



## Juridical analysis of regional government internal supervisory apparatus (APIP) in promoting the implementation of village good governance government in Indonesia

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### Abstract

Government Internal Supervisory Apparatus (APIP) is the government apparatus that is in charge of supervising the running of government activities internally. Some government agencies in Indonesia are categorized as APIP, i.e., The Finance and Development Audit Agency (BPKP), the inspectorate general at the ministry or the non-ministerial state agency, the provincial inspectorate, and the district/city regional inspectorate. This research aims to analyze the role of district/city APIP and district/city regional inspectorate in promoting the implementation of village good governance government in Indonesia juridically. The research methodology used in this study was normative legal research with descriptive analytical research specifications. The results showed that in general, APIP, with its new paradigm as a strategic partner for government leaders and management (in this case, district/city regional APIP as a strategic partner for local government), based on various regulations, has a strategic role in catalysing the realization of village good governance government in Indonesia.

**Keywords:** district/city regional APIP, village good governance government

### Introduction

The village is the smallest unit of Indonesia's government that interacts directly with the community and has the right to manage its own affairs and meet the needs of the community on its own, including providing public services in the village area (Mariani, 2023). Village administration is carried out by the village government, which institutionally is not subordinated to the sub-district, because the sub-district is part of the district/city apparatus, while the village is not. The village is also different from the urban village regarding leadership status, rights, and authorities in administering the government, sources of development funds, and the sociological aspects of its citizens. Based on the various characteristics of the village, regulations regarding villages are also regulated separately.

The village government has a big responsibility along with the increasing amount of budget managed. The increase in the amount of the managed budget, whether sourced from the Regional Budget, is a manifestation of the attention of the Government of the Republic of Indonesia on village development and the welfare of rural communities, considering that the village government is a government entity that is directly in contact with the community in carrying out various services and accommodating the interests of the community.

The more strategic and vital role that the village government has supported by the large budget managed by the village government, the community's expectations of good village governance have also increased. Thus, there is a need for serious attention related to the practice of good governance by the village government. Because the large potential budget owned by the village government, if it is not managed properly, is very at risk of causing fraud.

Until now, good governance does not have an exact definition that experts have agreed upon and used in a disciplined manner. Each expert and institution has their understanding of good governance (Gisselquist, Rachel M,

2012) [2]. However, good governance refers to a concept of governance that focuses on good ways of managing activities as a form of responsibility to achieve a goal to be achieved. Good ways of carrying out this management will be guided by certain values or principles to bring out a distinctive character as a good governance.

The practice of good village governance to prevent fraud cannot be separated from the role of the Government's Internal Supervisory Apparatus (in language: Government Internal Supervisory Apparatus [APIP]), especially the district/city regional APIP as part of the APIP tasked with carrying out internal government oversight in district/city area. APIP, which has undergone a "transformation," now has a new paradigm regarding institutional, role, and technical supervision. This new paradigm has guided APIP to change from the old supervisory style as a *watchdog* to become a strategic partner that prioritizes consultancy and catalytic functions by carrying out the role of quality assurance (Budiraharjo, Renaldo and Septa Ananta Bobby Baskara, 2019) [3].

Optimizing the role of APIP in district/city areas can be a catalyst to encourage the realization of good village governance. If the village has been able to implement good governance practices, it is hoped that all the resources owned by the village can be managed with the right target and have a real positive impact on the community. By encouraging the realization of good governance in village government, the authors believe that sustainable national development, which is carried out starting from the village as the smallest government entity, can continue to run up to the regional and national levels and have a real positive impact on Indonesian society. Furthermore, this research will review some of the principles of good governance in village government and how laws and regulations in Indonesia regulate the role of APIP in encouraging the realization of good governance in village government in Indonesia.

## Research methods

This legal research uses a type of doctrinal research with qualitative analysis. In doctrinal research, the law is conceptualized as a set of laws and regulations that are systematized, harmonized, and synchronized both vertically and horizontally with each other (Suteki and Galang Taufani, 2020) <sup>[4]</sup>. In the doctrinal approach, all the doctrines, principles, values, and norms contained in laws and regulations are seen as having consistency. Inconsistency of statutory regulations legally results in the invalidity of statutory regulation or does not have the force of law (Suteki and Galang Taufani, 2020) <sup>[4]</sup>. Qualitative analysis was used in the data analysis process. The primary data that will be analyzed cannot be measured, so the qualitative research method was chosen (Bambang Waluyo, 2008).

Doctrinal research is also called normative juridical research. The juridical aspect means using the principles and principles of law to answer the questions raised. Meanwhile, the normative aspect means that answering the questions raised in the research will refer to the provisions of the applicable laws and regulations.

The specification of the research that will be used was descriptive-analytical, in which the results of the analysis of the object under study will be used to describe or provide an overview of the topic or problem raised in the research as clearly as possible (Bambang Waluyo, 2009) <sup>[5]</sup>. In this study, the specification of the descriptive analytical research concerns how existing and applicable regulations in Indonesia play a role in district/city regional APIs in encouraging the realization of good governance in the village government in Indonesia. Thus, this study is not intended to provide an assessment of the criteria of good/bad, sufficient, or lacking, and so on, but to provide an objective description based on the facts obtained from the results of data analysis.

## Results

### 1. Good governance demands on village government in Indonesia

#### Subsidiarity, Transparency, and Participation

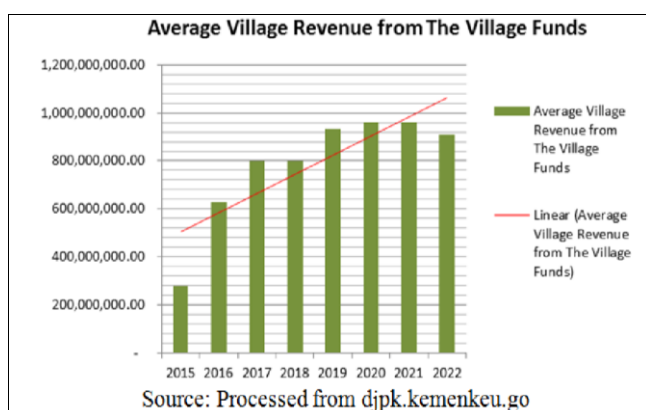


Chart 1. Trend of Average Village Revenue from The Village Fu

Chapter VIII Article 72 paragraph (1) of Law Number 6 of 2014 concerning Villages (known as the Village Law) states that there are seven sources of village income, namely: (a) village original income consisting of business results, assets, self-help and participation, cooperation, and other Village original income; (b) allocation of the State Budget; (c) a share of the results of regional taxes and regional/municipal

levies; (d) Village fund allocation which is part of the balancing funds received by the Regency/City; (e) financial assistance from the Provincial Budget and the Regional Budget; (f) non-binding grants and donations from third parties; and (g) other legitimate village income. Of the seven sources of village income, village income that comes from the allocation of the State Budget is usually in the form of "Village Funds".

Village Funds, according to Government Regulation Number 8 of 2016 concerning the Second Amendment to Government Regulation Number 60 of 2014 concerning Village Funds Sourced from the State Budget, are funds originating from the APBN which are intended for villages transferred through the Regional Budget and funds This village is used to finance government administration, development implementation, community development, and community empowerment. In the last eight years, from 2015 to 2022, the average village income for each village in the form of the Village Fund in aggregate has increased significantly, namely by 15.86%. The amount of Village Funds allocated in the 2015 State Budget to be distributed to around 74,090 villages in Indonesia is Rp. 279,389,931.16. The Village Funds allocated from the 2022 State Budget have increased to Rp. 907,150,480.26 for 74,960 villages spread across districts/cities throughout Indonesia.

Apart from income from the State Budget in the form of Village Funds as described above, villages have six other sources of income as regulated in the Village Law. Several villages in Indonesia are even recorded as being able to earn income from Village Original Income of up to billions of rupiah per year, including Ponggok Village in Klaten Regency, with PADes reaching 1.7 billion rupiahs in 2018 and Muara Jekak Village in Ketapang Regency with PADes reaching 3 billion rupiahs in 2019 (Akbari, Idil Asa, 2020) <sup>[8]</sup>. Even though originally Ponggok Village was known as a poor village with an income of around 80 million per year, with good village governance, now Ponggok Village can become a developed village with income reaching billions per year (Wijayanti and Ratih Eka, 2023). This shows that the village's potential needs to be explored and optimized. Good governance in the village government will be a prerequisite for the success of optimizing the village's potential to create prosperity for the community.

The Village Fund (DD) is only intended as a stimulus for the village government to be able to explore and optimize its potential so that it can slowly but surely break away from dependence on transfer funds from the central and regional governments (Imawan & Ninik, 2021) <sup>[10]</sup>. In general and more substantively, what is regulated in the Village Law is not solely related to village income but rather the issue of how villages can independently manage all potentials and resources, both human resources, financial resources, and natural resources, to improve the standard of living of rural communities and advance the village economy. Thus, the rectitude of the Village Law is the democratic idea of integrated national development, which is carried out in a *bottom-up* manner starting from the village by strengthening the village as an entity that is inseparable from the Unitary State of the Republic of Indonesia.

Good governance as a prerequisite for the successful management of the village's potential, as mentioned above, is an idea that is often identified internationally as good public governance where this requires basic conditions for

the existence of a civil society that believes in universal values of goodness (Vértesy, László, 2017) <sup>[11]</sup>. In fact the term 'good governance' emerged in the 1990s, welcoming the reforms in the implementation of public governance that occurred in many countries (Chien, Nguyen Ba and Nguyen Nghi Thanh, 2022) <sup>[12]</sup>. According to Philipus M. Hadjon, good governance refers to the principles (which contain good values) that the government must obey in carrying out governance, where these principles cannot be explained carefully but rather follow the specific circumstances faced (M. Hadjon Philipus, 2008) <sup>[13]</sup>. Sadjijono (2007: 203) <sup>[14]</sup> formulates good governance as the activities of government institutions that are carried out based on public interests and prevailing norms to achieve state goals (Sadjijono, 2007) <sup>[14]</sup>. Good governance also refers to the implementation of responsible, effective, efficient, and solidstate government by maintaining the synergy of the state government, the private sector, and the community (Sedarmayanti, 2010) <sup>[15]</sup>. Good governance can simply be said to be the government for the *common good*, as opposed to the government for the *one's own faction*.

Various interpretations of the concept of good governance indicate that good governance is an open concept or open grip (Bobbio Norberto on Heritier Paolo and Paolo Silvestri, 2012) <sup>[16]</sup>. Good governance as a principle of governance depends on the structure, economic capacity, and authority of the institutions that administer it (Ridwan HR, 2011) <sup>[17]</sup>. Even in this case, it allows the involvement of parties outside the government to take a strategic role in solving a country's national problems (Roy, Kartik C., and Clement A. Tisdell, 1998) <sup>[18]</sup>. In the context of a rule-of-law state like Indonesia, good governance as a principle has a position as a *konijnenbelt* or unwritten law where in certain circumstances, various legal regulations can be drawn that can be applied (Graham, John, Timothy Wynne Plumptre, and Bruce Amos, 2003) <sup>[19]</sup>. This has the meaning that the principle of good governance gives flexibility to the government in exercising its authority in administering government in order to achieve good goals.

Chapter I regarding General

Provisions in Article 3 of the Village Law states explicitly that village governance is based on 13 principles, namely: the principle of recognition, the principle of subsidiarity, the principle of diversity, the principle of togetherness, the principle of cooperation, the principle of kinship, the principle of deliberation, the principle of democracy, the principle of independence, the principle of participation, the principle of equality, the principle of empowerment, and the principle of sustainability. On the other hand, Law Number 30 of 2014 concerning Government Administration, which regulates all activities of government agencies/officials, including village government officials, in Chapter III concerning Scope and Principles, states that the administration of government administration is based on: the principle of legality, the principle of protecting human rights, and the General Principles of Good Governance. This shows that in village governance, apart from adhering to the 13 principles regulated in the Village Law, it also adheres to the principle of legality, protecting human rights, and the General Principles of Good Governance. The General Principles of Good Governance, as referred to in the Government

Administration Law, regulated in Article 10 paragraph (1), including the principle of legal certainty, the principle of

efficacy, the principle of impartiality, the principle of accuracy, the principle of not abusing authority, the principle of openness, the principle of public interest, and the principle of good service. Even if it is associated with various other laws and regulations, for example, Law Number 25 of 2009 concerning Public Services, which has ties to the village government in implementing public services, it also contains the principles of good governance apart from those stated in the Village Law as well as the Law on Government Administration, namely among others the principle of accountability, the principle of punctuality, and the principle of special facilities and treatment for vulnerable groups (Pratiwi *et al*, 2016) <sup>[20]</sup>. It is interesting to note that good governance as a proven principle is open. In certain circumstances, it is intended to refer to relevant statutory provisions to resolve problems.

In relation to the topic raised in this study, the discussion regarding applying the principles of good governance in village government is focused on the principle of subsidiarity, the principle of transparency or openness, and the principle of participation. These three principles are contained in the Village Law and Government Administration Law, which are relevant to village governance in its efforts to manage the village's potential. The selection of the three principles is also based on the significance of these principles as a minimum prerequisite for the success of optimizing the potential of the village to create prosperity for the community and realize village independence.

## 2. The Role of Regional APIP in Encouraging the Realization of Good Governance in Village Governments in Indonesia

The proposition that it is necessary to implement good governance in village government, which at least includes the principles of subsidiarity, transparency, and participation, to optimize the village's potential to realize community welfare and village independence, certainly requires a control mechanism. This mechanism is intended so that the practice of good governance in the village government can be continuously carried out in government activities. The control mechanism referred to here relates to internal control procedures in government.

The control mechanism referred to above can be classified into two aspects based on the approach to be taken, namely the *'how to implement it's aspect* and the *'what if'* aspect. The first aspect relates to the preventive approach, namely regarding how the village government implements good governance in running governance. This refers to the consultative function which flows in the control mechanism being built. At the same time, the next aspect relates to corrective and prescriptive approaches, namely regarding corrections to actions taken and recommendations to restore or correct mistakes. Thus, the second aspect relates to the answer to the question of what if there has been a mistake in the administration of village governance.

Based on Article 58 paragraph (1) of Law Number 1 of 2014 concerning the State Treasury, the 'control mechanism' discussed above is a system of internal government control within the government. This internal control system is further regulated in Government Regulation 60 of 2008 concerning the Government Internal Control System (SPIP).

Government Regulation, 60 of 2008 concerning SPIP, states that the internal control system is implemented as a whole, both within the central and regional governments. Forms of internal control activities include audits, reviews, evaluations, monitoring, and other supervisory activities on the implementation of organizational duties and functions to provide adequate assurance that activities have been carried out following established benchmarks effectively and efficiently for the benefit of the leadership in realizing good governance.

The internal supervision is carried out by the Government Internal Supervisory Apparatus (APIP), which consists of (1) the Finance and Development Supervisory Agency (BPKP), as the government's internal monitoring apparatus, which is directly responsible to the President of the Republic of Indonesia; (2) The

Inspectorate General or by any other name that functionally carries out the role of internal control at state ministries or non ministerial government agencies, as government internal control officers who are directly responsible to ministers or heads of non-ministerial state institutions; (3) Provincial Inspectorate, as the government's internal control apparatus directly responsible to the Governor; (4) Regency/Municipal Regional Inspectorate, as government internal control apparatus which is directly responsible to the Regent/Mayor. Thus, in the government internal control system in Indonesia, there are tiered government internal control units and have the scope of supervision based on the levels of government in

Indonesia, namely at the central level, state ministries or non-ministerial state agencies, provincial areas, and regency/municipal areas. As for this study, the discussion will be focused on the Regency/City Regional Government Internal Supervisory Apparatus (APIP District/City), namely the district/city regional inspectorate in supervising villages.

Regional regulations generally regulate the organization and working procedures of the district/city regional inspectorate. Furthermore, regarding the position, organizational structure, job descriptions, and functions, as well as the work procedures of the district/city regional inspectorate, this will be further regulated in a district/mayor regulation. In general, the district/city regional inspectorate is headed by an inspector, an echelon II official within the district/city regional government. Office affairs which include general and staffing sections, finance sections, and program divisions, are coordinated by an official secretary. As for the implementation of audit activities, which is the core business of the district/city regional inspectorate, it is carried out by auditors who are coordinated by several assistant inspectors based on their area of supervision in a district/city. The secretary and assistant inspector at the district/city regional inspectorate are echelon II officials within the district/city government, while the auditors are a group of functional positions.

The basis for the authority of the district/city regional inspectorate in carrying out supervision in the village refers to the Regulation of the Minister of Home Affairs Number 7 of 2008 concerning Guidelines for Supervision Procedures for the Administration of Village Governments. In this regulation, it is stated that supervision of the administration of village government, which includes village government administration and village government affairs, is carried out by supervisory officials at the district/city inspectorate.

Furthermore, in the Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management, Article 4 paragraphs (1) and (2) regulate the authority of the district/city regional inspectorate as APIP in supervising village financial management in the district/city area. In 2017, the Indonesian government also promulgated Government Regulation Number 12 of 2017 concerning the Development and Supervision of Regional Government Administration, where Article 19 states that regents/mayors carry out guidance and supervision of villages. Guidance and supervision carried out by the regent/mayor are assisted by the subdistrict head and district/city inspectorate.

INDICATORS	WATCHDOG	CONSULTANT	CATALYST
Process	Compliance Audit	Operational/ Performance Audit	Quality Assurance
Focus	Deviation and Fraud	The use of resources	Values
Impact	Short term	Middle term	Long term

Old Paradigm
Old Paradigm

Source: Processed form (Simbolon, 2010)

Table 2. The Fundamental Difference between Old and New Paradigm of Internal Audit

The discussion regarding the implementation of supervision by the district/city regional inspectorate as the Regional APIP in the village cannot be separated from the 'transformation' that occurs in internal auditors in general. The transformation in question is the adoption of a new paradigm that causes a shift in internal auditors' role from being a watchdog to becoming a consultant and catalyst. It is felt that the old role of the internal auditor is no longer sufficient for the current development of the organization, which is limited to auditing control and compliance (Marks, Norman, 2001) [21]. In the current situation, internal auditors must be able to work to create improvements in effectiveness and efficiency to improve organizational performance. The demands for internal auditors today can be described by saying that *"the function of internal auditors is more like a part of the navigation system of a car, than just a handbrake."* So if an organization (business) fails because it does not generate profits, then its internal auditors also fail (Lenz, Rainer and Kim K Jeppesen, 2022) [22]. In simple terms, internal auditors are required to provide added value to their organization (Weingardt, Jenny, 2001) [23].

The transformation of the internal auditor's role that has occurred can be implement atively carried out by providing effective recommendations for the organization on the results of the audits carried out rather than just focusing on errors or fraud (Pramono, Eko Sigit, 2003) [24]. The internal auditor's recommendations are considered to have added value for the organization if they meet several characteristics, including: (1) offering improvements in effectiveness and efficiency, (2) encouraging the use of technology, (3) being oriented towards the future, and (4) suggesting changes rather than survive the *status quo* (Budi Raharjo *et al*, 2019) [3].

The role of the internal auditor as a consultant relates to suggestions for improvement given to the auditee and the active role of the internal auditor in assisting the

management in various corrective actions. The auditor's scope of work as a consultant is to ensure that all organizational and auditee management activities run effectively and efficiently and can use all available resources economically. Consultations carried out by internal auditors are also related to the best possible manner or choice that the auditee can take in dealing with various problems (Budiraharjo *et al.*, 2019) <sup>[3]</sup>.

The role of the internal auditor as a catalyst is related to quality assurance, where the internal auditor is expected to be able to guide the management of the organization to identify the risks that hinder the achievement of organizational goals. The internal auditor's catalytic role makes him a facilitator and agent of change for organizational management. The application of risk management and risk-based audit is one example of the role of the internal auditor as a catalyst (Simbolon, 2010) <sup>[25]</sup>.

The birth of a new role for internal auditors as consultants and catalysts does not necessarily eliminate the role of internal auditors under the old paradigm, namely internal auditors who focus on compliance auditing. The shift in role as a consultant and catalyst actually complements the internal auditor's old role as a watchdog. This is demonstrated by investigative audit activities conducted by internal auditors to reveal allegations of fraud in governance.

Based on Article 6 paragraph (1) Regulation of the Minister of Home Affairs Number 73 of 2020 concerning Supervision of Village Financial Management, supervision of village financial management by Ministry APIP, Provincial Regional APIP, and Regency/City Regional APIP is carried out in the form of (a) review, (b) monitoring, (c) evaluation, (d) audit (c) other supervision. As for what is meant by 'supervision in other forms' are supervisory activities consisting of (a) outreach, (b) education and training, (c) mentoring and consultancy, (d) processing of supervision results, and (e) community-based supervision. In addition, the Minister of Home Affairs Regulation also regulates the scope of supervision by the Regency/City Regional APIP, which includes: (a) evaluating the effectiveness of financial management carried out by the village government, (b) examining the performance of the financial management of Village-Owned Enterprises (BUMDes), (c) review of the evaluation of the Draft Village Revenue and Expenditure Budget (APBDes) including testing its consistency with the Village Government Work Plan (RKPDs), (d) review of village expenditures, (e) review of procurement of village goods and/or services, (f) monitoring of distribution transfer funds to the village, (g) investigative inspection.

In the regulations regarding guidelines for supervision over the implementation of village government as stipulated in the Regulation of the Minister of Home Affairs Number 7 of 2008, it is also stated that the district/city regional APIP *casu quo* district/city inspectorate carries out supervision through audit, monitoring and evaluation activities guided by The Annual Supervision Work Program (PKPT) which has been established through a regent/mayor decision. In this context, The Annual Supervision Work Program (PKPT) has a function to provide regularity and regularity guarantees for District/City Inspectorates in carrying out supervisory activities.

The results of the supervision carried out by APIP in the district/city area are accountable to the regent/mayor as the

direct superior. One of the forms of accountability carried out by the district/city regional APIP in the context of carrying out inspection duties is to convey the inspection results to the regent/mayor. Furthermore, the regent/mayor coordinates the implementation of follow-up on the audit results, which are generally in the form of recommendations for the auditee.

Although each APIP is responsible to their superiors (APIP at the central level to the president, APIP in state ministries to ministers, provincial APIP to governors, and district/city regional APIP to regents/mayors), their work results can be 'tested' by the Audit Board of the Republic of Indonesia (Kuntadi, 2019) <sup>[26]</sup>. This is regulated in Article 12 of Law Number 15 of 2004 concerning the Audit Board of the Republic of Indonesia, that in the framework of carrying out financial and/or performance audits, the BPK conducts tests and assessments of the implementation of the government's internal control system.

In addition to a series of provisions in various laws and regulations, there are several instruments in the form of concepts related to inspections carried out by APIP.

The concepts includes

- a. internal audit standards
- b. government internal auditor code of ethics, and;
- c. risk based internal audit (RBIA)

#### **a. Internal audit standards**

Internal audit standards contain criteria that are used as a minimum measure in conducting audits and must be guided by internal auditors (Kuntadi, 2019) <sup>[26]</sup>. For the internal auditors of the Indonesian government, internal audit standards are based on the Minister of State Apparatus Empowerment Regulation

Number: PER/05/M.PAN/03/2008 concerning Audit Standards for Government Internal Supervisory Apparatuses. Furthermore, on December 30, 2013, the Indonesian Government Internal Auditors Association (AAIPI) also compiled Indonesian Government Internal Audit Standards (SAIPI). Finally, SAIPI was determined based on Indonesian Government Internal Auditors Association (AAIPI) Regulation Number: PER01/AAIPI/DPN/ 2021 concerning Indonesian Government Internal Audit Standards.

SAIPI contains two criteria used as minimum standard sizes in internal government audits, namely attribute standards and performance standards. Attribute standards relate to the minimum expected behavior of internal government auditors, while performance standards relate to the minimum activities that internal government auditors must carry out in carrying out all internal control activities (audits, reviews, monitoring, evaluation, and other supervision)

[consultancy]).

Code of Ethics of Government Internal Auditors

#### **b. Code of ethics of government**

Internal Auditors is a professional code of ethics intended for government internal auditors. Codes of ethics are norms set by scientific disciplines and professional organizations and must be complied with by functional officials in carrying out their duties and responsibilities (AAIPI Code of Ethics, 2014). The Indonesian Government Internal Auditor Association (AAIPI) compiled the Indonesian Government

Internal Auditor Code of Ethics (KE-AIPI) in 2014 for internal government auditors, which contains two substantial matters governing the professional behavior of internal government auditors. The two regulated substances are ethical principles and rules of conduct. The ethical principles contain six government internal auditor professional ethics principles, including integrity, objective, confidentiality, competence, accountability, and professional behavior. Meanwhile, the rules of conduct contain seven guidelines for the government's internal auditor profession, including (1) rules of conduct to apply ethical principles; (2) rules of behavior in the organization; (3) rules of conduct concerning fellow auditors; (4) rules of conduct in the relationship between the auditor and the auditee; (5) prohibition; (6) violations; and (7) sanctions for violations.

### c. Risk based internal audit (RBIA)

Risk based internal auditing (RBIA) is a methodology that links internal auditing to an organization's overall risk management framework (IIA, 2014). Risk-based internal audit is about supervision activity toward risk management. This kind of supervision activity allows regional government internal supervisory apparatus to give reliable assurance that the risk management process in an organization has already managed its risks effectively based on its acceptable risk appetite or risk level (BPKP, 2018)<sup>[29]</sup>. Generally, the goal of risk-based internal audit is minimizing the risks, anticipating the potential risks which 'harm' the organization's activities, and protecting the organization from the unexpected events before those events have really happened (Tunggal, Amin Widjaja, 2013)<sup>[30]</sup>.

Through these various instruments, the district/city regional government internal supervisory apparatus has fulfilled the requirements to take action to encourage the realization of village good governance government in Indonesia. The intended action can be constructed using the preventive supervision/corrective– prescriptive supervision or 'P/C-P Supervision Model' model, which is the implementation of the supervision concepts by APIP and various laws and regulations which form the basis and guidelines for APIP in carrying out its supervisory authority.

Preventive supervision focuses on APIP's role as a consultant and catalyst. APIP can carry out activities within the framework of preventive supervision, including technical assistance and guidance activities for the village government. The application of risk-based internal audits by continuously encouraging the strengthening of the implementation of risk management in the village government is also part of the scope of preventive supervision.

Optimization of preventive supervision is conceptually able to mitigate unwanted risks so that they do not occur and assist the village government in implementing an appropriate response to residual risk, as well as positioning residual risk at an acceptable level according to the village government's risk appetite as an auditee. Unexpected risks must, of course, be directed at all events which, if they occur directly or indirectly, could violate the principles of subsidiarity, transparency, and participation.

The basis for implementing prevention supervision can be seen in Article 6 paragraph (1) unto paragraph (6) of the Minister of Home Affairs

Regulation Number 73 of 2020 concerning the Supervision of Village Financial Management, where regional APIPs are given the authority to carry out activities that we can categorize as preventive supervision, especially activities to strengthen community-based supervision.

Supervision by the village community on village governance in general and in particular on village financial management is an effective oversight because the community is an entity that is actually in the village and can directly feel the impact of the actions taken by the village government where they live. The effectiveness of oversight by the community is closely related to the nature of subsidiarity, in this case, local oversight of local-scale governance. The Indonesian Government Internal Auditor Association (AAIPI) is an organization that accommodates the Indonesian Government Internal Auditor profession through the Indonesian Government Internal Audit Standard (SAIPI). Also accommodates prevention supervision in the form of technical assistance and guidance activities by the Regional APIP, which is a form of consultancy activity, classified under 'other checks' in the APIP performance standards.

### Meanwhile, corrective

prescriptive supervision is realized, among others, through recommendations from the supervision activities carried out by APIP. The APIP recommendation is a form of correction and prescription to recover deviations found.

### Corrective prescriptive

supervision is thus also attached to various supervisory activities, including monitoring, evaluating, reviewing, and auditing. Meanwhile, investigative audits to uncover alleged fraud that has occurred are also categorized under corrective-prescriptive supervision activity.

The prevention and corrective prescriptive supervision model (P/C-P model) is a unit that can be implemented as a combination of the old and new paradigm of supervision. The prevention and corrective-prescriptive supervision model has a legal and scientific basis to legally be implemented by district/city regional APIPs in supervising village governments.

In relation to the realization of good governance in village government, which in this study is specifically focused on adherence to the principle of subsidiarity, transparency, and participation, the district/city regional APIP has a role as a booster and accelerator. This role is inherent in all supervisory activities carried out by the district/city regional APIP. To describe the aspects involved in the supervision activities to gain a clearer and more comprehensive understanding, based on the type of supervision, prevention and corrective-prescriptive supervision model can be used.

Government internal auditors at the district/city inspectorate who are assigned to an audit can condition the village government's adherence to the principle of transparency, for example, ensuring that activity implementation reports and financial reports are prepared truthfully; as well as adherence to the principle of participation, for example in the formulation of village development policies which must be based on the results of village meetings (Musdes). Indirectly, village consultative forums (Musdes) are also a form of control or supervision of village government by the community. On the other hand, internal government auditors in the district/city area can actively conduct outreach and

consultancy to the village government to direct village government activities to comply with the principles, as stipulated in the Village Law and various other laws and regulations, as long as they are related with village governance, especially the principles of subsidiarity, transparency, and participation.

### Conclusions

1. Good governance practices that focus on adherence to the principles of subsidiarity, transparency, and participation in the village government are the keys to village success in optimizing all the village's resources. The practice of good governance has also become a logical requirement in line with the large allocation of resources provided by the Indonesian government to be managed by villages, with the hope of achieving the legal ideals or rachides of Law Number 6 of 2014 concerning Villages in realizing the democratic idea of integrated national development implemented bottom up starting from the village by strengthening the village as an inseparable entity from the Unitary State of the Republic of Indonesia.
2. The regional APIP, or Government Internal Supervisory Apparatus, in the district or city area is a catalyst for achieving good governance in the village government. Based on various laws and regulations pertaining to those governing village supervision by district/city regional APIP, this role is inherent in all supervisory activities, both preventative and corrective.

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