JPSI (Journal of Public Sector Innovations)
Vol. 8, No. 1, November 2023
Journal homepage: https://journal.unesa.ac.id/index.php/jpsi/index
Print ISSN: 2541-4291
Online ISSN: 2348-396X

To link to this article: https://doi.org/10.26740/jpsi.v8n2.p12-21

Utilization of Innovation in the Supervision Sector at the Sungai Penuh City Inspectorate

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Abstract

Technological advances help government agencies develop innovation in carrying out their activities. This research aims to find out how the Sungai Penuh City Inspectorate optimizes the use of technology in the supervision activities of government institutions and what factors support and hinder the implementation of this innovation. This research uses a qualitative approach. Data collection was obtained through interviews using the guided interview technique. Meanwhile, respondents who were interviewed were determined according to criterion sampling. The sources used as subjects in this research were the Inspector, the Head of the General Administration and Finance Subdivision, the Head of the Analysis and Evaluation Subdivision, the Intermediate auditor, and the Junior auditor. The research results show that the supervision innovation implemented at the Sungai Penuh City Inspectorate covers the process, the service and the method. The Sungai Penuh City Inspectorate optimizes technology in innovation activities through various applications such as SIM HP, SIPTL, SiBijak, and holding consultation clinics. Supporting factors that make this innovation possible are leadership support, availability of facilities and infrastructure, and adequate human resources. On the other hand, the inhibiting factors in implementing this innovation are limited budgets and employee transfers.

Keywords: Innovation, Supervision, City Inspectorate

INTRODUCTION

Kota Sungai Penuh is the expansion of Kabupaten Kerinci in Provinsi Jambi Province in 2008. Even though it is a relatively new region, Inspectorate Kota Sungai Penuh has successfully implemented a decent supervision system. It could be seen from the success of Inspectorate Kota Sungai Penuh achieving the APIP Capability rating, which was initially from level zero directly to level two and obtained SPIP Maturity level three in 2019. In addition, Inspectorate has also succeeded in leading the Kota Sungai Penuh to obtain the Unqualified Opinion (WTP) from the BPK (The Audit Board of the Republic of Indonesia) eight times (Saputra, 2021).

One of the functions of the Inspectorate Kota Sungai Penuh is to perform supervisory functions and conduct a

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Article history: Received, 28 December 2022; Resivised, 25 May 2023; Accepted, 22 November 2023.

To cite this article: Herlina, V., & Sestriyenti, E. (2023). Utilization of Innovation in the Supervision Sector at the Sungai Penuh City Inspectorate. JPSI (Journal of Public Sector Innovations), 8(1), 12–20. https://doi.org/https://doi.org/10.26740/jpsi.v8n2.p12-21

consulting process in the form of socialization and training for local government agencies in Kota Sungai Penuh. This activity is carried out to convey various information related to supervision aspects that need to be understood by various parties to mitigate mistakes or omissions in using state money. Thus, the surveillance activities are not only looking for mistakes; otherwise, developing prevention. These activities need to be carried out because the function of the Inspectorate is not only to carry out assurance activities but also to conduct consulting. Pentingnya inovasi dalam sebuah organisasi menjadi pemicu berjalannya manajemen yang akan meningkatkan kinerja organisasi (Wahyudi, 2019). Oleh karena itulah, sebuah organisasi baik organisasi swasta maupun publik perlu memanfaatkan hasil inovasi yang telah tersedia maupun dengan menciptakan sendiri karya inovasinya.

Various researchers have studied innovation within the scope of Local Government. Most of these studies focus on public service innovation (Andhika, 2018a; Atthahara, 2018; Kurniawan, 2016; Yanuar, 2019) and also in the education or learning sector (Kristiawan & Rahmat, 2018; Permanasari, 2016). This public service innovation is carried out in the fields of licensing (Robby & Tarwini, 2019; Sari, 2014), information services (Atthahara, 2018), and health services (Yanuar, 2019).

Meanwhile, research conducted within the Inspectorate as the object generally analyzes the quality of audit results (Alfiati, 2017; Cahyono et al., 2015) and auditor performance (Ariani & Badera, 2015; Pesireron, 2016; Priogandi et al., 2021). Based on the prior study, there was no published research regarding surveillance innovations. Therefore, this research delves into utilizing supervision innovation in Inspectorate as a novelty for this study.

The objectives of this study are to (1) describe the technology utilization as innovations result that have been implemented by Inspectorate Kota Sungai Penuh and (2) identify factors that support and inhibit innovations.

Innovation

Several experts have proposed various definitions of innovation according to the organizational context. Sisca et al. (2021) explained that innovation is the process and developing result knowledge, including skills and technology, to improve a product or process to provide added value. Furthermore, Kristiawan et al. (2018) define innovation as something new in the form of ideas, products or methods. From the business organization's perspective, G. Carayannis et al. (2015) stated that innovation is an effort to discover something new and provide added value for the company to increase revenue, reduce costs and make other economic improvements. In public organizations, Wicaksono (2018) defined innovation as a tool for organizations to explore ideas and produce something new to create an organization's alteration so that its performance becomes better, productive and efficient.

Innovation is also associated with technology utilization and producing something new. Various programs or modified activities run effectively (Andhika, 2018b). In line with the statement, innovation can be the form of ideas discovery, processes, methods and new service models (Agger & Sørensen, 2018; Wisdom et al., 2014). In this regard, innovation has broad aspects not only in the form of goods, services or processes but also includes methods undergoing renewal in organizations to provide excellent services and bureaucratic culture (Zuhal, 2013). Based on several explanations, it can be concluded that innovation is not only a new product or technology but a process, system, or new method of doing something.

Based on its form, innovation can be classified into product innovation, process innovation and service innovation. Product innovation is tangible or intangible products such as software. Process innovation and service innovation are not in physical products but are related to how the organization carries out its activities (process) and also activities in serving consumers either face to face or through intermediaries like email or social media (service). By the nature of the change, innovation can be grouped into (1) incremental innovation, which is innovation with only slight differences from existing solutions, and (2) radical innovation, which is a total change from the previous one. Incremental innovation focuses on improving the shortcomings of previous conditions (Septiana, 2020).

Supporting and Inhibiting Innovation Factors

In order to realize innovation, it cannot be separated from various factors, both supporting and inhibiting factors. According to Ancok (2012), three factors support the realization of innovation in organizations. These factors consist of human capital, leadership and organizational structure. Human capital refers to intellectual capital in the organization, such as combining knowledge, breadth of insight, willingness to learn, and creativity is the capital for someone to innovate. Based on the leadership perspective (Ridlowi & Himam, 2016), a leader has a role in mobilizing and motivating subordinates, achieving organizational goals, and building an innovative attitude.

The leadership model suitable for innovation is transformational leadership (Sethibe & Steyn, 2015) because it has the ability and desire to change. Organizational structure is a supporting factor in realizing innovation; by synergizing, innovation will be implemented quickly. However, to actualize innovation in an organization more is needed for a leader to be active. On the contrary, the support and involvement of all members in the organization are needed so that the innovation process can grow and develop well (Setyowati & Etikariena, 2019).

Apart from factors that support the growth of innovation in organizations, several factors become obstacles to creating innovation in the public sector. One of these factors is that many public organizations are reluctant to shut down failed programs or activities. Organizations need the courage to implement an innovation or risk aversion (Hutagalung & Hermawan, 2018), complicated bureaucratic obstacles. There is no reward for innovative individuals. In government institutions, limited budgets and short budget periods are the inhibiting factors.

Furthermore, Vries et al. (2015) describe four supporting and inhibiting factors for innovation. First, environmental factors such as competition between organizations will foster a spirit of competition so that innovation can be developed. A conducive environment will encourage innovation (Vivi & Harris, 2020). Nevertheless, the status quo environment will make it challenging to encourage innovation. Next is the organizational factor: available resources, leadership style, desire or reluctance to learn, and organizational structure. These elements will trigger the growth of an innovation culture, even hinder it if the elements in the organization desire to stay the same.

The third factor is the level of innovation; in this case, it means ease of use of existing innovations. If the proposed innovation is easy to utilize and provides benefits for its users, then the innovation can be implemented. If the opposite happens, the innovation made will be abandoned. The last one is the individual or employee factor in the organization itself. Several elements encourage the growth of innovation, such as employee autonomy, knowledge, skills, collaborative ability, and commitment. When all these elements are present in employees, it could realize the innovation. However, if employees are only looking for salaries and wages, realizing innovation will take time and effort.

Local Government Innovation

As technology advances and educates society, the government is required to provide solutions for various problems. Following the complex dynamics of society, the government must have innovative characteristics. Moreover, local governments need more budgets. Meanwhile, societal demands and complexity continue to occur. Therefore, local governments must also be more creative in solving problems (Sellang et al., 2019).

Local governments, as public organizations, must take new approaches and methods to attract public trust. Systematic efforts are needed to realize and promote innovation to face various challenges in the public sector. Practical innovation could improve service quality, and innovation also has a role in transforming the interaction between government and society. Innovation can be carried out with innovation governance efforts. Innovation governance develops a framework for managing innovation. It also requires institutional arrangements, policymakers, and collaboration with the society. Still, the success of innovation governance is affected by innovation activities and the use of technology in the organization (Andhika, 2018a).

A model that can be used to build innovation in local government needs to be a grand design and program as a strategic basis for local government agencies to develop innovation and translate it into activities. The innovation program that has been staked needs to be tested to get the output and should be prepared capacity to implement the program. Even though the program has been implemented, the evaluation and improvement process remains to be executed. Thus, the innovation process becomes a continuous cycle (Hutagalung & Hermawan, 2018).

Supervision (Internal Audit)

Pada dasarnya definisi dari audit berbeda pada setiap kondisi dan juga sesuai dengan kebutuhan organisasi. The definition of an audit is different in each fettle and also according to the organization's needs. This study focuses on internal audits in local governments. Therefore, the definition of audit is according to the Indonesian Government's Internal Audit Standards, "Auditing is a process of problem identification, independent analysis and evaluation, objectively and professionally based on audit standards, to assess the correctness, accuracy, credibility, effectiveness, efficiency and reliability of information on the implementation of the main duties of government agencies". The audit standards also state that the government agency tasked with internal audit activities

in local governments is Inspectorate, also known as the Government Internal Audit Apparatus (APIP) (AAIPI, 2021).

There is a difference between internal audit and external audit. Internal audit is audit activities held by institutions or employees within the organization—for example, audit activities held by the Inspectorate to other local government agencies. Otherwise, external audits are audit activities carried out by organizations outside of the organization, such as public accountants and BPK (BPKP, 2014).

Two primary roles of internal auditors are assurance and consulting. Assurance provides an objective assessment or opinion regarding an entity (BPKP, 2014). The main objective of assurance is to assess evidence related to a subject matter and conclude about the problem. Meanwhile, consulting provides advice or other service activities related to the organization. The purpose of consulting is to provide advice and assistance tailored to service users (Prasodjo, 2015).

Assurance assignments can be in the form of (1) audit activities: financial audits, performance audits, and specific purpose audits; (2) reviews, such as budget plans (RKA) and financial statement reviews; (3) evaluation, such as risk management evaluation, performance accountability evaluation of government agencies, and policy evaluation; and (4) monitoring: feedback to audit results monitoring, and monitoring of deconcentration funds. Meanwhile, consulting activities include socialization, consultation and assistance. Also included as consulting activity is supervision research, and physical inspection activities (Prasodjo, 2015).

Based on the audit stages, it is divided into three stages: planning, implementing and reporting audit results. These three stages apply to both assurance and consulting activities. The only difference that occurs is in the audit implementation process. In assurance activities, the implementation is collecting and testing evidence, evaluating evidence, drawing conclusions, and developing findings while providing recommendations. Meanwhile, the consulting is adjusted to the activities, such as providing advisory, training and facilitative services (BPKP, 2014; Prasodjo, 2015).

METHODS

This study was descriptive and qualitative research, for the unit analysis is Inspectorate Kota Sungai Penuh—a guided interview type collected data. Guided interviews are the process of asking questions to the interviewee using prepared questions as guidance (Sujarweni, 2014). Therefore, in the interview process, the researcher has prepared several questions and determined the interviewee criteria to obtain a valid interview result.

This study used criterion sampling in determining data sources. Criterion sampling is a data collection process to obtain information and sources adjusted to predetermined criteria (Flick, 2018). In the interview activities, there were four criteria: (1) Civil Servant, both structural and functional officials; (2) Have experience and knowledge of supervision activities; (3) Willing to be a resource; and (4) Involved in the creation, innovation utilization in the organization.

Five informants fulfilled the criteria, which are Inspectors as leaders of Inspectorate Kota Sungai Penuh, the Head of General, Administration, and Financial Affairs Division, and the Head of Analysis and Evaluation Subdivision, including two auditors. In this case, the auditors interviewed consisted of an Intermediate Auditor and a Lead Auditor who were also operators for several applications at the Inspectorate Kota Sungai Penuh.

As a research credibility, researchers also observe the innovation delivered and implemented. Korstjens & Moser (2018) explained that the credibility of qualitative research is to assess or obtain the truth in the field—the validity process to match the information conveyed with actual conditions.

The credibility process in this study is internal validity by conducting document studies as secondary data to complement the information from the interviewee. Furthermore, external validity was also carried out to get secondary data by opening the websites of the Sungai Penuh Government, the Inspectorate Kota Sungai Penuh website, and the BPK website.

RESULTS AND DISCUSSION

Supervision Description at Inspectorate Kota Sungai Penuh

As a supervisory agency in the administration of government following the Sungai Penuh Mayor Regulation Number 15 of 2022, Inspectorate Kota Sungai Penuh has duties to administer internal supervision, such as financial audits, performance audits, reviews, evaluations, monitoring and other supervisory activities. Insepktorat Kota Sungai Penuh is also tasked with formulating supervision policies and compiling reports on the supervision progress. It means that the Inspectorate Kota

Sungai Penuh is not only to officiate supervision or audits. Other duties of the Insepktorat Kota Sungai Penuh include monitoring and reviews, such as RKA reviews, LKPD reviews, RKPD reviews, and LKjIP reviews.

Regarding audit duties, Inspectorate does not only hold financial audits or examine SPJ (accountability report) for the implementation of budget and activities—other forms of audits, such as compliance audits and performance audits. Meanwhile, in inspections, there are regular inspections and special inspections or audits for some instances. As explained by the intermediate auditor:

> "Auditors also execute special case audits. This audit aims to find out facts if there are problems with a supervision object or auditee. The case can emerge from complaints, public information, legal parties and the public. Besides that, there are also special purpose audits, which focus on a specific objective where the audit is not comprehensive on an auditing entity. For example, school operational assistance (BOS) audits and government revenue audits."

Auditors and P2UPD are given a Letter of Assignment for carrying out tasks. Some supervisory tasks are not just checking documents; the auditor team also has to check the correctness of the information submitted. For example, during village inspections, the audit team checks for SPJ and physically checks the development activities. Moreover, the audit team also checks the veracity of the goods purchased in quantity, quality, brand and price suitability.

After the initial inspection, next is reporting in a P2HP (Principles of Inspection Results). Based on the P2HP, the audit team communicates with the auditee to confirm whether there are objections or improvements according to the audit results. After the confirmation activities are completed, the LHP (Inspection Result Report) is issued.

As a validity for the interview results, we also observed directly and viewed documents showing the work program at the Insepktotar Kota Sungai Penuh. The document is called PKPT (Annual Monitoring Work Program). This document is published annually and endorsed by the mayor. All of the tasks by the Inspectorate Kota Sungai Penuh are stated in the PKPT. The PKPT was created one year earlier to reference next year's activities except for case audits, which are tailored to the cases that must be addressed. Researchers also observed several LHPs that had been issued, but we did not open the LHPs because their contents were confidential.

Utilization of Surveillance Innovations in the Inspectorate Kota Sungai Penuh

As a supervision institution, the Inspectorate has a responsibility to undertake various supervision or audit activities, both assurance and consulting activities. One of the innovations that Inspectorate Kota Sungai Penuh has adopted is to employ various information systems in follow-up activities of audit results.

There are two types of information systems utilized, namely the SIM HP application (Supervision Results Management Information System) and SIPTL (Audit Results Follow-up Monitoring Information System). These two applications impact the ease of data access and tracing information of audits. This matter was conveyed by the Inspector, stating:

> "...the two applications (SIM HP and SIPTL) are one of implementation of innovation by Insepktorat Kota Sungai Penuh to simplify the reporting process and store the supervision results. In work process innovation, it does not mean that a person or institution has to create their application but instead uses available applications to make the task easier. The Inspectorate Kota Sungai Penuh innovates in terms of processes and methods, not in terms of products or applications."

SIM HP is an application created by the BPKP, and it has been utilized by the Inspectorate Kota Sungai Penuh since 2018. The primary purpose of SIM HP is to standardize the management of the supervision results database so it can present information or supervision results in data quickly, precisely and accurately. The intended standardize process includes data types, forms, and reporting format.

To match the information provided by the Inspector, we also interviewed the HP SIM operator. Based on information from the HP SIM operators and also a lead auditor, stated:

> "... the HP SIM application was started to be used in 2018, but the data entry for the preceding year. Before the HP SIM, all audit results were only available in the LHP report and then recorded in Excel. The infirmity is, when there is a need to find out the previous audit result, we have to pry through the report first and search in Excel, without an organized database."

With the presence of the SIM HP application at the Insepktorat Kota Sungai Penuh, all of the audit results are available in one system. While there is a need to look for

the previous year's data, it will be easy to track. It is helpful and speeds up issuing a finding-free permit letter. This document is often requested by civil servants who usually apply for transfers to other regions.

Another application is SIPTL, which is a follow-up monitoring application for the audit findings of the BPK. SIPTL is an application developed by the BPK to simplify the process of disclosing follow-up audit results to the BPK's findings. As stated by the Head of Sub-division Analysis and Evaluation:

> "... external audit implemented by the BPK, but the audit results report on the findings the Inspectorate handles follow-up. Using the SIPTL application makes the work process easier. In the past, in a follow-up on the BPK's findings, the Inspectorate had to report it to Provinsi Jambi directly. Moreover, the distance between Kota Sungai Penuh and the BPK office in Kota Jambi can take one day's travel. Currently, the Inspectorate only needs to enter follow-up actions on findings into the application. Next, the BPK team will review the report without having to deliver it."

SIPTL application has simplified the work process in Inspectorate Kota Sungai Penuh to report audit findings follow-up. The effectiveness of the SIPTL application is submitting reports conveniently and cost-efficiently in time and funds.

Both applications make the work process by the Inspectorate Kota Sungai Penuh easier. However, the arrangement and management of audit findings have become more organized and well-recorded. Either individuals or organizations can find all kinds of audit findings. Moreover, the resolution of findings is sometimes only completed in stages by the party getting the audit findings so that the tracing process and the log activities or completion of findings can be discovered quickly and easily. Thus, whether there is a need to make a report, the information consignment as required by the Inspector, Mayor, and other interested parties such as BPKP or BPK can be provided quickly.

As a validity, we also interviewed one of the civil servants from another agency who had dealt with Inspectorate Kota Sungai Penuh to get the Audit-Findings Release Letter. The civil servant explained that "...the process of applying for an Audit-Finding Release Letter process quickly because it is examined in the application, and if there were no audit-findings then the letter will be issued." It indicates that the application's utilization at the Inspectorate Kota Sungai Penuh can be used to optimize.

Another form of utilizing innovation that Inspectorate Kota Sungai Penuh has carried out is auditor management. Since 2019, the Inspectorate Kota Sungai Penuh has implemented the SiBijak application (Auditor Development Information System) prepared by BPKP. Even though the SiBijak application is not developed by Inspectorate directly, the existence of this application assists auditors in facilitating the calculation of their credit figures. By using the SiBijak application, auditors can report activity directly, which can be used as a means of making DUPAK (Proposed List of Credit Points Assessment) or for assessing credit points. Indeed, the SiBijak can be used by auditors to register training individually, whether technical training or advanced training.

Previously, in the making of DUPAK, the auditor made it manually on a sheet. When there was an assessment error, the DUPAK assessment sheet was returned to the auditor to be corrected and reprinted. This process costs money by reprinting the sheet for the DUPAK report. The SiBijak application will make the auditor's work more accessible in enumerating DUPAK because the credit score assessment is carried out automatically by the system for every activity that the auditor carries out. The SiBijak application also simplifies the DUPAK reporting process directly sent to the BPKP. All process is just in a few clicks, without going through the time-consuming and expensive file delivery process.

Unlike the SIM HP and SIPTL applications, there are two operators. Meanwhile, the SiBijak application is accessed by all auditors because each auditor will report their activities individually. Even though there is a SiBijak admin, the admin only acts as a facilitator to create accounts or reset passwords for the auditor. The information regarding SiBijak was conveyed by the Head of Sub-division of General Administrative and Financial:

> "... through the SiBijak application, it will simplify both auditors and the credit points team at the secretariat in assessing credit figures. The application can calculate the credit points automatically. If there is a mistake, the auditor can edit itself directly. Moreover, training certificates are directly available in it. Because the application is individual, each auditor gets their account."

As a credibility for this study, we opened the website to ensure that the SiBijak application existed and was functioning. The SiBijak address is https://sibijak.bpkp.go.id and could be opened expeditely.

Researchers were even allowed to view the login page of one of the auditors but were not allowed to take a picture.

Besides utilizing information technology provided by BPK and BPKP, the Inspectorate Kota Sungai Penuh has developed an innovation by providing consultation clinic services. Generally, the audit is a post-audit in nature. A consultation clinic shows that the Inspectorate not only conduct assurance activities but also consulting activities. It is crucial because the Inspectorate also prioritizes preventive activities to avoid irregularities. Through the consultation clinic, the local government agencies, an object of inspection or called auditee, have changed to become an active subject. This activity warns the auditee about the prohibited or permitted to be implemented.

The main objective of the activity is to prevent irregularities as an early warning system to minimize audit findings. The consultation clinic hopes that other local government agencies or village officers can proactively avoid budget abuse, violating laws and regulations, and other things to be anticipated.

According to innovation theory by Septiana (2020), several forms of innovation utilization that the Inspectorate Kota Sungai Penuh has implemented show that the innovation locus is on process and service innovation. The emergence of this innovation is in accordance with the rapidly changing demands of development, so auditor in Inspectorate is no longer able to apply manual methods in working.

Likewise, Kristiawan et al. (2018), the Inspectorate Kota Sungai Penuh, has also implemented a form of method innovation. It is because the Inspectorate Kota Sungai Penuh implements consultation clinics to mitigate audit findings and culpability.

Supporting and Inhibiting Factors for Innovation in the Inspectorate Kota Sungai Penuh

In realizing and utilizing the innovation in the Inspectorate Kota Sungai Penuh, the primary supporting factor is the Kota Sungai Penuh mayor's commitment to supporting the innovation process and intensifying the capabilities of the Inspectorate Kota Sungai Penuh. As conveyed by the Inspector of Kota Sungai Penuh:

> "The Mayor conveys to us, both during meetings and when talking with him. The mayor advised that the Inspectorate, as the leading sector, has to be a model for other SKPDs. Not only in terms of discipline but also in terms of administration, innovation and forward-thinking. This statement drives us to do our best in all our actions or activities at the Inspectorate."

Another proponent factor is that the Inspector, as the head of the Inspectorate Kota Sungai Penuh, always contributes to encouraging all civil servants in Inspectorate to be active and creative. Inspectors contrive to fulfil all the facilities and infrastructure in constructing an innovation culture. One of the actions taken is to provide laptops for all employee for their job. Regarding this matter, the Inspector stated that:

> "...one of the primary devices that every auditor needs is a laptop because some auditors complete their work at home. Sometimes, during physical checks in the field, to speed up the process, a laptop is used to enter information we got."

The existence of supporting factors from the leader is in line with what has been explained by Ancok (2012), Sethibe & Steyn (2015), and Ridlowi & Himam (2016) that a leader has a role in realizing innovation in an organization.

Another supporting factor is the human resources in the Inspectorate Kota Sungai Penuh. In applying audit, employees work with enthusiasm and are also adapted to their competencies. As an example, in the case of physical inspections of buildings and roads, the appointed employee has a civil engineering background. Moreover, at the beginning of the year, before checking village funds, auditors as employees collect the latest regulations in the field of supervision so that the information they have is up to date.

Civil servants as human resources who keep learning will establish a learning organization. It is in accordance with Choi (2014) stated that learning organizations will build a knowledge base to develop amidst an ever-changing external environment. Through the learning process, innovation will be supported.

Apart from supporting factors, there are also inhibiting factors for realizing innovation. The inhibiting factor for innovation at the Inspectorate Kota Sungai Penuh is the need for more budget availability. Indeed, the budget decreases every year. The budget as an inhibiting factors is in accordance with Hutagalung & Hermawan (2018). Coad et al. (2016) explained that cost or budget factors will affect organizational productivity and hinder innovation.

With a limited budget, the Inspectorate Kota Sungai Penuh is challenging to participate in existing auditor and P2UPD competency development. Moreover, attending training activities outside the Kota Sungai Penuh area will be expensive. Therefore, as a solution to participate in

training, sometimes only one person is sent as a participant. To get around the limitations, the Inspectorate Kota Sungai Penuh is promoting PKS (independent office training) activities for someone who has participated in a training, when returns from the activity, must share the knowledge with fellow auditors and P2UPD so they could obtain information and there is no knowledge gap.

The next inhibiting factor in actualizing innovation is employee transfers. Occasionally, the Inspectorate Kota Sungai Penuh accepts employee transfers from other agencies. The new employees need to be taught from the beginning about the internal organization. They must be introduced to work and rhythm patterns that differ from other agencies whose field is not supervised. Furthermore, it has to shape the employee's character to be in line with other employees, especially employees who already have functional positions.

Employee transfers could be an interruption that hinders innovation due to the new employees needing help to adapt to the new work environment quickly. However, employee transfer in the Inspectorate Kota Sungai Penuh is only temporary. As a solution, new employees will be included as team members in simple supervision activities. Regarding employee transfer, it is not the institution's authority but rather the mayor's decree that cannot be avoided. It is in accordance with Coad et al. (2016), who explained that individual or personal factors are an obstacle to the formation of innovation in organizations, incredibly less productive person.

However, the inhibiting factors are not the primary barrier to developing innovation because alternative solutions can be found for several inhibiting factors. The inhibiting factors that have a solution can even become supporting factors for creating creativity and building innovation; as stated by Vries et al. (2015), supporting factors for innovation can be inhibiting factors and vice versa.

CONCLUSIONS

The innovation was implemented at the Inspectorate Kota Sungai Penuh using the SIM HP and SIPTL applications to record audit findings from the Inspectorate and external audits by the BPK. Regarding human resource management, the Inspectorate Kota Sungai Penuh has used the SiBijak application for all auditors. Furthermore, the Inspectorate Kota Sungai Penuh has also developed a Consultation Clinic to prevent digression as early as possible.

The supporting factor for innovation in the Inspectorate Kota Sungai Penuh is the support from the Inspector as the head of the Inspectorate and Mayor of Kota Sungai Penuh. The Inspector tries to comply with all office infrastructure needs. Another supporting factor is that the Inspectorate's employees have high motivation in working and the existence of an innovative and proactive culture. Otherwise, the inhibiting factor is the limited budget availability. Therefore, only some employees can participate in training. The other inhibiting factor is employee transfer. However, these inhibiting factors are not the main barrier to making breakthroughs and could be solved, one of which is the PKS activities.

RECOMMENDATIONS

This study implies that Inspectorate Kota Sungai Penuh will continue to innovate or innovation utilization in the future. As a public organization, government institutions need to take new approaches or new ways in their activities. Not only utilize information systems or applications other institutions have established but also develop applications tailored to local culture. The Inspectorate Kota Sungai Penuh should create innovation as a self-made product besides implementing processes and innovation methods. With many innovations, the Regional Innovation Index for Sungai Penuh can increase. Furthermore, the Insepktorat Kota Sungai Penuh should innovate not only in supervision but also in other fields, such as the archives information system.

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