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Evaluation of Internal Control over Recurring Audit Findings of the Inspectorate General of the Ministry of Home Affairs

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The achievement of public accountability in government institutions depends on the effective implementation of the Government Internal Control System (SPIP). Institutionally, the Ministry of Home Affairs (MoHA) has attained SPIP Maturity Level 3; however, recurring audit findings continue to be identified. This study aims to evaluate the effectiveness of the internal control system in addressing recurring findings, identify the inhibiting factors based on the five dimensions of the COSO framework, and formulate tactical recommendations to overcome these challenges. This descriptive qualitative study employed a case study approach. Data were collected through in-depth interviews with key informants representing both auditors (the Inspectorate General of the Ministry of Home Affairs) and auditees (the Directorate General of Village Government Development, the Regional Representative Council, the Institute of Public Administration Jatinangor Campus, and the Institute of Public Administration North Sulawesi Regional Campus), as well as through document analysis of the Audit Reports for the 2021–2024 period obtained from the SIWASIAT application. Data were analyzed using the Miles, Huberman, and Saldaña interactive analysis model. Using the five dimensions of the COSO framework as the analytical basis, the study identified five cross-dimensional and thematic inhibiting factors: weak organizational commitment and control culture; inadequate supervisory planning documents in determining the focus of recurring findings; regulatory weaknesses and the absence of enforceable institutional sanctions; limitations in supervisory information systems and technology; and weaknesses in monitoring methodology, along with a compliance-oriented approach to follow-up verification. The findings indicate that the current internal control system remains insufficient to break the cycle of recurring audit findings. Therefore, the study recommends strengthening leadership commitment through behavioral regulations, formalizing operational risk registers, enhancing the SIWASIAT early warning system, standardizing Root Cause Analysis (RCA) training for auditors, and implementing a two-step follow-up verification mechanism.

Keywords: Internal Control, Recurring Audit Findings, COSO, Inspectorate General, SIWASIAT.

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1. Introduction

In realizing good governance, accountability and transparency are fundamental pillars that must be upheld by every government institution. In the context of modern bureaucracy, every public entity has both a moral and constitutional responsibility to ensure that the management of public resources is conducted in an accountable manner. The achievement of public accountability largely depends on the effective implementation of the Government Internal Control System (Sistem Pengendalian Intern Pemerintah SPIP), as mandated by Government Regulation Number 60 of 2008. SPIP functions not merely as a procedural compliance instrument but also as an early warning system designed to mitigate organizational risks and safeguard public trust in institutional integrity. The Government Internal Control System is intended to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting, the safeguarding of state assets, and compliance with applicable laws and regulations. Consequently, SPIP serves as a comprehensive control mechanism that must be implemented across all ministries, government agencies, and regional governments.

The effectiveness of SPIP depends on the integration and proper functioning of its five interrelated components. According to Government Regulation Number 60 of 2008, these components include the Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. The Control Environment requires leaders and employees to establish and maintain organizational conditions that promote positive behavior and support internal control and management practices. Risk Assessment involves identifying and evaluating both internal and external risks that may hinder the achievement of organizational objectives. Control Activities are designed to ensure that management directives are effectively implemented. Information and Communication require relevant information to be properly recorded, communicated, and reported to management and other authorized parties in a timely manner. Finally, Monitoring aims to assess the quality of internal control performance continuously and ensure that audit recommendations and review findings are appropriately addressed. These five components collectively form a comprehensive internal control framework that must be implemented consistently throughout government institutions.

Within the implementation framework of SPIP, the role of the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah APIP) is crucial. APIP, including the Inspectorate General of the Ministry of Home Affairs, is mandated to provide oversight and guidance regarding the effectiveness of SPIP implementation. Through audits, reviews, monitoring activities, and evaluations, APIP seeks to ensure that internal control systems function effectively in mitigating risks, preventing errors, and minimizing irregularities. Therefore, internal supervision plays a strategic role in enhancing organizational performance and accountability.

Data on recurring audit findings and follow-up recommendations within the Ministry of Home Affairs for the period 2021–2024 indicate that out of 1,110 audit findings and 2,286 recommendations issued, only 1,936 recommendations were fully implemented. Meanwhile, 306 recommendations were categorized as Inappropriately Addressed, 43 had Not Yet Been Followed Up, and one recommendation was classified as Unable to Be Followed Up. These figures suggest that organizational commitment to implementing audit recommendations remains insufficient across several work units within the Ministry. This situation is also associated with limited support from top management, including the Minister and the Inspector General, particularly due to the absence of effective sanction mechanisms for work units that fail to complete corrective actions. Minister of Home Affairs Decree Number 700.1235/2022 concerning Internal Supervision within the Ministry of Home Affairs and the National Border Management Agency stipulates a maximum period of sixty working days for submitting follow-up actions through the SIWASIAT system; however, it does not establish strong institutional sanctions for non-compliance.

This phenomenon reflects a gap between the ideal conditions envisioned by Government Regulation Number 60 of 2008 concerning SPIP and the actual conditions observed within the Ministry of Home Affairs. Substantively, recurring audit findings weaken the reliability of financial reporting, reduce operational efficiency, and ultimately undermine public accountability, which SPIP is intended to safeguard.

Recurring findings within the Ministry of Home Affairs indicate weaknesses in the supervision and follow-up cycle. Theoretically, a strong internal control system should be capable of identifying and preventing repetitive risks. According to Arens et al. (2017), deficiencies in internal control structures often lead organizations to repeatedly encounter similar problems because management tends to address symptoms rather than the root causes. Consequently, recurring findings may signal deeper structural deficiencies within the internal control framework.

This condition calls for a redefinition of the role of the Inspectorate General as an internal audit institution. Sawyer et al. (2003) argued that modern internal auditing should function as a change agent by providing consultative services and sustainable solutions rather than merely documenting administrative deficiencies. In this regard, monitoring effectiveness becomes a critical factor. Reding et al. (2013) emphasized that the quality of an internal control system largely depends on continuous monitoring mechanisms that ensure audit recommendations are effectively implemented. Although APIP is expected to ensure continuous improvement through follow-up monitoring, the persistence of recurring findings suggests weaknesses in the Monitoring component of SPIP. This situation indicates that the current internal control mechanisms have not been sufficiently effective in preventing the recurrence of similar findings, thereby necessitating a comprehensive evaluation to identify the root causes of these weaknesses.

In the Indonesian public sector context, Mardiasmo (2018) emphasized that accountability extends beyond regulatory compliance and encompasses the ability to justify the use of public funds through effective oversight mechanisms. When the monitoring of audit findings is ineffective, the risk of organizational failure increases significantly. Therefore, evaluating the effectiveness of monitoring activities conducted by the Inspectorate General is essential to strengthening accountability and improving governance outcomes.

Empirically, recurring audit findings constitute a strong indication that the existing internal control system is inadequate. However, identifying the existence of deficiencies alone is insufficient for developing effective corrective strategies. A more comprehensive evaluation is required to determine which specific components of internal control whether the control environment, risk assessment, control activities, information and communication, or monitoring are experiencing dysfunction. Based on this gap, the present study is both relevant and strategically important. Accordingly, this research, entitled "Evaluation of Internal Control over Recurring Audit Findings at the Inspectorate General of the Ministry of Home Affairs," seeks to provide empirical evidence and practical recommendations for strengthening the effectiveness of internal control mechanisms and reducing recurring audit findings within Echelon I work units. The objectives of this study are:

1. To evaluate the effectiveness of internal control over recurring audit findings at the Inspectorate General of the Ministry of Home Affairs.
2. To identify factors that hinder internal control from breaking the cycle of recurring audit findings.
3. To formulate recommendations and corrective measures to address the factors that impede the effectiveness of internal control in managing recurring audit findings within the Inspectorate General of the Ministry of Home Affairs.

2. Methodology

This study employed a qualitative research design using a descriptive method with an inductive approach. According to Strauss and Corbin (2009, p. 4), qualitative research is a type of inquiry in which findings are not obtained through statistical procedures or other forms of numerical analysis. In this study, two types of data sources relevant to evaluating the internal control system in relation to recurring audit findings were utilized, namely primary and secondary data.

Informants were selected using a purposive sampling technique. As stated by Sugiyono (2017, p. 218), purposive sampling is a data source selection technique based on specific considerations, whereby participants are chosen because they possess the most relevant knowledge regarding the phenomenon under investigation. Based on these considerations, this study involved eight key informants representing seven organizational positions, consisting of both auditors from the Inspectorate General and auditees from the respective organizational units.

According to Satori and Komariah (2011, p. 103), data collection is a strategic step in scientific research to obtain valid and reliable information. Similarly, Riduwan and Akdon (2010, p. 51) stated that data collection methods refer to the techniques employed by researchers to collect accurate data. Based on these theoretical foundations, this study employed three primary data collection techniques to evaluate the effectiveness of internal control monitoring at the Inspectorate General of the Ministry of Home Affairs: observation, in-depth interviews, and document analysis.

Data analysis was conducted interactively and continuously throughout the data collection process until data saturation was achieved. The study adopted the interactive data analysis model proposed by Miles and Huberman, which consists of three concurrent stages: data reduction, data display, and conclusion drawing and verification.

3. Results And Discussion

Evaluation of Internal Control over Recurring Audit Findings at the Inspectorate General of the Ministry of Home Affairs

a. Control Environment

Another essential element of the control environment is commitment to competence. To ensure that financial governance is carried out in accordance with applicable regulations, personnel directly involved in operational activities such as administrative staff, treasurers, Commitment-Making Officials (PPK), and Officials Responsible for Signing Payment Orders (PPSPM) must possess up-to-date knowledge of relevant regulations. Based on interviews with several informants, it was found that almost all organizational units were committed to improving the competence of their human resources through various training programs. Nevertheless, limited participation was identified in one of the sampled work units. During an interview conducted on June 2, 2026, at the Office of the Head of Planning and General Affairs of the Regional Honorary Council (DKPP), the Head of the Finance Subdivision stated:

> *"Although training programs related to financial management and risk management are available through the Ministry of Home Affairs* Human *Resources Development Agency (BPSDM), our participation and involvement as an auditee work unit remain very limited."*

The low level of participation has resulted in a persistent knowledge gap among operational personnel.

These weaknesses in the control environment indicate that recurring audit findings within the Ministry of Home Affairs are not merely technical issues related to documentation errors or incomplete supporting evidence. Rather, they reflect deficiencies in the organizational culture of compliance and supervisory structures that have not been adequately institutionalized. Flexible policy implementation, combined with insufficient organizational commitment to continuously improving staff competencies, has collectively created a work environment that is tolerant of recurring administrative errors. Consequently, similar audit findings continue to reappear from year to year.

b. Risk Assessment

Field confirmation with auditors revealed that most recurring findings were not caused by intentional fraudulent behavior. Instead, they resulted from the long-term perpetuation of improper working practices that had gradually become normalized within the organization. This phenomenon was confirmed by one of the APIP informants during an interview conducted on June 4, 2026. The Technical Controller, who also served as the Audit Team Leader, explained:

> *"Recurring findings are not caused by fraudulent intent but rather by an organizational culture that accepts routine improper practices as business as usual. These continuously repeated administrative mistakes have gradually* evolved *into an inappropriate organizational culture."*

This business-as-usual culture weakens the effectiveness of the risk assessment function because work units tend to perceive administrative deficiencies such as delays in report preparation, incomplete supporting documentation, and non-compliance with standard operating procedures as common and acceptable within government bureaucracy. As a result, the risk of recurring audit findings is not recognized as a serious threat to organizational accountability.

An effective risk assessment process requires systematic, periodic, and well-documented risk identification throughout organizational operations. However, field findings indicate that auditee work units do not maintain formal risk registers identifying vulnerabilities in the financial document verification process. During an interview conducted on June 2, 2026, the Head of the Finance Subdivision of DKPP stated:

> *"During the verification of financial documents, there is no formally documented annual risk identification procedure. Risk identification is limited to informal verbal reminders intended to prevent the repetition of previous mistakes during document verification."*

Reliance on informal verbal reminders is particularly problematic given the high frequency of personnel rotations within the Ministry of Home Affairs. When experienced officials or staff members are transferred, the institutional knowledge of previous risks is also lost, allowing newly assigned personnel to unknowingly repeat the same administrative errors.

Normatively, Government Regulation Number 60 of 2008 requires government institutions to conduct periodic risk assessments in order to formulate appropriate risk responses. However, the findings indicate that risk assessment within the Ministry of Home Affairs has yet to function as a preventive operational mechanism. These weaknesses demonstrate that organizational risk management remains largely an administrative formality rather than an embedded organizational practice. Unless the objective of eliminating recurring findings is formally established, the business-as-usual culture is transformed, and systematic risk identification is strengthened, recurring audit findings will continue to occur in every audit cycle.

c. Control Activities

The findings indicate that deficiencies in control activities are further aggravated by the permissive attitude of organizational units that are reluctant to independently review and improve their internal Standard Operating Procedures (SOPs). As long as policy reviews remain reactive and case-specific, supervisory information systems lack early warning capabilities, and the technical reliability of information systems remains inadequate, internal control activities within the Ministry of Home Affairs will not achieve the maturity necessary to permanently eliminate recurring audit findings.

d. Information and Communication

Ideally, supervisory information should function as a mechanism for promoting continuous organizational improvement and quality assurance. In practice, however, the communication of Audit Reports (LHP) from the Inspectorate General to auditee work units primarily serves as a formal compliance requirement rather than a tool for organizational learning.

These weaknesses demonstrate that recurring audit findings are also sustained by ineffective communication processes that fail to identify the underlying causes of problems. As long as the preparation of Audit Reports does not incorporate Root Cause Analysis (RCA) into its Standard Operating Procedures, recommendations continue to address only superficial issues, and auditors' competencies in applying RCA remain inconsistent due to the absence of standardized training, information generated through annual audits will not be capable of serving as an effective catalyst for eliminating recurring findings within the Ministry of Home Affairs.

e. Monitoring Activities

One of the most critical determinants of effective monitoring is the active involvement of senior leadership in providing strong oversight and setting an appropriate tone at the top. Leadership commitment to periodically monitoring the implementation of audit recommendations encourages staff at lower organizational levels to maintain administrative accuracy and compliance. However, operational realities within the Ministry of Home Affairs indicate that monitoring conducted by organizational leaders remains constrained by limited access to information and insufficient human resources.
The Secretary of the Inspectorate General also explained:

> *"Continuous evaluation has not yet been implemented because of limited human resources and the high workload. At present, we are unable to conduct continuous evaluations. Nevertheless, I sincerely hope that we will be able to implement them so that our internal* control *system becomes more effective."*

The absence of concise, easily accessible information dashboards for senior management prevents decision-makers from obtaining a comprehensive understanding of recurring trends within their respective organizational units. Consequently, executive oversight becomes less effective, reducing discipline among operational personnel and creating greater opportunities for repetitive administrative deficiencies to persist.

Weaknesses in the monitoring component represent the culmination of failures throughout the internal control cycle within the Ministry of Home Affairs. When the control environment is weak, risks are inadequately assessed, control activities are passive, and communication of audit recommendations remains superficial, monitoring should serve as the final safeguard. However, because monitoring has become largely limited to the formal closure of audit findings rather than intensive executive oversight, the internal control system as a whole has been unable to break the cycle of recurring audit findings.

Factors Hindering Internal Control over Recurring Audit Findings

a. Weak Organizational Commitment and Control Culture

The first inhibiting factor identified in this study is the weak organizational commitment and control culture within the Ministry of Home Affairs. This weakness is most evident in the normalization of errors through a business-as-usual work culture. Based on interviews with key informants, the majority of recurring audit findings were not caused by intentional fraudulent behavior but rather by a deeply rooted organizational culture that tolerates and justifies recurring administrative deficiencies.

This permissive work environment is reinforced by a weak tone at the top established by senior management within organizational units. When organizational leaders fail to consistently demonstrate strong commitment to enforcing rules and maintaining accountability, a culture of tolerance toward non-compliance gradually develops among operational staff. This weakness is further exacerbated by the absence of specific behavioral regulations at the organizational unit level. Management policies within individual work units tend to rely on temporary verbal instructions rather than standardized written procedures that legally require accountability for administrative documentation. Consequently, commitment to internal control depends largely on the personal discipline and leadership style of individual managers rather than on a sustainable institutional system.

These findings are consistent with the study by Arena and Azzone (2009), which emphasizes that top management support is one of the primary determinants of internal audit effectiveness. Likewise, Alzeban and Gwilliam (2014) concluded that leadership commitment and organizational governance structures are not merely procedural requirements but critical factors determining whether internal supervision effectively prevents the recurrence of organizational weaknesses. The weak tone at the top and the persistence of a business-as-usual culture identified in the Ministry of Home Affairs provide empirical support for these findings within the context of Indonesia's public sector.

b. Weak Supervisory Planning Documents in Determining Oversight Priorities for Recurring Audit Findings

The second inhibiting factor relates to weaknesses in supervisory planning documents that fail to strategically address recurring audit findings. The Annual Supervisory Work Program (Program Kerja Pengawasan PKP) represents the highest-level planning instrument guiding all supervisory activities conducted by the Inspectorate General during each fiscal year. As a strategic planning document, the PKP should reflect measurable institutional responses to the most critical and persistent governance problems. Therefore, when recurring audit findings have consistently emerged over multiple years, the PKP should explicitly establish strategies, performance targets, and supervisory priorities aimed at eliminating their recurrence. A planning document that fails to address clearly identified systemic problems indicates a lack of strategic orientation in utilizing the PKP as a preventive and adaptive internal control instrument.

The findings reveal that the Inspectorate General's Supervisory Work Programs for four consecutive years (2021–2024) did not include any specific strategy or quantitative target dedicated to addressing recurring audit findings as a supervisory priority. As illustrated in Figure 4.3, the 2021 supervisory planning document remained predominantly focused on mandatory activities, including financial statement reviews, performance report reviews, Bureaucratic Reform assessments, and SPIP maturity evaluations. No explicit objective was established to eliminate recurring audit findings within organizational units.

The absence of a specific focus on recurring findings within the PKP has significant structural consequences. Without explicit planning mandates, audit teams are not formally required to design supervisory strategies specifically intended to eliminate recurring findings. Likewise, auditee work units experience little institutional pressure to resolve the underlying causes of recurring deficiencies. As a result, supervisory practices continue to emphasize output-oriented performance, measured by the number of audit reports produced, rather than outcome-oriented performance, measured by the successful elimination of recurring findings in subsequent audit cycles.

c. Regulatory Weaknesses and the Absence of Enforceable Institutional Sanctions

The third inhibiting factor concerns weaknesses in the regulatory framework governing internal supervision and the absence of enforceable institutional sanctions. A major limitation lies in the normative nature of the Minister of Home Affairs Decree Number 700.1235/2022 concerning Internal Supervision, which remains largely administrative and procedural. The regulation has not incorporated progressive internal enforcement mechanisms, such as explicit sanctions for organizational units that repeatedly fail to address similar deficiencies. Without meaningful deterrent effects, internal control activities lose their capacity to compel sustainable organizational change.

The lack of effective sanctions has fostered a culture of formalistic compliance among operational personnel. Auditee work units tend to perceive the implementation of audit recommendations merely as an administrative obligation rather than as an opportunity to improve organizational governance. Consequently, corrective actions often focus on short-term administrative adjustments such as submitting missing documentation to change the audit status without fundamentally restructuring dysfunctional processes or revising internal Standard Operating Procedures (SOPs) that constitute the root causes of recurring findings. As long as these procedural weaknesses remain unresolved, control activities cannot function as preventive mechanisms, allowing similar audit findings to recur in successive audit cycles.

During an interview conducted on May 29, 2026, the Head of the General Affairs Division of the Directorate General of Village Government Development stated:

> *"Our work unit does not conduct periodic reviews of the effectiveness of internal control policies and procedures. Procedural reviews or evaluations are only carried out reactively after audit findings from the Inspectorate General have been issued (case-by-case reviews)."*

These findings are consistent with Nunu et al. (2015), who identified weak commitment to implementing follow-up actions and the absence of effective sanctions as major contributors to recurring audit findings within the Inspectorate of Gorontalo City. Similarly, Husni et al. (2022) demonstrated that internal supervisory regulations lacking effective enforcement mechanisms encourage a culture of formal compliance, thereby perpetuating the cycle of recurring audit findings.

d. Limitations of Supervisory Information Systems and Technology

The fourth inhibiting factor identified in this study concerns the limited utilization of information systems and technology to support supervisory functions. The primary constraint lies in the limited functionality of the SIWASIAT application, which currently serves mainly as a passive data repository. The supervisory information system has not been fully developed to function as an early warning system capable of detecting potential procedural irregularities before final audit reports are issued. The absence of automated early detection features causes SIWASIAT to merely record historical audit findings rather than proactively providing information that could prevent similar deficiencies from recurring.

Information flow is further constrained by the technical instability of the system infrastructure. Frequent system errors disrupt the validation of supporting documents, and uploaded digital evidence is occasionally lost from the system database, requiring auditee work units to resubmit documentation. These technical problems create unnecessary delays and hinder communication between Inspectorate General verifiers and auditees. From a managerial perspective, these limitations are further reflected in the absence of concise, real-time executive monitoring dashboards for organizational leaders. Without effective data visualization, decision-makers are unable to obtain timely information regarding outstanding audit findings within their respective organizational units, thereby limiting opportunities for prompt managerial intervention.
An informant representing the auditee explained the current functionality of SIWASIAT as follows:

> *"In my opinion, SIWASIAT only functions as a communication platform for reporting the progress of audit follow-up actions. It has not been helpful in breaking the cycle of recurring audit findings."*

Similarly, the Head of the Finance Subdivision of the Regional Honorary Council (DKPP) stated:

> *"The system still experiences frequent errors. Some of the documents that we previously uploaded disappeared from the system, requiring us to upload them again."*

Hay and Cordery (2018) argued that public sector audits create value only when their recommendations are consistently implemented by the audited entities. Without effective follow-up, auditing becomes merely an administrative formality that fails to improve the quality of internal control. The findings of this study indicate that SIWASIAT's current role as a passive repository, rather than an integrated early warning system, directly weakens the follow-up process described by Hay and Cordery because it lacks the capability to facilitate proactive corrective actions before audit reports are finalized.

e. Weak Monitoring Methodology and Formalistic Verification Practices

The fifth inhibiting factor concerns weaknesses in the final line of defense within the internal control system, namely the monitoring component. These weaknesses arise from the limited depth of supervisory practices implemented by the Inspectorate General and from methodological limitations in the audit process. The

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application of Root Cause Analysis (RCA) has not been institutionalized consistently across audit teams, and its implementation largely depends on the individual competencies of auditors. Consequently, recommendations contained in audit reports frequently remain superficial, addressing only the immediate symptoms of problems for example, instructing organizational units to issue warning letters without providing strategic solutions capable of permanently improving internal governance.

Documentary evidence further confirms deficiencies in the monitoring methodology through the Standard Operating Procedure (SOP) for preparing Performance Audit Reports (Figure 4.9). Among the seven officially prescribed procedural stages, none explicitly requires the application of Root Cause Analysis. This finding demonstrates that the limited use of RCA is not merely attributable to auditors' competencies but also reflects institutional procedures that do not require systematic root cause analysis. Consequently, superficial audit recommendations become an inevitable outcome of an SOP that does not emphasize identifying the underlying causes of organizational problems.

These findings provide empirical support for the study conducted by Mihret and Yismaw (2007), who examined internal auditing in the Ethiopian public sector and concluded that weak implementation of audit recommendations, combined with insufficient management support, prevented internal audit functions from effectively eliminating recurring organizational weaknesses. This similarity suggests that the monitoring challenges identified within the Ministry of Home Affairs are not unique to Indonesia but instead represent a broader challenge commonly encountered in public sector oversight systems worldwide.

Strategies to Address the Factors Hindering Internal Control over Recurring Audit Findings

a. **Strengthening Leadership Commitment and Reforming the Control Culture**

The first strategy to address weak organizational commitment and control culture is to strengthen the tone at the top demonstrated by senior leaders of Echelon I organizational units. A concrete measure that should be implemented is the issuance of specific and legally binding codes of conduct governing financial management at the organizational-unit level. These written behavioral guidelines would serve as both ethical and operational standards, thereby eliminating the permissive business-as-usual culture that has normalized recurring administrative deficiencies. Senior management should demonstrate a clear zero-tolerance commitment toward recurring administrative violations by consistently enforcing accountability and promoting a culture of compliance throughout the organization.

b. **Strengthening Supervisory Planning Documents through the Internalization of Targets for Eliminating Recurring Audit Findings**

The second strategy aims to address weaknesses in supervisory planning documents that fail to respond effectively to recurring audit findings. A strategic reform should focus on redesigning the Inspectorate General's Annual Supervisory Work Program (Program Kerja Pengawasan PKP) so that it becomes more responsive and adaptive to empirically identified governance problems rather than remaining routine and generic. Specifically, the PKP should incorporate measurable quantitative targets, including the elimination of recurring audit findings (zero repeat findings), as one of its annual supervisory priorities. Integrating these targets into the PKP would shift the orientation of supervisory activities from an output-oriented approach, which emphasizes the number of audit reports produced, to an outcome-oriented approach that measures the successful elimination of recurring findings in subsequent audit cycles.

In parallel with strengthening the PKP at the Inspectorate General level, supervisory planning should also be reinforced within auditee organizational units. Each work unit should be required to prepare a formal risk register identifying specific administrative and financial vulnerabilities in budget management processes, accompanied by risk assessments and corresponding mitigation strategies. This document should be updated regularly at the beginning of each fiscal year and integrated into financial accountability procedures as a mandatory internal control instrument. The existence of a formal risk register would ensure that organizational risk management no longer depends on informal verbal reminders that are easily lost due to personnel rotations but instead becomes institutionalized through documented organizational knowledge. The combination of a PKP focused on eliminating recurring findings and formal risk registers within organizational units would strengthen the overall foundation of internal control planning, transforming risk management from a reactive process into a proactive and preventive one.

c. Regulatory Reform and the Implementation of Enforceable Institutional Sanctions

The third strategy focuses on strengthening the regulatory framework to ensure that compliance with internal control requirements becomes substantive rather than merely procedural. This can be achieved by revising the Minister of Home Affairs Decree Number 700.1235/2022 to incorporate provisions establishing enforceable institutional sanctions for organizational units that repeatedly fail to address recurring audit findings. Such sanctions should be designed to create meaningful deterrent effects and encourage sustainable improvements in organizational governance.

In addition to strengthening sanctions, the Ministry should shift the paradigm of implementing audit recommendations from fulfilling administrative obligations to achieving substantive improvements in internal Standard Operating Procedures (SOPs). The Inspectorate General should establish a policy prohibiting the closure of audit findings solely on the basis of administrative document completion. Instead, auditee work units should be required to provide evidence demonstrating the revision or development of internal SOPs that effectively address the systemic causes of the identified deficiencies. By emphasizing procedural improvements, corrective actions would address root causes rather than temporary symptoms, ensuring that completed audit findings reflect genuine and lasting organizational improvements.

d. Modernization and Optimization of the Supervisory Information System

The fourth strategy emphasizes digital transformation to accelerate information flow and enhance managerial decision-making. The primary initiative involves modernizing the SIWASIAT application by transforming it into an Early Warning System capable of detecting recurring error patterns. SIWASIAT should be enhanced with intelligent algorithms capable of scanning, filtering, and automatically notifying users whenever draft accountability documents exhibit characteristics similar to previous audit findings. At the same time, the reliability and stability of the information technology infrastructure should be improved to eliminate system errors and ensure the integrity and security of digitally submitted supporting documents.

To strengthen managerial communication, the Ministry should also develop concise, integrated, and real-time executive monitoring dashboards accessible to leaders of each organizational unit. These digital dashboards should provide visual representations of trends in audit findings, outstanding recommendations, and the status of follow-up implementation across organizational units. Rapid access to such information including through mobile devices would enhance executive oversight and enable senior management to intervene promptly when progress in implementing audit recommendations becomes unsatisfactory.

e. Standardizing Audit Methodology and Strengthening the Monitoring Process

The fifth strategy seeks to improve the quality of monitoring methodologies to ensure the sustainability of governance improvements. The primary initiative involves standardizing and mandating the application of Root Cause Analysis (RCA) within the Standard Operating Procedure for preparing Audit Reports. Through the institutionalization of RCA, recommendations contained in Audit Reports (Laporan Hasil Pemeriksaan

LHP) would no longer remain superficial or focus solely on addressing immediate symptoms. Instead, auditors would be equipped with systematic analytical tools to identify underlying organizational dysfunctions responsible for recurring administrative deficiencies, thereby producing recommendations that are strategic, transformative, and practically applicable.

Finally, to ensure the credibility of follow-up implementation, the Inspectorate General should eliminate formalistic verification practices by strengthening the monitoring process through substantive separate evaluations. SIWASIAT verification teams should not immediately classify audit findings as fully resolved solely because the required administrative documents have been submitted. Instead, a double-verification mechanism should be implemented, including selective sampling and random field audits to verify the consistent implementation of revised procedures within auditee organizations. Strengthening periodic monitoring in this manner would ensure that the completion status assigned to audit findings genuinely reflects sustainable improvements in organizational governance rather than merely satisfying administrative requirements.

4. Conclusion

Based on the analysis and discussion regarding the evaluation of internal control over recurring audit findings within the Inspectorate General of the Ministry of Home Affairs using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, the study draws the following conclusions in response to the three research objectives.

1. The existing internal control system has not been able to break the cycle of recurring audit findings because systemic dysfunction exists across all five components of internal control. The findings indicate that the problem is not limited to isolated weaknesses within one or two components but instead reflects an interconnected failure involving all five COSO components. A weak Control Environment has fostered a permissive organizational culture that undermines the effectiveness of Risk Assessment. The absence of formal risk management has weakened the preventive foundation of Control Activities. Ineffective control regulations lacking enforceable sanctions have encouraged formalistic compliance, thereby reducing the quality of Information and Communication. Consequently, inadequate and superficial information has limited the effectiveness of Monitoring, preventing meaningful verification of corrective actions. This interconnected chain of dysfunction explains why corrective actions consistently fail to address the root causes of recurring findings. Rather than functioning as a multilayered safeguard, the internal control system collectively perpetuates the recurrence of similar audit findings from year to year.
2. Five major factors were identified as hindering the effectiveness of internal control in eliminating recurring audit findings. The first factor is weak organizational commitment and control culture, characterized by the normalization of errors through a business-as-usual culture, weak tone at the top, and the absence of specific behavioral regulations at the organizational-unit level. The second factor is the weakness of supervisory planning documents, particularly the Annual Supervisory Work Program (PKP), which for four consecutive years failed to establish zero repeat findings as a strategic objective or supervisory priority. The third factor involves regulatory weaknesses and the absence of enforceable institutional sanctions, resulting in a culture of formalistic compliance and superficial corrective actions that fail to resolve underlying procedural deficiencies. The fourth factor concerns the limitations of supervisory information systems and technology, as the SIWASIAT application currently functions only as a passive administrative repository rather than as an Early Warning System, while also experiencing technical infrastructure instability. The fifth factor is the absence of a mandatory requirement to apply Root Cause Analysis (RCA) within the Standard Operating

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Procedure for preparing Audit Reports, resulting in inconsistent and often superficial audit recommendations.

3. Both the Inspectorate General and the auditee organizational units have undertaken several initiatives to strengthen internal control; however, these efforts have not yet been sufficient to eliminate recurring audit findings. At the regulatory level, the Inspectorate General has issued Minister of Home Affairs Decree Number 700.1235/2022 concerning Internal Supervision within the Ministry of Home Affairs and the National Border Management Agency as the primary regulatory framework for supervisory activities. Nevertheless, the regulation does not include enforceable sanction mechanisms for recurring audit findings. The Inspectorate General has also developed an Annual Supervisory Work Program (PKP) based on a risk-oriented approach, although recurring audit findings have not been explicitly designated as a supervisory priority. Furthermore, audit teams have applied Root Cause Analysis (RCA) in formulating recommendations and have prepared Follow-up Action Plans as instruments for monitoring corrective actions. However, the implementation of RCA remains an informal practice rather than an institutional requirement because the current Standard Operating Procedure for preparing Audit Reports does not mandate its application. Consequently, the quality and consistency of RCA implementation depend largely on the initiative and competency of individual auditors, resulting in variations across audit teams.

From the perspective of information systems, the Inspectorate General has implemented the SIWASIAT application to monitor the implementation of audit recommendations. However, its functionality remains limited to serving as an administrative repository rather than a proactive supervisory tool. At the auditee level, improvement initiatives have also been introduced. For example, the Honorary Council of Election Organizers (DKPP) issued Secretary's Circular Letter Number 1/SET.DKPP/II/2026 concerning Financial Administration as a commitment to improving financial administrative practices. Nevertheless, the implementation of audit recommendations at the organizational-unit level continues to be constrained by the slow response of work units in carrying out the required corrective actions.

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