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Effectiveness of Budget Realization Monitoring From The Perspective of Government Financial Reports: A Systematic Review and Implications BPK East Java 2024

Syah Rial Panani[1]*, Raflian Nuriko Ardi [2], Eva Hany Fanida[3]

[1,2,3]*Department of Public Administration, Universitas Negeri Surabaya, Indonesia*

Email: 25112064066@mhs.unesa.ac.id, 25112064057@mhs.unesa.ac.id, evafanida@unesa.ac.id

**Corresponding author:25112064066@mhs.unesa.ac.id*

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ABSTRACT

This study aims to analyze the effectiveness of budget realization supervision from the perspective of government financial statements using a Systematic Literature Review (SLR) approach. The research reviewed scientific publications from the last five years related to public financial supervision, budget realization, and government financial reporting. Data were collected from national and international journals, official government reports, and relevant academic references indexed in Google Scholar, Scopus, and ScienceDirect. The collected data were analyzed using descriptive-analytical and thematic analysis techniques to identify patterns, relationships, and research gaps concerning budget supervision effectiveness. The findings reveal that the effectiveness of budget supervision is not only determined by budget absorption levels but is also influenced significantly by internal control systems, human resource competence, and the use of information technology in public financial management. In addition, the Government Budget Realization Report (Report Realization Budget / LRA) plays an important role as a monitoring instrument to support transparency and accountability. However, financial statements are still predominantly used for administrative compliance rather than performance-based evaluation. This study concludes that effective supervision requires an integrated approach involving strong internal controls, competent human resources, and digital-based financial systems. The findings provide theoretical and practical contributions to strengthening public financial governance, particularly within audit institutions such as the BPK Representative Office of East Java Province.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis efektivitas pengawasan realisasi anggaran dari perspektif laporan keuangan pemerintah dengan menggunakan pendekatan Systematic Literature Review (SLR). Penelitian ini mengkaji publikasi ilmiah dalam lima tahun terakhir yang berkaitan dengan pengawasan keuangan publik, realisasi anggaran, dan pelaporan keuangan pemerintah. Data dikumpulkan dari jurnal nasional dan internasional, laporan resmi pemerintah, serta referensi akademik yang relevan dan terindeks dalam Google Scholar, Scopus, dan ScienceDirect. Data yang terkumpul dianalisis menggunakan teknik analisis deskriptif-analitis dan analisis tematik untuk mengidentifikasi pola, hubungan, serta kesenjangan penelitian terkait efektivitas pengawasan anggaran. Hasil penelitian menunjukkan bahwa efektivitas pengawasan anggaran tidak hanya ditentukan oleh tingkat penyerapan anggaran, tetapi juga dipengaruhi secara signifikan oleh sistem pengendalian internal, kompetensi sumber daya manusia, dan pemanfaatan teknologi informasi dalam pengelolaan keuangan publik. Selain itu, Laporan Realisasi Anggaran (LRA) memiliki peran penting sebagai instrumen pengawasan untuk mendukung transparansi dan akuntabilitas. Namun, laporan keuangan masih lebih banyak digunakan sebagai sarana pemenuhan kepatuhan

administratif daripada sebagai alat evaluasi berbasis kinerja. Penelitian ini menyimpulkan bahwa pengawasan yang efektif memerlukan pendekatan yang terintegrasi dengan melibatkan pengendalian internal yang kuat, sumber daya manusia yang kompeten, serta sistem keuangan berbasis digital. Temuan penelitian ini memberikan kontribusi teoretis dan praktis dalam memperkuat tata kelola keuangan publik, khususnya pada lembaga pemeriksa seperti BPK Perwakilan Provinsi Jawa Timur.

INTRODUCTION

Management state finances hold role crucial in realizing governance good governance, especially related openness , accountability , and effectiveness expenditure of public funds. In international, demands will open and accessible fund management accountable Keep going strengthen along with complexity bureaucracy and its size managed budget. Government sued notonly speak in compile plan budget, but also ensure implementation in line with plan in order to provide optimal benefits for society. So, the system control state finances become vital instrument for ensure that use of public funds can accountable in a way transparent as well as avoided from potential misappropriation (Organization for Economic Co-operation and Development, n.d.)

In implementation, monitoring to realization budget implemented through various method, one of them is audit by an audit body such as the Supreme Audit Agency (BPK). Report finance government, especially Report Realization Budget (LRA), plays a role as means main in measure suitability between the budget that has been designed and the resulting achievements. Through report this, we can monitor how far the budget absorbed, how much efficient management of funds, as well as potential existence irregularities in management state finances. With Thus, the report finance not just become tool accountability, but also an instrument monitoring and evaluation in system supervision finance public in accordance mandate Constitution Number 1 of 2004 concerning State Treasury.

However, the numbers realization high budget or low not necessarily indicates effectiveness supervision. Often, absorption high budget not balanced with quality adequate results. This is signify that supervision more focused on aspects administration and compliance, not yet fully focus on effectiveness and achievement performance. More further, various audit findings still show existence system problems internal control, non-conformity with regulations , as well as recurrence same findings from year to year (BPK PERWAKILAN PROVINSI JAWA TIMUR, 2024). Condition This confirm that effectiveness supervision to realization budget still become very substantial issues in management state finances, especially at the government level area.

A number of research previously has study how to audit and supervise can strengthen accountability financial public. However, the majority studies the more emphasize on aspects compliance and procedures rather than to what extent is supervision that effective produce change real in quality report finance. Latest research disclose that effectiveness supervision finances are highly dependent on quality system internal control, auditor expertise, and implementation technology in public fund management (Agustina Wulandari et al., 2024; Donthu et al., 2021). In addition, other research also shows existence relatedness close between transparency and accountability with quality report finance government (Nurhaedah et al., 2022).

More further development research in five years later show improvement use method Review Literature Systematic (Systematic Literature Review - SLR) to explore issue finance public in a way more comprehensive . This method considered capable serve more synthesis structured and based proof from various findings research (Cao et al., 2021). Although Thus, specific SLR studies peeling effectiveness supervision realization budget in context report finance government, as well as the implications for supervisory bodies such as the BPK, is still very limited. This is signify existence gap necessary research filled through further study integrated .

Respond issue said, the This study make an effort answer question about to what extent is the effectiveness supervision implementation budget based on report finance government and its impact for role of BPK Representative East Java Province. In general specific, This research aim For map trend research in five years lastly, analyze concepts and indicators effectiveness supervision, identifying factors that influence it, as well as formulate recommendation practical For increase effectiveness supervision state finances.

This study expected give contribution Good in a way theoretical and practical . From the side theory , This research can enrich literature in the field finance public and sector audits public , in particular related effectiveness supervision implementation budget through SLR approach. From the side practice, findings studies This expected can become consideration for institution supervisors, especially the BPK Representative East Java Province, in increase quality supervision to state finances . In addition , This research is also expected can support effort government in strengthen management transparent, accountable, and results - oriented finance.

LITERATURE REVIEW

Accountability become fundamental principles in management finance public that emphasizes not quite enough answer government For explain use source Power to society. According to Mardiasmo, 2018, accountability public is " responsible" responsibility held by the receiving party trust For report, present , and inform all activity to the party providing trustworthy . " In realm state finance, accountability notonly relate with compliance to regulations , but also includes transparency as well as effectiveness in use budget . This is in line with the concept of good governance that makes transparency, accountability, and participation as the main pillar in governance government (Organisation for Economic Co-operation and Development, n.d.).Because of that that, success management state finances are highly dependent on the system supervision that can ensure every use budget can accountable with well and in a open.

More Furthermore, the theory of good governance emphasizes the need system effective supervision to avoid deviation and increase quality of governance government. According to Hood (2020), the system good supervision must capable detect error since early and encouraging efficiency in management source Power public. In context this report finance government become vital instrument for support accountability, because give information about realization budget as well as performance finance government. Therefore that , effectiveness supervision realization budget notlet go from quality report financial results generated. In addition, Bovens (2021) stated that " strong accountability will strengthen legitimacy and trust public to institution public," so that supervision finance functioning as means internal control , as well as method For build trust public.

On the other hand , supervision finance is a structured process that aims For ensure use budget in accordance with existing plans and regulations. According to Anthony Giddens (2020), supervision in modern organizations function as tool control For guard stability and efficiency system . In sector public, supervision done through audit, monitoring and evaluation to implementation budget . Simultaneously with change paradigm management state finance, concept budget based performance the more prioritized . According to Robinson & Last, n.d., approach This emphasize connection between allocation budget and results achieved. With Thus, the effectiveness supervision notonly assessed from level absorption budget , but also the extent of the budget the give impact positive for public.

In in practice, reports finance government, especially Report Realization Budget (LRA), functions as tool main For evaluate effectiveness management budget. According

to IFAC, 2022 report finance sector public must can give relevant, accurate, and accessible information compared to For support the decision-making process decision. This is show that quality report finance own close relationship with effectiveness supervision budget. Therefore that, integration between system supervision and systems reporting finance become key in increase accountability as well as performance finance government.

A number of studies previously has research effectiveness supervision finance in the sector public.(Agustina Wulandari et al., 2024) find that quality system internal control and expertise source Power man influential significant to quality report finance government. This result reinforced by the (Nurhaedah et al., 2022)one who expressed that transparency and accountability own connection positive to performance management finance area. Besides that , Sari and Nugroho, 2021, show that use technology information in system finance government can increase effectiveness supervision as well as accuracy report finance. Research others by Maulana et al., 2024also emphasizing importance implementation principle mark for money in increase efficiency and effectiveness use budget public.

Although Thus , This research own limitations Because usually done in a way separate and not yet combine various factor affecting effectiveness supervision in One comprehensive analysis. In addition, the majority study more emphasize aspect compliance and procedures, not yet on effectiveness supervision in produce impact real to quality report finance. On the other hand , the use of approach Review Literature Systematic (SLR) in analyze effectiveness supervision implementation budget Still Enough limited , especially in context institution examiner such as the BPK at the level area.

From the explanation said, can concluded that There is gap research , namely lack of studies that combine perspective report finance government with effectiveness supervision implementation budget in a way comprehensive. Therefore that , This research aim For fill in gap the through study systematic to relevant literature, as well formulate implications practical For increase effectiveness supervision at the BPK Representative Office East Java Province .

RESEARCH METHODS

This study apply method review library with Systematic Literature Review (SLR) approach. This method chosen Because objective study is assessing, summarizing , and

synthesizing diverse results study previously related with topic effectiveness supervision to realization budget in context report finance government. SLR is technique research conducted in a way systematic For recognize, evaluate, and combine results research that has been done There is so that produce comprehensive and structured understanding about something topic certain (Donthu et al., 2021; Snyder, 2019). Therefore that , kind articles produced from This study is article review literature that prioritizes analysis conceptual and findings empirical from various reference scientific .

Data sources in This study taken from secondary data , namely various publication related scientific with the topic being researched. The data collected from journal scientific Good national and international , books relevant text with finance public and accounting sector public , as well as report official from institution government such as the Ministry of Finance and the Supreme Audit Agency (BPK). The search process literature done through academic databases such as Google Scholar, ScienceDirect, and Scopus with using related keywords with " realization budget ", " supervision finance ", " accounting sector public ", and " reports finance government " . Selected literature restricted only on publication in five years final For reflect development study latest. In addition , the selection article done based on criteria inclusion and exclusion so that the sources used relevant, can trusted, and can accountable (Paul & Criado, 2020).

Data that has been collected Then analyzed use method descriptive-analytical with approach analysis thematic analysis done with grouping information from various source based on theme main , such as draft effectiveness supervision, indicators performance finance, factors that influence effectiveness supervision, as well as role report finance government in support function supervision and accountability . Furthermore, it is carried out comparison and synthesis between results study For find patterns, similarities, and difference findings, and also identify gap research. Analysis results the used For interesting conclusions and formulate implications practical to improve effectiveness supervision to realization budget , especially in institutions public such as BPK Representative East Java Province . With approach this research notonly produce summary literature, but also provide contribution in -depth analysis for development knowledge finance public.

RESULTS AND DISCUSSION

Research result obtained through Systematic Literature Review (SLR) approach to various publication scientific in five years the last one to discuss effectiveness

supervision realization budget in perspective report finance government . In general general findings main show that effectiveness supervision notonly determined by the level absorption budget, but also influenced by the quality system internal control, the competence of human resources, as well as utilization technology information in management finance public. In other words, effective oversight can not measured in a way narrow through indicator quantitative like percentage realization budget, but rather must reviewed from quality of the process and the results achieved .

In addition, the results synthesis literature show that report finance government, in particular Report Realization Budget (LRA), has role important as monitoring instruments in evaluate performance budget. However, some big studies show Still existence trend utilization report finance in a way administrative and not yet fully used as tool analysis performance outcome- based . Conditions the describe existence gap between function report finance as tool accountability and as instrument supervision strategic. In a number of studies empirical, found that although level absorption budget reach more of 90%, the quality of the program output is not yet show significant increase, which indicates weakness effectiveness supervision based performance.

In context connection between variables, results study show that system internal control has strong relationship with effectiveness supervision and quality report finance. Previous studies show that improvement quality internal control contributes in a way significant to improvement quality report finance with coefficient influence significant positive in a way statistics ($p < 0.05$). In addition, the the competence of human resources are also proven own influence significant to effectiveness supervision, where increases auditor and manager capacity finance own correlation positive to quality audit results and reporting finance.

In a way theoretical, findings This can explained through perspective theory accountability and good governance. According to Mardiasmo, 2018, accountability public is obligation government For accountable management source Power to society, so that supervision become instrument important in ensure transparency and efficiency . In line with that, Hood (2020 stated that) system effective supervision capable push efficiency as well as prevent deviation in management finance public. Thus, the

effectiveness supervision realization budget notonly related with compliance to rules , but also with ability system For produce optimal performance .

More further findings This study is also consistent with the concept of performance-based budgeting which emphasizes importance relatedness between budget and results achieved .(Robinson & Last, n.d.) mention that management budget based performance demand inadequate supervision only focuses on input, but also on output and outcome. This explain Why supervision that only absorption - oriented budget not Enough For ensure effectiveness management state finances. Therefore, it is necessary to approach more supervision comprehensive and based performance.

When compared with study previous, results This study show similarities in matter importance supervision as factor determinant quality report finance and accountability public. However , This research give contribution addition with integrate various factor in One framework analysis SLR based. As example, research (Agustina Wulandari et al., 2024) emphasize importance system internal control, whereas study Cayford & Pieters, 2018 highlight role technology information in increase effectiveness supervision. This research combine second perspective and shows that effectiveness supervision is results from interaction various interrelated factors related .

On the other hand, there are a number of difference with study previously. Some studies previously tend evaluate effectiveness supervision based on indicator single, such as level absorption budget or amount audit findings. However, the This research show that approach the not enough adequate because not reflect quality performance in a way comprehensive. Therefore, this research confirm importance use more indicators comprehensive in measure effectiveness supervision realization budget .

From the side implications practical, findings This study give input important for institution examiner such as the BPK, in particular in increase effectiveness supervision state finances. Strengthening system internal control, improvement the competence of human resources , as well as utilization technology information become step strategic needs done. In addition, it is necessary change paradigm from supervision based compliance going to supervision based performance so that management budget can give optimal benefits for society. From the side theoretical, This research enrich literature finance public with give synthesis comprehensive about factors that influence effectiveness supervision realization budget.

Although Thus, This research own a number of limitations. First, this research use SLR approach that relies on availability and quality existing literature, so that notfully reflect condition empirical in a way directly. Second , there is variation methodology and context in research that is analyzed , which can influence consistency results synthesis. Third, This research not yet using primary data for test in a way direct connection between variables, so that required study advanced with approach quantitative or mixed methods for strengthen findings .

Based on overall results and discussion, can concluded that effectiveness supervision realization budget in perspective report finance government is complex phenomena and influenced by various factors interrelated factors related. Effective supervision not only depend on compliance administrative, but also on quality system, capacity source power humans, as well as utilization technology . Therefore that , is necessary a more approach comprehensive and integrated in increase effectiveness supervision state finances, in particular in context institution examiner such as the BPK.

CONCLUSION

This study aim For study effectiveness supervision realization budget in perspective report finance government through Systematic Literature Review (SLR) approach . Based on results study, can concluded that there is strong relationship between effectiveness supervision with quality report finance government, where effectiveness the not only determined by the level absorption budget, but also by quality system internal control, the competence of human resources, as well as utilization technology information. With Thus, effective supervision proven give donation to improvement accountability and performance management finance public .

Findings of this study disclose a number of points important. First, effectiveness supervision realization budget can not measured only based on indicator quantitative like percentage absorption budget, but rather must consider quality of output and outcomes produced . Second, the report finance government , in particular Report Realization Budget (LRA), has role strategic as monitoring instruments, however its utilization Still tend administrative and not yet optimal in support supervision based performance. Third, the factors like system internal control, auditor competence, and digitalization system finance have impact significant to effectiveness supervision, which is not direct affect the quality report finance.

Based on findings said, This research give a number of recommendation policy . First , the government and institutions examiner as BPK needs strengthen system internal control in general sustainable For increase quality supervision state finances. Second , increasing capacity source Power humans, especially auditors and managers finance, need become priority through training and certification professional. Third, utilization technology information in system management finance must optimized For support transparency, data accuracy, and effectiveness of budget monitoring. In addition, it is necessary shift paradigm from compliance - focused supervision going to performance - based supervision so that management budget more results and benefits oriented for public.

This study own a number of necessary limitations be noted. First, This research use SLR approach that relies on availability and quality analyzed literature, so not yet fully reflect condition empirical in a way directly in the field. Second, there is variation methodology, context, and indicators used in study previous, which has the potential influence consistency results synthesis. Third, This research not using primary data or analysis statistics advanced for test connection between variables in a way empirical, so that results study Still nature conceptual.

Suggestion

For the next research, it is recommended do studies empirical with method quantitative or mixture for testing in a way direct connection between effectiveness supervision , quality report finance and performance budget. In addition, research continuation can also be develop measurement models effectiveness supervision based indicator better performance comprehensive, as well as explore role digital technology in increase system supervision finance public. With Thus, future research expected capable give contribution more deep Good in a way theoretical and practical in strengthening governance transparent, accountable and performance - oriented state finances .

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