



**EVALUATION OF WORK PLANS AND BUDGETS IN IMPROVING
THE QUALITY OF FINANCIAL STATEMENTS AT THE CENTRAL
PAPUA PROVINCIAL INSPECTORATE**

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Abstract:

Evaluation of the Work Plan and Budget (PRKA) plays a crucial role in enhancing the quality of financial reports at the Central Papua Provincial Inspectorate. This study aims to analyze the Evaluation of Work Plans and Budgets in improving the Quality of Financial Reports at the Central Papua Provincial Inspectorate. This type of research has a qualitative approach. Data sources are primary data and secondary data. Data collection methods include observation, interviews, and documentation. The informants in this study were 10 employees from the finance department at the Central Papua Provincial Inspectorate office. Data analysis techniques, including qualitative descriptive analysis, involve data reduction, data presentation, and concluding. This study concludes that the implementation of the Work Plan and Budget (PPRKA) at the Central Papua Provincial Inspectorate is carried out through structured stages, from preparation to accountability, to ensure transparency, accountability, and budget efficiency, with strict supervision as the key to preventing irregularities. Factors that support the quality of financial statements, such as compliance with accounting standards, competent human resources, effective financial systems, and transparency and accountability, play a crucial role in ensuring accurate, timely, and compliant financial statements. The evaluation of PPRKA also plays a crucial role in enhancing the quality of financial reports by ensuring the proper allocation and utilization of the budget, while strengthening transparency, accountability, and the efficiency of financial management. The conclusion of this study demonstrates that evaluating PRKA is a crucial step in ensuring efficient and accountable financial management within the local government environment. The implications of this study underscore the need to strengthen the supervision system and enhance the competence of human resources, thereby ensuring that financial transparency and accountability are consistently maintained.

Keywords: *Evaluation; Work Plan and Budget; Quality of Financial Reports.*

Introduction

The Central Papua Provincial Inspectorate is a government agency responsible for overseeing the implementation of government affairs at the provincial level. As part of

the local government structure, the Inspectorate plays a crucial role in ensuring that all government activities are conducted in accordance with applicable laws and regulations (El Husein et al., 2025). The duties and functions of the Inspectorate include Carrying out supervision of the implementation of local government policies and programs, Assessing the effectiveness and efficiency of the use of budgets and other resources, Conducting financial and performance audits of government agencies in the region to ensure accountability and transparency, Providing suggestions and recommendations to local governments regarding improvements in the management and administration of government; and Educating government employees and the public about the importance of accountability and transparency in government management. This study focuses on the Central Papua Provincial Inspectorate as the research object, examining in depth the Work Plan and Budget (PPRKA) and the quality of financial statements. Quality financial reports are a key indicator of accountability and transparency in budget management within local governments. The Work Plan and Budget (PPRKA) serves as a guideline for budget planning and implementation, so evaluating the PRKA is crucial to ensure that the budget is used effectively and efficiently. Quality financial statements, if they have been prepared in accordance with government accounting standards through the local government accounting system. Assessment of the quality of government financial statements is crucial and necessary to determine the effective use and utilization of budget allocations by the government in carrying out development activities (Mahartini et al., 2021). Financial statements are the final result of an accounting cycle, providing a financial overview of a company that is periodically prepared by the company's management. According to Government Regulation Number 71 of 2010, financial statements are structured reports that present the financial position and transactions carried out by a reporting entity. According to Government Regulation No. 8 of 2006, which pertains to financial reporting and the performance of government agencies, it is stated that financial statements serve as a form of accountability for state and regional financial management over a specified period.

The government must be able to present financial statements that contain high-quality financial information (Herindraningrum & Yuhertiana, 2021). A financial statement is considered of high quality if the information presented is well-prepared, accurate according to accounting principles, and understandable to the user of the information. Ayola et al. (2025) suggest that the quality of government financial reporting can be achieved if it meets the qualitative elements. According to K. Reza et al. (2019), the qualitative characteristics of financial information help identify the types of information that are likely to be very useful in determining the reporting entity, mainly when decades of information are available in financial statements. For information to be helpful, it must be relevant and accurately reflect what is presented (precisely). Local government financial statements are the result of a process that identifies, measures, and records economic (financial) transactions from accounting entities within a local

government. These statements provide information for accountability in the context of financial management and economic decision-making, as required by relevant parties. Kurniawan et al. (2016) consider financial statements relevant if the information presented is relevant to the needs of their users. In other words, financial statements can help them evaluate past or current events, make predictions, and influence the decisions of their users. Information is considered relevant if it meets the criteria, namely feedback value, predictive value, timeliness, and completeness (Inawati et al., 2021).

Financial statements are considered of good quality if they exhibit accountability and transparency (Herindraningrum & Yuhertiana, 2021). Accountability is a form of responsibility for the success or failure of an organization's mission to achieve specific goals and objectives through established means, utilizing accountability measures implemented systematically. PSAK No. 1 in 2018, which is part of the financial reporting process. In addition to quality financial statements, complete financial statements are required, typically including balance sheet statements, income statements, statements of changes in financial position, and notes to the financial statements (Kurniawati et al., 2025). The quality of financial statements is the culmination of an accounting process that presents valuable information for decision-making by various interested parties (Taufiqurrohman et al., 2021). (Suwardjono, 2020) Explain that the quality of financial statements is the outcome of the accounting process, summarizing the company's financial transactions. The quality of financial reporting is closely tied to a company's performance, as reflected in its profits earned in the current year. The Work Plan and Budget (PPRKA) is a planning document that outlines activity plans and budgets to be implemented by an organization or agency over a specified period, typically one budget year. PRKA is a crucial tool in financial management, ensuring that all planned activities are well-coordinated and carried out by the set goals.

As a result of the researcher's observation of this research object, the researcher obtained information that challenges exist in the preparation and implementation of Work Plans and Budgets, particularly in response to regulatory changes that often occur during the process of preparing these documents, requiring rapid adaptation by the Inspectorate. The phenomenon of Work Plans and Budgets at the Central Papua Provincial Inspectorate demonstrates that These Plans and budgets play a crucial role in enhancing the quality of financial statements. Despite the challenges in its implementation, the Work Plan and Budget were prepared with the intention of improving the Quality of Financial Statements. Further research is needed to delve deeper into the Work Plan and Budget in order to improve the Quality of Financial Statements and formulate recommendations for improvement that can be implemented. This researcher aims to evaluate the Work Plan and Budget for improving the Quality of Financial Statements at the Central Papua Provincial Inspectorate.

Method

Type of research with a qualitative approach. Data sources include both primary and secondary data. Data collection methods: observation, documentation, and interviews. The informants in this study were 10 employees in the finance department at the Central Papua Provincial Inspectorate office. Data analysis techniques, including qualitative descriptive analysis, encompass data reduction, data presentation, and conclusion.

Results and Discussion

A. Implementation of Work Plans and Budgets in improving the quality of financial statements at the Central Papua Provincial Inspectorate at the Central Papua Provincial Inspectorate

The implementation of the Work Plan and Budget at the Central Papua Provincial Inspectorate has a crucial role in improving the quality of financial statements (Sanggalangi et al., 2025). As a strategic document, the Implementation of the Work Plan and Budget serves not only as a guide in budget management but also as a basis for supervising and evaluating the use of the allocated budget. With a planned structure, the Implementation of the Work Plan and Budget aims to ensure that all work programs can run by the goals and objectives that have been set. The implementation of the Work Plan and Budget at the Central Papua Provincial Inspectorate plays a crucial role in managing the budget and ensuring that the planned work program aligns with the set goals and objectives. The Work Plan and Budget is a document that contains details about the activities and budgets required to implement the work program, and it also serves as the basis for supervising budget use. The stages of implementing the Work Plan and Budget begin with preparation, where the Inspectorate identifies activities and programs that align with the provincial government's vision, mission, and priorities. This process is important because it directs all activities to be relevant and in line with regional needs. Once the activities have been identified, the next step is to formulate a budget that includes cost estimates for various critical components, such as personnel, operations, and training. This detailed budgeting is crucial in creating transparency and accountability, which will ultimately contribute to the quality of financial statements. After the work plan and budget are prepared, the next step is the process of discussion and ratification by the head of the Inspectorate or regional head. Internal discussions enable all work units to evaluate and ensure that the proposed budget aligns with actual needs and efficiency.

The ratification of the PRKA by the leadership not only provides a basis for legality but also increases confidence that the budget will be used responsibly. In the digital era, budgeting through e-planning and e-budgeting systems allows for more effective budget management. This system ensures that the implementation of the Work Plan and Budget prepared is integrated with local government programs and budgets,

making budget allocation more targeted and in sync with the development priorities that have been set. The implementation of a well-planned work program and effective budget management are essential to achieving the desired results. Proper allocation of funds to work units and the implementation of activities by the approved budget are key steps to ensure that all resources are used efficiently. Good resource management also involves the use of funds for various activities, including training and official trips, that support the capacity building of Human Resources in the Inspectorate. Monitoring and supervising the implementation of the Work Plan and Budget are among the main tasks of the Inspectorate. By conducting internal monitoring and auditing of the Inspectorate, the Inspectorate can ensure that the budget is utilized as planned.

The performance evaluation of each activity carried out provides information on the efficiency and effectiveness of budget use while also allowing the identification of areas that need improvement. Revision or adjustment of the PRKA is also necessary in certain situations, such as a change in priorities or a discrepancy between the approved budget and the actual implementation. These adjustments are crucial for maintaining the relevance of the PRKA in a dynamic context and ensuring that the budget is utilized to address urgent needs. Reporting and accountability for budget use are important steps in ensuring accountability. The financial statements and performance reports prepared by the Inspectorate provide a clear picture of the extent to which the budget has been utilized and the results achieved. Through evaluation and follow-up, the Inspectorate can determine whether budget management is effective or needs improvement. The implementation of the Work Plan and Budget (PPRKA) at the Central Papua Provincial Inspectorate involves many stages, ranging from budget preparation to implementation, monitoring, evaluation, and accountability. This process aims to ensure that the use of the budget is carried out in a transparent, accountable, and efficient manner and that the work program implemented can achieve the set goals. Rigorous review and oversight are also necessary to ensure that the budget is utilized in accordance with the plan and that no deviations occur. The implementation of PRKA at the Central Papua Provincial Inspectorate not only focuses on efficient and effective budget management but also contributes to improving the quality of transparent and accountable financial statements.

A structured process and strict supervision are key to ensuring that every activity carried out can achieve the set goals while increasing public confidence in regional financial management. The quality of financial statements at the Central Papua Provincial Inspectorate is highly dependent on various factors in the preparation and reporting of these finances. These factors include internal and external aspects related to systems, human resources, regulations, and supervision. Compliance with SAP is a crucial foundation in preparing financial statements. Consistent implementation of SAP ensures that financial statements are prepared by applicable accounting principles. This creates transparency and accountability in the report, as all elements, including the Balance

Sheet, Budget Realization Report (LRA), Cash Flow Report, and Equity Change Report, are compiled according to the established format. The quality of financial statements is highly dependent on the competence of the human resources who compile and audit the reports. The Inspectorate requires auditors who are competent in accounting and financial management, as well as staff who understand financial procedures.

Ongoing training programs for accounting staff and auditors are also crucial to ensure they remain up-to-date with regulatory and policy changes. The use of integrated financial information systems, such as e-planning and e-budgeting applications, significantly enhances efficiency and accuracy in preparing financial statements. An adequate system enables the automatic and real-time recording of transactions, thereby minimizing manual errors and enhancing the quality of the data used in reports. An effective internal control system is key to ensuring the accuracy of financial statements. By systematically conducting internal audits, the Inspectorate can ensure that all transactions are accurately recorded and carried out in accordance with applicable regulations. This audit also serves to identify potential errors in financial records.

Transparent and accountable financial statements provide clarity to interested parties, such as the DPRD, the community, and BPK, regarding how the budget is managed. Accountability in financial management fosters public trust, as all transactions must be transparent and subject to accountability. Discipline in the preparation of financial statements is crucial for maintaining the quality of reports. Timely preparation of reports facilitates the supervision and evaluation of financial performance, ensuring that delays in preparation do not disrupt decision-making and damage public trust. A thorough understanding of financial regulations is essential among the Inspectorate's staff. Effective socialization of policies and procedures will ensure that management and preparation of financial statements are carried out by applicable guidelines and regulations. The leadership's commitment to sound financial management fosters a culture of accountability and transparency within the Inspectorate. Wise decision-making and the use of budgets also contribute to ensuring that financial statements reflect good management.

Audits by the Audit Board (BPK) provide external validation, enhancing the quality and credibility of financial statements (Simarmata & Nawa, 2023). Following up on audit results is also crucial for addressing weaknesses in financial management. Coordination between work units within the Inspectorate is crucial in preparing accurate financial statements. The involvement of various parties, including internal auditors and the public, in the process of monitoring and evaluating financial statements can improve the quality of the reports. These factors interact with one another to ensure that the financial statements prepared are accurate, timely, and in compliance with applicable regulations. By implementing compliance with SAP, improving human resource competence, developing an effective financial management system, and conducting strict supervision, the Central Papua Provincial Inspectorate can improve the quality of its

financial statements. This, in turn, will contribute to better regional financial management and increase public confidence in budget management.

B. Factors that support the quality of financial statements at the Central Papua Provincial Inspectorate

The quality of financial statements at the Central Papua Provincial Inspectorate is a series of mutually supportive activities that include compliance with accounting standards, human resource competence, effective financial management systems, transparency and accountability, and strict supervision (Finance, 2017). Compliance with Accounting Standards is one of the key factors that ensure every financial statement is prepared in accordance with the accounting principles applicable in Indonesia. By following the Government Accounting Standards (SAP), financial statements become more structured and trustworthy, which, in turn, increases the credibility of the reports. Competent Human Resources also play an important role in the quality of financial statements. Auditors and staff who have adequate knowledge and skills in accounting and financial management will be able to compile accurate and timely reports. Training and capacity building for HR professionals are crucial to ensure they can stay current with regulatory developments and best practices in accounting.

An Effective Financial Management System supports efficiency and accuracy in the process of preparing financial statements. The use of effective information technology, such as e-planning and e-budgeting systems, enables the automatic and real-time recording of financial transactions, thereby reducing the risk of manual errors and enhancing the quality of the data used in reports (Hasibuan & Samsudin, 2025). Transparency and accountability in the presentation of financial statements are also very important. Transparent reporting enables stakeholders, including local communities and governments, to assess how budgets are allocated and managed. Accountability ensures that all parties involved in financial management are responsible for the use of public funds, thereby increasing public trust. Strict supervision is the last factor that supports the quality of financial statements. BePRKA's effective internal control system and audits help ensure that all transactions are accurately recorded and in compliance with applicable regulations.

This supervision prevents potential errors or irregularities in financial statements (Habibi & Nugroho, 2018). With all these factors functioning synergistically, the quality of financial statements at the Central Papua Provincial Inspectorate is expected to improve. Accurate, timely, and under applicable regulations not only reflects good financial management but also contributes to better overall regional financial management. This will increase accountability and transparency in budget management, ultimately supporting development and community welfare.

C. Quality The relationship between the evaluation of the Work Plan and Budget and the quality of the Financial Statements

The evaluation of Work Plans and Budgets at the Central Papua Provincial Inspectorate plays a crucial role in enhancing the quality of financial statements (Maniawasi et al., 2024). This evaluation process aims to ensure that the allocated budget is under the set plan, used efficiently, and accounted for. Thus, the evaluation of the PRKA contributes to increased transparency, accountability, and efficiency in financial management. Through systematic evaluation, the Inspectorate can determine the extent to which the implementation of activities is within the approved budget (Simanjuntak et al., 2025). This enables better oversight of budget usage and helps mitigate the risk of irregularities or errors in financial management. The systematic evaluation also provides helpful feedback for continuous improvement in the budget management process.

The results of a suitable evaluation process will yield accurate and timely financial statements prepared by applicable accounting principles. This quality report not only reflects the actual financial condition but also increases public confidence in budget management within the Inspectorate. Thus, the evaluation of the Work Plan and Budget not only serves as a control tool but also as a means to improve the overall quality of financial management at the Central Papua Provincial Inspectorate. A thorough evaluation of work plans and budgets contributes to the efficiency of financial management by identifying areas that require improvement and ensuring that every activity carried out provides added value. The results of this evaluation will yield accurate and timely financial statements prepared under applicable accounting principles. With quality reports, public trust in financial management within the Inspectorate will increase, supporting better regional financial management overall.

Factors that support the quality of financial statements at the Central Papua Provincial Inspectorate, such as compliance with accounting standards, human resource competence, effective financial management systems, transparency and accountability, and strict supervision, interact with each other to ensure accurate, timely, and under applicable regulations (Sanggalangi et al., 2025). Thus, improving the quality of financial statements not only reflects good financial management but also contributes to better regional financial management, increasing public trust and accountability in the use of public funds. The evaluation of Work Plans and Budgets has a close relationship with the improvement of the quality of financial statements at the Central Papua Provincial Inspectorate (Sanggalangi et al., 2025). The Work Plan and Budget evaluation process helps ensure that the planned and allocated budget for each activity is used effectively and efficiently, supporting the achievement of the set goals and objectives. A well-conducted evaluation plays a crucial role in producing high-quality financial reports (Sanggalangi et al., 2025). Evaluation of Work Plans and Budgets at the Central Papua Provincial Inspectorate has a vital role in improving the quality of financial statements. This evaluation process aims to ensure that the allocated budget is not only in line with

the plan that has been set but also used efficiently and accounted for. Thus, the evaluation of the PRKA contributes significantly to increasing transparency, accountability, and efficiency in financial management.

Through a systematic and planned evaluation, the Inspectorate can identify and analyze the use of the budget that has been allocated (Simanjuntak et al., 2025). This process enables better supervision of each activity carried out while also helping to detect and prevent potential deviations or errors in budget management. With a thorough evaluation, the financial statements produced will be more accurate and timely, by applicable accounting principles. Quality financial statements not only reflect actual financial conditions but also increase public confidence in budget management within the Inspectorate. Thus, the evaluation of PRKA serves not only as a control tool but also as a means to enhance the overall quality of financial management. This ultimately supports the achievement of the strategic goals of the Central Papua Provincial Inspectorate in providing better services to the community.

The evaluation of Work Plans and Budgets at the Central Papua Provincial Inspectorate plays a crucial role in improving the quality of financial statements (Simanjuntak et al., 2025). This evaluation process aims to ensure that the allocated budget is used in accordance with the plan set and is utilized efficiently. By conducting a thorough evaluation, the Inspectorate can monitor and account for the use of the budget, thereby increasing transparency and accountability in financial management.

Conclusion

The implementation of the Work Plan and Budget (PPRKA) at the Central Papua Provincial Inspectorate involves a series of structured stages, ranging from budget preparation to implementation, monitoring, evaluation, and accountability. This process is essential to ensure transparent, accountable, and efficient use of the budget, as well as to achieve the goals of the work program that have been set. Rigorous review and oversight are crucial to ensuring that budgets are utilized in accordance with the plan and preventing deviations. Factors that support the quality of financial statements at the Central Papua Provincial Inspectorate, such as compliance with accounting standards, competent human resources, effective financial management systems, transparency, accountability, and strict supervision, interact with each other to ensure accurate, timely, and compliant financial statements. The relationship between the evaluation of Work Plans and Budgets and the Quality of Financial Statements where the Evaluation of Work Plans and Budgets is significant in improving the quality of financial statements at the Central Papua Provincial Inspectorate. This process ensures that budgets are allocated appropriately, used efficiently, and accounted for clearly, thereby increasing transparency, accountability, and financial efficiency.

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