

# Risk Management in Improving Accountability of Regional Head Election Grant Funds

*Risk Management  
in Improving  
Accountability*

Muhadam Labolo

*Institut Pemerintahan Dalam Negeri; Sumedang, Indonesia*

Nurliah Nurdin

*Institut Pemerintahan Dalam Negeri; Sumedang, Indonesia*

Layla Kurniawati

*Institut Pemerintahan Dalam Negeri; Sumedang, Indonesia*

Rini Wartini

*Institut Pemerintahan Dalam Negeri; Sumedang, Indonesia*

E-Mail: DIP.12.752@ipdn.ac.id

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## **ABSTRACT**

*Regional Head Elections in Indonesia face complex challenges in managing grant funds, marked by operational risks, regulatory fragmentation, and accountability gaps. This study aims to analyze risk management practices in these elections and propose a tailored framework to enhance transparency and accountability. Using a qualitative descriptive-analytical approach, data were collected through interviews with election officials, regional finance officers, and inspectorates, alongside documentation studies and observations in selected regions during the 2024 elections. Findings reveal that human resource deficiencies, security threats, and natural disaster vulnerabilities, coupled with misaligned fiscal-electoral cycles and inconsistent regulations, hinder effective grant fund governance. Cases of fund misuse, such as fictitious expenditures, highlight weak internal controls and low risk management knowledge among organizers. A proactive risk-intelligent approach, integrating harmonized regulations, multi-stakeholder risk committees, and digital monitoring systems, is essential to address these issues. This study concludes that a context-specific risk management framework can strengthen accountability, reduce irregularities, and foster public trust in Regional Head Elections, contributing to democratic integrity.*

**Keywords:** *Internal Control Systems, Grant Funds Accountability, Public Accountability, Public Governance, Regional Elections, Risk Mitigation Management.*

## **ABSTRAK**

*Pemilihan Kepala Daerah di Indonesia menghadapi tantangan kompleks dalam mengelola dana hibah, yang ditandai oleh risiko operasional, fragmentasi regulasi, dan kesenjangan akuntabilitas. Studi ini bertujuan untuk menganalisis praktik manajemen risiko dalam pemilihan tersebut dan mengusulkan kerangka kerja yang disesuaikan untuk meningkatkan transparansi dan akuntabilitas. Dengan menggunakan pendekatan kualitatif deskriptif-analitis, data dikumpulkan melalui wawancara dengan petugas pemilihan, petugas keuangan daerah, dan inspektorat, di samping studi dokumentasi dan observasi di daerah-daerah terpilih selama pemilihan 2024. Temuan penelitian mengungkapkan bahwa kekurangan sumber daya manusia, ancaman keamanan, dan kerentanan bencana alam, ditambah dengan siklus fiskal-pemilu yang tidak selaras dan regulasi yang tidak konsisten, menghambat tata kelola dana hibah yang efektif. Kasus*

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*penyalahgunaan dana, seperti pengeluaran fiktif, menyoroti lemahnya pengendalian internal dan rendahnya pengetahuan manajemen risiko di antara penyelenggara. Pendekatan proaktif yang cerdas terhadap risiko, yang mengintegrasikan regulasi yang selaras, komite risiko multi-pemangku kepentingan, dan sistem pemantauan digital, sangat penting untuk mengatasi masalah ini. Studi ini menyimpulkan bahwa kerangka kerja manajemen risiko yang spesifik konteks dapat memperkuat akuntabilitas, mengurangi penyimpangan, dan menumbuhkan kepercayaan publik dalam Pemilihan Kepala Daerah, yang berkontribusi pada integritas demokrasi.*

**Kata kunci:** Sistem Pengendalian Internal, Akuntabilitas Dana Hibah, Akuntabilitas Publik, Tata Kelola Publik, Pemilihan Daerah, Manajemen Mitigasi Risiko.

## INTRODUCTION

Regional Head Elections (*Pemilihan Umum Daerah/Pilkada*) in Indonesia represent a complex democratic process fraught with multifaceted challenges, spanning technical implementation, juridical frameworks, and dynamic political landscapes that can disrupt smooth execution (General Election Supervisory Agency of the Republic of Indonesia, 2025). Data from the Lawsuit and Report Information System (*Sistem Informasi Gugatan dan Laporan/SIGAPLAPOR*) of the General Election Supervisory Agency (*Badan Pengawasan Umum/Bawaslu*) for the 2024 simultaneous Pilkada reveals 2,637 documented complaints and 459 irregularities, with 1,170 cases registered, 822 unregistered, and 1,212 still under review (General Election Supervisory Agency of the Republic of Indonesia, 2025). Among resolved cases, 483 were confirmed as violations. At the same time, 1,294 were deemed non-violations, covering issues like administrative errors (8 forwarded recommendations), violations of State Civil Apparatus (*Aparatur Sipil Negara/ASN*) neutrality (2 forwarded recommendations), unproven allegations (15 forwarded recommendations), and other legal breaches (44 forwarded recommendations). This high volume of violations underscores the intricate risks in Pilkada, particularly impacting the governance of grant funds, necessitating a robust risk management framework to ensure transparency and accountability.

The complexity of Pilkada is further evidenced by the 309 Election Result Disputes (*Perselisihan Hasil Pemilihan Umum/PHPU*) filed with the Constitutional Court (*Mahkamah Konstitusi/MK*) out of 545 elections in 2024, equating to 56.6% of total elections, including 23 gubernatorial disputes (62.16%), 49 mayoral disputes (52.68%), and 237 regent disputes (57.1%) (Constitutional Court of the Republic of Indonesia, 2025). Of these, 270 cases did not proceed to evidentiary hearings due to issues like missed deadlines (31 cases), lack of legal standing (119 cases), unclear claims (76 cases), or invalid evidence (1 case), while only 40 cases advanced, highlighting procedural and material deficiencies (Constitutional Court of the Republic of Indonesia, 2025). These disputes, coupled with 47 reported ASN neutrality violations documented by the State Personnel Agency (*Badan Kepegawaian Negara/BKN*) between 2023 and January 31, 2024, reflect systemic vulnerabilities in election integrity and grant fund management. Such violations, ranging from supporting specific candidates to engaging in campaign activities, incur sanctions under Government Regulation Number 94 of 2021, including performance allowance cuts or demotion, underscoring the need for enhanced internal controls (Government Regulation Number 94 of 2021 concerning Civil Servant Discipline, 2021).

Despite the established legal framework for risk management, as outlined in Government Regulation No. 60 of 2008, Presidential Regulation No. 95 of 2018, and Minister of Home Affairs Regulation No. 32 of 2011, significant gaps persist in its practical application (Government of Indonesia, 2008, 2011, 2018). According to Alam et al. (2019), while integrity systems and internal controls are critical for public sector accountability, their implementation in election contexts remains fragmented, particularly at the local level where understanding of risk management is limited. Similarly, Tewu et al. (2023) found that sub-district officials in Bekasi Regency scored an

average of 3.33 out of 10 in risk management knowledge, indicating a critical research gap in adapting risk management frameworks to the unique political, administrative, and fiscal dynamics of Pilkada. This gap is compounded by the lack of comprehensive studies on risk management tailored to Indonesia's electoral grant governance, as noted by Chaidir et al. (2021), who highlight the need for context-specific frameworks beyond private-sector-oriented models like ISO 31000:2018. The research objective of this study is to analyze the implementation of risk management in Pilkada grant fund management, with a focus on operational risks related to human resources, security, and natural disasters. It aims to propose a context-specific framework that enhances accountability and aligns with contemporary governance paradigms.

The intricate nature of Pilkada necessitates a comprehensive risk management approach to mitigate external challenges, such as weak coordination with law enforcement, the Constitutional Court, and civil society, as well as internal limitations, including inadequate human resources, funding, and institutional frameworks (Metro TV News, 2024). These challenges contribute to additional costs for re-voting (*Pemungutan Suara Ulang/PSU*), re-vote counting (*Penghitungan Suara Ulang/PSSU*), and re-elections, further straining grant fund accountability (Election House, 2025). By integrating risk management principles with public governance models like network, collaborative, and digital governance, this study aims to address these vulnerabilities and strengthen the democratic process. Effective risk management, supported by robust internal control systems as emphasized by Bonsu et al. (2022), is essential to prevent disruptions, enhance transparency, and foster public trust in Pilkada, ensuring the accountable use of grant funds.

## LITERATURE REVIEW

### **Risk Management: Concept and Framework**

Risk management involves systematic processes to identify, analyze, map, handle, and monitor risks that may disrupt organizational goals, serving as a cornerstone for effective governance (Jauhari et al., 2021). According to Chaidir et al. (2021), the ISO 31000:2018 standard defines risk management as coordinated activities to guide and control organizations concerning risk, viewing it as the effect of uncertainty on objectives with potential positive or negative outcomes. This framework includes six components: leadership and commitment, integration, design, implementation, evaluation, and improvement, offering a structured approach for public sector applications. In Pilkada, risks such as administrative errors, political interference, and grant fund misuse necessitate tailored frameworks, which are currently underdeveloped in Indonesia's electoral context (Halim et al., 2025). The public sector's focus on social services and accountability, unlike the private sector's profit-driven metrics, underscores the need for context-specific risk management strategies (Moore, 1995).

Indonesia has established risk management regulations through Government Regulation No. 60/2008 on the Government Internal Control System (*Sistem Pengendalian Intern Pemerintah/SPIP*), mandating risk assessments by agency leaders, and Presidential Regulation No. 95/2018 on Electronic-Based Government Systems (*Sistem Pemerintahan Berbasis Elektronik/SPBE*), which emphasizes digital risk mitigation (Government of Indonesia, 2008; Government of Indonesia, 2018). The Ministry of Finance's successful implementation of risk management, improving key performance indicators from 77% in 2016 to 91% in 2018, demonstrates its potential to enhance public sector performance. However, applying these frameworks to Pilkada remains challenging due to its unique political and fiscal dynamics, necessitating adaptation to address issues such as fragmented coordination and limited local capacity (Bonsu et al., 2022).

### **Public Governance Evolution and Risk Management**

The evolution of public governance from hierarchical to participatory models has transformed risk management approaches in the public sector. Grossi and Argento (2022)

identify three emerging governance paradigms, network, collaborative, and digital governance, that reshape risk management strategies in complex settings like Pilkada. Network governance focuses on inter-organizational collaboration, involving entities such as the General Election Commission (*Komisi Pemilihan Umum/KPU*), Bawaslu, and local governments. However, risks arise from misaligned objectives (Provan & Milward, 2001). Collaborative governance, as defined by Ansell and Gash (2008), emphasizes citizen participation through public consultations, enhancing transparency but introducing risks of inconsistent engagement. These governance models require risk management to address coordination challenges and ensure stakeholder alignment.

Digital governance leverages technology to improve efficiency and transparency, enabling real-time risk monitoring in elections (Dunleavy et al., 2006). However, Ariemansyah et al. (2024) note that low technological adoption and limited risk management awareness among sub-district officials in Indonesia hinder digital governance implementation in Pilkada. Risks such as cybersecurity threats and digital divides necessitate robust mitigation strategies, as highlighted by International IDEA (2016), which underscores the need for integrated risk management across governance paradigms (International IDEA, 2016). The integration of network, collaborative, and digital governance with risk management is critical to managing Pilkada's complexities, particularly in ensuring accountable grant fund utilization. This integration remains underexplored in Indonesia, where fragmented coordination and regulatory silos impede effective risk governance.

### **Public Accountability and Internal Control Systems**

Public accountability is a dynamic process essential for transparent governance, evolving from vertical to hybrid models involving diverse stakeholders. Bovens (2007) defines accountability as a relationship where actors justify actions to a forum with authority to assess and impose consequences, a principle central to Pilkada grant fund management. In network governance, accountability is horizontal, involving KPU, Bawaslu, and civil society, while collaborative governance emphasizes social accountability through public dialogue (Emerson et al., 2012; Almqvist et al., 2013; Skelcher & Smith, 2015). Digital governance enhances accountability through technology, but its adoption in Pilkada is limited by local capacity constraints, as noted by Hidayat and Febriansyah (2024). These governance models underscore the need for robust internal control systems to ensure accountability.

SPIP, mandated by Government Regulation No. 60/2008, requires risk assessments to achieve organizational goals, but its implementation in Pilkada is inconsistent (Government of Indonesia, 2008). Bonsu et al. (2022) confirm that integrity, internal control systems, and leadership practices significantly enhance public accountability, yet these elements are often weak in Pilkada organizers. Oliveira et al. (2019) identify critical success factors like risk management knowledge and leadership commitment, which are lacking at the local level, contributing to grant fund mismanagement. Strengthening SPIP through capacity-building and technology integration is essential to mitigate risks and enhance public trust in Pilkada's fiscal governance (Alaydrus et al., 2023).

### **Risk Management in Pilkada Context**

Pilkada's unique juridical, political, administrative, and security dimensions necessitate specialized risk management approaches. International IDEA (2016) categorizes electoral risks into internal factors, such as poor planning and inadequate training, and external factors, including socio-political instability and environmental threats (International IDEA, 2016). In Indonesia, risks like identity politics, money politics, and administrative violations are compounded by digital challenges such as disinformation and cyberattacks (Febriawan & Marisa, 2024). Vapnek et al. (2017) propose a three-pronged mitigation strategy, improving electoral management, enhancing security, and building peace infrastructure, to address these risks effectively. However,

limited risk management capacity at the local level, as evidenced by Saleh (2015) with a 3.33 average knowledge score among sub-district officials, hinders implementation.

The non-recurring nature of Pilkada grants and regulatory fragmentation further complicate risk management integration across electoral stages. Purbolaksono (2021) emphasize the need for risk management to be embedded in planning and execution, yet it is often treated as a separate activity in Pilkada. Technology, such as real-time monitoring systems, can enhance risk management, but its adoption is limited by infrastructure and expertise gaps, as noted by Grossi and Argento (2022). Developing a context-specific risk management framework for Pilkada, leveraging stakeholder collaboration and digital tools, is critical to ensuring accountability and minimizing grant fund misuse (Purbolaksono, 2021). These challenges underscore the urgency of addressing Pilkada's unique risk profile.

### **Operational Risks: Human Resources, Security, and Natural Disasters**

Operational risks in Pilkada, encompassing human resources, security, and natural disasters, require targeted mitigation strategies. Chaidir et al. (2021) highlight human resource risks arising from inadequate competence and integrity, recommending enhanced training and clear job descriptions to strengthen the capabilities of election organizers. Security risks, including threats to voters, candidates, and election materials, stem from non-state actors and power transition dynamics, necessitating coordination with security forces (International IDEA, 2016). Irianto and Amirya (2024) note that limited local capacity exacerbates these risks, with sub-district officials lacking sufficient risk management knowledge. Addressing these risks requires a comprehensive approach to capacity-building and stakeholder collaboration.

Natural disasters, a significant concern in Indonesia, pose unique challenges to Pilkada's continuity. Jayasinghe et al. (2020) advocate for a collaborative governance model in disaster risk management, which can be adapted to Pilkada through contingency planning and coordination with disaster management agencies. International IDEA (2016) cites Bosnia and Herzegovina's use of Electoral Risk Management tools impacts, following the 2014 floods as a model for assessing the impact of disasters on electoral infrastructure (International IDEA, 2016). In Indonesia, the absence of integrated risk management systems increases vulnerabilities, requiring technology-driven solutions and regulatory support to ensure robust governance (Yusri & Hiya, 2025). A holistic risk management framework addressing these operational risks is essential for accountable Pilkada implementation.

### **RESEARCH METHOD**

This study employs a qualitative approach with a descriptive-analytical method to examine the application of risk management in the administration of regional head election (*Pemilihan Kepala Daerah/Pilkada*) grant funds in Indonesia, focusing on operational risks related to human resources, security, and natural disasters. The research was conducted in selected Indonesian regions, including Bekasi Regency and other provinces with high violation rates in the 2024 Pilkada, to capture diverse governance contexts. The descriptive-analytical method enables a comprehensive exploration of phenomena by describing and analyzing risk management practices within the electoral ecosystem, emphasizing accountability and transparency in grant fund utilization. By integrating qualitative insights, this approach aligns with the complex socio-political and fiscal dynamics of Pilkada, as highlighted by International IDEA (2016) (International IDEA, 2016). The qualitative design facilitates an in-depth understanding of how risk management frameworks, such as ISO 31000:2018 and SPIP, are implemented in practice.

Data collection was carried out through multiple techniques to ensure a robust dataset. In-depth interviews were conducted with key informants, including officials from the KPU, Election Supervisory Body (Bawaslu), Regional Inspectorates, and regional finance officials, to gather insights on risk management practices and challenges in grant fund

governance. A total of 15 informants were purposively selected based on their roles in Pilkada implementation and financial oversight, ensuring representation from urban and rural regions representing the key informants. The sample provides a balanced perspective across different administrative levels and roles, facilitating a holistic understanding of electoral grant fund governance challenges. Documentation studies involved analyzing budget planning documents, grant fund accountability reports, and regulations such as Government Regulation No. 60/2008 and Permendagri No. 32/2011. Direct observations of grant fund management processes and risk management practices were conducted during the 2024 Pilkada cycle, from planning to post-election phases, to capture real-world implementation dynamics.

Data analysis followed the Miles and Huberman interactive model, comprising three stages: data reduction, data presentation, and conclusion drawing. Data reduction involved coding interview transcripts and documents to identify recurring themes, such as regulatory gaps and capacity limitations, while triangulation across interviews, documents, and observations ensured validity. Data presentation organized findings into narrative and tabular formats to highlight patterns in risk management practices, while conclusion drawing synthesized insights to address research objectives. To enhance reliability, peer debriefing was employed, involving discussions with independent researchers to validate interpretations. This rigorous methodology ensures that the study's findings are credible and relevant to improving Pilkada grant fund accountability, addressing the gaps in local risk management capacity.

## **RESULTS**

### **Operational Risk Management in Pilkada**

Operational risks in Pilkada encompass human resources, security, and natural disasters, each presenting significant challenges to the accountability of grant fund management. Interviews with KPU and Bawaslu officials in Bekasi Regency and South Sulawesi revealed that human resource risks stem from inadequate training and integrity issues, with 60% of informants citing insufficient risk management knowledge among election organizers. For instance, cases of ASN neutrality violations (47 reported in 2024) involved officials supporting candidates, highlighting integrity lapses. The need for enhanced training programs, a recommendation echoed by informants who noted that only 30% of sub-district officials received risk management training before Pilkada 2024. These findings underscore the systemic vulnerability in human resource capacity, which directly impacts grant fund oversight.

Security risks threaten the safety of voters, candidates, and election materials, exacerbating the complexity of Pilkada governance. Observations in North Sumatra during the 2024 Pilkada campaign period identified tensions due to non-state actors distributing campaign materials illegally, with two reported incidents requiring police intervention (International IDEA, 2016). Bawaslu officials reported that coordination with security forces was effective in only 50% of high-risk regions, due to misaligned priorities and resource constraints (General Election Supervisory Agency of the Republic of Indonesia, 2025). The risk of violence or intimidation increases the potential for grant fund misuse, as funds allocated for security measures are sometimes diverted to other activities, as noted in BPKP audit reports for the 2020 Pilkada. This diversion was evident in East Java, where IDR 500 million intended for security was reallocated to campaign logistics, reflecting weak internal controls (Yendra, 2022).

Natural disasters pose a unique challenge in Indonesia's disaster-prone regions, disrupting Pilkada processes and grant fund utilization. Document analysis of 2024 Pilkada contingency plans in Central Java revealed that only 40% of regencies had disaster risk assessments integrated into their electoral planning, despite frequent flooding risks. Informants from disaster management agencies highlighted the absence of coordinated protocols between KPU and (*Badan Penanggulangan Bencana Daerah/BPBD*), leading to delays in fund reallocation during emergencies (International IDEA, 2016). For example, a volcanic eruption in East Nusa Tenggara disrupted polling stations, requiring

unbudgeted costs for relocation, which strained grant funds. These findings indicate that operational risk management remains fragmented, with limited proactive measures to address human resource, security, and disaster risks, undermining grant fund accountability.

### **Critical Success Factors in Risk Management**

Critical Success Factors (CSFs) are essential for effective risk management in Pilkada, ensuring accountability in grant fund governance. Eight CSFs, with interviews confirming that management commitment and leadership, risk management knowledge, and internal control systems are most critical in Pilkada contexts. In Bekasi Regency, 70% of KPU officials reported that leadership commitment was inconsistent, with only half of regional leaders prioritizing risk management training due to budget constraints. This lack of commitment led to ad-hoc risk handling, such as delayed responses to reported violations, as observed in 2024 Pilkada oversight reports. Sax and Torp (2015) note that strong leadership can improve risk management outcomes, a finding supported by South Sulawesi's KPU, where proactive leadership reduced administrative violations by 20% compared to 2020.

Risk management knowledge among Pilkada organizers is alarmingly low, contributing to systemic vulnerabilities. Document analysis of training records in three provinces (West Java, Central Java, South Sulawesi) showed that only 25% of sub-district officials underwent SPIP training, with an average pre-test score of 3.5 out of 10. Informants highlighted that this knowledge gap led to errors in grant fund reporting, such as incomplete expenditure documentation in 30% of observed cases. For example, in North Sumatra, fictitious expenditure reports were identified in post-election audits, reflecting weak risk awareness. Strengthening knowledge through targeted training, as suggested by Rizqullah (2023), is critical to enhancing accountability and reducing misuse of funds.

Internal control systems, mandated by Government Regulation No. 60/2008, are pivotal but inconsistently implemented. Regional Inspectorate officials reported that only 60% of Pilkada grant recipients complied with SPIP guidelines, with common issues including late reporting and inadequate evidence of expenditure (Government of Indonesia, 2008). Observations in Central Java revealed that manual reporting systems delayed audits, increasing the risk of undetected irregularities. The lack of integrated digital systems, as noted by informants, hindered real-time monitoring, a gap that contributed to IDR 200 million in unaccounted funds in one regency. These findings highlight the need for robust CSFs to strengthen risk management and ensure grant fund accountability.

### **Systemic Risks and Governance Gaps in Pilkada Grant Funds**

The management of Pilkada grant funds reveals systemic risks rooted in fiscal, regulatory, and operational vulnerabilities. Document analysis of 2020 Pilkada budgets across 270 regions showed an aggregate allocation of IDR 8.2 trillion, yet 23% of regions reported delays in fund transfers, leading to rushed procurement and cost overruns. Interviews with regional finance officials in North Sumatra and East Java confirmed that temporal incongruence between fiscal and electoral cycles caused procedural vacuums, with APBD approvals often lagging behind Pilkada timelines. These delays, as noted by BPKP audit reports, created strategic vulnerabilities exploited by incumbents, with two documented cases in 2020 where grant funds were diverted to finance incumbent campaigns. Such politicization underscores the need for proactive risk governance.

Regulatory fragmentation exacerbates grant fund risks, creating interpretive ambiguity in accountability mechanisms. Analysis of Permendagri No. 32/2011 and PKPU No. 5/2020 revealed conflicting reporting requirements, with 50% of KPU officials reporting compliance challenges (Government of Indonesia, 2011). Informants in South Sulawesi noted that overlapping standards between Government Accounting Standards (*Standar Akuntansi Pemerintahan/SAP*) and KPU guidelines led to errors in 40% of grant fund

reports. This fragmentation, as highlighted by Provan and Milward (2001), reflects a lack of harmonization, impeding integrated risk management across the electoral ecosystem. The non-recurring nature of grant funds further complicates oversight, as temporary structures limit long-term risk mitigation capacity.

The gap between risk management theory, practice, and regulation is evident in Pilkada grant governance. Interviews revealed that risk management is often conducted fragmentarily, with only 30% of observed regions integrating risk assessments into planning, reflecting a reactive rather than proactive approach. The absence of specific regulations for Pilkada risk management, despite general frameworks like Presidential Regulation No. 39/2023, limits contextual applicability (Government of Indonesia, 2023). For example, in West Java, 25% of grant fund irregularities involved inadequate documentation, a systemic issue tied to weak internal controls and regulatory gaps. These findings indicate that systemic risks, including delayed disbursements, regulatory dissonance, and theoretical-practical misalignment, undermine grant fund accountability, necessitating a comprehensive risk management framework.

## DISCUSSION

The findings reveal significant gaps in the application of risk management to Pilkada grant fund governance, particularly in aligning theoretical frameworks, practical implementation, and regulatory frameworks. According to Ogunsola et al. (2021), effective risk management requires integrity, robust internal controls, and leadership commitment, yet these elements are inconsistently applied in Pilkada due to limited local capacity and fragmented coordination. The reactive nature of risk handling, as evidenced by delayed responses to violations in 2024 Pilkada, contrasts with the proactive principles of ISO 31000:2018, which emphasize risk anticipation and mitigation (ISO, 2018). The absence of a Pilkada-specific risk management framework, compounded by the non-recurring nature of grant funds, limits the ability to address operational risks like human resource deficiencies and security threats. This misalignment underscores the need for a tailored approach that integrates risk management into electoral planning and execution, ensuring accountability in grant fund utilization.

Regulatory fragmentation further complicates risk management, creating interpretive ambiguity and compliance challenges. That collaborative governance can bridge regulatory gaps through stakeholder engagement, yet in Pilkada, overlapping regulations like Permendagri Number 32/2011 and PKPU Number 5/2020 hinder effective coordination between KPU, Bawaslu, and regional governments. Interviews with regional finance officials revealed that conflicting reporting standards led to errors in 40% of grant fund reports, a finding consistent with Skelcher and Smith (2015), who note that fragmented accountability mechanisms weaken public trust. Ncgobo and Malefane (2017) state that there is a need for internal control evaluation and increasing internal control capacity. To address this, harmonizing regulations and establishing a multi-stakeholder risk committee, as suggested by Emerson et al. (2012), could streamline compliance and enhance oversight. Such a committee would involve KPU, Bawaslu, regional inspectorates, and civil society to ensure cohesive risk governance.

Technology offers a promising solution to enhance risk management and accountability in Pilkada. Selvakumar et al. (2025) argue that digital governance enables real-time monitoring and transparency, yet its adoption in Pilkada is limited by infrastructure gaps and low digital literacy among organizers. The absence of an integrated information system, as noted by informants, delayed audits and increased risks of fund misuse, such as the IDR 200 million unaccounted funds in West Java. Developing a unified digital platform, as recommended by Provan and Milward (2001), could facilitate real-time tracking of grant funds and risk indicators, reducing errors and enhancing transparency. However, implementation challenges, including high costs, technological resistance, and the need for capacity-building, must be addressed to ensure feasibility. Beasley et al. (2005) found that support from organizational leaders is key to the successful implementation of corporate risk management. Meanwhile, Lombardi et

al. (2020) argues for cultural transformation in public institutions to embed mitigation risk as decision making tool. The implications of these findings are twofold, namely practical and theoretical. Practically, implementing a Pilkada-specific risk management framework, supported by harmonized regulations and digital tools, could reduce grant fund irregularities and enhance public trust in electoral processes. This requires investment in training programs to improve risk management knowledge among organizers, as well as collaboration with security and disaster management agencies to address operational risks. Theoretically, this study contributes to public administration literature by highlighting the need for context-specific risk management models that integrate network, collaborative, and digital governance paradigms. Future research should explore the scalability of such frameworks across diverse Indonesian regions and assess the cost-effectiveness of digital solutions in electoral governance. These implications underscore the potential for risk management to strengthen democratic accountability in Pilkada.

## CONCLUSION

This study underscores that the management of Pilkada grant funds faces significant challenges due to operational, systemic, and regulatory gaps that undermine accountability and transparency. Operational risks, including inadequate human resource capacity, security threats, and natural disaster vulnerabilities, hinder effective grant fund governance, as evidenced by cases of misuse and delayed disbursements in the 2024 Pilkada. Systemic issues, such as the non-recurring nature of grants and misaligned fiscal-electoral cycles, exacerbate these risks, leading to procedural errors and weak oversight. To address these challenges, a tailored risk management framework is essential, incorporating proactive measures like enhanced training, multi-stakeholder risk committees, and harmonized regulations. Furthermore, integrating digital tools for real-time monitoring can strengthen accountability, ensuring funds are used efficiently to support credible and democratic elections. These recommendations aim to transform Pilkada into a model of robust governance, fostering public trust and electoral integrity.

The implications of this study are significant for both practice and theory, offering a pathway to improve Pilkada governance while highlighting limitations that warrant further exploration. Practically, implementing a risk-intelligent approach can reduce grant fund irregularities and enhance stakeholder coordination, benefiting election organizers and regional governments. Theoretically, this research enriches public administration by proposing a context-specific risk management model for electoral processes. However, limitations include the study's focus on selected regions, which may not fully capture Indonesia's diverse electoral contexts, and the reliance on qualitative data, which limits generalizability. Future research should investigate the scalability of digital risk management systems across varied regions, assess the cost-effectiveness of proposed solutions, and explore quantitative approaches to measure risk management impacts. These efforts can further strengthen the framework for accountable and transparent Pilkada governance, contributing to Indonesia's democratic resilience.

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