

Determination of Company Performance: The Role of Operational Audit, Internal Control and Good Corporate Governance

Pieter Leunupun^{1*}, Belianus Patria Latuheru², Alda Patloyasa Melaira³, Noline Hiarij⁴

Universitas Kristen Indonesia Maluku

Coresponding Author: Pieter Leunupun peterleu58@gmail.com

ARTICLE INFO

Keywords: Company Performance, Operational Audit, Internal Control, Good Corporate Governance

Received: 23 February

Revised: 18 March

Accepted: 19 April

©2025 Leunupun, Latuheru, Melaira, Hiarij: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This study was conducted to determine the effect of operational audit, internal control, and good corporate governance on company performance: study at PT Pegadaian Ambon Branch. This research is quantitative in nature, utilizing both primary and secondary data. The analysis technique used is multiple linear regression analysis, which is applied to test the independent variables against the dependent variable. The population in this study consists of employees at PT Pegadaian Ambon Branch, with a sample of 32 respondents taken from the entire population. The results of the study indicate that operational audit has a positive and significant effect on company performance, internal control has a positive and significant effect on company performance, and good corporate governance has a positive and significant effect on company performance

INTRODUCTION

PT Pegadaian is a State-Owned Enterprise (BUMN) that has an official permit to provide credit financing to the public in the form of pawn, as well as custody and assessment services (estimates). The main role of this company is to help the public meet financial needs by providing safe and easily accessible loan solutions. This also applies to PT Pegadaian Ambon Branch as the object of this research.

PT Pegadaian Ambon Branch also plays a role in supporting the local economy, by providing access to financial services to meet the financial needs of the community in the area with several pawn products, namely: (a) conventional pawnshops with a standard of IDR 50,000 to IDR 100,000,000; b) sharia pawnshops with a standard of IDR 50,000 to IDR 400,000,000. The products with the planned ceiling must be monitored during their implementation in order to provide a clear picture of how the adoption of operational audits, internal control, and strong corporate governance affects the firm's performance.

Operational audits are an important need to help identify potential efficiency improvements in company operations, including the lending process and collateral assessment and ensure that all operational aspects run safely and in accordance with applicable regulations, reducing the risk of violations of laws or regulations. This operational audit is routinely conducted every three months as an integral part of the internal control policy, with the main focus on identifying potential problems or discrepancies. One specific aspect that is the focus of the audit in the operational section is the difference in estimates that may arise during the audit process, while in the marketing section there are a series of audits starting from the completeness of customer files, overdue installment payments, to the completeness of collateral.

In addition, internal control helps prevent fraud or abuse in handling loan transactions and financial administration, ensuring the accuracy of financial reports through tight control, which is crucial for stakeholder trust. At PT Pegadaian Ambon Branch, the implementation of internal control for the operational section is the responsibility of the branch manager. The examination stages include checking cash that requires matching with the system, checking collateral that must be in line with the estimated value, and adjusting the details of the collateral must be adjusted to the data in the applicable system. In the marketing section, internal control is implemented by the entire micro team, where each team member has the responsibility to maintain the integrity of the process. If there is an error in one customer with significant credit and arrears, the micro team collectively moves to find the right solution to overcome the problem. In this context, team collaboration is key to finding an effective way out.

Meanwhile, the principle of good corporate governance (GCG) helps create an environment of transparency and accountability, providing confidence to customers and investors regarding the integrity and ethics of the business. Implementing the principles of good corporate governance helps protect the rights and interests of all stakeholders, including customers,

employees, and shareholders. Iskandar & Chamlaio in Lastanti (2004) stated that there are two categories of corporate governance oversight mechanisms: internal and external procedures. In this regard, operational audits are conducted every three months, while for internal control according to standard operating procedures (SOP) and are conducted four times a month, but in reality it is only conducted once a month. This occurs due to limited human resources to support the system, thus affecting corporate governance in relation to improving company performance.

LITERATURE REVIEW

Company Performance

Performance is a term used to describe how well a program of activities or policies are implemented in order to realize the goals, objectives, vision, and mission of the organization as set out in its strategic planning (Moeherianto, 2012). Performance, according to Srimindarti (2004), is a term used to describe all or part of an organization's actions or activities during a certain period of time by referring to standard quantities, such as past or projected costs, based on management accountability, and efficiency.

Company performance is a comprehensive picture of the state of the business over a certain period of time, a result or achievement that is influenced by business operational actions in utilizing available resources. Company performance is an evaluation of how well a company achieves its set targets. Company performance indicators include; (a) efficiency of human resource use, (b) customer satisfaction, (c) achievement of performance targets (Pratolo, 2007 and Frediawan, 2008).

Measuring business performance has two purposes: determining the scope and effectiveness of work operations and encouraging staff to adhere to standards of behavior. In addition to providing a basis for assessing the performance of each component of the organization, the goal is to determine the contribution of each part of the business as a whole and to inspire employees to meet the organization's stated goals. (Mahrani Arfah, Suliawati, and Rudi Syahputra, 2022).

Operational Audit

Operational audit is a comprehensive examination of a company's operational activities, including accounting and operational policies, with the aim of evaluating the effectiveness, efficiency, and consistency of implementation. This audit involves a review of the organization's operating procedures and methods, also known as a management audit or performance audit, to achieve savings and other efficiency and effectiveness goals. This statement is in line with the opinion of Haryono Jusup (2001), operational audit is an examination of every element of the process and strategy used by the company to assess its effectiveness and efficiency.

To assess efficiency and effectiveness, the purpose of operational audit is to identify which programs, activities, and activities still need to be improved, according to Bayangkara (2008). Thus, the management of various company programs and activities can be improved with the help of recommendations provided later.

The explanation above shows that the purpose of operational audits is to provide information about the company's operational activities to management, including whether these activities have been carried out effectively and efficiently, as well as providing suggestions for improvement in related areas and providing input on which areas require improvement.

According to Arens and Loebbecke (2006), there are three categories of operational audits: (1) Functional audits: Functions are a way to categorize a company's operations, such as production or billing functions. Existing functions can be categorized and divided in various ways. One or more organizational functions are covered in a functional audit. (2) Organizational audits, especially operational audits that examine the entire organization, including branches, subsidiaries, and their parts. (3) special assignments, namely assignments that arise at the request of management. There are many variations of this type of audit, examples include determining the cause of an ineffective information technology system, investigating the possibility of fraud in a particular division, and making recommendations to reduce the cost of an item.

Internal Control

Romney & Steinbart (2015) define internal control as a procedure used to ensure certainty that meets a number of internal control objectives, such as protecting assets, keeping comprehensive records to enable proper and accurate reporting of company assets, delivering accurate and reliable information, producing financial reports that meet established standards, promoting and improving operational efficiency, promoting managerial compliance, and meeting applicable legal and regulatory requirements.

In general, the objectives of internal control are: (a) reliability of financial reporting, (b) efficiency and effectiveness, (c) compliance with laws and regulations (Arens, 2015). Regarding reporting reliability, management is legally and professionally obligated to make sure that data is presented properly and in compliance with the generally accepted accounting framework's reporting criteria. Fulfilling these financial reporting obligations is the goal of efficient internal control over financial reporting. Then, in terms of efficacy and efficiency, internal control promotes the efficient and effective use of resources to maximize the organization's objectives. Regarding legal and regulatory compliance, all publicly traded corporations must release reports on how well internal control is being implemented.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has published the following components of internal control: monitoring, information and communication, risk assessment, control actions, and control environment (Boynton, 2002). An organization's control environment establishes the tone that affects its employees' awareness of control.

The control environment is the foundation of all internal control components. Risk assessment is the entity's identification and analysis of risks relevant to the achievement of the entity's objectives, which forms a basis for managing risk well. Policies and procedures known as control activities aid in making sure that management's directives have been followed. The identification and exchange of information within a framework that allows people to fulfill their responsibilities is known as information and communication. The process of monitoring evaluates how well internal controls are performing at any given moment.

Good Corporate Governance

According to Fakhruddin (2014), good corporate governance can be interpreted as the way a company is directed and controlled. The theory of good corporate governance includes the principles of openness, accountability, responsibility, independence, and equality in decision making at the company level.

The concept of good corporate governance emphasizes the need for transparency in managing the company, ensuring effective oversight by the board of directors, and respecting the rights of shareholders and other related parties. Good corporate governance practices also include a healthy relationship between the board of directors, management, and shareholders. The application of good corporate governance principles is expected to improve the overall performance of the company while paying attention to ethical and sustainability aspects.

Good corporate governance is a framework that establishes principles and practices that aim to manage and control a company efficiently, transparently, and with attention to fairness and sustainability. The implementation of good corporate governance requires five basic principles, namely: transparency, accountability, fairness, responsibility, independence. These principles provide the basis for creating a quality corporate environment, reducing risk, and supporting long-term growth.

Good corporate governance must be implemented, particularly in light of the growing risks and issues the organization faces. To strengthen the company's competitiveness and fulfill the desire to become a better company, the consistency of implementing good corporate governance is also continuously improved in terms of indicator aspects. Pegadaian can increase long-term business value and growth by increasing stakeholder trust and optimizing company value through more effective and efficient management of resources and risks.

Hypothesis Development

• Operational Audit and Company Performance

Operational audits play a vital role in maintaining and improving performance. By conducting a comprehensive operational audit, companies can find gaps in operational efficiency and effectiveness, and take corrective action to ensure better achievement of company goals.

This idea illustrates that operational audit is not only a control tool, but also a means to improve company performance sustainably. Therefore, it is possible to propose that operational audit significantly impacts business performance as the first hypothesis (H1).

- **Internal Control and Company Performance**

Internal control consists of policies, procedures, and processes designed to provide reasonable assurance that the company's objectives are achieved. Internal control plays a vital role in driving company performance. Implementing an effective internal control system not only helps maintain regulatory compliance, but also contributes to increased efficiency, risk management, and service quality, which overall support the achievement of company objectives.

This idea emphasizes the close relationship between internal control and company performance, where a good control system will improve the company's operational and financial performance. Thus, the second hypothesis (H2) that can be put forward is that internal control has a significant effect on company performance.

- **Good Corporate Governance and Company Performance**

Good Corporate Governance is a framework of systems and principles applied by companies to ensure good, transparent, and responsible corporate governance. Companies engaged in financial services must apply the principles of good corporate governance to improve performance, create stakeholder trust, and ensure the sustainability of company operations.

By implementing strong good corporate governance principles, companies can manage their businesses more effectively, increase efficiency, minimize risk, and build stakeholder trust. The end result is a sustainable improvement in financial and non-financial performance, as well as a better reputation in the public.

This idea shows that good governance is the foundation for long-term corporate success. Thus, the third hypothesis (H3) that can be put forward is that good corporate governance has a significant effect on corporate performance.

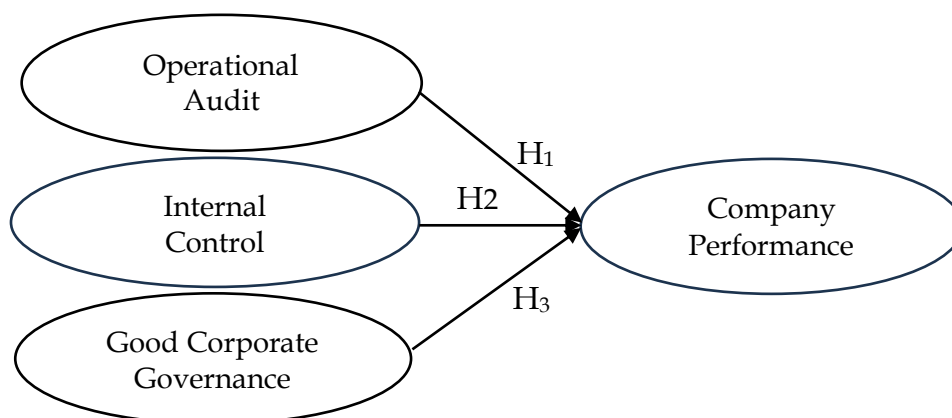


Figure 1. Conceptual Framework

METHODOLOGY

Research Design

The type of research used is explanatory research. According to Singaribun and Effendi (2006), explanatory research is research used to explain the causal relationship between variables through testing formulated hypotheses. This type of research intends to explain in full the influence of independent variables consisting of; operational audit (X1), internal control (X2) and good corporate governance (X3) on company performance (Y) as the dependent variable.

Data Sources and Collection

The primary data utilized were collected by distributing questionnaires to respondents. For every variable, a number of indicators are used to organize the questions. Indicators for variable X1 (operational audit) include; (a) preliminary stage, (b) in-depth examination stage, (c) reporting stage. The indicators used are references from Risma Triyana's research (2014). Indicators for variable X2 (internal control) consist of; (a) control environment, (b) risk assessment, (c) information and communication, (d) control activities, (e) monitoring. The indicators used are references from Rilia Ferens Pessiwarisa's research (2019). Indicators for variable X3 (good corporate governance) consist of; (a) transparency, (b) accountability, (c) responsibility, (d) independence, (e) fairness. The indicators used are references from Syakhroza's research (2003) and Frediawan's (2008). Indicators for variable Y (company performance) include; (a) efficiency of human resource use, (b) customer satisfaction, (c) achievement of performance targets. The indicators used are references from research by Pratolo (2007) and Frediawan (2008).

Sampling Technique

The sampling technique in this study used saturated sampling, where the sample in the study was all employees, which was 32 people. The 32 employees in this study included managers, operational staff, marketing staff, and internal auditors. The involvement of each respondent involved in filling out the research questionnaire was that managers had a role in being responsible for making important decisions that had an impact on company performance, operational staff had a role in contributing to the implementation of operational tasks that had a direct impact on company performance, marketing staff developed effective marketing strategies to increase sales and sales profitability, and internal auditors to assess the efficiency and effectiveness of company operations.

Analysis Method

The data collected were tested for validity and reliability as well as multiple linear regression tests to prove the hypothesis put forward in this study.

RESULT

Description of Research Variables

The average value and standard deviation of each variable, namely; operational audit, internal control, good corporate governance, and company performance, are presented in table 1.

Table 1. Description of Research Variables

Variable	Item	N	Mean	Std. Deviation
Operational Audit (X1)	X1.1	32	4.25	0.568
	X1.2	32	4.41	0.499
	X1.3	32	4.44	0.504
	X1.4	32	4.41	0.615
	X1.5	32	4.47	0.621
	X1.6	32	4.56	0.564
	X1.7	32	4.53	0.567
Total			31.07	3.938
Average			4.44	0.560
Internal Control (X2)	X2.1	32	4.53	0.567
	X2.2	32	4.44	0.504
	X2.3	32	4.59	0.499
	X2.4	32	4.53	0.567
	X2.5	32	4.63	0.492
	X2.6	32	4.50	0.508
	X2.7	32	4.38	0.609
	X2.8	32	4.62	0.492
	X2.9	32	4.56	0.504
	X2.10	32	4.31	0.471
	X2.11	32	4.38	0.554
	X2.12	32	4.47	0.567
	X2.13	32	4.5	0.508
	X2.14	32	4.59	0.499
Total			63.03	7.341
Average			4.50	0.520
Good Corporate Governance (X3)	X3.1	32	4.53	0.567
	X3.2	32	4.44	0.504
	X3.3	32	4.59	0.499
	X3.4	32	4.53	0.567
	X3.5	32	4.63	0.492
	X3.6	32	4.50	0.508
	X3.7	32	4.38	0.609
	X3.8	32	4.62	0.492
	X3.9	32	4.56	0.504
	X3.10	32	4.31	0.471
	X3.11	32	4.38	0.554
	X3.12	32	4.47	0.567
	X3.13	32	4.50	0.508
	X3.14	32	4.59	0.499
Total			63.03	7.341
Average			4.50	0.520
Company Performance	Y.1	32	4.16	0.628
	Y.2	32	4.41	0.499

(Y)	Y.3	32	4.59	0.499
	Y.4	32	4.47	0.567
	Y.5	32	4.53	0.507
	Y.6	32	4.56	0.564
Total			26.72	3.264
Average			4.45	0.540

Source: Primary Data Processed

Operational audit has an average value of 4.44 and a standard deviation of 0.560. Since the standard deviation number is less than the operational audit average, it may be concluded that the operational audit variable's standard deviation is low. In order to improve business performance, operational audit is crucial, as indicated by the average value of 4.44.

The average value of internal control is 4.50 with a standard deviation of 0.520. The standard deviation value is smaller than the average value of internal control, indicating that the standard deviation measuring data from variable X2 (internal control) is low. Then the average value of 4.50 indicates that internal control is very much needed in encouraging increased company performance.

Good corporate governance has an average score of 4.50 and a standard deviation of 0.520. Good corporate governance has a lower standard deviation than its average. This shows that the standard deviation measuring data from variable X3 (good corporate governance) is relatively low. Then the average value of 4.50 shows that good corporate governance is very necessary in encouraging increased company performance.

The average value of company performance is 4.45 with a standard deviation of 0.54. The standard deviation value of company performance is smaller than its average value. This shows that the standard deviation measuring data from variable Y (company performance) is relatively low. Then the average value of 4.50 shows that company performance needs to be improved by paying attention to operational audit, internal control and good corporate governance.

Validity Test

Validity test is used to test the accuracy of the measuring instrument and measure the validity or otherwise of a questionnaire so that it can be said that the questionnaire is valid if the questions or statement items in the questionnaire are able to reveal something that will be measured against the questionnaire. The test is by comparing the calculated r value with the r table or the significance value compared to the alpha used, which is 0.05. If the calculated r is greater than the r table with a significance level of 0.05, then the indicators used are declared valid. The r table value for n = 32 is 0.3610.

Table 2. Validity Test Results

Variable	Item	Calculated r value	Sig. Value	Information
Operational Audit (X1)	X1.1	0,750	0,000	Valid
	X1.2	0,657	0,000	Valid
	X1.3	0,521	0,002	Valid
	X1.4	0,572	0,001	Valid
	X1.5	0,491	0,004	Valid
	X1.6	0,705	0,000	Valid
	X1.7	0,520	0,002	Valid
Internal Control (X2)	X2.1	0,535	0,002	Valid
	X2.2	0,603	0,000	Valid
	X2.3	0,666	0,000	Valid
	X2.4	0,651	0,000	Valid
	X2.5	0,660	0,000	Valid
	X2.6	0,540	0,001	Valid
	X2.7	0,560	0,001	Valid
	X2.8	0,600	0,000	Valid
	X2.9	0,413	0,019	Valid
	X2.10	0,554	0,001	Valid
	X2.11	0,444	0,011	Valid
	X2.12	0,729	0,000	Valid
	X2.13	0,641	0,000	Valid
	X2.14	0,827	0,000	Valid
Good Corporate Governance (X3)	X3.1	0,596	0,000	Valid
	X3.2	0,633	0,000	Valid
	X3.3	0,793	0,000	Valid
	X3.4	0,684	0,000	Valid
	X3.5	0,866	0,000	Valid
	X3.6	0,588	0,000	Valid
	X3.7	0,789	0,000	Valid
	X3.8	0,626	0,000	Valid
	X3.9	0,670	0,000	Valid
	X3.10	0,775	0,000	Valid
	X3.11	0,536	0,002	Valid
	X3.12	0,689	0,000	Valid
	X3.13	0,683	0,000	Valid
	X3.14	0,616	0,000	Valid
Company Performance (Y)	Y.1	0,415	0,018	Valid
	Y.2	0,492	0,004	Valid
	Y.3	0,392	0,027	Valid
	Y.4	0,474	0,006	Valid
	Y.5	0,669	0,000	Valid
	Y.6	0,580	0,001	Valid

Source: Primary Data Processed

Based on the table above, it can be seen that all r-calculation values exceed the r-table value. With 32 respondents in the sample, the r-table value is 0.361, or the sig. value is less than 0.05. Therefore, it may be said that each questionnaire's statement items are all legitimate.

Reliability Test

The purpose of the reliability test is to ensure the consistency of the measuring instrument and show how much the instrument can be relied on for research purposes. The test uses the Cronbach Alpha formula. The instrument is considered reliable if the calculated alpha level is greater than 0.60.

Table 3. Reliability Test Results

Variable	<i>Cronbach Alpha</i>	Information
Operational Audit	0,784	Reliable
Internal Control	0,750	Reliable
Good Corporate Governance	0,762	Reliable
Company Performance	0,763	Reliable

Source: Primary Data Processed

In the Cronbach Alpha column, all numbers are greater than the critical value of 0.60, so it can be concluded that the measuring instrument has a good level of reliability.

Regression Test

Regression test is used to answer the hypothesis in this study. Summary of the results of multiple linear regression calculations as in table 4. This study uses $\alpha = 5\%$ and the independent variable is company performance.

Table 4. Multiple Linear Regression Test

Model	Coefficient	t	Sig. Value
Constant (a)	2.691	0.803	0.429
Operational Audit (X1)	0.159	2.472	0,040
Internal Control (X2)	0,189	2.176	0,038
Good Corporate Governance (X3)	0,169	3.041	0,005
R Simultan = 0.823			
R ² Simultan = 0.677			
F Count = 19.545			
Sig. Simultan = 0.000			

Operational audit has a positive effect of 0.159 on company performance. This means that every increase in operational audit will increase company performance by 0.159. The significance value of the operational audit variable is 0.040, which is smaller than 0.05, meaning that the positive effect of operational audit is significant and needs to be considered.

Internal control has a positive effect of 0.189 on company performance. This means that every increase in internal control will increase company performance by 0.189. The significance value of the internal audit variable is 0.038, which is smaller than 0.05, meaning that the positive effect of internal control is significant and needs to be considered.

The performance of a corporation is positively impacted by good corporate governance by 0.169. Accordingly, a company's performance will rise by 0.169 for every increase in sound corporate governance.

The performance of a corporation is positively impacted by good corporate governance by 0.169. Accordingly, a company's performance will rise by 0.169 for every increase in sound corporate governance. The significance value of the good corporate governance variable is 0.005, which is smaller than 0.05, meaning that the positive effect of good corporate governance is significant and needs to be considered.

Furthermore, the R² value is 0.677. This shows that 66.7% of company performance can be influenced simultaneously by operational audit, internal control, and good corporate governance variables, while the remaining 33.3% is influenced by other variables outside of the three factors. The partial significance value of 0.000 which is smaller than 0.05 makes this condition acceptable.

DISCUSSION

The Impact of Operational Audit on Company Performance

Hypothesis H1 is that operational audit has a significant effect on company performance, which is supported by statistics and empirical research results. Operational audit is a comprehensive examination of a company's operational activities to assess efficiency, effectiveness, and economy in the use of resources. This audit does not only focus on financial statements, but also on processes, procedures, and management practices. According to Lawrence (1988), operational audits provide management with the information needed to make better decisions. Information generated from audits, such as analysis of operational effectiveness, provides insight into how business processes can be optimized. This allows management to make better strategic decisions, which in turn can improve the company's long-term performance.

The results of the study prove that operational audits have a positive and significant effect on company performance. These results are in line with previous studies conducted by Pattinama and Leunupun (2021), Nikita and Darmayanti (2023) which also proved that operational audits have a significant effect on company performance.

The Impact of Internal Control on Company Performance

Hypothesis H2 stating that internal control has a significant effect on company performance has been supported statistically and by empirical research results. Internal control is a system, policy, and procedure designed to provide adequate assurance that company operations are running effectively, efficiently, and in accordance with established rules and objectives. Internal control plays an important role in maintaining information integrity, preventing and detecting fraud, and ensuring that company assets are

protected. With a strong internal control system, companies can more easily achieve their goals, maintain operational stability, and increase stakeholder trust, which ultimately has an impact on better and more sustainable company performance.

According to Sawyer (2011), internal control is the foundation of good corporate governance. With a strong control system, the company is able to maintain the integrity of its business processes, ensuring that every action taken is in accordance with the company's strategic objectives.

The study's findings demonstrate the beneficial and noteworthy impact internal control has on business success. These findings are consistent with earlier studies by Pattinama and Leunupun (2021), which established that internal control affects business performance.

The Impact of Good Corporate Governance on Company Performance

Both statistical and empirical study findings support Hypothesis H3, which holds that effective corporate governance affects business performance. The performance of a corporation is greatly enhanced by effective corporate governance. Good corporate governance is a framework involving rules, policies, and practices that borrow that the company is managed with integrity, transparency, accountability, and good social responsibility. Good corporate governance increases stakeholder trust, supports more effective decision-making, and contributes to the sustainability of the company. This good governance increases the confidence of stakeholders, such as investors and business partners, which in turn strengthens the company's position in the market and improves its performance.

According to Jamali, Safieddine, and Rabbath (2008), good corporate governance also contributes to increasing corporate social responsibility. Companies that implement good governance tend to be more socially and environmentally responsible, which has a positive impact on the company's image. Good corporate social responsibility increases customer loyalty and strengthens the company's relationship with the community, which ultimately improves the company's performance.

The study's findings demonstrate that internal control significantly and favorably affects business performance. These findings corroborate earlier research by Desy Arigawati and Darmayanti (2023),

CONCLUSIONS AND RECOMMENDATIONS

Research conducted at PT Pegadaian Ambon Branch produced similarities in various factors that affect company performance. The performance of the company was positively and significantly impacted by the variables of operational audit, internal control, and sound corporate governance. This illustrates how the company's leadership has applied internal control, operational audit, and sound corporate governance.

The findings of this study also prove that simultaneously, the ability of independent variables to influence dependent variables is only 66.7% and the remaining 33.3% is influenced by other variables not included in this study. This confirms that the internal control mechanism and strict audit procedures and governance in this company have not optimally improved company

performance. Other factors are more likely to be more dominant in influencing overall company performance.

This study also provides several recommendations, including: (1) quality operational audits can provide more effective and relevant recommendations for improving internal processes that are directly related to operational efficiency and effectiveness. Therefore, more in-depth operational audits, with an emphasis on identifying areas that have the potential to add value to the company, can increase its contribution to the company's long-term performance. (2) Companies are advised to evaluate and improve existing internal control systems. Stronger internal controls can ensure that policies and procedures run well and reduce the risk of deviations that can harm the company. Therefore, increasing compliance with internal procedures, as well as strengthening supervision of policy implementation, can have a positive impact on company performance. (3) good corporate governance plays an important role in maintaining the sustainability and transparency of company operations. Good corporate governance that is implemented well can have a positive impact on company performance in the long term. Therefore, it is recommended to continue to strengthen the principles of good corporate governance in decision making. Consistent implementation of good corporate governance can create high trust from stakeholders and improve company performance.

FURTHER STUDY

This study has limitations, therefore, to improve it and provide more information to readers, further research should be conducted considering additional factors including task complexity, ethics, and compliance pressures.

ACKNOWLEDGMENT

The researcher would like to thank all respondents who have provided data and information for the smooth running of this research. Also to colleagues who have provided support and valuable input for the completion of this research as a whole.

REFERENCES

- Arens, dan Loebbecke. (2006). *Auditing: Pendekatan Terpadu Edisi Indonesia*. Jakarta: Salemba Empat.
- Bayangkara, IBK. (2008). *Audit Manajemen: Prosedur dan Implementasi*. Jakarta: Salemba Empat.
- Boynton, dkk. (2002). *Modern Auditing*. Jakarta: Penerbit Erlangga. Edisi Ketujuh Jilid I.
- Eliz Darmayanti dan Desy Arigawati (2023), Pengaruh Audit Internal dan Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan. Universitas Panca Sakti Bekasi.
- Fakhrudin, H. (2014). *Tata Kelola Perusahaan*. <http://ebook.pmlj.co.id>.
- Jamali, D. (2008). A Stakeholder Approach to Corporate Social Responsibility: A Fresh Perspective into Theory and Practice. *Journal of Business Ethics*, 82, 213-231.
- Lastanti. (2004). Pengaruh Corporate Social Responsibility Terhadap Nilai Perusahaan dengan Prosentase Kepemilikan Manajemen Sebagai Variabel Moderating. *Simposium Nasional Akuntansi XI*. Pontianak.
- Pattinama, G.L.L, dan Leunupun, P. (2021). Pengaruh Audit Operasional Dan Pengendalian Internal Terhadap Kinerja Perhotelan. *Fakultas Ekonomi dan Bisnis Universitas Kristen Indonesia Maluku*.
- Pratolo, Surya. (2007). Good Corporate Governance dan Kinerja BUMN di Indonesia: Aspek Audit Manajemen dan Pengendalian Intern Sebagai Variabel Eksoden Serta Tinjauannya Pada Jenis Perusahaan. *Simposium Nasional Akuntansi X*. Unhas Makassar, 26-28 Juli.
- Romney, B., S. & Steinbart, P. J., (2015). *Sistem Informasi Akuntansi*. Jakarta Selatan: Salemba Empat.
- Rudi Syahputra, Suliawati, Mahrani Arfah. (2022). Pengukuran Kinerja Perusahaan Dengan Menggunakan Metode Balance Scorecard dan Importance Performance Analysis di UD.Mini Top Medan Johor. *Buletin Utama Teknik Vol. 18, No. 1*.
- Sawyers, B. Lawrence, Dittenhofer, A. Moritimer, Scheiner, H. James. (2011). *Internal Auditing, The Institute of Internal Auditors, Buku 3, Edisi Kelima*. Jakarta: Salemba Empat.

Singarimbun, Masri dan Sofian Effendi. (2006). *Metode Penelitian Survei*. Jakarta: LP3ES.

Srimindarti, Ceacilia. (2004). *Balanced Scorecard Sebagai Alternatif Pengukuran Kinerja*. *Jurnal Akuntansi*, 7(1), 52- 64.

Syakhroza, A., (2003), *Teori Corporate Governance*. *Usahawan* No 08 Tahun XXXII. Agustus.

Triyana, Risma. (2014). *Pengaruh Audit Operasional Terhadap Peningkatan Kualitas Pelayanan Jasa (Penelitian pada Perusahaan Daerah Air Minum, Kota Bandung)*.