

Analysis of Financial Report Auditor Planning in Government Internal Control

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Article

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Abstract: *This study aims to determine the suitability of Planning Auditor of the Financial Statements of the Buton Regency Inspectorate, with Standard Audit of Government Internal Supervisory Apparatus implemented by BPK-RI. The research method used is descriptive with a approach the research was conducted at the Inspectorate Office of Buton Regency, which is located in Southheast Sulawesi Province. The research was carried out on August 2 to September 2, 2022. The result of this research is that the planning for the audit of the financial statements at the Buton district Inspectorate office has complied with the audit standards of the government's internal supervisory apparatus implemented by the financial audit agency of the Republic of Indonesia (BPK-RI). The audit standard applies 3 statements of Field Work Standards (SPAP) set by the Indonesian Accountants Association, namely: 1) Work must be planned as well as possible and if used assistants must be properly supervised 2) A sufficient understanding of intern control must be obtained to plan the audit and determine the nature and scope of the tests to be performed 3) Competent audit evidence must be obtained through inspection, observation, submission of statements, and confirmations as a reasonable basis for expressing an opinion on the audited financial statements.*

1. Introduction

The focus of attention is on public sector audits because, according to the information provided by the government, the general public is not informed about the general state of the economy and the government financial sector public institutions will be responsible for disbursing funds. Therefore, clear regulations and audit independence are needed for government financial operational institutions. Public sector audit is a very important thing to do in this situation because it allows the government (central and local government) to assess data that has been used by institutions so that it can be determined whether its use is appropriate or not. with procedures and standards (Dito Aditia Darma Nasution, 2019).

Auditor Position is a department that has a room with a complete desk, lots of equipment, a strong sense of purpose, and is willing to carry out internship assignments in government agencies, organizations, and other entities whose national anthem deserves to be sung. An auditor has a duty to uphold the highest ethical standards for auditing the

organization for which they work, their profession, the general public, and themselves. Apart from having these skills, the auditor must also have the confidence to question his own integrity and professional continuity (Ulfah, 2018).

Audit planning is a key consideration for the auditor in all audit situations, whether financial, employment or other objectives. In each audit case, the auditor must leave the audit. An audit plan is recommended to ensure the achievement of audit objectives in a professional, efficient and effective manner. During the audit, the auditor provides methodology, resource allocation, and guidance. The auditor must provide supporting documentation for each audit objective (AAPI, 2014). For an audit to help those who perform it, independent auditors must have the necessary objectivity and responsibility to identify potential hazards. For this reason, before starting the audit process, it must be completed as soon as possible to reduce the audit-related risks that the auditor will pose, whether they are carrying out legal proceedings or the risk of losing their reputation.

The stages of planning an audit are tasks that require serious consideration by an auditor. Planning is not a specific audit stage that is superior to other audit stages; rather it is a lengthy and involving process that often occurs after or in connection with the end of the previous audit period and continues until the end of the current audit period (SA 300, Para A2). Standard on Auditing ("SA") 300 paragraph 9(c) states that a longer audit process is necessary to ensure that the requirements recorded by the SAs are met (Auditing Standard).

According to the BPK of the Republic of Indonesia Number 1 of 2007 concerning State Financial Audit Standards, a person who is considered an examiner is a person who carries out tasks related to auditing state finances for and on behalf of the Supreme Audit Agency. The government's international supervisory apparatus is an organizational unit within the central government, regional government, state ministries, state agencies, and non-departmental government agencies that are related and function to carry out supervision.

Auditors may perform audits to determine whether an organization's cash flows were materially affected by a fraud or fraud, and they are required to obtain all the information necessary to do so. However, they are not required to determine whether a misstatement is materially affected by a fraud because that is a conclusion that cannot be drawn from the audit process (2014:26). Government Accounting Standards (SAP) purpose of financial reports to help provide useful information for stakeholders in assessing accountability and transparency used to formulate policies, economics, social. The current situation of the Inspectorate of Buton Regency is rather precarious with regard to improving the quality of its auditors, so it is very important to conduct an audit of financial records to identify competent auditors.

2. Literature Review

Audits

According to the Regulation of the Minister of State for Administrative Reform Number PER/05/M.PAN/03/2008, an audit is a process that identifies problems, analyzes them, and then evaluates them professionally and objectively in accordance with the audit standards required to determine effectiveness. and the efficiency of the functions and operational procedures of the executive and legislative branches of a given organization. Auditing is a type of information gathering and evaluation that focuses on reporting information to determine whether the reported information and established criteria are consistent. And audits need to be carried out by competent and independent people (Arens, 2012). According to Agoes (2013), auditing is a type of systematic and thorough

investigation conducted by an independent government agency on the operations of financial institutions, including banks and credit unions, with the aim of gathering information about the workings of these financial institutions.

The Financial and Development Supervisory Agency (BPKP), the Inspectorate General, the Provincial Inspectorate, the Regency or City Inspectorate, or other organizations that carry out internal audits in a professional manner. And as stated in Permenpan No. PER/05/M.PAN/03/2008, internal auditors are members of the Civil Service who serve as auditors as well as other organizations that have received the green light. responsibilities, and rights are weakly exercised by officials supervising the Government. After the completion of the audit process of the local government, the results are submitted to the governor. In order for the BPK to obtain an opinion on the audit report that has been produced by the auditor concerned, the BPK conducts an examination of the report. Therefore, the BPK can use the audit report from the inspectorate as a "second view" when conducting an audit (Mulyadi, 2010).

The focus of this research is the Inspectorate, the government's internal auditors. The inspectorate organizes governance in the regions in terms of the progress and success of the local government in achieving the goals that have been set, emphasizing a very important and significant role in the progress and success of the procedure used by the inspectorate is called an audit, and it requires: (1) Comprehensive and thorough consideration of institutional regional employees, regional finance, regional goods, and government affairs, (2) Decentralization of funds, (3) Decontralization of funds, (4) Thinking of co-administration, (5) Concerning foreign credit and grant policies.

The audit task of the auditor is a task that has a significant impact on the oversight function. Uria Tonga referred to above identifies each Government Oversight Official (auditor) in the Oversight Function (Inspectorate). In order to complete the task, it is necessary to organize a supervisory function by a capable person. The current professional standards of internal auditing are of great concern to experienced auditors who perform various audit procedures. In contrast, the objective of the inspectorate auditor is to provide oversight over applications for acquittals to certain authorities. Not only during the audit itself, but also in other activities related to the audit such as evaluating audit findings, monitoring the quality of audit management working papers, and others of the same kind.

Indonesia, the Standard for Auditing Government Functional Oversight Apparatuses (SA-APPF) is a revision of the standards adopted by the Financial and Development Supervisory Agency (BPKP) in 1996. Examination of State Financial Management and Responsibility Law no. 15 of 2004 is an official document on State Financial Management and Responsibility Examination (paragraph 1 point (3)). Since APIP is the internal auditor for the executive, it is a priority to eradicate corruption at all levels of the executive, from the President to the Prime Minister, heads of Non-Departmental Government Agencies (LPND), to provincial, city and state governors. (Usman, 2019).

Audit quality is something that is developed by doing preliminary work earlier than necessary before starting the project and using judgment and foresight and certainty before starting the project. Astrid Bastian (2014:186). According to Amir Abadi Jusuf (2017: 50), the definition of audit quality is as follows: "A process to ensure that generally accepted audit standards are followed in all audits, KAP follows audit quality control procedures by helping to meet standards,".

Audit quality is defined as any event or event, both in accordance with auditing standards and the public disclosure code of ethics carried out by the auditor as soon as

possible in the form of a financial audit, and each auditor will act professionally and honestly when starting his career (Agusti and Pertiwi, 2013) . As a result, the auditor must complete their duties competently and produce high-quality audits to minimize the possibility of miscommunication between the organization's management team and related organizations. According to the available data, some organizations have difficulty starting their business because the quality of the audit results from the auditors is not up to par, and this has a significant impact on the credibility of their results. The public's perception of an organization's financial results can be affected by the situations mentioned above (Audits and more, 2021).

According to the Regulation of the Minister of State for the Empowerment of Indonesian State Apparatuses no. PER/05/M.PAN/03/2008, APIP must use standard audit procedures in conducting quality assurance audits as part of its work (SA-APIP). This quality must be built from the initial audit to conclusions and recommendations. As stated in the Regulation of the State Minister for Administrative Reform no. PER/05/M.PAN/03/2008 concerning the APIP Code of Ethics, to carry out existing tasks, APIP must comply with all professional codes of ethics.

3. Methodology

The research method used is descriptive with a qualitative approach. The research was conducted at the District Inspectorate Office. Buton, which is in Southeast Sulawesi Province. The research was carried out from 2 August to 2 September 2022. The sample in this research is the standard financial audit (Manual Audit) of the Inspectorate Office of Buton Regency in 2021. The data sources for this research are primary data sources and secondary data sources. Data collection techniques used are interviews and documentation. Data analysis was performed using the following methods: 1) Examine information regarding the financial audit of the Buton Inspectorate. This information is then documented; 2) Using a method that guarantees the accuracy of the ongoing audit of the District Inspectorate. Butonese:

1. Comparing the design of bank account checks conducted by the Buton Inspectorate with the standards set by the Government Internal Audit Program (SA-APIP).
2. If the design is acceptable, the next step is to compare the financial audit design conducted by the Buton District Inspectorate with the operational design.

If the design does not match, the next step is to compare the checking of bank accounts conducted by the Buton Inspectorate with the checking of bank accounts carried out by SPAP.

4. Results and Discussion

4.1 Results

After the author had a meeting with the most senior single inspector of Kab. Buton a.n. Muhamad Ahyan Position Head of Subdivision. Planning and Finance, namely: Planning, Implementation, and Reporting are the three main topics in the Assignment/Supervision Audit. According to PKPT, audit planning begins with the Assistant Inspector, Technical Controller, and Team Leader, we prepare a list of assignments that include an audit/evaluation/monitoring/review team, time budget (HP), and audit/evaluation/monitoring/review budget, and so on. surrender The inspector instructs Irban/PT/KT/AT to submit audit assignment planning assignments in the approved assignment plan (supervision). Later, the review secretary gave an explanation of the assignment and agreed to remove the initials from the ST and introduction to ST and then re-

enter the Assignment Card, Assignment Time Budget (HP), and documents containing the quality control of the assignment that had been recorded. The secretary for revision then goes to the Head of Evaluation and Sub-Section for Evaluation and Reporting of the assignment planning the assignment affixes signatures to the cost sheet and initials on the SPD concept, then reviews the cost sheet and SPD concept. The next step in this process is to pass the information on to the inspector to complete it.

Based on the Audit/Review Team Assignment Letter, the implementation of the audit assignment begins with conducting a preliminary audit with the auditor, explaining the purpose of the audit, and asking the auditor to provide documentation or other materials related to the upcoming audit, evaluation or review. All documents submitted and received by the auditor are given to the audit team, which is then evaluated in relation to the documents/files that have been disseminated by the auditor. Then, the audit team communicates with the head of the audit organization about issues that need clarification. After that, the Audit Team drafted the audit results, which were then approved by the relevant audit organization and sent to the audit organization for honest response.

Reporting begins with the team presenting a draft report that will be discussed with the Inspector, Secretary, Irban, and other Teams based on the findings of the Audit Results. The exam results are stated in a notarial deed before being used to make the exam minutes. If corrections are needed, the Audit Team makes corrections to the draft document so that it can be used as the penultimate document. The cleaning results are carried out by the Technical Controller, reported to the Team Leader, then forwarded to the Secretariat for initials. Reports that have been parsed by the Secretary are given to the Head of Subdivision for Evaluation and Reports to be numbered and forwarded to the Examiner to sign. After that, many copies were reported, then volumes. Newly published chapters are instructed to write according to the theme of the LHP book.

Table 1. Comparison of Bank Indonesia Report Planned Audit Plans with Bank Planned Audits according to APIP Audit Standards

Financial Audit according to Standards	Statement Planning Auditing	Financial Report Audit Planning Inspectorate of Buton Regency	Ket.
Understanding of Audit Objects and Problem Identification		Examining audited data, information, and public service functions and back-end logs. Recognize any problems that may exist in the audit, plan or program to be examined.	
Internal Control System Assessment		The auditor must increase the effectiveness of each member of the internal audit staff. The preparation of the questionnaire is used for internal system maintenance.	
Determination of Audit Objectives and Scope		By defining audit objectives, the auditor may choose to measure all work-related metrics, such as economic, efficiency, and effectiveness metrics. Determine the scope of the audit, similar to the audit scope on the information set from the previous audit, and make changes to the audit scope as needed when information from the previous audit is required to do so.	
Carry out analytical procedures		In order to be used as an audit tool, the analysis will be made by the auditee must first have a quality review.	

Compilation of Audit Work Programs	Audit program objectives and procedures to be followed to meet audit objectives.
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After comparing the design of the financial audit conducted by the Inspectorate of Buton Regency with the financial audit conducted in accordance with the Auditing Standards, it was determined that the design of the financial audit conducted by the Inspectorate of Buton Regency met the APIP Audit Standards.

4.2 Discussion

When investigators finished their work at the Buton District Inspectorate, they used a type of test to determine whether the money could be laundered. E The four types of payroll are: (1) internal payroll procedures, (2) internal payroll, (3) substantive payroll for transactions, and (4) detailed balances payouts. analytical procedures and tests of details of balances are used to reduce criminal acts, while procedures for understanding internal control and internal control controls are used to reduce occurrences. Due to their use in determining the effectiveness of internal research projects and the rupiah/dollar exchange rate of any given transaction, substantive tests of risk controls and risk detection are currently being attempted. The substantive control audit program of controls and tests of controls contains an explanatory section with ongoing discussion of the apprenticeship. Usually also includes a description of the procedures that have been performed after control of risk control is assessed. These two factors result in a thorough and accurate audit program of required transactions.

The first step is to conduct an internal control hearing, assess control risk, and determine the costs and potential rewards of testing controls. After that, a new program audit was started to strengthen and verify the transactional information. The audit procedure used is based on control risk anticipation. Control testing should be discussed if the internal genealogical study is effective and the genealogical risk is high. Several substantive questions about the transaction will also be raised. Only proven tests on the subject of the transaction will be used if the risk of a transaction is estimated at 1.0. The use of procedures and procedures to obtain information about the internal gendarme will undermine police judgment and their ability to make factual judgments about transactions.

Tests of detailed designs above are now open for transaction-related auditing. When determining the audit procedures necessary to achieve each audit objective related to a transaction, many auditors use the following methodologies: 1) Identify audit risks that could jeopardize the current account balance; 2) Describes tolerable misstatement and emphasizes the risk of account suspension for the accounts listed above; 3) Outlines the potential fraud risk for certain transactions that compromise the account in question; 4) Design and perform substantive due diligence and controls on transactions that invalidate the account concerned; 5) Consolidate and start analytical procedures for the accounts mentioned above; 6) Use tests of details of balances to advance audit objectives related to the transaction

According to the investigation results of the Buton District Auditor Inspectorate Team, the main concern of the auditor when approving detailed tests of balances is the need to ensure that the results of the tests are accurate before approval. This is important because the auditor is required to review tests based on the results of other tests at the appropriate point in the interview. When reviewing the details of tests of balances, the auditor ordinarily determines that there will not be much unless there is further reason to support the same conclusion, such as judgments in tests of generosity, substantive tests of transactions, or analytical procedures.

5. Conclusion

Planning for a financial report audit at the Inspectorate of Buton Regency applies 3 standard requirements for SPAP fieldwork, namely Planning, Implementation and Reporting, which are the three main topics in the Assignment/Supervision Audit. To ensure that project objectives are achieved with high quality, engagement planning is often used as a brainstorming tool during project execution. Implementation of the plan is a project that is independent and organized in the form of assurance (guarantee activities) and consultancy (consulting activities) intended to support the implementation of the plan. Reporting of Supervision Results is intended to be used as a means to communicate findings, summaries, and recommendations regarding the results of supervision to related organizations. It can also be used as a tool for short-term planning.

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