

Evaluating Governance, Risk, and Control in APIP Capability: A Case of Regency X Inspectorate

Ainun Putri¹

Dyah Setyaningrum²

^{1,2}Fakultas Ekonomi dan Bisnis Universitas Indonesia, Indonesia

*Correspondence: ainunputri100@gmail.com

ABSTRACT

The 2023–2024 APIP Capability Assessment shows that the Inspectorate of Regency X in Sumatra achieved Level 3, with improvements in the GRC assurance component, while the SPIP maturity evaluation declined. This study evaluates assurance over governance, risk, and control based on BPKP Regulation No. 8 of 2021. A qualitative approach was conducted through 2022–2024 document review and interviews with seven participants comprising supervisors, team leaders, and members. Analyzed using content and thematic analysis. The results indicate that GRC implementation has not fully complied with regulations, with eight stages completed and eight partially fulfilled. The risk register was not evaluated during preparation and implementation, and recommendations or improvement areas were not formulated in the assurance results. Four themes emerged: the role of BPKP, OPDs understanding, risk registers, and working instruments. The study concludes that the increase in APIP capability is not yet fully reflected in GRC implementation.

Keywords: GRC; APIP Capability; Evaluation

Evaluasi Tata Kelola, Risiko, dan Pengendalian dalam Kapabilitas APIP: Studi Kasus pada Inspektorat Kabupaten X

ABSTRAK

Kapabilitas APIP 2023–2024 menunjukkan Inspektorat Kabupaten X di Sumatera mencapai Level 3 dengan peningkatan pada komponen asurans GRC. Namun, evaluasi maturitas SPIP menunjukkan penurunan. Penelitian ini menilai pemberian asurans atas governance, risk, dan control berdasarkan Peraturan BPKP No. 8 Tahun 2021. Metode kualitatif digunakan melalui telaah dokumen dan wawancara. Wawancara dilakukan dengan tujuh narasumber terdiri dari penanggung jawab, ketua tim, dan anggota tim. Pengumpulan data dibatasi tahun 2022–2024. Analisis data dengan analisis isi dan tematik. Hasil penelitian menunjukkan bahwa penerapan GRC belum sepenuhnya sesuai regulasi dimana terdapat delapan tahapan terpenuhi dan delapan lainnya sebagian terpenuhi. Pada tahapan sebagian terpenuhi, belum dilaksanakan evaluasi register risiko di tahapan persiapan dan pelaksanaan. Pada tahap hasil asurans belum dirumuskan rekomendasi perbaikan dan area of improvement. Analisis tematik mengungkap empat tema yaitu: peran BPKP, pemahaman OPD, daftar risiko, dan instrumen kerja. Penelitian ini menyimpulkan bahwa peningkatan kapabilitas APIP belum sepenuhnya tercermin dalam penerapan GRC.

Kata kunci: GRC; Kapabilitas APIP; Evaluasi



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INTRODUCTION

According to The World Governance Indicators, Indonesia ranked 42nd out of 180 countries in 2021 (Edinov et al., 2022) eII in the public sector, governance serves as a fundamental organizational value that guides behavior and responsibility to achieve public interest (KNKG, 2022). Risk governance should also be characterized by the integration of responsibility and knowledge, thereby forming a legitimate basis for decision-making in the handling of risk (Klinke & Renn, 2019). The government must implement risk management and effective internal control to ensure proper oversight in the context of increasing complexity and uncertainty (The IIA, 2023). The implementation of GRC in the public sector is carried out through the Government Internal Control System (SPIP) as stipulated in Government Regulation No. 60 of 2008, with the Government Internal Supervisory Apparatus (APIP) acting as the primary oversight body to ensure the effectiveness of control and governance (Pemerintah RI, 2008). Strengthening APIP capability has become a strategic agenda, with 85% of APIP institutions being targeted to achieve Level 3 (Delivered) (Bapennas, 2015), indicating that APIP possesses adequate supervisory quality to provide reliable assurance of the effectiveness, efficiency, and economy of government operations. Furthermore, it is expected to deliver early warnings, enhance the effectiveness of risk management, and improve organizational performance and governance (BPKP, 2021).

Internal auditors are required to possess adequate capabilities to fulfill an effective role in public sector governance (Gansberghe, 2005) The BPKP Performance Report recorded an increase in the number of Level 3 APIP organizations from 341 in 2022 to 454 in 2023 (BPKP, 2023). By 2024, 522 of 623 APIP organizations had achieved Level 3 capability (BPKP, 2024). At this level, APIP should be able to provide reliable oversight on effectiveness, efficiency, and governance. However, The Audit Board of The Republic Indonesia data indicate an increase in audit findings from 12,648 cases in 2022 to 15,458 in 2023, with potential losses reaching IDR 12.64 trillion in the first semester of 2024 (BPK, 2024). The National Integrity Index also remains low, at only 71.53 points in 2024, indicating ongoing vulnerability to corruption (KPK, 2025). APIP plays a crucial role in strengthening governance, risk management, and accountable internal control (BPKP, 2021).

The Inspectorate of Regency X is one of the APIP institutions that improved its capability from Level 2 to Level 3 during the 2023–2024 period, as it was deemed to have met assurance aspects of governance, risk management, and organizational control (BPKP, 2021). However, BPKP's evaluation results showed a decline in the integrated SPIP maturity score from 3.2 to 3.037, risk management from 3.220 to 3.006, and the corruption control effectiveness index from 2.830 to 2.776, indicating that the improvement in capability has not yet been aligned with GRC implementation. This condition prompted an evaluative study to assess the gap in GRC implementation within the Inspectorate of Regency X and to provide recommendations for improvement for both the Inspectorate and BPKP as the supervisory authority.

Research on APIP capability has been extensively conducted in Indonesia, while studies with similar internal audit functions have also been carried out in

other countries. For instance, Rachmat & Wijaya (2024) examined the importance of developing the capacity of government internal supervisory apparatus to enhance the effectiveness of internal oversight at both national and regional levels. Analysis of APIP capability using the Internal Audit Capability Model (IA-CM) was also conducted by Tarigan et al. (2023) at the Binjai City Inspectorate. Efforts to improve internal audit capability to Level 4 within Ministry X were discussed by Airlangga & Rossieta (2023) to strengthen internal audit functions. The IA-CM has also been tested in the public sector in South Africa, where Oosthuizen et al. (2016) found that the model could be successfully adapted for specific public sector or government organizations through case study applications.

However, studies focusing specifically on governance, risk, and control (GRC) in APIP assurance provision remain limited. Previous research related to this study includes Harahap et al. (2024), who analyzed APIP performance in implementing good governance at the North Sumatra Provincial Inspectorate. Based on (Osagiduwa et al. (2023), who investigated the role and challenges of internal audit in public sector governance in Nigeria. Based on Handayani et al. (2025), who identified compliance risks in internal supervision conducted by APIP in Ministry X and developed mitigation strategies and Zammit et al. (2021) who evaluated the maturity levels of governance, risk management, and compliance in the public sector in Malta, Southern Europe. This research is important because the implementation of Governance, Risk, and Control (GRC) in the public sector, particularly within local governments, plays a crucial role in strengthening accountability, transparency, and the effectiveness of internal control systems. Despite its strategic importance, studies examining GRC practices at the local government level in Indonesia remain limited. Therefore, this research contributes to filling the gap in literature by providing empirical insights into how GRC is applied within local inspectorates, identifying existing challenges, and offering recommendations for improving public sector governance and APIP capability. This study differs from prior studies by emphasizing the integrated assessment of governance, risk, and control within the APIP capability framework, particularly in relation to assurance activities conducted by APIP at the regional level.

This study refers to the GRC assessment within the APIP Capability framework based on BPKP Regulation No. 8 of 2021. At Level 3 of the APIP capability assessment, the supervisory activity indicates that APIP has provided assurance over GRC in accordance with the mandate of the Internal Audit Charter (IAC) and the implementation guidelines for GRC assurance. Ultimately, this results in an opinion or conclusion on the effectiveness of organizational GRC local governments, along with recommendations for improvement, considering the quality of supervision and the extent to which GRC assurance results are utilized by stakeholders. Figure 1 illustrates the research framework.

Figure 1 describes the assessment aspects, namely the supervisory activities, which are divided into three stages: the assurance preparation stage, the assurance implementation stage, and the assurance result stage. These three stages are analyzed with the expectation of providing implementation recommendations for Regency X.

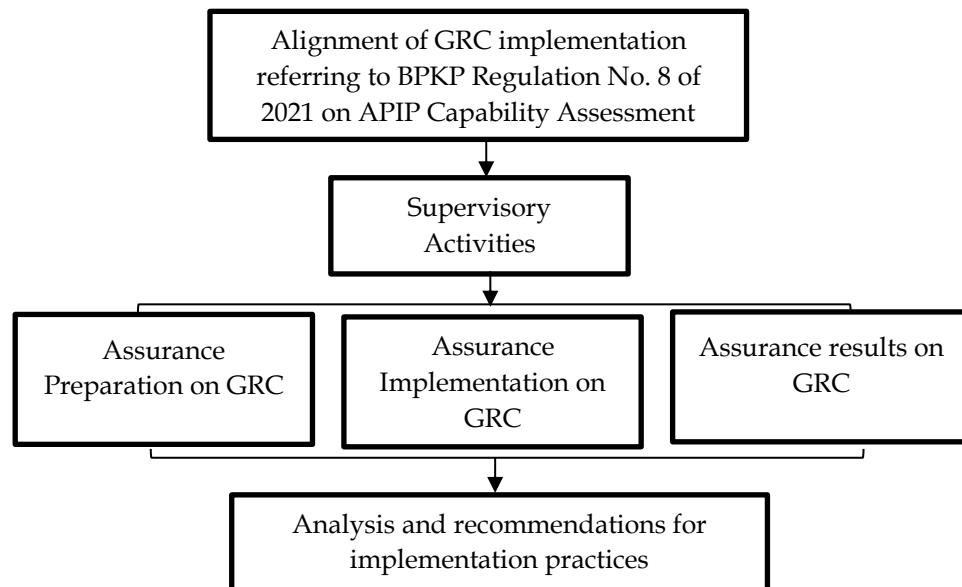


Figure 1. Research Framework

Source: Research Data, 2025

RESEARCH METHODS

The research approach is qualitative with a case study research strategy. Qualitative approach is an approach to explore and understand meaning (Creswell & Cresswell, 2018). This case study focuses on explaining a phenomenon by addressing the “how” or “why” questions (Yin, 2017). This study is a single case study with a single analysis unit. Data collection techniques include document review and interviews. The document review framework is based on BPKP Regulation No. 8 of 2021 concerning APIP Capability, particularly within the components of Governance, Risk, and Control. The selection of documents is based on the supporting evidence examples described on the official APIP BPKP website under the governance, risk, and control components of Level 3 role and service elements. The study involved seven participants who participated in assurance activities related to governance, risk, and control during the 2022–2024 period as members of the quality assurance team. The participants consisted of the team supervisor, the team leader, and team members. The duration of the interviews varied, but on average, each interview lasted approximately 30 minutes.

Data were analyzed using content and thematic analysis. Researchers can use content analysis to quantify and analyze the presence, meaning, and relationships of specific words, themes, or concepts (Sekaran & Bogie, 2013). This content analysis is exploratory in nature and predictive in purpose (Krippendorff, 2004). In the document review, the uploaded documents were compared with the required document criteria. The researcher also used content analysis to analyze interview results based on the interview questions and descriptions referring to BPKP Regulation No. 8 of 2021. In addition to content analysis, thematic analysis was performed to organize and describe the dataset in detail (Braun et al., 2006).

This thematic analysis was used to categorize themes from the data collected during the interview process. The categorization of themes was facilitated by Nvivo 15 software, which was used to map the interview results. Furthermore, Nvivo 15 was utilized to analyze word frequency from the interview data.

The evaluation results are categorized into three criteria: fulfilled, partially fulfilled, and not fulfilled. A criterion is considered fulfilled when all activities for a given stage—five activities in the preparation stage, nine in the implementation stage, and two in the assurance results stage—have been fully completed, and all required documents for that stage are available. It is considered partially fulfilled when only some or fewer than all activities in a stage have been carried out, whether in preparation, implementation, or assurance results. A criterion is not fulfilled if no activities have been performed and the required documents are entirely absent.

In the study the researcher applied the trustworthiness criteria, which include credibility, transferability, dependability, and confirmability (Ahmed, 2024; Hafifi et al., 2024; Shenton, 2004). The researcher employed a triangulation strategy using multiple data sources or methods to cross-verify findings (Ahmed, 2024), namely, interviews and document reviews. The document review was conducted to assess APIP capability fulfillment in the governance, risk, and control assurance components, which was confirmed through interviews with the person in charge, team leader, and team members of the APIP Capability of the Inspectorate of Regency X. Transferability also includes explanations of procedures, context, participant selection, and participants' responses (Findley et al., 2021; Stahl & King, 2020). The criterion of transferability was met in this study by providing a comprehensive and detailed description of the research context. Dependability was ensured by thoroughly documenting each step of the research process. Confirmability was achieved through the direct confirmation of the research data. One form of confirmability is member checking (Kombluh, 2015)

RESULT AND DISCUSSION

The document review was carried out by comparing the existence of documents with the fulfillment criteria. The results of the document review indicate that some documents are not yet fully available for each stage based on BPKP Regulation No. 8 of 2021. The researcher confirmed these findings through further exploration during the interview stage and subsequently drew conclusions.

At the preparation stage shown in Table 1, there are three processes that have been fulfilled and two that have been partially fulfilled. For those that are partially fulfilled, there are documents and activities that have not yet been implemented.

The assurance team has selected the assurance objects based on BPKP Regulation No. 5 of 2021. However, at this preparation stage, the APIP assurance team of the Inspectorate of Regency X does not yet have a preliminary survey working paper that provides a general overview of the organization. A certificate document has been uploaded by one of the assurance team members regarding the completion of education and training on the Integrated SPIP Maturity Assessment for 50 learning hours. In addition, five APIP personnel have participated in training or technical guidance related to SPIP. The assurance team

does not yet have a context determination document and has not conducted a risk register evaluation. The issue lies in the fact that the risk registers provided by the Regional Apparatus Organizations (OPD) do not yet comply with the risk management guidelines based on the Regulation of the Deputy for Supervision of Regional Financial Administration No. 04 of 2019. Consequently, the working paper for the preparation of the risk register was not available during the 2022–2024 assessment period. The assurance team has fulfilled the documentation requirements for the assignment letter and quality control form. The report structure has been adjusted in accordance with the reporting guidelines based on BPKP Regulation No. 5 of 2021. At this preparation stage, the assurance team has developed an audit work program.

Table 1. Assurance Preparation on GRC

Description	Evaluation Results
Considering business processes and the complexity of work units	Partially Fulfilled
Human resources possessing competencies related to GRC assurance	Fulfilled
Identifying assurance objects based on the organization's strategic objectives	Partially Fulfilled
Availability of a Quality Control (QC) form	Fulfilled
Developing an Audit Work Program (AWP)	Fulfilled

Source: Research Data, 2025

The implementation stage consists of nine activities based on BPKP Regulation No. 8 of 2021. After comparison, it was found that five activities were fulfilled, and four activities were partially fulfilled. The implementation stages are presented in Table 2

Table 2. Assurance Implementation on GRC

Description	Evaluation Results
Have been communicated	Fulfilled
Evaluating audit information/evidence	Fulfilled
Assessing the quality and strategy for achieving strategic objectives	Fulfilled
Assessing the structure and processes of risk management elements	Partially Fulfilled
Assessing the achievement of organizational objectives	Fulfilled
Considering events that affect GRC	Fulfilled
Documenting procedures and results in the Audit Working Papers	Partially Fulfilled
Through supervision and hierarchical review	Partially Fulfilled
Have provided an opinion/conclusion	Partially Fulfilled

Source: Research Data, 2025

The assurance team has communicated with stakeholders through a regent's letter, which was sent to the Regional Apparatus Organizations (OPD) for self-assessment and quality assurance. The assurance team has collected

documents serving as evidence during the OPD's self-assessment process. The assurance team evaluated the responses and the consistency of the evidence by comparing the test results and testing parameters in the working papers. The assurance team conducted activities in assessing the quality and achievement of strategic objectives by reviewing Working Papers 1.1, 1.2, and KK 2. In assessing the structure and processes of risk management elements, the assurance team has not yet conducted a risk register evaluation for the OPD. The process of completing and assessing organizational objectives has been compared with the criteria outlined in the working papers. The section on events affecting GRC in the working papers already includes source documents such as opinions and reports from BPK. However, in practice, other information sources, such as APIP Audit Reports from regular inspections, have not been considered in the assessment. In the documentation of the Audit Working Papers, the quality control document is only available during the preparation process within the Audit Work Program (AWP). In terms of opinions and conclusions, the assessment team and the quality assurance team have not issued areas of improvement. The Areas of Improvement (AoI) emphasized and communicated to the OPD were derived from the evaluation report issued by BPKP.

Table 3 shows two stages in the assurance results, namely the communication of assurance results and the monitoring of follow-up actions. In these two stages, some have been partially fulfilled, while two stages have not yet been implemented, namely the disclosure of Areas of Improvement (AoI), which are the results formulated by the self-assessment team and the quality assurance team. In addition, the follow-up monitoring stage and its documentation have also not been carried out by APIP, with the process ending at the collection of evidence for the implementation of the action plan.

Table 3. Assurance Results on GRC

Description	Evaluation Results
The results have been communicated to the management of ministries/agencies/local governments through the assurance report	Partially Fulfilled
Supported by procedures to monitor follow-up actions	Partially Fulfilled

Source: Research Data, 2025

The self-assessment report has been prepared and includes statements regarding the quality assurance of the SPIP self-assessment results. The evaluation report of the self-assessment, signed by the Regent, has been sent to the relevant regional apparatus organizations. The Areas of Improvement (AoI) resulting from the BPKP evaluator's assessment have also been communicated to the relevant regional apparatus organizations. However, in practice, the assessment team and the quality assurance team did not comply with BPKP Regulation No. 5 of 2021 regarding the formulation of Areas of Improvement and improvement recommendations based on the quality assurance results. The AoI and improvement recommendations were not issued by the assessment team, in this case the OPD, and the quality assurance team, namely APIP. Nevertheless, the AoI

and improvement recommendations were still communicated to the OPD as results of the BPKP evaluation. The APIP of the Inspectorate of Regency X has prepared an action plan. The action plan includes a timeline for fulfilling the planned actions. Evidence of action plan implementation, such as the fulfillment of letters, is also available. APIP's involvement has been limited to collecting evidence of action plan implementation and has not yet carried out follow-up processes to monitor the implementation of corrective actions by the OPD.

The thematic analysis identified four themes: the role of BPKP, the understanding of OPDs, risk registers, and working instruments. The first theme is the role of BPKP, with the term "BPKP" mentioned 87 times in the interviews, accounting for a frequency of 0.99%. Thematic analysis results indicate that BPKP holds a highly dominant position in determining the direction of SPIP improvement and quality assurance. Recommendations issued by BPKP serve as the legal basis for various strategic decisions at the local government level, including the issuance of formal documents such as regional head decrees. Consequently, internal recommendations from OPD or APIP tend not to emerge independently but rather await the official evaluation results from BPKP. A similar pattern is clearly observed in the aspect of Areas of Improvement. BPKP not only provides recommendations but also plays an active role in monitoring follow-up actions and guiding regional apparatus organizations in developing action plans. According to Zammit et al. (2021), in the public sector GRC system, a strong external oversight function plays an important role in ensuring the integration of governance and compliance principles, although this often reduces the scope for internal autonomy. The role of BPKP is also supported by Kurnia (2020), who emphasized that BPKP plays a crucial part in enhancing APIP's capability, particularly through its supervisory strategies, including the quality assurance process conducted by BPKP.

The second theme concerns the understanding of OPDs, which is closely related to the stages outlined in BPKP Regulation No. 8 of 2021, as it pertains to the completion of tasks carried out by the OPDs. Based on the interview results, there is a pattern indicating OPD's understanding regarding the completion of self-assessment forms (PM), fulfillment of action plans, and implementation at the operational stage. Challenges at each stage are also related to OPD as a partner during the assurance process. Findings on this second theme align with (Harahap et al. (2024), which suggest that APIP capacity can increase. This capacity improvement occurs when there is an increase in the capacity level of OPD. OPDs as partners are related to the implementation of APIP's efficient role through fostering good relationships with OPDs and strengthening inter-agency coordination (Kurnia, 2020; Raharjo & Zulkarnain, 2025) According to Napan et al. (2025), the optimization of APIP's role in governance is associated with OPD's resistance to following up on recommendations, which supports the notion that OPDs serve as APIP's partners.

The third theme is the risk register, with sub-themes of evaluation and preparation. The term “risk” was mentioned 41 times, and the term “evaluation” was also mentioned 41 times in the interviews. This relates to the pattern observed across informants, indicating that OPD has not conducted an evaluation of the risk register. The preparation of the risk register by OPD also does not comply with regulations. The process of preparing the risk register has not followed the risk management steps as mandated by BPKP regulations. This results in incomplete fulfillment of the preparation stage and affects the implementation stage in assessing risk management elements. This aligns with (Zammit et al. (2021) who emphasize that GRC maturity in the public sector can only be achieved if each work unit understands and executes the risk management cycle.

The fourth theme is work instruments, with sub-themes of working papers and evidence collection. The interview results indicate that work instruments strongly influence the assurance process. Working papers are frequently mentioned as a means of validation after completing a stage because the assurance process is conducted through the working papers. Consequently, supporting documents other than evidence and working papers receive less attention. This does not violate regulations, as the rules prioritize the completion of working papers in the steps for completing self-assessment forms (PM) and providing assurance over PM. Evidence collection is an important stage during quality assurance, as it involves matching form entries with the supporting evidence provided. Evidence collection serves as a technical instrument in the assurance process. This fourth theme aligns with the findings of Osagiduwa et al. (2023), which indicate that internal audit in government still faces many challenges, such as regulatory complexity, resistance to change, and organizational cultures that promote administrative compliance practices rather than substantive assessment and external validity. This finding is consistent with Putri & Siswantoro (2022), who stated that work instruments are used to ensure the validity of quality assurance evaluation results through supporting documents and evidence.

The researcher provides recommendations to address the issues related to the incomplete implementation of several activities at each stage within the Inspectorate X because the quality of APIP also influences the organizational performance of public sector bureaus (Deyganto, 2019). Recommendations at the preparation stage consist of the development of the preliminary survey working paper and the evaluation of the risk register. The preliminary survey working paper can be conducted after APIP determines the sample objects for SPIP assessment, with the samples selected in accordance with the guidelines in BPKP Regulation No. 5 of 2021. Previous findings can be integrated into the preliminary survey working paper to facilitate APIP during the quality assurance implementation process. In preparing the working paper, APIP may conduct benchmarking with institutions that have achieved APIP Capability Level 4. Based on the BPKP Performance Report (BPKP, 2025), institutions that have reached

Level 4 include Ministry of Finance, BPKP, and the Ministry of Public Works and Public Housing.

Regarding the evaluation of the risk register, the researcher recommends providing phased mentoring and assistance to the OPD in Regency X. The X Inspectorate can provide phased assistance and produce an assistance report on the preparation of the Risk Register to monitor challenges and progress in the development of the risk register. Additionally, risk register mentoring and assistance were also conducted by the Kutai Kartanegara Regency Government in 2024 and the Regional Inspectorate of Bima City (Pemerintah Bima, 2024; Pemerintah Kutai Kartanegara, 2024). The mentoring and assistance team can be formed by the Inspectorate of Regency X and may collaborate with relevant OPD, such as the regional secretariat and Development Planning Agency at Sub-National Level (Bappeda), in the risk register preparation process.

At the implementation stage, recommendations include quality control documents, improvement recommendations, and Areas of Improvement (AoI). The researcher compared practices with other regencies, some regions already have APIP audit quality control guidelines, such as West Bangka Regency, which issued Regent Regulation No. 54 of 2024 on APIP Audit Quality Control Guidelines. However, some regions base their regulations on the inspector's decree. These documents are prepared based on national legal frameworks, such as Government Regulation No. 60 of 2008 on the Government Internal Control System and Minister of PANRB Regulation No. 19 of 2009 on APIP Audit Quality Control Guideline (Menpan RB, 2009). The researcher recommends preparing an audit quality control guideline referring to applicable laws and regulations as well as good practices implemented by other local governments. For improvement recommendations and AoI, the researcher recommends cross-OPD collaboration to formulate AoI and improvement recommendations, involving OPD samples receiving assurance from the APIP assurance team and OPD responsible for strategic functions, such as Bappeda dan Regional Finance and Asset Management Agency (BPKAD). This cross-OPD involvement will enrich the quality of analysis, as each OPD possesses relevant data, information, and authority related to the identified areas of improvement. Thus, the formulated AoI will not only be administrative but also contextual and implementable according to regional needs.

At the assurance result stage, the researcher's recommendation focuses on the follow-up of action plans. To strengthen APIP follow-up, the results of action plan fulfillment should be integrated into regular internal supervision and used as one of the OPD performance indicators. In practice, APIP and OPD can conduct periodic evaluation meetings on follow-up actions between the inspectorate and OPD, enabling APIP to act not only as a collector of administrative evidence but also as a facilitator of continuous improvement in internal control.

Several challenges were identified by the informants at each process stage. In the preparation stage, the main challenge concerned coordination between Financial and Development Supervisory Board (BPKP) and the Inspectorate regarding the working instruments to be used whether they should be application-

based through a website or completed manually using worksheets. Therefore, enhanced coordination between the BPKP regional representative and the Inspectorate is required. BPKP is also expected to determine and consistently apply the working instruments. Another challenge encountered in the preparation stage was the limited knowledge of APIP human resources in providing GRC assurance. Consequently, the researcher recommends that APIP personnel who have attended training courses organize internal office training programs to ensure equal competency distribution among staff. In the implementation stage, the challenge was related to coordination with local government organizations (OPDs). During coordination activities, it was often found that the risk owners within OPD work units were absent, resulting in limited understanding of the process. Therefore, the researcher recommends that once the risk register has been established, APIP should develop a list of priority risks and their respective owners to serve as a reference in determining participants for technical guidance and SPIP implementers who are part of the assurance team. The use of this priority risk list would enable the SPIP implementation process to become more effective and less administrative in nature.

In the assurance results stage, the main challenge lay in communication with OPDs regarding the follow-up of action plans. The researcher recommends that, like the entry meeting held during the preparation stage between APIP and the OPDs, an exit meeting should be conducted by the assessor team and the quality control team with the relevant OPDs at the end of the assurance process. This would help align understanding and provide clear guidance for OPDs in implementing the follow-up actions. Additionally, coordination meetings should also be held during the follow-up process.

This study provides conceptual implications for strengthening governance, risk, and control (GRC) within the context of the public sector. The findings indicate that the enhancement of APIP capability in GRC components does not fully reflect the alignment of assurance processes with GRC principles, as there remains a gap between the fulfillment of formal capability aspects and their practical implementation in assurance activities. Therefore, the implementation of GRC in the public sector requires understanding that not only focuses on achieving capability levels but also emphasizes the strengthening of governance, risk management, and control culture embedded within APIP's operational processes at the local government level.

CONCLUSION

The research findings indicate that the implementation of governance, risk, and control (GRC) in the APIP Capability of the Inspectorate of Regency X has not been fully aligned with the stages established in BPKP Regulation No. 8 of 2021. In the preparation, implementation, and assurance result stages, several processes have been completed; however, weaknesses remain, particularly in the preliminary survey, risk register evaluation, formulation of areas of improvement, and the provision of recommendations. Thematic analysis revealed that BPKP's role is highly dominant in determining the direction of improvement and decision-making, while the understanding of local government organizations (OPDs) regarding procedures and responsibilities within the assurance process remains

limited. Furthermore, the suboptimal management of risk registers and the use of working instruments such as worksheets and supporting evidence have also affected the effectiveness of GRC implementation. The researcher has provided recommendations to the Inspectorate X to address the issues related to the incomplete fulfillment of each stage. These recommendations were developed through benchmarking with other regions and based on existing regulations. In addition, several obstacles were identified at each stage, which hindered the completion of activities. Thus, it can be concluded that the improvement of APIP capability is not yet fully reflected in the implementation of GRC, as strengthening understanding, independence, and consistency in implementing procedures according to BPKP guidelines remains necessary.

The limitation of this study lies in the absence of confirmation or input from representatives of the BPKP Regional Office of Province X, which could have provided a more comprehensive and nuanced understanding of the implementation of governance, risk, and control (GRC) in APIP capability. Consequently, the findings of this study are primarily based on data obtained from the Inspectorate of Regency X, which may limit the perspective regarding the broader oversight and regulatory context provided by BPKP at the provincial level. For future research, it is recommended to expand the number of informants, not only from the Inspectorate but also by involving representatives from BPKP. Additionally, the expansion of informants may also include interviews with relevant OPDs that serve as GRC samples.

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