Internal Audit as a Mechanism of Public Accountability and Transparency: Evidence from a Provincial Manpower and Transmigration Office in Indonesia

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ABSTRACT

Purpose – This study examines how the internal audit function contributes to the construction of accountability and transparency in an Indonesian sub-national public organisation, and identifies the organisational conditions that constrain that contribution.

Design/methodology/approach – The study adopts a qualitative single-case design conducted at the Manpower and Transmigration Office of South Sulawesi Province. Data were generated through semi-structured interviews with 7 informants directly involved in financial administration and audit follow-up, non-participant observation of audit-related activities, and analysis of internal accountability documents. Data were analysed thematically following the interactive model of data condensation, display and conclusion drawing, with credibility established through source and method triangulation and member checking.

Findings – Accountability is enacted through three interlocking mechanisms: ex-ante verification of accountability documents by the finance unit, semi-annual audits performed by the Provincial Inspectorate in its capacity as the Government Internal Supervisory Apparatus (APIP), and a mandatory written management response to audit findings. Transparency, by contrast, appears in two distinct registers: procedural transparency, through documented audit reports and management responses within the audit cycle, and programmatic visibility achieved through public service delivery, most visibly the job fair. The principal constraint identified is administrative rather than technical: incomplete and late accountability documentation submitted by Technical Implementing Officers (PPTK) delays verification and weakens the assurance value of the audit cycle.

Research limitations/implications – The single-case design supports analytical rather than statistical generalisation, and the evidence rests mainly on accounts given by officials of the audited agency. The findings should be read as propositions to be tested in other agencies operating under the same APIP supervisory architecture, not as evidence about Indonesian regional agencies in general.

Practical implications – In this case, strengthening internal audit appears to depend less on additional audit procedures than on upstream administrative discipline among the officers who prepare accountability documents.

Originality/value – The study offers a process account of the audit cycle as experienced by an audited agency. In this case, internal audit contributes to accountability primarily through document-based compliance assurance, whereas transparency is enacted mainly through the visibility of service delivery rather than through formal information-disclosure infrastructure, a distinction that the Indonesian literature reviewed here rarely draws.

Keywords: internal audit; public sector accountability; financial transparency; good governance; local government; Indonesia

INTRODUCTION

Public sector organisations are custodians of resources they do not own. Because the funds they administer originate from taxes, levies and transfers rather than from voluntary exchange, the legitimacy of their operations rests not on profitability but on the demonstrable propriety with which those resources are used. This condition places accountability and transparency at the centre of public financial management, and makes the mechanisms that produce them a matter of continuing scholarly and policy interest (Syachbrani & Baharuddin, 2019).

In practice, however, these principles are persistently difficult to institutionalise. Public organisations in developing economies continue to confront corruption, allocative inefficiency and weak internal control, and Indonesia is no exception. Successive decentralisation reforms have transferred substantial budgetary authority to provincial and district governments without a commensurate strengthening of the supervisory capacity that should accompany it. The result is a well-documented gap between the formal architecture of public financial accountability and its operation in specific organisational settings.

Internal audit is the mechanism most directly charged with closing that gap. Defined by the Institute of Internal Auditors as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations, internal audit evaluates and improves the effectiveness of risk management, control and governance processes (Institute of Internal Auditors, 2017). In the Indonesian public sector this function is discharged by the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah, APIP), whose mandate is established by Government Regulation No. 60 of 2008 on the Government Internal Control System. At provincial level, the Inspectorate performs this role for all regional apparatus organisations (Organisasi Perangkat Daerah, OPD).

The literature on internal audit in the public sector has established, largely through survey and literature-review designs, that the function is positively associated with financial reporting quality, regulatory compliance and fraud prevention (Hanifah et al., 2023; Sitompul et al., 2023). What this literature has been less able to show is how internal audit actually produces accountability and transparency inside a particular organisation: which routines are enacted, by whom, in what sequence, and where they break down. Studies conducted at a distance from the field can establish association; they cannot explain mechanism. This is a consequential omission, because the same formal audit mandate may operate very differently depending on documentary discipline, staffing and inter-unit coordination.

A second and less frequently acknowledged gap concerns the treatment of transparency. Much of the Indonesian literature treats transparency as a by-product of accountability, measured through the existence of published financial reports. Yet accountability and transparency are analytically distinct: the former is a relational obligation to justify conduct to a forum, the latter a property of the information environment (Bovens, 2007). Whether, and how, the two are coupled in practice is an empirical question rather than an assumption.

This study addresses both gaps through a qualitative case study of the Manpower and Transmigration Office of South Sulawesi Province. The agency is a purposeful rather than convenient selection. It administers a regional budget while simultaneously delivering employment and transmigration services that bring it into direct and visible contact with citizens, which makes it a setting in which financial accountability and public-facing transparency can be observed together rather than in isolation.

Three research questions guide the analysis:

- Through which mechanisms does internal audit contribute to accountability at the Manpower and Transmigration Office of South Sulawesi Province?
- Through which mechanisms does internal audit contribute to transparency in the same setting?

- What organisational conditions constrain the contribution of internal audit to good governance?

The study makes three contributions. Empirically, it provides a process account of the semi-annual APIP audit cycle as it is experienced by an audited agency rather than as it is specified in regulation. Theoretically, it suggests that, within this organisation, accountability and transparency are produced through different mechanisms, and that transparency is enacted mainly through service visibility rather than through disclosure infrastructure; this is offered as a proposition for testing in other cases, not as a general claim. Practically, it identifies, in this case, a binding constraint on audit effectiveness upstream of the audit itself, in the documentary practices of budget implementing officers.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Theoretical framework

The relationship between citizens and public officials is conventionally framed as an agency relationship. Citizens, as principals, delegate authority over public resources to officials who act as agents but who possess superior information about how those resources are actually deployed (Jensen & Meckling, 1976). The resulting information asymmetry creates scope for opportunism and generates a demand for monitoring. Internal audit is one institutional response to this demand: it reduces information asymmetry by independently verifying the assertions that agents make about their own conduct.

Agency theory alone, however, provides an incomplete account of the public sector, where officials are frequently motivated by professional norms and public service ethos rather than by narrow self-interest. Stewardship theory offers a complementary reading in which internal audit functions less as a control imposed on suspect agents than as a consultative mechanism that helps stewards demonstrate the reliability of their own performance. The two perspectives are not mutually exclusive; they correspond to the assurance and advisory dimensions that the IIA definition attributes to internal audit.

Both perspectives operate within the broader reform agenda of New Public Management, which reoriented public organisations towards performance, results and value for money (Hood, 1991). Under this agenda the audit mandate is expected to extend beyond financial regularity and compliance to encompass the assessment of organisational performance a widening of scope that, as this study shows, is not always realised in practice.

Internal audit in the public sector

Internal audit is an independent and objective function whose purpose is to add value and improve organisational performance. Its core activities are the assessment of compliance with applicable regulation, the evaluation of internal control effectiveness, and the identification and management of risk (Institute of Internal Auditors, 2017). Hanifah et al. (2023) characterise it as an internal assessment process that provides assurance that operations proceed as intended, that risks are identified and managed, and that policies and procedures are applied to standard. Sitompul et al. (2023) emphasise its decision-support function, arguing that a cost-effective control system supports judgement at every organisational level.

In the government sector these functions acquire additional weight because the consequences of failure are borne collectively. Weaknesses in internal audit have been associated with the misappropriation of funds, corrupt practice and governance failure with macroeconomic consequences. Prawitt et al. (2009), in a private-sector setting, find that internal audit quality is associated with constrained earnings management, which supports the more general proposition that the function improves the reliability of reported financial information.

The digitalisation of public financial management systems has altered the risk landscape in which internal audit operates. While digital systems improve access to information and processing efficiency, they simultaneously introduce vulnerabilities related to data integrity and unauthorised access. This suggests a need for an adaptive internal audit function that treats technology not only as an efficiency gain but as a control object in its own right.

Public accountability

Accountability in the public sector is a foundational principle of democratic governance. Bovens (2007) defines it as a relationship in which an actor has an obligation to explain and justify conduct to a forum, the forum can pose questions and pass judgement, and the actor may face consequences. This relational definition is more demanding than the administrative obligation to produce financial statements, since it requires not merely disclosure but justification and the possibility of sanction.

Public accountability is conventionally disaggregated into legal, financial, performance and political dimensions. These dimensions are interdependent: compliance with regulation does not by itself demonstrate that public expenditure achieved its intended result, and satisfactory performance does not excuse procedural irregularity. In regional financial management, accountability is manifested through reliable financial reporting, the availability of information to citizens, and readiness to be examined by independent auditors.

Financial transparency

Transparency is the principle of openness that entitles interested parties to access information about the process of government administration, from policy formulation through implementation to results. Indonesian Government Regulation No. 71 of 2010 on Government Accounting Standards defines transparency as the open and honest presentation of financial information to the public, grounded in the public's right to understand how the government has discharged its stewardship of public resources.

Sari (2014) argues that transparency requires more than the release of documents: information must be presented in a form the public can actually interpret. Transparency is achieved, on this account, when the division of tasks and authority is clear, the budgeting process is open, the integrity of fiscal information is independently assured, and the information is genuinely accessible. The distinction between availability and accessibility matters for the present study, because it is precisely at this point that formal disclosure and effective transparency diverge.

Good governance

Good governance is the framework within which accountability and transparency acquire meaning. Purwanti et al. (2023) treat public sector integrity honesty, transparency, accountability and professionalism in the exercise of governmental functions as the central determinant of governance quality, and link it directly to the prevention of corruption, collusion and nepotism. Integrity in this conception is not reducible to the ethics of individual officials; it is a property of work systems that make transparency and accountability routine rather than exceptional. Pertiwi et al. (2021) note that the capacity to realise good governance depends on the availability of prepared and qualified human resources, a condition that is unevenly met across Indonesian regional agencies.

Prior studies and research gap

Table 1 summarises studies that have examined the relationship between internal audit, accountability and transparency.

Table 1. Summary of prior studies

Author(s)	Setting	Method	Principal finding
Prawitt, Smith & Wood (2009)	US listed firms	Archival, quantitative	Internal audit quality is associated with reduced earnings management, indicating improved reliability of reported financial information.

Syachbrani & Baharuddin (2019)	Indonesian public sector	Qualitative, literature study	Operational audit supports the principles of transparency and accountability in public organisations.
Atika, Junaidi & Irmadhani (2019)	Medan City Government	Quantitative, statistical analysis	The role of internal audit contributes to local government financial reporting quality, although accounting understanding shows no significant effect.
Hanifah, Kuntadi & Pramukty (2023)	Conceptual	Literature review	Internal control systems, internal audit and management commitment jointly influence good corporate governance.
Sitompul, Deliana & Kuntadi (2023)	Indonesian organisations	Qualitative descriptive	Internal audit contributes to fraud prevention across the planning, implementation and follow-up stages.
Berliani et al. (2024)	Educational institutions (BOS funds)	Qualitative	Audit supports accountability and transparency in the use of school operational assistance funds, but internal audit controls exhibit persistent weaknesses.

Two features of this body of work are notable. First, it is dominated by literature-review and survey designs; field-based studies that trace audit practice inside a specific organisation are scarce. Consequently the literature can report that internal audit is associated with accountability but cannot specify the routines through which that association is produced, nor the conditions under which it fails. Second, transparency is generally treated as a corollary of accountability rather than as a distinct construct with its own mechanisms.

This study addresses both limitations by examining a single agency in depth, tracing the internal audit cycle from document preparation through inspection to management follow-up, and treating accountability and transparency as separate analytical objects.

RESEARCH METHOD

Research design

This study employs a qualitative single-case design (Yin, 2018). A qualitative approach is appropriate because the research questions are concerned with how and why internal audit produces particular governance outcomes, rather than with the magnitude of an effect. A single-case design permits the depth of engagement required to trace an audit cycle through its successive stages, at the cost of statistical generalisability a trade-off discussed in Section 6.

Research setting

The study was conducted at the Manpower and Transmigration Office of South Sulawesi Province, a regional apparatus organisation responsible for employment and transmigration services across the province. The agency was selected purposefully as an information-rich case rather than a statistically representative one, on three grounds. First, it is subject to the semi-annual audit cycle carried out by the Provincial Inspectorate acting as APIP, so the process under study applies to it as to all provincial agencies. Second, it administers a regional budget and therefore produces the accountability documents that the audit examines. Third, it combines these financial responsibilities with direct, publicly visible service delivery, which allows accountability and transparency to be observed within the same organisational setting. These features make

the case suitable for tracing mechanisms; they do not establish that the agency is typical of provincial agencies, and the transferability of the findings is discussed in Section 6.1.

Fieldwork was conducted between July and September 2026.

Informants and sampling

Informants were selected purposively on the criterion of direct involvement in, or documented knowledge of, the internal audit and financial accountability process at the agency. Seven informants took part. All were employees of the audited agency; Inspectorate auditors and users of the agency's services were not interviewed (see Section 6.1). Table 2 summarises informant characteristics; identifying details are withheld in accordance with the confidentiality assurances given during recruitment.

Table 2. Profile of informants

Code	Position / role	Years in post	Data collection mode and duration
I1	Head of Finance Sub-division	6	Semi-structured interview; 55 min
I2	Treasurer (Bendahara)	4	Semi-structured interview; 50 min
I3	Finance staff (SPJ verifier)	3	Semi-structured interview; 45 min
I4	PPTK, Job Training Programme	5	Semi-structured interview; 40 min
I5	PPTK, Transmigration Programme	2	Semi-structured interview; 40 min
I6	Head of Planning and Reporting Sub-division	7	Semi-structured interview; 60 min
I7	Staff, Job Fair organising team	3	Semi-structured interview; 35 min

Data collection

Data were generated through three complementary techniques, each addressing a different aspect of the phenomenon.

Semi-structured interviews. Interviews followed a protocol organised around four themes: the conduct and periodicity of the internal audit; the preparation and verification of accountability documents; the handling of audit findings and management responses; and perceived obstacles to audit implementation. The protocol was used flexibly, allowing informants to raise issues the researchers had not anticipated. Interviews were conducted in Bahasa Indonesia and audio-recorded with permission and transcribed verbatim. Illustrative extracts reported in Section 4 were translated into English by the authors, with the original Indonesian retained in the research file.

Non-participant observation. The researchers observed activities associated with the preparation and verification of accountability documents and with audit follow-up, recording field notes on the sequence of tasks, the units involved and the points at which delays occurred.

Documentary analysis. Internal documents were examined to corroborate interview accounts, including functional and administrative accountability statements (SPJ), the General Cash Book (BKU), monthly accrual reports, and inspectorate audit reports together with the agency's written responses. Secondary sources comprised the governing regulations, official reports and prior academic literature.

Data analysis

Data were analysed thematically following the interactive model of Miles et al. (2014), comprising data condensation, data display, and conclusion drawing and verification. Interview records, field notes and documents were read repeatedly and coded openly. Initial codes were compared and merged into categories, and the categories were organised under three analytical constructs derived from the research questions: accountability mechanisms, transparency mechanisms and constraining conditions. The categories were then displayed in matrices that set the informants (I1–I7) against the data sources (interview, observation, document), so that agreement and divergence across informants and sources could be inspected directly. Conclusions were drawn iteratively and tested against the full data set.

Negative-case analysis formed part of this testing. For each emerging mechanism the authors searched for accounts or documents that contradicted or qualified it, such as an informant who described verification, audit or follow-up as operating differently, or a document that did not fit the described sequence. The account was revised until it accommodated such instances; those that could not be accommodated are reported as limits.

Trustworthiness

Four criteria were applied to establish the trustworthiness of the findings (Lincoln & Guba, 1985). Credibility was pursued through source triangulation, comparing accounts of the audit cycle across informants occupying different positions in the process, and through method triangulation, checking interview claims against observation and documentary evidence (SPJ, BKU, monthly accrual reports, and Inspectorate reports with the agency’s written responses). Claims that could not be corroborated by a second source are reported as informant perceptions. Interpretations were returned to informants for confirmation (member checking). Transferability is supported by the description of the research setting provided in Section 3.2. Dependability was addressed by maintaining an audit trail of instruments, transcripts, codes and analytical memos. Confirmability was pursued by grounding each reported finding in identifiable data extracts. Because all informants were officials of the audited agency, their accounts may present the agency favourably; the documentary and observational evidence was used to counter this, and the remaining risk is acknowledged in Section 6.1.

Research ethics

Participation was voluntary and informed consent was obtained prior to each interview. Informants were advised of the purpose of the study, their right to decline any question and to withdraw, and the measures taken to protect their identity. Institutional permission to conduct research at the agency was granted under. No personally identifying information is reported. Further details are given in the Declarations.

FINDINGS

The findings are organised around the three research questions. Section 4.1 establishes the institutional architecture of internal audit at the agency; Sections 4.2 and 4.3 trace the mechanisms through which accountability and transparency are produced; Section 4.4 reports the conditions that constrain them.

The architecture of internal audit at the agency

Internal audit at the Manpower and Transmigration Office is performed not by an in-house unit but by the South Sulawesi Provincial Inspectorate in its statutory capacity as APIP. Audits are conducted on a fixed semi-annual cycle and cover all regional apparatus organisations within the provincial government. As one informant explained:

"Internal audits at the Manpower and Transmigration Office are essentially conducted by the Provincial Inspectorate. So every six months they conduct internal audits at each OPD within South Sulawesi Province." (informant, finance unit)

Two features of this arrangement are analytically significant. First, the audit function is external to the audited agency while remaining internal to the provincial government, which secures a degree of independence that an embedded unit would lack but also means the agency has no continuous internal assurance capacity between audit cycles. Second, the fixed periodicity makes the audit a predictable event rather than a risk-responsive intervention, which shapes how the agency prepares for it.

The stated purpose of the audit is to ensure that financial management and budget utilisation conform to applicable provisions and to minimise the potential for irregularity. Its operational expression is a set of recurring reporting obligations: functional and administrative accountability statements (SPJ), the General Cash Book (BKU) and monthly accrual reports, all submitted to the Regional Finance and Asset Agency of South Sulawesi Province.

Mechanisms producing accountability

The data reveal three sequential mechanisms through which internal audit contributes to accountability.

Ex-ante verification of accountability documents

Before financial reports are prepared, the finance division examines and verifies the administrative documents submitted by each division. Informants described this verification as directed at three things: administrative completeness, the accuracy of the data reported, and the correspondence between budget allocations and the activities actually implemented.

The finance staff described the procedure in concrete terms:

"Before the report is compiled, the SPJ from every division comes to us first. We check whether the receipts are complete, whether the figures match the cash book, and whether the spending relates to an activity in the budget. If something is incomplete, we return it for correction." (I3, finance staff)

The treasurer (I2) described the same step from the cash-book side: transaction details are compared with the cash book and payment evidence, and an explanation or correcting document is requested before the next stage. The head of the finance sub-division (I1) described a division of labour in which PPTK are responsible for evidence of implementation and the match with the activity in the field, while the finance unit checks the administrative side and its recording.

Deficient documents are returned with notes on what must be corrected, the correction is confirmed with the responsible officer, and the document is checked again (I1). I3 added that records of corrections are kept so that the history of revisions can be consulted.

This mechanism operates in advance of the audit rather than in response to it. Its effect is to shift the locus of accountability upstream: by the time the Inspectorate arrives, the agency has already subjected its own documentation to internal scrutiny. Accountability is therefore produced continuously through routine administrative practice, not only periodically through external inspection.

Periodic external verification by APIP

The semi-annual Inspectorate audit constitutes the second mechanism. It provides independent confirmation that budget use conforms to regulation and that no irregularities have occurred in implementation. Because it is conducted by a body outside the agency, it supplies the element of independent judgement that Bovens (2007) identifies as constitutive of an accountability relationship: the agency must render an account to a forum capable of evaluating it.

Mandatory follow-up of audit findings

On completion of the audit the Inspectorate issues a report containing its evaluation, findings and recommendations. The agency is required to respond in writing and to demonstrate remedial action. This closes the accountability loop by attaching consequences to the forum's judgement the third element of Bovens's definition. Without this stage the audit would generate information but not obligation.

Informants linked follow-up to corrective action. The head of planning and reporting (I6) observed that examination results and the responses of the regional apparatus organisation can help in drawing up corrective measures, while the head of finance (I1) said that examination notes “should be the basis for correction, not merely an archive”, and that recurring types of error should be traced and document guidance clarified. This suggests that informants saw room for follow-up to be used more systematically to remove recurring errors.

Taken together, the three mechanisms constitute a cycle: internal verification, external examination, and enforced response. Accountability at this agency is thus produced not by any single procedure but by the sequencing of the three.

Mechanisms producing transparency

Transparency was found to operate in two registers that are analytically distinct and that the existing literature tends to conflate.

Procedural transparency: documented audit reports and responses

The first register concerns the audit process itself. Informants explained that the Inspectorate's report sets out audit results, findings and the matters requiring correction in financial accountability, and that the agency's written response and follow-up are themselves documented. The audit is thus conducted in a manner that is legible to the parties involved and generates a record of evaluation.

Informants were cautious about whether these documents reach the public. The head of finance said:

"As for audit information, we have to follow the openness policy and the authority of the unit that handles information requests; I cannot say that all audit reports are automatically open." (I1)

The head of planning and reporting was more explicit about the evidential problem:

"I would not conclude that without reviewing the public channels and the information-service rules. The exchange of reports may well be on an internal track; a certain summary may also be available through PPID. This must be proven, not assumed." (I6)

The treasurer (I2) and a PPTK (I4) likewise said that opening particular documents to the public must follow procedure and the information rules in force. No informant described routine publication of Inspectorate reports or management responses. The evidence collected here does not include an independent check of the agency’s public information channels (PPID), so whether these documents are accessible to citizens remains unestablished. Procedural transparency is therefore treated in this study as the legibility of the audit process to the parties involved, not as public disclosure.

Programmatic transparency: visibility through service delivery

The second register is more distinctive. Informants consistently identified the job fair as the agency's clearest expression of transparency. The event assembles employers offering vacancies in a single venue where job seekers obtain information directly, matched to their skills and to available demand.

The job fair staff member explained how the public comes to see the programme:

"People can see directly what the office does. At the job fair, companies come with vacancy information, and job seekers can ask questions or apply on the spot. That is why the public can see that the programme is actually running." (I7, job fair team)

The same informant qualified this when asked whether open activities mean that all financial reports are transparent: “Not necessarily. Information on vacancies, participants and event activities can indeed be seen by the public, whereas expenditure verification documents and audit results are in a different process” (I7). PPTK informants made a similar distinction. Information on the type of training, registration, schedule and general results can be communicated through official channels, but transaction evidence and examination documents must be handled according to the information rules (I4); the public learns that activities exist, which “is not the same as access to all internal accountability documents” (I5). The head of planning and reporting (I6) drew the same line, describing procedural transparency as concerning the audit trail, the correction process and formal accountability, and programme transparency as visible through service information and the results of activities.

What informants described here is not the disclosure of financial information but the public visibility of programme implementation. Citizens observe that a service exists, that it functions, and by implication that budgeted resources produced an identifiable output. Transparency in this register is enacted through demonstration rather than documentation.

The distinction matters. Procedural transparency, as informants described it, addresses a specialised audience of officials and oversight bodies; programmatic transparency addresses citizens directly but conveys no information about cost, allocation or efficiency. Neither register alone satisfies the conditions Sari (2014) sets out for effective transparency, in which fiscal information is both independently assured and genuinely accessible to those who need it.

Constraining conditions

The principal obstacle identified in the data is administrative rather than technical. Accountability documents submitted by Technical Implementing Officers (PPTK) are frequently incomplete or late, which delays verification by the finance division and compresses the time available to prepare for audit. Four informants on the finance and PPTK side (I1, I2, I4, I5) described this pattern.

The treasurer and the head of finance described how it arises:

"Sometimes there is an attendance list, a receipt or an activity attachment that is not yet there. We contact the PPTK so that the file is completed. If completeness is delayed, verification and report preparation also shift." (I2, treasurer)

"Obstacles usually arise because attachments are late, expenditure details are inconsistent, or there are differing understandings of the evidence required. When documents are only complete close to the deadline, the time for checking becomes narrower." (I1, head of finance sub-division)

The PPTK side offered an explanation that is not a charge of irregularity. One PPTK noted that some evidence comes from different parties, such as service providers, and that attachments are missed when collection is not organised from the start (I4). Another said that in such cases “the delay does not mean there is a deviation, but it shows a document-governance risk” (I5). The treasurer added that when files pile up at the end of the period, the time to check them one by one is limited and the team must follow up missing documents as the inspection schedule draws closer (I2).

The significance of this constraint lies in its position within the cycle described in Section 4.2. Because ex-ante verification is the first mechanism in the sequence, deficiencies at that stage propagate: incomplete documentation weakens internal verification, which in turn reduces the assurance the external audit can provide, which limits the substantive content of the follow-up. The binding constraint on audit effectiveness is therefore located upstream of the audit itself.

Informants also pointed to conditions surrounding the delays: the absence of a common document checklist across activities (I2, I3), submission deadlines not agreed at the outset (I2), attachments that differ by activity while reporting deadlines cluster together (I3), and evidence held by third parties (I4). Heavy workload at the end of a period was mentioned (I2, I3), but no informant described a shortage of staff as such, so limited human resources are not reported as a finding. Coordination between PPTK and the finance unit was described as most effective when maintained throughout the activity (I5); weak inter-unit coordination is therefore treated here as a matter of document-level communication rather than as a separate organisational finding.

DISCUSSION

Accountability as a sequenced cycle

The findings extend the existing literature in a specific way. Studies such as Hanifah et al. (2023) and Sitompul et al. (2023) establish that internal audit contributes to accountability; the present study specifies how. Accountability at this agency is not a property conferred by the audit but an outcome of a three-stage cycle in which internal verification, external examination and enforced follow-up each perform a distinct function. This maps closely onto Bovens's (2007) tripartite definition information, discussion, consequences and suggests that the analytical value of that framework extends to sub-national settings in developing economies for which it was not originally devised.

The finding also qualifies the agency-theoretic account. If internal audit merely reduced information asymmetry between citizen-principals and official-agents (Jensen & Meckling, 1976), the external audit stage would suffice. That the agency invests substantially in ex-ante self-verification suggests a stewardship dynamic in which officials seek to demonstrate their own reliability rather than merely submit to inspection. Both logics operate simultaneously, which is consistent with the assurance and consulting duality in the IIA definition.

Accountability and transparency as distinct mechanisms in this case

The study's more novel contribution concerns transparency. The Indonesian literature generally treats transparency as following from accountability: reliable reporting is assumed to yield an informed public (Wiyana et al., 2023; Nevi Costari & Putri Ariella Belinda, 2021). The present findings suggest that, at this agency and on the evidence collected, the two operate through largely separate channels. Accountability is produced through documentary mechanisms addressed to oversight bodies. Transparency, as informants understood and enacted it, is produced through the public visibility of service delivery. This is an interpretation of a single case drawn mainly from officials' accounts; it is offered as a proposition for testing, not as evidence that accountability and transparency are decoupled in public organisations generally.

If this reading holds, it has a consequence that the literature has not adequately registered. Citizens observing a job fair acquire evidence that the agency functions, but no information about how much it cost, whether the allocation was efficient, or whether alternative uses of the same funds would have served them better. Conversely, the documentary record that would answer those questions appears to circulate within an administrative audience. The information that would enable the social control described by Nevi Costari and Putri Ariella Belinda (2021) is generated, but the evidence collected here does not show that it reaches the citizens who would exercise it.

This suggests that, in comparable agencies, increasing transparency may be less a matter of producing more information than of routing existing information to the audiences positioned to act on it.

The upstream location of the binding constraint

Berliani et al. (2024) report that internal audit controls exhibit weaknesses requiring evaluation and improvement. The present study locates one such weakness precisely. Because the accountability cycle is sequential, its effectiveness is governed by its first stage: documentary discipline among budget implementing officers. Interventions aimed at the audit function itself more frequent audits, expanded audit scope will not relax a constraint that operates before the audit begins.

This has an implication for how audit capacity should be assessed. The conventional focus on auditor competence and audit methodology, while necessary, is insufficient where the quality of the audit's raw material is the limiting factor. Aprilia (2019) identifies functional oversight and civil servant competence as determinants of accountability; the present findings suggest that the relevant competence extends well beyond the audit unit to every officer who generates an accountability document.

Implications

For practice, three implications follow. First, agencies should treat the documentary discipline of PPTKs as an audit-critical capability and invest in training and standardised templates accordingly; informants themselves proposed a common document checklist, deadlines agreed at the start of each activity, and staged checking while activities are under way (I2, I3, I4, I5). Second, the two registers of transparency should be deliberately connected, for instance by publishing the cost and outcome of visible programmes such as job fairs alongside the programmes themselves. Third, the absence of continuous internal assurance between semi-annual audit cycles represents a structural gap that a lightweight internal monitoring routine could partially address.

For policy, the findings suggest that the effectiveness of the APIP architecture established under Government Regulation No. 60 of 2008 depends on administrative capacity within audited agencies that the regulation itself does not address.

CONCLUSION

This study examined how internal audit contributes to accountability and transparency at the Manpower and Transmigration Office of South Sulawesi Province. It finds that accountability is produced through a sequenced cycle of ex-ante document verification by the finance division, semi-annual external audit by the Provincial Inspectorate acting as APIP, and mandatory written follow-up of audit findings. Transparency appears in two distinct and largely unconnected registers: procedural transparency within the audit cycle, through documented audit reports and management responses, and programmatic visibility of service delivery to citizens, exemplified by the job fair. The principal constraint on the cycle is the incompleteness and lateness of accountability documentation submitted by Technical Implementing Officers, a deficiency that propagates through every subsequent stage.

The study contributes to the literature by moving from association towards mechanism, by suggesting that in this case accountability and transparency are produced by different processes within the same organisation, and by identifying a constraint on audit effectiveness that lies upstream of the audit function itself. These contributions are specific to the case studied and should be tested elsewhere.

Limitations

Four limitations qualify these conclusions. First, the single-case design supports analytical rather than statistical generalisation. The findings are not claimed to be representative of Indonesian regional agencies; they may be transferable to agencies operating under the same APIP architecture, but only further cases can establish this. Second, the evidence base consists principally of accounts given by seven officials within the audited agency; auditors at the Provincial Inspectorate and citizens who use the agency’s services were not interviewed. Documentary and observational evidence mitigates but does not remove this limitation, and the perspectives of auditors and citizens would likely qualify the account offered here, especially the claims about

transparency, which concern what citizens can see. Third, the agency's public information channels were not independently checked, so the accessibility of audit reports to citizens is not established. Fourth, the study captures the audit cycle at a single point in time and cannot speak to how the mechanisms described have evolved or will evolve.

Directions for future research

Three extensions follow directly. A multi-site comparative study across regional agencies with differing documentary capacity would test whether the upstream constraint identified here is general. Incorporating the perspectives of APIP auditors and of citizens would allow the relationship between the two transparency registers to be examined from both ends of the relationship. And a longitudinal design following successive audit cycles would establish whether follow-up of findings produces durable improvement or is absorbed as routine compliance.

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