

Maintaining Internal Transparency: The Role Of The East Java Province Inspectorate In Realized Accountability In The Financial Sub-Division

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Abstract

The implementation of Transparency and Accountability is a crucial element in creating good governance. These two aspects are interrelated because the East Java Provincial Inspectorate is a supervisory institution that plays a vital role in monitoring and evaluating the performance of local government institutions. However, in this study, the implementation of Transparency covers the internal scope. This study was designed to examine how the East Java Provincial Government Inspectorate maintains Transparency to realise Accountability in the Finance Sub-Section. The method employed in this study is qualitative, with a descriptive approach, where primary data were collected through interviews with treasurers and staff of the Finance Sub-Section. Additionally, secondary data is obtained through a literature review. The results of the study show that the East Java Provincial Inspectorate demonstrates its Transparency by providing access to finance staff to participate in realising accountability in the Finance Sub-Section. Granting access is restricted to finance staff to maintain system security. Although negligence still occurs occasionally, the Finance Sub-Section remains responsible for addressing it.

Keywords: Transparency, Accountability, Financial Sub-section

Introduction

As an oversight institution, the East Java Provincial Inspectorate will undoubtedly maintain its Accountability and Transparency to realise good governance. As a regional institution located within the integrity zone, the East Java Provincial Inspectorate serves as an internal supervisor within the scope of regional government administration. Internal oversight evaluation is an activity that assesses policies and improves the quality of supervision or audits. If auditors find indications of irregularities, they will conduct further investigations to seek sufficient, relevant, and reliable evidence. Therefore, before ensuring the safety of the regional government or regional government organisation, the East Java Provincial Inspectorate needs to ensure it is free from all cases, especially in the Finance Sub-Section. This is an effort to realise good governance, as the government is not only responsible for developing the country but also must ensure how funds are used and managed. Transparency is a crucial element in financial management, enabling governments to report on their performance publicly, thereby demonstrating that they are transparent and accountable.

Entering further discussion, this study aims to understand the role of the East Java Government Inspectorate in maintaining internal Transparency, specifically in realising the Accountability of the Financial Sub-Section. It utilises the theory of Transparency and Accountability, as put forward by Logos. According to Logos, Transparency and Accountability are interrelated concepts because without Transparency, there will be no Accountability. To build effective and efficient policies and institutions, Transparency and Accountability must exist at various levels of policy, starting from policy formulation, decision-making, and its implementation. Kohler also proposed a supporting theory on Accountability. Accountability is defined as having three components. First, the obligation of an employee, in this case, is to provide satisfactory reports periodically on the success or failure of actions based on their authorisation or authority. Second, the measurement of responsibility, which is the obligation given to an individual expressed in monetary value, units of wealth, or other predetermined basis. Third, control, which is the process of proving good management and compliance with applicable laws.

In addition to the Accountability theory, there is also the Transparency theory proposed by Smith. According to Smith, the transparency process encompasses several elements. First, standard procedural requirements require that the regulation-making process involve public participation and consider public needs. Second, consultation processes allow for discussions between the government and the public. Third, appeal rights serve as the primary safeguard for the policy-making process. The literature review entitled " The Effect of Accountability, Transparency, and Government Internal Control Systems on the Quality of Regional Financial Reports (Case Study at the Malang Regency BKAD)" conducted by Tias Monika Ferlia et al. explains that simultaneously,

Accountability, Transparency, and the government's internal control system improve regional financial performance. In the study conducted at the Malang Regency BKAD, Transparency did not have a significant impact on the quality of regional economic reports.

Then, a study entitled "The Influence of Accountability and Financial Transparency on Regional Financial Governance in the Management of Regional Revenue and Expenditure Budgets (APBD) during the 2021-2022 Covid-19 Pandemic (Case Study at the Batu City Regional Finance and Asset Agency, East Java)" conducted by Vena Sya i Harani, et al., found that Accountability and Transparency in regional financial governance impacted APBD management during the 2020-2021 Covid-19 pandemic at the Batu City Regional Financial and Asset Agency (BKAD). This study found that Accountability had no significant effect on financial governance, while Transparency had a substantial impact on economic governance. This was followed by a study entitled "Legal Aspects and Challenges of Transparency in Village DNA Management in Indonesia" by Irwan Polidu et al. It discussed the importance of Transparency and Accountability in village fund management, which is governed by various regulations such as the Village Law and the Public Information Disclosure Law. Despite these clear regulations, implementation still faces obstacles, including inadequate official capacity, weak oversight, low participation, and corrupt practices, as well as a closed bureaucratic culture.

Furthermore, a study titled "The Influence of Auditor Experience, Audit Fees, and Independence on Audit Quality (Empirical Study of Public Accounting Firms in the Bekasi Region)" by Aureta Zhabila et al. found that auditor experience and independence positively impact audit quality. This enables auditors to verify that there is no fraud or error in the financial statements. In a recent study titled "The Influence of Accountability, Transparency, and Internal Oversight of Regional Financial Management on the Financial Performance of Rote Ndao Regency," conducted by Lolu et al., they found that Accountability and Transparency do not go hand in hand. Accountability and internal oversight have a significant influence on regional financial performance, while Transparency has yet to have a substantial impact.

This study presents a novel aspect that differs from previous research. This novelty contributes to the research on good governance in the public sector, particularly in the areas of internal accountability and Transparency. By highlighting the role of the East Java Provincial Inspectorate as a supervisory institution, this study reveals how the Treasurer grants access permission to staff of the Finance Sub-Division to realise internal Accountability and Transparency. This novelty is expected to stimulate research on regional financial governance, particularly in relation to internal supervision and Transparency within the regional government bureaucracy. Based on the literature review and identified research novelties, this study focuses on the following key

questions: How does the Finance Sub-Section maintain its internal Transparency? How does the Finance Sub-Section achieve its Accountability? And will maintaining internal Transparency and achieving accountability foster good governance?

This study aims to analyse the role of the East Java Provincial Inspectorate in the Finance Sub-Section in maintaining internal Transparency and realising accountability. The results of this study are expected to provide an overview of best practices on how the East Java Provincial Inspectorate maintains internal Transparency to achieve accountability in the Finance Sub-Section, as well as identifying the challenges and solutions faced in the process. This article consists of several main sections that discuss various aspects of the study. The Introduction section describes the background of the study, including the literature review, research novelty, and problem formulation, as well as the research objectives. The introduction section highlights the importance of maintaining internal Transparency in the Finance Sub-Section in realising Accountability. The Method section describes the approach used in this study. The method used is qualitative with a descriptive approach. With the acquisition of data sources obtained through observation, documentation, and interviews with the Treasurer and Staff of the Finance Sub-Section. The Results and Discussion section will describe the findings and results of observations and interviews conducted by the researcher, interpreting them in light of the theory used, namely the theory of Transparency and Accountability. The Conclusion section will summarise several key points that can later be presented to readers regarding the realisation of Accountability and maintaining internal Transparency in the Finance Sub-Section.

The internal Transparency maintained by the Inspectorate also contributes to increased public trust in local government. Open financial information enables the public to understand budget management processes and assess government performance directly. This not only encourages public participation in oversight but also strengthens the government's legitimacy in making policies that impact regional development. However, challenges remain in maintaining Transparency and Accountability, particularly in terms of oversight, which must be carried out consistently and professionally. Therefore, the Inspectorate's role extends beyond administrative oversight to facilitating increased financial management capacity within the Finance Sub-Division, including the implementation of information technology to support an open and accurate reporting system. The East Java Provincial Inspectorate plays a crucial role in improving financial management and performance accountability within the East Java Provincial Government. As an internal oversight agency, the Inspectorate is responsible for promoting good governance towards a clean government. To achieve this, optimal employee performance is essential, particularly in the ability to complete tasks effectively and efficiently.

Method

This research employs a qualitative method with a descriptive approach. The data used consists of primary data obtained through observation, interviews, and documentation, as well as secondary data from literature reviews, including books and journals. This study aims to determine how the Finance Sub-Division maintains its internal transparency and enhances its accountability. Primary data collection techniques were obtained through observation, namely, observing the surrounding environment. Then, interviews were conducted with relevant sources, namely the Assistant Treasurer and the Finance Sub-Division Staff. The data analysis stage in this study comprises three main processes: data reduction, data presentation, and conclusion. Data reduction is the process of simplifying and sorting the collected data. Next, data presentation is carried out by systematically displaying the reduced data. Finally, conclusions are drawn based on the presented and verified data. In qualitative research, the researcher acts as the primary data collector. Therefore, researchers must possess a broad knowledge and understanding of theory to analyse, comprehend, and describe the social situation being studied, resulting in more precise and meaningful results. The research method used aims to explain and describe in detail the issues related to maintaining internal transparency and achieving accountability in the Finance Sub-Section of the East Java Provincial Inspectorate. Therefore, the researcher employed an intensive approach with informants to obtain accurate and factual data.

Results And Discussion

The findings of this study indicate that transparency and accountability within the Finance Sub-Section of the East Java Provincial Inspectorate are institutionalized as core principles of good governance, particularly in the context of the Inspectorate's role as an integrity zone and supervisory body. Transparency, in this setting, is not merely understood as the publication of financial information, but as an internal governance mechanism designed to prevent and detect potential fraud at an early stage. The Finance Sub-Section functions as the first line of defense in safeguarding public finances by ensuring that financial management processes are open, traceable, and compliant with applicable regulations. Transparency is primarily implemented through open financial reporting mechanisms that allow finance staff to access and participate in financial processes within controlled limits. While access to financial systems is restricted to authorized personnel to maintain security, internal stakeholders within the Inspectorate are permitted to raise questions regarding budget utilization. This controlled openness reflects a balance between transparency and administrative security, particularly important in a supervisory institution responsible for overseeing compliance and integrity across government agencies. In addition, transparency is reinforced through regular technical guidance and socialization sessions related to changes in gubernatorial regulations. These sessions, often conducted through digital

platforms, ensure that finance staff remain informed of regulatory updates and that the outcomes of such activities are communicated internally within the Inspectorate, thereby sustaining institutional transparency.

The financial management process within the Finance Sub-Section follows a structured and hierarchical flow that reinforces accountability. Budget disbursement begins with a proposal from the Technical Implementing Officer of Activities (PPTK) and must pass through authorization by the Budget User Authority (KPA) and the Financial Administration Officer (PPK). Funds can only be disbursed if the expenditure is explicitly listed in the Budget Implementation List (DPA), and document completeness becomes a central focus of internal supervision. This layered approval process minimizes discretionary decision-making and reduces the risk of misuse of funds. Moreover, as a supervisory institution, the Inspectorate remains subject to external oversight by the Supreme Audit Agency (BPK), which audits budget use and provides corrective input in cases of potential budget overruns. The presence of external audit oversight further strengthens transparency by embedding checks and balances into financial governance.

Accountability within the Finance Sub-Section is manifested through consistent responsibility for reporting and justifying all financial activities. Accountability is not limited to financial reporting but extends across legal, managerial, programmatic, policy, and financial dimensions. In practice, accountability is enforced through meticulous document verification during budget disbursement. Any incomplete documentation is returned for revision, and disbursement can only proceed once all requirements are fulfilled. Final disbursement requires signatures from the KPA, the Treasurer, and relevant responsible parties, ensuring collective responsibility and formal acknowledgment of financial actions. Despite the generally stable accountability system, the findings reveal that operational challenges persist. Incomplete documentation remains a recurring issue, often compounded by miscommunication or negligence among treasurers and data processing staff. These issues sometimes result in archiving problems, including misplaced or lost documents. However, institutional accountability mechanisms require corrective action rather than deflection of responsibility. Treasurers are expected to maintain soft-copy backups of financial documents to mitigate the risks associated with lost hard copies. This practice demonstrates an adaptive accountability approach that acknowledges human error while maintaining responsibility for administrative integrity.

The study further shows that accountability within the Finance Sub-Section is closely linked to compliance with the Governor's regulations, reflecting vertical accountability to higher authorities. At the same time, accountability also operates horizontally through transparency to internal stakeholders within the Inspectorate. The implementation of the Government Internal Control System (SPIP) serves as the primary foundation for ensuring accountability, providing systematic assurance that organizational objectives are achieved effectively and efficiently. Strong internal controls enable the Inspectorate to monitor and evaluate financial performance objectively, thereby reducing the likelihood of irregularities and maladministration. The

findings align with theoretical perspectives that emphasize accountability as a prerequisite for good governance. Accountability is essential not only for ensuring lawful and honest conduct but also for maintaining managerial effectiveness, program achievement, policy responsibility, and prudent financial management. In the context of the East Java Provincial Inspectorate, these forms of accountability are interconnected and mutually reinforcing. Legal and honesty accountability ensures compliance with laws and ethical standards, managerial accountability emphasizes the effectiveness of internal processes, program accountability focuses on achieving institutional objectives, policy accountability addresses the long-term impact of financial decisions, and financial accountability ensures the efficient and corruption-free use of public funds. Importantly, this study highlights that accountability is not solely the responsibility of the Finance Sub-Section but requires collective compliance from all members of the East Java Provincial Inspectorate. Adherence to established regulations facilitates the performance of financial administrators and strengthens institutional governance. This collective responsibility aligns with the “Jatim Amanah” vision promoted by the provincial government, which emphasizes clean, effective, and anti-corruption governance.

Overall, the results demonstrate that maintaining internal transparency plays a critical role in realizing accountability and good governance within the East Java Provincial Inspectorate. While procedural mechanisms for transparency and accountability are well established, continuous improvement is necessary to address operational weaknesses and administrative negligence. Strengthening internal communication, enhancing document management systems, and reinforcing compliance culture are essential to sustaining accountability. By maintaining transparency and accountability as interconnected governance principles, the Finance Sub-Section contributes significantly to building public trust, preventing misuse of public resources, and supporting the broader objective of clean and effective government administration.

Conclusion

The East Java Provincial Inspectorate plays a crucial role in maintaining accountability and transparency to achieve good governance. As an internal oversight body, the Inspectorate ensures that regional government operations, particularly in the financial sector, are free from problems. Transparency is crucial because it allows the government to report its performance openly. Law No. 30 of 2014 regulates the prevention of collusion, corruption, and nepotism. Research shows that transparency and accountability are interrelated. The Inspectorate's organisational structure includes a Finance Sub-Section, which has essential duties such as managing finances, preparing accountability reports, and managing internal financial administration. The funding process begins with a budget request, which is approved by the PPTK, KPA, and PPK

before disbursement. Transparency in the Finance Sub-Section is crucial to achieving accountability. Furthermore, transparent financial reporting helps prevent fraud. The Finance Sub-Section also follows technical guidance in response to regulatory changes and communicates activity results to the public. Finance staff are responsible for maintaining accountability, and the public can inquire about the budget at any time. The Supreme Audit Agency (BPK), as the external auditor, oversees the use of budgets and provides input. Accountability encompasses various dimensions, including legal, managerial, program, policy, and financial. Within the Inspectorate, the Finance Sub-Division demonstrates strong accountability despite challenges, such as miscommunication, by maintaining accurate records and complying with regulations throughout the fundraising process.

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