

Evaluation Of The Compliance Of Audit Working Papers Preparation In Government Performance Audit: A Case Study Of Inspectorates Of Ministries In Indonesia

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Abstract

This study aims to evaluate the compliance of the preparation of audit working papers in the implementation of performance audits within the Inspectorates of Ministries in Indonesia (IMS). Audit working papers are the primary supporting evidence that documents the entire audit process, from planning and execution to reporting. The evaluation was conducted by comparing the actual practices of preparing audit working papers against the prevailing guidelines, namely the Indonesian Government Internal Audit Standards (SAIPI) and the BPKP Performance Audit Practice Guide of 2018. The research used a qualitative approach with a multiple case study design across three different Ministry Inspectorates. Data were collected through document review of performance audit working papers from 2022-2023 and in-depth interviews with 18 auditors consisting of Technical Controllers, Team Leaders, and Team Members. The results show that overall, the preparation of performance audit working papers in the Ministry Inspectorates has been carried out, but there are still discrepancies with the guidelines, especially in documenting the results of understanding the audit object, problem identification, understanding of the Internal Control System (SPI), testing of audit evidence, and analytical conclusions. The contributing factors include uneven dissemination of guidelines, limited assignment time, overlapping activities, and limitations in the number and competence of auditors. This study recommends the need for intensive guideline socialization, provision of standardized working paper formats, continuous capacity building for auditors through training, and optimization of supervision to improve the quality of performance audit documentation at the ministerial level.

Keywords: Audit Working Papers, Performance Audit, Government Internal Supervisory Apparatus (APIP), Evaluation, Audit Quality, Public Sector, Ministry Inspectorates

INTRODUCTION

The Government Internal Supervisory Apparatus (APIP) plays a crucial role in realizing good governance through oversight activities, one of which is performance auditing. Performance audits aim to assess the economy, efficiency, and effectiveness (3E) aspects in the management of state finances and the performance of government agency duties (Government Regulation No. 60 of 2008). The success of a performance audit depends heavily on the quality of the audit working papers (AWP) prepared during the audit process.

AWP serves as supporting evidence for audit findings, conclusions, and recommendations (Maisyarah, 2019). Quality AWP must contain sufficient, competent, and relevant information and be systematically arranged to facilitate tracking and understanding by other parties, including in the peer review process (Fuddiolulhaq & Usman, 2017). In the context of performance auditing, AWP documents all stages, from planning (understanding the object, problem identification, audit criteria), execution (testing and analysis of evidence), to communication of results.

However, in practice, several studies reveal that the preparation of AWP within the APIP environment still faces obstacles. Setianingsih & Setyaningrum (2025) found that in a

performance audit at a Ministry Inspectorate, documentation of the results of understanding the audit object and SPI was often not documented in the AWP, and working papers for evidence testing were not prepared clearly and completely. Similar findings were reported by Fuddioliulhaq & Usman (2017) who evaluated probity audits at BPKP, where AWP was assessed as not fully depicting the audit trail and conclusions supporting the report.

Based on this background, this research focuses on evaluating the compliance of AWP preparation in performance audits at several Ministry Inspectorates in Indonesia. The evaluation was conducted by comparing actual practices with the applicable guidelines. This research is expected to contribute recommendations for improving the quality of documentation and accountability of the performance audit process at the ministerial public sector level.

RESEARCH METHODS

This research used a qualitative approach with a multiple case study design. The research objects were the AWP preparation processes in performance audits conducted by three different Ministry Inspectorates in Indonesia in 2022-2023. The selection of the three ministries was done by purposive sampling to represent variations in Their characteristics. Primary data were collected through semi-structured interviews with 18 informants directly involved in the performance audits, consisting of Technical Controllers, Team Leaders, and Team Members from each ministry. Secondary data were obtained from a document review of performance audit AWP from 2022-2023, including planning, execution, and reporting AWP. The evaluation instrument used was a matrix compiled based on the Indonesian Government Internal Audit Standards (SAIPI) and the "BPKP Performance Audit Practice Guide (2018)". Data analysis was performed using comparative descriptive analysis by comparing the actual conditions (results of document review and interviews) with the ideal criteria in the guidelines, as well as a conducting cross-case analysis to identify general patterns and differences.

RESULTS AND DISCUSSION

Government Internal Audit Standards (SAIPI) and the "BPKP Performance Audit Practice Guide (2018)". Data analysis was performed using comparative descriptive analysis by comparing the actual conditions (results of document review and interviews) with the ideal criteria in the guidelines, as well as conducting cross-case analysis to identify general patterns and differences.

This section presents the findings from the cross-case analysis of three Ministry Inspectorates, referred to as Inspectorates A, B, and C to maintain confidentiality. The evaluation reveals a pattern of systemic challenges in the preparation of Audit Working Papers (AWP) for performance audits, which can be categorized into thematic areas of non-compliance and their underlying causes.

1. Inadequate Documentation in the Audit Planning Phase

The planning phase, which sets the foundation for the entire audit, showed significant weaknesses in documentation across all three inspectorates.

A. Superficial Understanding of the Audit Object and Problem Identification:

- **Finding:** While all audit teams reported conducting initial studies of key documents—such as Strategic Plans (Renstra), Performance Agreements (PK), and Work Plans and Budgets (RKA)—the *documentation* of this process was consistently deficient. In Inspectorates A and C, the results of this analysis were merely summarized in a few bullet points within the Audit Work Program (AWP), lacking depth. Inspectorate B had no dedicated working paper for this activity at all. The process of identifying potential performance issues from these documents was not systematically recorded.

- **Impact:** This lack of detailed documentation makes it difficult to retrace the auditor's logic in focusing on certain areas. During interviews, a Team Leader from Inspectorate A admitted, *"We understand the auditee's programs, but that understanding is mostly in our heads and discussed in meetings. Writing it down in detail feels like a duplication of the AWP."* This practice risks overlooking nuanced risks and undermines the defensibility of the audit's scope, as the rationale for focusing on specific performance indicators is not explicitly preserved.

B. Non-Systematic Understanding of the Internal Control System (SPI):

- **Finding:** The evaluation of the auditee's SPI was found to be partial and unstructured. All three inspectorates focused primarily on the existence of procedures (a subset of control activities) but provided scant evidence of assessing other SPI components, such as the Control Environment, Risk Assessment, and Information & Communication. For instance, none of the AWP's contained a structured analysis of the auditee's risk management process or the ethical tone set by management.
- **Impact:** A weak understanding of SPI leads to an inefficient audit execution. Auditors may fail to identify key control points to test or may overlook significant control weaknesses that are root causes of poor performance. As one Technical Controller from Inspectorate B noted, *"We often jump to testing the outputs without fully diagnosing why the process is failing. A better SPI analysis would make our recommendations more strategic and less symptomatic."*

C. Poor Communication and Documentation of Audit Criteria:

- **Finding:** A critical finding was that audit criteria—the standards against which performance was measured—were rarely formally communicated to and agreed upon with the auditee *during the planning phase*. In all cases, the criteria were developed internally by the audit team and only revealed to the auditee when preliminary findings were presented.
- **Impact:** This practice consistently led to disputes during the exit conference. Auditees often challenged the validity or relevance of the criteria, arguing they were unrealistic or not applicable to their context. A Team Member from Inspectorate C shared, *"We spent more time defending our criteria than discussing the actual findings. It creates an adversarial atmosphere from the start."* This delays the audit process and reduces the likelihood of the auditee accepting and acting upon the recommendations.

2. Deficiencies in Evidence Analysis and Documentation during Audit Execution

The execution phase, where evidence is gathered and analyzed, was characterized by a focus on quantity of documentation over quality of analysis.

A. Prevalence of "Auditor's Copy" over Analytical Documentation:

- **Finding:** The AWP's for evidence testing were overwhelmingly composed of "auditor's copies"—photocopies of auditee documents such as procurement records, payment

vouchers, and activity reports. What was consistently missing was a synthesizing document that summarized the tested samples, explained the testing procedure, linked the evidence to the specific audit criteria, and presented a preliminary conclusion. The working papers did not answer the fundamental question: "What does this pile of evidence tell us about the auditee's performance?"

- **Impact:** This turns the AWP into an archive rather than a tool for analysis. It severely hampers the Team Leader's and Technical Controller's ability to review the work effectively. They are forced to sift through raw data themselves to understand the auditor's reasoning. This inefficiency was echoed by a Team Leader from Inspectorate A: *"Reviewing the KKA is the most time-consuming part of my job because I have to re-analyze the data from scratch to see if the junior auditor's findings are supported."*

B. Lack of Root Cause Analysis for Identified Issues:

- **Finding:** When performance gaps were identified, the documentation often stopped at describing the symptom (e.g., "The program only reached 60% of its target population"). The working papers frequently lacked a thorough analysis of the *root cause* (e.g., inadequate planning, budget constraints, lack of staff competency, or flawed implementation procedures) and a clear articulation of the *effect* (e.g., "resulting in reduced public service quality and wasted allocated funds").
- **Impact:** Without a clear root cause analysis, audit recommendations become generic and less actionable. Recommending "to achieve the target" is less valuable than recommending "to revise the planning methodology to incorporate more accurate baseline data" or "to provide specialized training for field officers." This diminishes the value-added nature of the performance audit and reduces its potential to drive meaningful improvement.

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- **Impact:** This practice consistently led to disputes during the exit conference. Auditees often challenged the validity or relevance of the criteria, arguing they were unrealistic or not applicable to their context. A Team Member from Inspectorate C shared, *"We spent more time defending our criteria than discussing the actual findings. It creates an adversarial atmosphere from the start."* This delays the audit process and reduces the likelihood of the auditee accepting and acting upon the recommendations.

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3. Cross-Cutting Challenges and Root Causes

The consistent patterns of non-compliance across three different inspectorates point to underlying, systemic issues within the APIP ecosystem.

A. Human Resource Constraints:

- **Competence Gap:** There is a discernible gap in the analytical and documentation skills required for performance auditing. Many auditors are more familiar with compliance auditing, which focuses on verifying adherence to rules. Performance auditing requires a different mindset—one of analysis, synthesis, and constructive criticism. As one senior auditor from Inspectorate B commented, *"It's easier to say 'this voucher is not signed' than to argue 'this program is inefficient because its cost per beneficiary is twice the regional average.'"*
- **Staffing and Workload:** All inspectorates reported being understaffed relative to their oversight mandates. Auditors are often assigned to multiple audits or other supervisory tasks simultaneously, leading to rushed work and documentation being treated as a low-priority, administrative task to be completed after the "real work" of gathering evidence is done.

B. Procedural and Systemic Hurdles:

- **Inadequate Socialization and Guidance:** The SAIPI and BPKP guidelines are available, but their practical application is not consistently socialized. There is a lack of ongoing, hands-on training and coaching. Furthermore, the absence of a standardized, detailed AWP template for performance audits forces teams to adapt templates from financial audits, which are ill-suited for the purpose.

- **Time Pressure:** The timeline for performance audits is often perceived as insufficient, especially given the complex nature of assessing economy, efficiency, and effectiveness. This pressure compels auditors to prioritize evidence collection over meticulous documentation and deep analysis.

Discussion

These findings strongly align with and extend the existing body of research. The problem of poor AWP quality, identified by Fuddioliulhaq & Usman (2017) in the context of probity audits, is shown to be equally prevalent and perhaps more critical in performance audits due to the latter's reliance on analytical narratives. The findings of Setianingsih & Setyaningrum (2025) regarding incomplete documentation in a single ministry are confirmed and shown to be a national-scale, systemic issue.

This research demonstrates that the problem is not merely one of administrative oversight but stems from a deeper mismatch between the complex requirements of performance auditing and the existing capacity, tools, and incentives within the APIP system. The "auditor's copy" culture reflects a compliance-oriented mindset applied to a performance-oriented task. The reluctance to document planning rationales and analytical thought processes indicates that the value of AWP as a key audit quality control mechanism is not fully institutionalized.

In conclusion, the deficiencies in AWP preparation are not isolated incidents but symptoms of broader challenges related to auditor competence, resource allocation, and the implementation of audit standards. Addressing these issues requires a move beyond mere regulatory compliance towards building a culture of quality and analytical excellence within government internal audit institutions.

CONCLUSION

Based on the research results, it can be concluded that the preparation of Audit Working Papers in performance audits at several Ministry Inspectorates in Indonesia **has been carried out but is not fully compliant** with the applicable guidelines. The non-compliance lies primarily in the documentation of the planning stage and the analysis of evidence in the execution stage, which occurred consistently in all three ministries studied.

To optimize the quality of AWP at the national level, several recommendations are proposed:

1. For BPKP and AAIPI:

- Strengthen the national-level socialization, training, and technical guidance on the preparation of performance audit AWP in accordance with SAIPI and BPKP guidelines.
- Develop and encourage the application of a standardized AWP format specific to performance auditing that can be adopted by all Ministry APIPs.

2. For Ministry Inspectorates:

- Conduct regular socialization and internalization of performance audit AWP preparation guidelines within their respective environments.
- Strengthen the process of supervision and peer review of AWP in a tiered manner by Technical Controllers.
- Develop a continuous training plan to improve auditor competence in documentation and analytical techniques.

3. For Future Researchers:

- Further research can be conducted with a broader scope, including APIP in local governments.

Develop a more measurable and comprehensive instrument for assessing AWP quality.

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