

The Impact of Communication Deficiencies on the Recurrence of Audit Findings: Evidence from Inspectorate XYZ

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ABSTRACT

The recurrence of audit findings suggests that previous audits conducted by Inspectorate XYZ have not effectively led to corrective actions. High-quality audit outcomes are expected to prompt auditees to address identified deficiencies. One contributing factor to these repeated findings is ineffective communication. This study investigates how communication-related issues contribute to the persistence of audit findings within Inspectorate XYZ, drawing on communication theory as its conceptual framework. To explore this issue, the study employs a mixed-methods approach, incorporating surveys, interviews, and document analysis. Thematic analysis is used to interpret the collected data and identify underlying patterns. The findings reveal a critical weakness in the follow-up monitoring process, which significantly contributes to the recurrence of audit findings. The study offers practical implications for both Inspectorate XYZ and the local government, highlighting the need for improved communication strategies and more rigorous follow-up mechanisms. By addressing these gaps, the quality of audits can be enhanced, ultimately supporting more effective governance and accountability within the local government.

Keywords: Regional Inspectorate; Repeated Findings; Communication; Communication Theory

Analisis Dampak Kurangnya Faktor Komunikasi terhadap Terjadinya Temuan Berulang pada Inspektorat Daerah XYZ

ABSTRAK

Adanya Temuan berulang mengindikasikan bahwa audit yang dilakukan oleh Inspektorat di periode sebelumnya tidak ditindaklanjuti dengan baik. Hasil audit yang berkualitas dapat mendorong Auditee untuk memperbaiki kelemahannya. Terdapat beberapa faktor yang menyebabkan terjadinya temuan berulang dan salah satunya adalah faktor kurangnya komunikasi dalam menjalankan rekomendasi audit. Penelitian ini bertujuan untuk mengevaluasi bagaimana faktor komunikasi dari sisi auditor dapat menyebabkan terjadinya temuan berulang pada Inspektorat Daerah XYZ. Penelitian ini menggunakan teori komunikasi yang tidak dikaitkan pada penelitian sebelumnya untuk menjawab rumusan masalah penelitian. Penelitian ini juga menganalisis lebih dalam faktor komunikasi pada tahap apa yang menyebabkan terjadinya temuan berulang. Penelitian ini menggunakan beberapa instrumen untuk mengumpulkan data yaitu survei, wawancara dan dokumentasi. Survei dan wawancara dilakukan kepada internal auditor di Inspektorat XYZ atau APIP. Dokumen yang digunakan dalam penelitian ini adalah Kertas Kerja Audit dan Lembar Supervisi Pengendali Teknis. Teknik analisis data yang digunakan dalam penelitian ini adalah thematic analysis. Hasil penelitian menunjukkan bahwa Faktor komunikasi yang mengakibatkan terjadinya temuan berulang di Inspektorat XYZ adalah proses pemantauan tindak lanjut yang tidak dilakukan oleh tim audit. Manfaat dari penelitian ini ialah memberikan informasi yang berguna bagi Inspektorat maupun Pemerintah Daerah, agar mengambil langkah-langkah yang dapat mencegah terjadinya temuan yang berulang dari tahun ke tahun. Sehingga audit yang dilakukan lebih berkualitas dan memberikan manfaat lebih baik bagi pemerintah daerah.

Kata Kunci: Inspektorat Daerah; Temuan Berulang; Komunikasi; Teori Komunikasi

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INTRODUCTION

Inspectorates serve as internal audit bodies within government institutions, functioning in accordance with their mandate to ensure effective oversight (Republik Indonesia, 2008). Government internal auditors, referred to as the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah, or APIP), play a vital role in mitigating corruption and enhancing public sector accountability (Badrulhuda et al., 2021). While APIP was previously limited to a watchdog role, it is now expected to also act as a consultant, offering advice that supports local government operations (Rizal, 2014). Audits conducted by the inspectorate can encourage auditees to strengthen governance and managerial practices (Rondonuwu et al., 2022). In this context, APIP is expected to deliver value-added services, primarily through actionable and high-quality audit recommendations (Wahyuni et al., 2023). High-quality recommendations are crucial for preventing repeated errors and avoiding the recurrence of audit findings in future periods.

Davidson's (1991) communication theory offers an essential lens through which to analyze audit interactions, positing two key insights: communication is a multilevel phenomenon, and the message conveyed is not always identical to the message received (Endaya & Hanefah, 2013). Prior research supports the notion that effective communication enhances auditor performance and internal audit effectiveness (Endaya & Hanefah, 2013). The Indonesian Association of Government Internal Auditors (AAIPI) mandates that auditors be able to communicate audit results clearly and effectively. Communication within the internal audit team is typically facilitated through interviews, confirmations, briefings, and the final audit report (Pusdiklatwas, 2014). The audit report, in particular, serves as a medium for conveying findings and recommendations to the auditee (Asosiasi Auditor Intern Pemerintah Indonesia, 2021). However, as Nunu et al. (2017) argue, ineffective communication between auditors and auditees is a major contributor to recurring audit findings. When communication is unclear, auditees may fail to implement audit recommendations adequately, thereby diminishing the value of internal audits and increasing the likelihood of repeat findings in subsequent audit periods.

Preliminary interviews with the Sub-Coordinator of the Evaluation and Reporting Division at Inspectorate XYZ revealed a consistent pattern of recurring audit findings over multiple years. Follow-up monitoring reports from 2021 to 2023 indicate that most recurring findings fall under administrative issues. The sub-coordinator attributed this recurrence, in part, to potential miscommunication, where auditees may have misunderstood or failed to act upon audit recommendations. Effective follow-up on audit results is essential for reducing operational errors in local governance (Nunu et al., 2017), and well-executed recommendations can lead to significant improvements in public sector management (Pongoliu et al., 2017). Hence, the persistence of recurring findings at Inspectorate XYZ suggests that existing internal audit mechanisms are not yet sufficient to drive substantive governance reforms.

While prior studies have identified both auditor and auditee shortcomings as causes of recurring findings (Nunu et al., 2017; Primasatya et al., 2020), there is growing recognition that auditee-side communication plays a critical role. For

example, Isminarsih (2015) emphasizes the influence of poor communication between auditors and auditees on the recurrence of findings. Herliana and Kuntadi (2023) conceptualize communication as an unstructured process of information exchange between sender and receiver. Applying Davidson's (1991) theory further highlights the potential for misalignment between intended and received messages in audit contexts. In this study, we investigate how communication breakdowns on the part of the auditee contribute to recurring findings at Inspectorate XYZ.

This study differentiates itself from prior research by offering an in-depth, stage-specific analysis of communication factors that lead to repeated audit findings. Unlike earlier studies, this research adopts Davidson's (1991) communication theory as a central framework to assess how and when communication failures occur. Given the variations in audit practices across different regions (Primasatya et al., 2019), this case study addresses a gap in the literature by contextualizing the problem within the unique setting of XYZ Inspectorate. To explore the research problem, a qualitative methodology is employed, utilizing surveys, interviews, and document analysis.

During an audit, APIP communicates both internally within the audit team and externally with auditees (Pusdiklatwas BPKP, 2014). Internal communication spans all stages of the audit process—planning, implementation, and reporting. For example, during the implementation stage, tiered reviews and working papers serve as essential tools for documenting and sharing audit findings among team members. These working papers are reviewed by the Team Leader and Technical Controller to ensure quality and consistency. At the reporting stage, internal discussions, or "exposés," are held to achieve consensus on the findings and recommendations before final approval by the Technical Controller and Coordinator.

In parallel, external communication with auditees is integral at every audit stage. During the implementation phase, auditors may engage with auditees to confirm or clarify findings. In the reporting stage, communication involves presenting the audit result manuscript, issuing the audit report, and coordinating the follow-up on audit recommendations. These communication activities are crucial for ensuring that audit recommendations are well-understood and properly implemented. The conceptual framework of this study, illustrated in Figure 1, outlines these interactions and serves as the foundation for analyzing communication breakdowns that contribute to recurring audit findings.

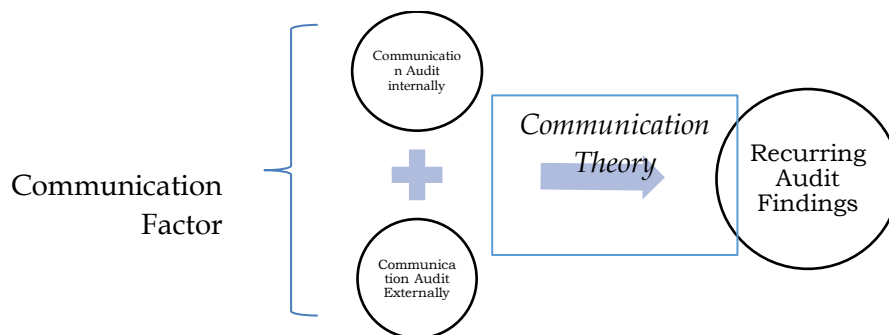


Figure 1. Research Model

Source: Research Data, 2024

RESEARCH METHODS

This research adopts a case study design. According to Yin (2018), case studies seek to explain a decision or a set of decisions by examining why they were made, how they were implemented, and what outcomes they produced. As an exploratory method, case studies enable researchers to investigate a phenomenon from multiple perspectives using various data collection techniques to uncover the underlying essence of observed events (Gunanjar et al., 2019). Ellet (2018) emphasizes that case studies rely on a careful analysis of specific contextual details to provide meaningful insights into complex issues. Woodside (2017) adds that the objective of case study research is to gain a deep understanding of actors, interactions, sentiments, and behaviors that emerge in particular processes. Given this context, a case study is an appropriate methodological choice for this research, as it facilitates an in-depth exploration of the factors contributing to recurring audit findings at the XYZ Regional Inspectorate based on participant responses and contextual analysis.

This study employs a qualitative approach. Creswell (2003) defines qualitative research as an inquiry process based on text and image data, involving unique procedures of data analysis and diverse research designs. It emphasizes the exploration and interpretation of meanings that individuals and groups assign to social phenomena. The qualitative approach in this study is used to investigate how communication factors contribute to the recurrence of audit findings within Inspectorate XYZ. This approach allows for the capture of lived experiences and subjective interpretations, providing insight into the communication processes that underlie audit inefficiencies.

At the Inspectorate level, audits are conducted by a designated audit team. A typical audit team comprises one Coordinator (serving as the Quality Controller), one Senior Auditor (acting as the Technical Controller), one Junior Auditor (as the Team Leader), and between two to five team members. The outcome of the audit process is formalized in the Audit Result Report (Laporan Hasil Pengawasan or LHP), which serves as a formal communication tool between the Regional Inspectorate and the auditee. The audit report outlines key findings and recommendations intended to enhance auditee performance and contribute value to the institution.

The study focuses on Inspectorate audits in districts that reported recurring audit findings between 2021 and 2023. Data were collected using three

instruments: surveys, interviews, and document analysis, to facilitate a comprehensive interpretation of the phenomenon. Both primary and secondary data were utilized. Primary data were obtained through surveys and interviews conducted with audit team members at Inspectorate XYZ. Secondary data consisted of archived materials from the Inspectorate, including complete LHP documentation, working papers, and supervisory review sheets prepared by technical controllers.

The survey was administered using a structured questionnaire distributed to the entire APIP population within the Inspectorate. A total of 48 responses were received, representing 84% of the total population of 57 APIP personnel. The survey items are detailed in Table 1. The questionnaire design was adapted from the Internal Audit Capability Model (IACM) developed by the Institute of Internal Auditors Research Foundation (IIARF) (MacRae & Sloan, 2017). Two indicators from the IACM's "Roles and Services" element were adopted. The first assesses whether the audit team has established effective internal communication mechanisms, such as tiered review processes and follow-up monitoring. The second evaluates whether the audit team has clearly communicated audit results to the auditee through formal audit result exposés and the monitoring of recommendation implementation (MacRae & Sloan, 2017).

Table 1 - Total Respondents Survey

No	Team Roles	Factor	Amount
1.	Technical Controller	Communication	10
2.	Team Leader	Communication	17
3..	Team Members	Communication	21
Total			48

Source: Research Data, 2024

Interviews were conducted with several representatives from each audit team role, as detailed in Table 2. The questions used in both the survey and interview instruments were adapted from the Internal Audit Capability Model (IACM), developed by the Institute of Internal Auditors Research Foundation (IIARF) (MacRae & Sloan, 2017). While the core questions remained consistent across instruments, the interview guide allowed for the development of follow-up questions based on participant responses. This semi-structured format enabled deeper exploration of communication-related factors that may contribute to the recurrence of audit findings at the XYZ Regional Inspectorate.

In addition to surveys and interviews, document analysis was also conducted. The documentation review focused on assessing the completeness and substance of audit communication tools found within the Audit Result Reports (Laporan Hasil Pengawasan or LHP). Key documents analyzed included working papers, supervisory review sheets, and minutes of agreement on follow-up actions. These documents were examined to evaluate the clarity and effectiveness of communication between the audit team and auditees, as reflected in formal audit outputs.

Table 2 - Total Subject Interview

No	Team Roles	Factor	Amount
1.	Technical Controller	Communication	3
2.	Team Leader	Communication	3
3..	Team Members	Communication	3
Total			9

Source: Research Data, 2024

This study employed two primary data analysis techniques: data reduction and thematic analysis. Data obtained from interviews were initially subjected to data reduction, followed by content analysis. Data reduction involves the process of summarizing, categorizing, and selecting relevant information to identify emerging themes and patterns from a large volume of qualitative data (Abdussamad, 2021). As the number of interviewees increases, the amount of information becomes more extensive and complex. Therefore, data reduction is a critical preliminary step to structure and condense the interview data before applying thematic analysis.

Thematic analysis was used to analyze data collected from documentation and survey instruments. According to Rozali (2022), thematic analysis is a method for identifying, analyzing, and reporting patterns or themes within a data set. In this study, thematic analysis was applied to explore communication indicators based on the Internal Audit Capability Model (IACM). It was used to examine data from the surveys, interviews, and supporting documents within the Audit Result Reports (Laporan Hasil Pengawasan or LHP), to determine how communication factors contribute to the recurrence of audit findings at the XYZ Regional Inspectorate.

To strengthen the validity of the findings, data triangulation was employed by integrating results from interviews, surveys, and document analysis. The triangulation process began with administering the survey to obtain a broad overview of respondents' perceptions. Subsequently, interviews were conducted with key audit team roles, including team members, team leaders, and technical controllers. The findings from these interviews were then compared across roles and with survey responses. When the information was consistent across sources, the interview results were considered representative of the audit team's collective perspective at Inspectorate XYZ. Conversely, if discrepancies arose between the survey and interview data, the interview results were interpreted as representing only a subset of perspectives. Finally, insights from both interviews and surveys were cross-referenced with documentary evidence to ensure analytical rigor and consistency.

RESULTS AND DISCUSSION

This study aims to examine how communication factors on the part of the auditee contribute to the recurrence of audit findings at the XYZ Regional Inspectorate. To address this objective, the researcher first conducted a survey to assess the general conditions of audit communication during the audit assignment process. This was followed by interviews with individuals occupying various roles within the audit team to obtain more in-depth insights. The results from both the survey and interviews were then compared with audit documentation to validate the findings.

Internal audits are conducted by multidisciplinary teams, making effective communication an essential component in completing audit assignments. Communication, as defined by Herliana and Kuntadi (2023), is an unstructured process involving the transfer of information from sender to receiver. According to Davidson's (1991) Communication Theory, the message conveyed is not always identical to the message received. In the context of auditing, this misalignment can affect the clarity and quality of audit outputs. Therefore, optimal audit communication is crucial for ensuring that audit reports are accurate, actionable, and contribute positively to the auditee's performance. Effective communication – both within the audit team and with the auditee – is key to achieving these outcomes.

Prior to engaging with external stakeholders such as the auditee, the audit team must first establish strong internal communication to ensure a shared understanding of findings and audit objectives. Research by Yulisfan and Nasution (2023) indicates that effective collaboration and information exchange among audit team members significantly enhance the team's ability to detect and evaluate issues within the auditee's operations. Internal communication can be facilitated through structured mechanisms such as tiered review processes and internal exposés. These practices allow the team to resolve challenges collaboratively, align on interpretations, and ultimately deliver audit results that are comprehensive and of high quality. Strengthening internal audit communication not only improves the efficiency of the audit process but also contributes greater value to the organization.

Table 3 - Survey Results related Review Tiered

Role of the Audit Team	Question	Quantity *				Percentage (%)*			
		SL	SR	KK	TP	SL	SR	KK	TP
Team Members	When carry out audit, Do you always	15	5	1	0	71	24	5	0
Team Leader	review your team's member work?	12	3	2	0	71	18	12	0
Technical Controller		7	1	2	0	70	10	20	0
Average		11	3	2	0	71	17	12	0

Information : *SL – Always ; SR = Often ; KK = Sometimes ; TP = No Once

Source: Research Data, 2024

The tiered review process is a key element of internal team communication conducted during audit implementation. This review mechanism serves to maintain audit quality through structured internal oversight. The first level of review is carried out by the team leader, who evaluates the working papers prepared by audit team members. Based on these papers, the team leader compiles a draft report summarizing the audit findings. This draft is then reviewed by the Technical Controller to ensure the consistency and quality of the findings.

Survey results presented in Table 3 show that, on average, 71 percent of audit team members—including team leaders and technical controllers – consistently implement tiered reviews. Meanwhile, only 12 percent of respondents indicated that the review process is performed occasionally. These findings suggest that the tiered review procedure is widely practiced across audit teams at

Inspectorate XYZ. When the review process flows systematically from audit members to the team coordinator, audit quality can be preserved, and recommendations are more likely to be relevant and implementable. This, in turn, enables the auditee to address identified weaknesses and reduce the risk of recurring findings in subsequent audit periods.

As one technical controller explained:

"Yes, it's actually tiered. The audit team member prepares the working paper, then it is reviewed by the team leader. The team leader and other members also draft the audit report, which is again reviewed by the team leader. From that point, the Technical Controller becomes involved in the tiered review. The team leader prepares the final audit report based on the review of the report draft by the Technical Controller."

(Technical Controller, 27 years of service)

The role of the Technical Controller in the tiered review extends beyond verifying structure or language; it encompasses the review of the substance of findings and the alignment of recommendations with applicable regulations. A well-substantiated audit finding should clearly outline the condition, criteria, cause, effect, and recommendation. The audit team is expected to identify the root cause of each issue accurately in order to formulate actionable and targeted recommendations. This structured approach enhances the audit's value in strengthening governance, improving operational effectiveness, and minimizing repeated audit findings in future periods.

As further emphasized by the same informant:

"It's not just about the writing, but also the content – how systematic it is, and whether the audit findings meet the required criteria. There must be the condition, criteria, cause, consequence, and recommendation, including the findings code. That's what should be complete in the audit report."

(Technical Controller, 27 years of service)

Table 4 - Survey Results related Internal Expose within the Team

Role of the Audit Team	Question	Quantity				Percentage (%)			
		SL	SR	KK	TP	SL	SR	KK	TP
Team Members	Whether when carry out audit, your team conduct an Expose internally to reach agreement about all over final audit findings?	11	5	5	-	52	24	24	-
Team Leader		10	4	3	-	59	24	18	-
Technical Controller		8	2	-	-	80	20	-	-
Average		10	4	3	-	64	23	21	-

Information : *SL – Always ; SR = Often ; KK = Sometimes ; TP = No Once

Source: Research Data, 2024

Internal exposure among team members is also a critical component of internal audit communication, particularly during the reporting phase. This process involves team members presenting their individual audit findings to the team leader and Technical Controller. Internal exposure serves to consolidate and align findings, ensuring consensus on the final audit report.

According to the survey results presented in Table 4, approximately 64 percent of audit team members indicated that internal exposure is consistently conducted to reach agreement on all final audit findings. Interview data corroborate this practice, with responses indicating that audit teams routinely engage in internal discussions to determine which findings should be formally reported. As one team leader noted:

“Always, yes. But first, we conduct an internal expose within the team – to decide which findings should be escalated and which should not.”

(Team Leader, 13 years of service)

The alignment between survey and interview findings suggests that internal audit communication practices at Inspectorate XYZ are well-implemented and conform to the standards set by the Indonesian Government Internal Auditor Association (AAIPI). This effective communication is also reflected in audit documentation, specifically within working papers reviewed by the Team Leader and the Supervision Sheets completed by the Technical Controller. Based on these findings, it can be concluded that internal communication within the XYZ Inspectorate functions effectively and does not appear to contribute to the recurrence of audit findings.

Table 5 - Survey Results related Expose External with Auditee

Role of the Audit Team	Question	Quantity				Percentage (%)			
		SL	SR	KK	TP	SL	SR	KK	TP
Team Members	Whether when carry out audit, Your team conduct an NHA expose with Auditee to reach agreement about all over final audit findings ?	11	7	3	-	52	33	14	-
Team Leader		14	2	1	-	82	12	6	-
Technical Controller		9	1	-	-	90	10	-	-
Average		11	3	2	-	75	18	10	-

Information : *SL – Always ; SR = Often ; KK = Sometimes ; TP = No Once

Source: Research Data, 2024

Communication between the audit team and the auditee is a critical component of the audit process. Previous studies have emphasized the importance of effective communication during the delivery of audit results, particularly in ensuring that the auditee fully understands and is able to act upon the recommendations provided (Setyaningrum & Kuntadi, 2019). Recurring findings may arise when auditees fail to appropriately follow up on audit recommendations, resulting in unresolved issues that reappear in subsequent audit periods.

Davidson’s Communication Theory (1981) explains that the message delivered is not always received or interpreted in the same way by the recipient. Applied to the audit context, this implies that ineffective communication during the reporting phase may result in the auditee misinterpreting or failing to comprehend the substance of the findings and recommendations. Consequently, an audit result exposure meeting—where findings are formally presented and

discussed – is necessary to ensure mutual understanding and agreement between the audit team and the auditee.

Survey results presented in Table 5 indicate that approximately 75 percent of the audit team consistently conducts audit result exposures with auditees. These exposures are a mandatory stage in the communication process at Inspectorate XYZ and serve as a platform for clarifying audit findings and ensuring commitment to follow-up actions. As one Technical Controller stated:

“External exposure with the auditee is necessary, in my opinion. When we meet the auditee directly, we can assess whether they agree with our audit findings and whether they are capable of implementing our recommendations.”

(Technical Controller, 11 years of service)

Based on both survey and interview data, it can be concluded that communication through audit result exposure with the auditee is generally well-implemented at Inspectorate XYZ.

Table 6 – Survey Results regarding the Monitoring Process act carry on

Role of the Audit Team	Question	Quantity				Percentage (%)			
		SL	SR	KK	TP	SL	SR	KK	TP
Team Members	Whether team You always do	4	4	5	8	19	19	24	38
Team Leader	monitoring follow-up results audit	5	2	7	3	29	12	41	18
Technical Controller	and not delegate to subsection evaluation and reporting ?	1	4	5	-	10	40	50	-
Average		3	3	6	6	19	24	38	28

Information : *SL – Always ; SR = Often ; KK = Sometimes ; TP = No Once

Source: Research Data, 2024

Effective communication between the audit team and the auditee is essential not only during the audit process but also after the audit report is issued. Post-reporting communication takes the form of follow-up monitoring activities, which aim to ensure that the auditee has appropriately implemented the audit recommendations. Monitoring the follow-up of audit results is critical to enhancing accountability and is closely linked to broader goals such as fostering a corruption-free public administration (Harinurhady et al., 2017).

However, survey results presented in Table 6 show that only 19 percent of audit team members consistently participate in follow-up monitoring. The remaining 81 percent stated that this responsibility was delegated to the Evaluation and Reporting Division (Evlap). Interviews further revealed that some audit teams were not even informed about the schedule of the follow-up monitoring process. As one Technical Controller explained:

“Now it’s mostly just the Evlap team that handles follow-up. The audit team isn’t informed or invited. Ideally, it should be done together.”

(Technical Controller, 20 years of service)

Many audit teams at Inspectorate XYZ indicated that their absence in the follow-up phase was due to scheduling conflicts with other audit assignments, as outlined in their assignment letters. Consequently, they were not engaged in the

follow-up process, and the completion status of audit recommendations may not reflect the actual conditions. Since the Evaluation and Reporting Division is not involved in conducting the audit itself, they may lack a full understanding of the substance and context of the findings. This disconnect increases the risk of inaccurate conclusions about whether recommendations have been effectively implemented.

Endaya and Hanefah (2013) argue that ineffective communication is often rooted in incomplete or inaccurate information. When the audit team is excluded from the follow-up process, audit messages may be misinterpreted or distorted, resulting in inappropriate corrective actions by the auditee. This increases the likelihood of unresolved issues recurring in future audit cycles. Aikins (2012) similarly found that the quality of follow-up monitoring has a significant impact on whether audit recommendations are properly executed. One team leader echoed this concern:

"We're often pressed by the audit timeline in the assignment letter – 10 to 12 days. Once it's done, we move on, and follow-up is entirely handed to Evlap. But if the auditee hasn't followed through, it should be the audit team – not Evlap – who checks that."
(Team Leader, 8 years of service)

Follow-up monitoring is a critical phase of the audit reporting process. After finalizing the Audit Result Report (LHP), the audit team is responsible for ensuring that the recommendations are implemented and produce the intended outcomes. Since the audit team is the party most familiar with the findings and the rationale behind each recommendation, their involvement is essential. When this responsibility is transferred to the Evlap division, which comprises administrative personnel not involved in audit execution, the risk increases that follow-up actions will diverge from their intended purpose. Moreover, instructions or clarifications provided during follow-up may not align with the audit team's original findings, potentially weakening the resolution of audit issues.

Some members of the audit team also expressed the belief that follow-up monitoring falls outside their primary duties. As one Technical Controller noted:

"Recurring findings shouldn't happen. If an issue was raised last year and appears again, something is clearly not working. But the follow-up process is handled by Evlap – it's their task and function."
(Technical Controller, 27 years of service)

Despite these operational gaps, the audit team has made efforts to ensure follow-up by formalizing the *Minutes of Follow-Up Agreement*, signed by the Team Coordinator and the Head of the Auditee. Nevertheless, in many instances, the audit team was not included or even informed when the auditee coordinated follow-up actions with the Evlap section. Lusiana et al. (2017) found that weaknesses in follow-up monitoring are often due to the absence of formal policies regulating its implementation. Further, Sumiyana et al. (2024) noted that auditors in Inspectorates often work with static capacities due to the assignment-based nature of their roles, limiting their involvement in follow-up activities. Aikins et al. (2022) also emphasized that ineffective control over APIP task execution by management can hinder the internal audit function.

Davidson's (1991) Communication Theory provides a theoretical underpinning for these findings. It asserts that messages conveyed are not always interpreted as intended. When follow-up monitoring is conducted by a party not involved in the audit, such as the Evlap division, the original message may be altered or lost. Harinurhady et al. (2017) further stress that follow-up can only be effective if communication is accurate and clearly understood. The lack of optimal communication between auditors and auditees has contributed to the persistence of recurring findings at Inspectorate XYZ.

CONCLUSION

This study finds that recurring audit findings at the XYZ Regional Inspectorate are closely linked to communication weaknesses—particularly in the follow-up monitoring phase. According to AAIFI standards, the audit team is responsible for completing all stages of the audit assignment, including the monitoring of follow-up actions. However, the findings reveal that this responsibility has been largely delegated to the Evaluation and Reporting (Evlap) section of the Inspectorate Secretariat, a group composed of non-auditor administrative personnel.

The audit team, being most familiar with the findings and recommendations, is best positioned to assess whether follow-up actions have been implemented correctly and effectively. Delegating this responsibility to Evlap risks miscommunication, misinterpretation of recommendations, and ultimately, unresolved audit issues. Davidson's Communication Theory (1991) supports this conclusion by emphasizing that communication is prone to distortion when the message is not transmitted by its originator. As a result, follow-up actions may fail to address the root cause of the issue, leading to recurring findings in subsequent audit cycles.

To address this problem, Inspectorate XYZ should involve audit team members—particularly team leaders—in the follow-up monitoring process. This involvement should be formally included in the assignment letter (SP) to ensure coordination and accountability. Doing so would improve the clarity and accuracy of communications during follow-up, and enhance the likelihood that auditees will implement recommendations effectively.

While this study focuses exclusively on communication factors, it acknowledges that other variables, such as auditor independence and competence, may also contribute to recurring findings. Furthermore, this study explores the issue primarily from the auditor's perspective. Future research should examine additional factors, including those from the auditee's side, and assess the influence of organizational culture, resource constraints, or governance practices in shaping audit outcomes at the regional level.

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