors and audited entities. This code of ethics is one of the factors that strengthen the independence of Government Internal Supervisory Apparatus (APIP) in carrying out audit tasks.

However, there are still challenges in maintaining the independence of Government Internal Supervisory Apparatus (APIP) in Takalar Regency. Structurally, Government Internal Supervisory Apparatus (APIP) is under the Regent, so the audit results obtained

must be reported as they are to the Regent. This can pose a dilemma for auditors, especially if the audit results have the potential to harm certain interests or are not in accordance with the expectations of the Regent. However, auditors are required to maintain their integrity and independence in reporting audit results objectively and transparently.

In an effort to maintain the independence and objectivity of Government Internal Supervisory Apparatus (APIP), there are various regulations that form the basis for the implementation of supervision by the Inspectorate, as listed in the table above. These regulations serve as guidelines and references for Government Internal Supervisory Apparatus (APIP) in carrying out inspection, guidance and supervision tasks.

**Table 4.** Basic Regulations for the Implementation of Inspectorate Supervision

No	List of Rules
1	Government Regulation No. 12 of 2017 concerning Development and Supervision of Regional Government Implementation
2	Permendagri No. 23 of 2020 on Guidance and Supervision Planning 2021
3	Permendagri Number 27 of 2021 Guidelines for the Preparation of the 2022 APBD
4	Permendagri Number 48 of 2021 Guidance and Supervision Planning 2022
5	Permendagri Number 64 of 2020 Guidelines for the Preparation of the 2021 APBD
6	Permendagri Number 84 of 2022 Guidelines for the preparation of the 2023 APBD
7	Permendagri Number 88 of 2022 Guidance and Supervision Planning 2023
8	Regent Decree Inspectorate Risk-Based Annual Supervision Work Program 2024
9	Regent's Decree Inspectorate Annual Supervision Work Program 2021
10	Regent's Decree on the Inspectorate's Annual Supervision Work Program for 2022
11	Decree of the Regent of the Inspectorate Annual Supervision Work Program for 2023

Source: Takalar Regency Inspectorate, 2024

Government Regulation No. 12 of 2017 regulates the guidance and supervision of regional government administration in general. Permendagri No. 23 of 2020, No. 48 of 2021, and No. 88 of 2022 regulate guidance and supervision planning for 2021, 2022, and 2023. Meanwhile, Permendagri No. 64 of 2020, No. 27 of 2021, and No. 84 of 2022 regulate the guidelines for APBD preparation for 2021, 2022, and 2023. In addition to regulations from the central government, there are also Regent Decrees that regulate the Inspectorate's Annual Supervision Work Program (PKPT) for 2021, 2022, 2023, and 2024. The Risk-Based PKPT for 2024 is also regulated in a separate Regent Decree. These regulations serve as a frame of reference for APIP in preparing supervisory planning, conducting inspections, and reporting supervisory results. With clear regulations, Government Internal Supervisory Apparatus (APIP) is expected to work professionally, independently, and objectively in accordance with applicable standards and codes of ethics.



However, the existence of regulations alone is not enough to guarantee the independence of Government Internal Supervisory Apparatus (APIP). A strong commitment is needed from all parties, both APIP, the Regent, and the audited entity, to maintain the integrity and independence of APIP (Helmi & Iskandar, 2019). Government Internal Supervisory Apparatus (APIP) must have sufficient authority in carrying out its duties and functions, and be free from intervention or pressure from any party (Febriantini, Warongan, & Datu, 2024). In addition, the strategic role of APIP in improving the quality of supervision also needs to be supported by adequate resources, both in terms of quantity and competence (Kurnia, 2020). Government Internal Supervisory Apparatus (APIP) must continue to strengthen the professionalism and competence of its auditors, and consistently apply the code of ethics in every audit assignment. On the other hand, the Regent and the audited entity must also respect the independence of Government Internal Supervisory Apparatus (APIP) and not intervene which may interfere with the objectivity of the audit results.

### ***Basis for Organizational Strategy***

The basic aspect for organizational strategy in Government Internal Supervisory Apparatus (APIP)'s organizational capability relates to how the combination of routines and resources owned by Government Internal Supervisory Apparatus (APIP) can be the basis for developing and implementing organizational strategies to achieve predetermined goals. In Takalar Regency, there are several elements that form the basis for Government Internal Supervisory Apparatus (APIP) in developing its organizational strategy.

One of the important elements in developing Government Internal Supervisory Apparatus (APIP)'s organizational strategy is human resource development (HR). There are six elements in HR development implemented in Takalar Regency, namely professional performance, relationships, and culture. These elements are the basis for APIP in improving the competence and professionalism of its auditors, building good relationships with audited entities, and creating an organizational culture that supports the implementation of audit tasks effectively and efficiently.

In addition to HR development, Government Internal Supervisory Apparatus (APIP) Takalar Regency also has key performance indicators (KPIs) which become a reference in developing organizational strategies. One of the KPIs mentioned is the increase in Government Internal Supervisory Apparatus (APIP) capability level from level 2 to level 3. This increase in capability level shows Government Internal Supervisory Apparatus (APIP)'s efforts to continue to improve and improve the quality of audits conducted, as well as strengthen its role as a supervisor and guarantor of accountability for regional financial management.

**Table 5.** Human Resource Improvement Budget

No	Year	Total Budget
1	2021	Rp. 468,787,000
2	2022	Rp. 249,236,000
3	2023	Rp. 293,422,000
4	2024	Rp. 1,346,547,400

Source: Inspectorate of Takalar Regency, 2024

Efforts to improve Government Internal Supervisory Apparatus (APIP) capability are also supported by an adequate budget for HR development. Based on the HR improvement budget data from 2021 to 2024, a significant increase can be seen, especially in 2024 with a budget allocation of Rp. 1,346,547,400. This budget is used for various training

programs and auditor competency development, such as auditor level training, technical guidance, and workshops.

**Table 6.** Auditor Training

No	Type of Training/Technical Guidance/Workshop	Year	Number of Participants
1	First auditor level training	2022	6
2	Sibijak technical guidance	2022	25
3	Guidance on PPBR Preparation	2022	54
4	Guidance on the preparation of audit working papers	2023	54
5	PPUPD task and function orientation training	2023	3
6	PPUPD intermediate level training	2023	2
7	Guidance on the preparation of LHP	2024	52
8	PPUPD Junior Expert level training	2024	1
9	Auditor Associate level training	2024	5

Source: Takalar Regency Inspectorate, 2024

The data in the auditor training table shows the various types of training, technical guidance (bimtek), and workshops attended by Takalar Regency Inspectorate auditors from 2022 to 2024. These trainings include auditor level training (first, young, middle), information system guidance (Sibijak), guidance on the preparation of Risk-Based Supervision Programs (PPBR), guidance on the preparation of audit working papers, orientation training on the duties and functions of Regional Government Affairs Supervisors (PPUPD), and guidance on the preparation of Audit Reports (LHP).

This auditor competency training and development program is an important part of the Takalar Regency Government Internal Supervisory Apparatus (APIP) HR development strategy. Through these trainings, auditors are expected to increase their knowledge, skills and competence in carrying out inspection and supervision tasks. This increase in auditor competence will ultimately contribute to improving the quality of audit results and overall APIP capability.

The increase in Government Internal Supervisory Apparatus (APIP) capability level from level 2 to level 3 is also related to the development of routines and resources owned by APIP. To achieve a higher level of capability, Government Internal Supervisory Apparatus (APIP) needs to consistently apply applicable audit standards, improve the competence of its auditors, and develop more sophisticated audit methodologies and tools. This requires adequate resource support, both in terms of budget, information technology, and audit infrastructure.

Government Internal Supervisory Apparatus (APIP)'s organizational strategy also needs to consider external factors, such as regulatory developments, stakeholder demands, and the dynamics of the political and social environment. Government Internal Supervisory Apparatus (APIP) must be able to adapt to these changes and adjust its organizational strategy to remain relevant and effective in carrying out its audit tasks and functions.

It is important for Takalar Regency Government Internal Supervisory Apparatus (APIP) to continuously evaluate and improve its routines and resources, and develop an organizational strategy that is adaptive and responsive to change (Setyaningrum et al 2022, Pamungkas et al 2020). Government Internal Supervisory Apparatus (APIP) also

needs to strengthen synergy and collaboration with various parties, both with fellow oversight institutions, audited entities, and with the community, to increase the effectiveness and impact of the audit tasks performed. Cooperation between Government Internal Supervisory Apparatus (APIP) and other oversight institutions, such as the Supreme Audit Agency (BPK) and the Corruption Eradication Commission (KPK), can help optimize oversight functions and prevent overlapping or duplication of audits (Sari & Tamrin, 2021, Prasetyo et al 2022).

## **DISCUSSION**

The results show that APIP Takalar's organizational capability is built on structured routines, strategic resources, and governance principles. The auditor hierarchy supports systematic audits, though the lack of senior auditors limits effectiveness and highlights the need for improved recruitment and capacity building.

Coordination with OPDs reflects intent to meet oversight goals, but delays in document submission hinder audit performance. This points to low awareness among OPDs of APIP's strategic role, suggesting the need for stronger communication and enforcement. Efforts to uphold independence—such as ethical codes and income incentives—are in place, but APIP's position under the Regent creates conflicts when audit findings challenge political interests. Real independence requires both regulatory support and ethical commitment.

APIP has increased investment in human resource development, aiming to raise its capability from level 2 to level 3. Training and performance targets support this goal, aligning with national oversight standards.

In conclusion, while APIP Takalar has progressed, further improvements in auditor capacity, independence, and inter-agency collaboration are essential to enhance audit quality and impact.

## **CONCLUSION**

The organizational resource capability of the Government Internal Supervisory Apparatus (APIP) in conducting financial audits in Takalar Regency can be seen from the aspect of a combination of routines, Takalar Regency Government Internal Supervisory Apparatus (APIP) has a structure of auditor competency levels, a systematic work mechanism, a recruitment process that seeks to attract quality auditors, and continuous auditor competency development. However, there is still a shortage of auditor personnel and challenges in placing indigenous auditors to maintain independence. In achieving specific objectives, Government Internal Supervisory Apparatus (APIP) requires support and commitment from supervisors and Regional Apparatus Organization (OPD). There are still obstacles in providing audit documents in a timely manner by Regional Apparatus Organization (OPD), so intensive communication and coordination are needed.

The non-tradable aspect relates to efforts to maintain auditor integrity, independence and objectivity. The higher TPP policy and code of ethics are mechanisms to strengthen the independence of Government Internal Supervisory Apparatus (APIP). However, the position of Government Internal Supervisory Apparatus (APIP) under the Regent can create a dilemma in reporting audit results that have the potential to harm certain interests. The organizational strategy aspect of APIP is based on HR development, KPIs, HR improvement budgets, and auditor training programs. Increasing the level of Government Internal Supervisory Apparatus (APIP) capability is one of the KPIs that is

referred to. The HR development budget shows an increasing trend, especially for 2024. Auditor training programs are carried out regularly to improve auditor competence. The capability of Takalar Regency Government Internal Supervisory Apparatus (APIP) resources in conducting financial audits shows development and improvement efforts, but still faces several challenges. Commitment from all parties, strengthening regulations, and synergy and collaboration are needed to increase the effectiveness and impact of audit tasks carried out by Government Internal Supervisory Apparatus (APIP).

To increase the organizational capability of Government Internal Supervisory Apparatus (APIP) Takalar Regency, it is recommended to increase the number of auditor personnel in accordance with the workload and complexity of audit tasks, strengthen the auditor competency development program on an ongoing basis, strengthen the independence and objectivity of Government Internal Supervisory Apparatus (APIP) through the implementation of a code of ethics and the provision of adequate benefits, develop more sophisticated and information technology-based audit methodologies and tools, strengthen synergy and collaboration with various parties, and periodically evaluate and improve the combination of routines and resources owned by Government Internal Supervisory Apparatus (APIP).

#### **ACKNOWLEDGMENT**

We would like to express our profound gratitude to the various individuals and institutions who contributed to the successful completion of this research study. Our sincere appreciation goes to the Inspectorate of Takalar Regency for their cooperation and support in providing access to essential information and facilities during the data collection process. We are particularly thankful to the Head of Supreme Audit Agency (BPK) South Sulawesi and the Auditors from the Inspectorate of Takalar Regency for their valuable time and insights shared during the interviews. We would also like to thank the academic staff and colleagues who provided constructive feedback and guidance throughout the research process. Their expertise and suggestions significantly enhanced the quality of this study. Finally, we acknowledge the support of all those who directly or indirectly contributed to this research, including the administrative staff and research assistants who helped facilitate the smooth execution of this study.

#### **DECLARATION OF CONFLICTING INTERESTS**

The authors declare that there is no conflict of interest with respect to the research, authorship, and/or publication of this study. The research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest. None of the authors have any competing interests that could have influenced the design, execution, data collection, analysis, or interpretation of the findings presented in this research.

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