

## Government Internal Control Systems: An Effectiveness Review

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### ABSTRACT

The job of the Government Internal Supervisory Apparatus in keeping an eye on and leading government institutions is very important, so every APIP has to keep up with its work and make it better all the time. This study examines how the performance of government internal supervisory apparatus is impacted by management support, competence, objectivity, and integrity. The study's primary data came from 107 respondents who were dispersed around the Head Office BPKP and completed questionnaires. SPSS is the instrument utilized in this data processing. The findings indicate that proficiency has an impact on APIP performance but not a substantial one, but management support, objectivity, and integrity have a considerable impact. Governments should create rules that may enhance the management of internal supervisory officers in order to promote APIP's performance

## **INTRODUCTION**

An organization's future can be influenced by the state and effectiveness of its internal audit. The more effective the organization's internal audit, the simpler it will be to accomplish its objectives. The internal audit code of ethics itself is one factor that determines auditor performance. Independence, integrity, objectivity, and confidentiality are the components of an internal audit's code of ethics (Amaechi, 2017).

The administration of the internal audit has an impact on its success in addition to the auditor's criteria. Stakeholder pressure has an impact on internal audit performance, and both organizational and human variables affect the audit's independence and impartiality, according to Lenz.

Internal control performances are linked to the capacity of internal control to satisfy organizational governance standards and professional expectations, which has become essential in the present globalization period. Furthermore, every element of government is situated at the level of ministries or institutions, and national, provincial, and district/city governments recognize the value of internal control as an essential part of a governance system. In addition to Indonesia, several countries have acknowledged the value of internal control and its apparatus in achieving efficient and successful public sector governance.

Understanding the significance of this, the Institute of Internal Audit (IIA) developed a model of general measurements for public sector governance that assesses the effectiveness and efficiency of internal control capabilities through its research institute association, the Institute of Internal Auditor Research Foundation (IIARF). Since 2006, an evaluation methodology known as the Internal Audit Capability methodology (IACM) has been created. The Governments Internal Supervisory Apparatus (APIP) Capabilities Measurement, an internal control evaluation approach created by IIARF, was implemented by the Indonesian government (Wardani, 2019) This necessitates that auditors possess a high degree of professionalism, encompassing specialized knowledge, rigorous technical training, and an unwavering commitment to ethical conduct throughout the audit engagement (Nasution, 2023).

The Government's Internal Supervisory Apparatus itself is the most crucial component that needs to be improved in order to achieve efficiency, effectiveness, and economics in every activity. As the Internal Control Officers perform better, the organization's goals will be easier to accomplish, and, as a result of the tight supervision put in place, the number of frauds will be reduced. Prior research has demonstrated the aspects that contributed to the improvement in the Government's Internal Supervisory Apparatus's performance. According to Lenz's (2015) research, management or stakeholders have an impact on internal control performance. The study supports the findings of Sanjiwani's

(2016) investigation, which found that organizational dedication and leadership improve internal control performance. This indicates that with management assistance, APIP's internal control can function well. However, Santosa (2016) asserts that in order to increase the efficacy of internal control, human resources are more crucial than managerial assistance (Bass, 1985).

The performance that must be attained is also influenced by the capabilities of the government's internal supervisory apparatus. Permatasari's (2016) study, which finds that competence influences auditor performance, lends credence to this. The study supports that of Gamayuni (2016), who found that competence had an impact on internal audit quality. According to these research, competency is one of the things that has to be enhanced if you want to perform well. However, in contrast to the findings of Dewi's (2015) research, she found that expertise had no impact on the quality of internal audit. According to the study, achieving high internal audit quality is also not guaranteed by the auditor's skill.

Objectivity is another element influencing the Government Internal Supervisory Apparatus's performance. Previous research supports this. Kirana (2016) came to the conclusion that objectivity has an impact on internal control performance. The findings of the study are corroborated by Permatasari's (2016) investigation, which finds that objectivity is one of the elements influencing auditor performance. According to these findings, better performance would be attained the more objective the assessor is. However, according to study by Gamayuni (2016), internal auditor objectivity has a favorable but negligible effect on internal audit quality.

Another element influencing APIP performance is integrity. Research by Permatasari (2016) and Kirana (2016), which found that integrity has a beneficial impact on internal auditor performance, supports the notion. This implies that better performance will be attained the more integrity an internal auditor have. Nevertheless, Sukriah's investigation yielded different findings (2009). According to his research, the quality of the internal audit itself is unaffected by the auditors' honesty. The reason for this is that the auditor is still taking into account the audited's circumstances, which lead the audited to break the applicable requirements.

In Indonesia, a significant amount of research has been conducted utilizing the criteria of competency, objectivity, and integrity. However, the majority of studies simply look at how competency, objectivity, and integrity affect audit quality or the auditor's performance. Using management support as one of the influencing factors in addition to competency, objectivity, and integrity, this study is more focused on Permatasari's (2016) research and examines how it affects the performance of the government's internal supervisory apparatus rather than the auditor's performance (Sharma, 2015).

The goal of this study is to obtain empirical proof of how managerial support, competence, objectivity, and integrity affect the effectiveness of the internal supervisory apparatus of the government. According to its objectives, this research attempts to present a summary of the factors that might influence the effectiveness of the government's internal supervisory apparatus as well as advice and recommendations on how to carry out an effective internal supervisory in order to enhance financial performance (Stodgil, 2024).

The aforementioned definition serves as the basis for the researcher's study, which is titled elements Affecting the Performance of Government Internal Supervisory Apparatus. The elements that impact the performance of the APIP include management support, competency, objectivity, and integrity.

## **LITERATURE REVIEW**

### **Contingency Theory**

Numerous streams, including trait theory (Zaccaro et al., 2004), behavioral theory (Stogdill & Coons, 1957), situational or contingency theory, and transformational leadership theory (Ghasabeh et al., 2015), are widely presented in the academic literature on leadership. and a fresh generation of research on empowering leadership (e.g., Sharma & Kirkman, 2015). The primary argument for using the contingency (or situational) theory as the foundation for this study is that leadership is situational (House, 2023).

According to Fiedler's contingency model or theory, an effective group relies on a leader's style that meshes with the subordinate's, allowing the circumstance to take control and affect the leader. There cannot be leadership in a social or environmental vacuum. In regard to certain circumstances, leaders attempt to sway the group members.

It is only reasonable to assume that there isn't a particular leadership style or strategy that will always be the most effective because the scenario might change significantly along many dimensions. But as we've seen, the best course of action might differ depending on the circumstances. Fiedler's theory of leader effectiveness, which he refers to as a Contingency Approach, is based on the acceptance of this fundamental truth. The fundamental premise of this theory is that a leader's ability to influence his group's performance depends on a range of circumstances and circumstances in addition to the leader's personal traits. Both of these should be taken into account in order to completely comprehend the leader's efficacy (Rouco, 2022).

The situational elements of leadership (organization context) are examined by contingency theory. According to Fiedler, situation favorability and leader orientation are the two categories of leadership factors. Whether a leader in an organization is relationship-oriented or task-oriented is known as leader orientation. The semantic differential scale of the organization's least preferred

peer, or LPC, is used to identify the orientation leader. A high LPC indicates a leader who dislikes their coworkers, whereas a low LPC indicates a leader who is willing to collaborate with others. While a low LPC score suggests that the leader is going too far, a high LPC score suggests that the leader is leadership-oriented. Fiedler forecasts that whether situation control is extremely low or very high, task-oriented leaders with low LPC will be more effective than high LPC leaders who value people's orientation or positive relationships with others. In contrast, if the control situation is moderate, leaders with a high LPC will be more successful than those with a low LPC (Fiedler, 2004).

Scenario favorability is the degree to which a leader can identify a scenario based on three situational factors, specifically:

1. Leader-Member Orientation: the intimate bond between a leader and their followers.
2. Task Structure: the degree of task structure that the organization's leader provides for its members to complete.
3. Position Power: the degree of authority a leader of an organization gains due to their position.

According to contour theory, conditional elements fall into one of four categories: interpersonal, organizational, cultural, or individual (Brownell, 1982).

### **Internal Control**

Sponsoring Committee Internal control is defined by the Organization of the Treadway Commission. According to the COSO definition, the internal control system is a procedure that involves management, boards of commissioners, and other staff members and is intended to give a reasonable level of confidence regarding the accomplishment of the following three goals:

#### **Effectiveness and Efficiency of Operations**

This aim is centered on asset security, preventing periodic asset loss, and identifying and disclosing asset loss. On the financial side, the goal is to increase liquidity, productivity, quality, and environmental support. The entity will realize its vision, goal, and purpose through the harmonious creation of all these elements.

#### **Reliability of Financial Reporting**

Ensuring the accuracy of financial reporting serves as a way to hold both internal and external stakeholders accountable. For internal stakeholders, the most obvious advantage of reliable financial reporting is in managerial decision-making. Management makes a lot of decisions based on financial statements, including how to allocate future expenses and set goals for the upcoming time frame. Both internal and external stakeholders benefit greatly from the accuracy of financial reporting; external stakeholders evaluate the accuracy of financial statements to choose whether or not to invest.

### **Compliance with Applicable Laws and Regulations**

The entity shall conduct its operations in accordance with the existing rules and regulations as a minimum requirement. The entity must have the courage to vary from comparable entities if it want to be more advanced than others. One method to do this is by setting the entity's basic requirements higher than the laws or regulations that are typically followed in the area.

Combee (2015) states in his journal article "Soft Control: What is the starting point for internal auditors?"

A soft control is a metric that, more than hard controls, affects or appeals to an employee's personal performance (personality, conviction). Soft controls may be thought of as actions that affect standards and values, employee inspiration, loyalty, integrity, and motivation.

According to Mueller (2005), internal auditing is an independent assessment function that is set up within an organization to examine and assess organizational activities as a service rendered to the company.

In his book *Common Body of Knowledge*, the Institute of Internal Auditors Research Foundation (2007) provided the following additional definition of internal auditing.

Internal auditing is a stand-alone activity that offers consultancy and confidence assurance with the goal of adding value to improve organizational operations. By offering a methodical, disciplined strategy to assess and enhance the efficacy of risk management, control, organizational governance, and management procedures, internal audit assists the company in achieving its goals.

#### **Objectivity**

In order to perform their obligations, internal audits must be impartial and independent (The Institute of Internal Auditors Research Foundation, 2011). Objectives are attitudes that internal auditors must have when conducting exams and should always steer clear of conflicts of interest. When an auditor possesses these attitudes, the internal auditor is permitted to perform the examination in a sincere, truthful, and confident manner.

Gamayuni (2016) states in his article at the National Symposium on Accounting XIX in Lampung that the efficacy of the internal audit function is not significantly impacted by the objectivity of internal auditors. To establish efficient internal operations, internal auditors (who are objective, neutral, and free from conflicting interests) need to be joined by an internal auditor competitor (Sashkin, 2022).

## **Competence**

According to the Institute of Internal Auditors Research Foundation (2007), competence is the capacity to carry out a task, obligation, or role to a satisfactory level. Knowledge, abilities, staff values, and attitudes are all integrated into competence. Competence is developed via job experience and learning by doing. It increases knowledge and skills.

"Internal audit is the access to knowledge, skills, and other competencies needed to perform their individual responsibilities," according to Picket (2010), in accordance with the IIA Research Foundation's CBOOK study description.

It is clear from the definitions found in the aforementioned sources that internal auditors need to be knowledgeable, skilled, and experienced enough to do their jobs. An efficient internal audit function is largely dependent on the competency of internal auditors, including their training, abilities, experience, and conduct. Thus, among other things, it is essential to regularly and continuously (yearly) conduct continuous education and training (PPL) for internal auditors, particularly on Government Accounting Standards (SAP) and Government Internal Control System (SPIP), as well as other PPL, in order to improve the competency of internal auditors (Fiedler, 2022).

## **Integrity**

Integrity is a trait, condition, or attribute that demonstrates a cohesive whole with the capacity and potential to radiate honesty and dignity. The foundation for faith in its consideration is provided by the integrity of government internal auditors, which fosters trust. According to the Code of Ethics and Auditing Standards APIP (2008), integrity encompasses not just honesty but also equitable relationships and real-world situations.

## **Management Support**

The effectiveness of the internal audit function depends on the management support of the local government, according to Gamayuni (2016), who wrote in his journal at The National Symposium on Accounting XIX in Lampung. To ensure that the number of Auditor Functional Positions (JFA) is adequate for the number of objects examined for the task load internal auditors are not overburdened, the head of local government (the governor, mayor, or bupati) must hold regular meetings for coordination or supervision and follow up on the audit findings and recommendations. Regulations (Governor/Regent/Mayor Regulations) controlling accounting and regulatory policies guiding the technical execution of Government Internal Control Systems (SPIP) should be established by provincial or local regent governments as work instructions (Abdelrahim, 2022).

### **Internal Audit Capability Model (IACM)**

The Internal Audit Capability methodology is an assessment methodology that may be used to gauge the effectiveness of the Government Internal Supervisor. An internal auditor research institute created the concept in 2006, and it was patented in 2009. The model was created with the intention of providing a uniform framework for public sector governance that highlights the significance of the Government Internal Collective Apparatus.

One piece of work that outlines the essential elements required to establish a successful internal auditing unit in the public sector is IACM. IACM is the process by which the organization of the work unit must build an efficient internal auditing unit that satisfies organizational governance requirements and professional standards. IACM shows how the internal audit unit evolved from a weak and ineffective level to a strong and effective one. Effectiveness of internal auditing in increasingly complicated and mature enterprises (Lampropoulos, 2022).

### **Hypothesis Development**

According to Chitoui (2012), management's legitimacy faith in internal control is one of the hard control variables. These investigations led to the conclusion that internal control is impacted by managerial support. Allsup (2009) made a similar comment on management support for internal control, which is consistent with the statement. "Soft control auditing is a permanent practice, not a fleeting trend. The organization's commitment must be addressed by us as professionals. In 2009, organizational commitment was stated by Allsup (1999). The goal of the model is to provide a uniform framework for public sector governance that emphasizes the significance of the Government Internal Collective Apparatus (Mackevičius, 2004).

One piece of work that outlines the essential elements required to establish a successful internal auditing unit in the public sector is IACM. IACM is the process by which the organization of the work unit must build an efficient internal auditing unit that satisfies organizational governance requirements and professional standards. The internal audit unit's evolution from a weak and ineffective state to a strong and effective one is illustrated by IACM. Internal control capabilities can be enhanced by internal audit capabilities in increasingly sophisticated and complex businesses (MacRae, 2009). In addition, Combee (2015) states in his research that "Organizational culture is one of the most important indirect behavior within an organization." This statement clarifies that a work culture that has management support is a component that impacts the internal control capabilities. The following hypothesis is developed from the theory and earlier research:

H1: The Government Internal Supervisory Apparatus performs better when management support is provided.

In accordance with the findings of Permatasari's (2016) study, which looks at the steps of the external audit approach used to evaluate the internal audit function, the competence factor, objectivity, and performance of internal auditors are factors that influence the internal strength of the audit. Kirana (2016), in his study on the effectiveness of the internal audit function as well as the factors that influence and the implications to the quality of financial reporting, stated that audit objectivity influenced the effectiveness of the internal audit function. The following hypothesis is derived based on the theory and earlier research:

H2: The effectiveness of the government's internal supervisory apparatus is positively impacted by objectivity.

Competency's Effect on Government Internal Supervisory Apparatus Performance In his study on the "gap" between hard and soft control, Chitoui (2012) asserts that one component of soft control in enhancing internal control is educational requirements, which are a component of competence. Burnaby, in the *Journal of Forensic and Investigative Accounting*, Vol. 3, issue 1, cites the research as follows:

"Knowledge, interpersonal skills, and internal audit standards are the top three skills required to be most effective at detecting their organization's fraud risk."

According to Burnaby (2014), the most crucial aspect of internal control, particularly fraud risk audit, is the proficiency of internal auditors and audit standards. The following hypothesis is developed from the theory and earlier research:

H3: The effectiveness of the Government Internal Supervisory Apparatus is positively impacted by competence.

Integrity is defined as a trait, personality, or situation that exhibits a cohesive whole with the capacity and propensity to radiate honor and truthfulness (Code of Ethics and Standards Audit, 2008). Integrity significantly and favorably affects internal audit quality (Permatasari, 2016). It also supports Kirana's (2016) assertion that honesty affects internal auditor performance. The following hypothesis is developed from the theory and prior research:

H4: The performance of the government's internal supervisory apparatus is positively impacted by integrity.

## **METHODOLOGY**

### **Research Objects**

Management Support, Auditor Objectivity, Auditor Competence, Auditor Integrity, and Performance of Government Internal Supervisory Apparatus in this case, the Head Office of BPKP are the research objects employed in this study.

### **Research Instruments, Data Types, and Research Measurements**

As a component of the Central Government's Internal Supervisory Apparatus, the Head Office of BPKP served as the major data source for this study. The research instrument employed in this study was a questionnaire, and the level of position was as follows: Technical controller, team leader, team member, and quality controller, or played on the quality control level. This study's measuring method is the Summated Rating Method, which uses a Likert scale to convert the qualitative data from the questionnaire into numeric data.

### **Population and Sampling Method**

#### **Sample**

The auditor at BPKP's head office is the study's target population. Cluster sampling is used in this investigation. When the population is homogeneous and its constituent members are heterogeneous, cluster sampling is employed (Sekar, 2010). In the Head Office of BPKP, the auditor population is divided into five clusters based on the deputy positions: the Cluster of Economic Deputy, the Cluster of Polhukam and PMK Deputy, the Cluster of PKD Deputy, the Cluster of State Accountant Deputy, and the Cluster of Deputy of Investigation. The samples were chosen by the researcher from every cluster in the BPKP Head Office.

#### **Data Analyzing Methods**

To identify specific social phenomena, a research study has to analyze its data and provide interpretations that try to address the research topic. Data analysis is the act of simplifying information so that it may be more easily understood and comprehended. The research pattern and the variables under study should be taken into consideration while selecting the data analysis approach.

#### **Data Analyzing Tools**

In this work, the multiple linear regression model was used to analyze the data. The sub-path line equation is utilized in the following way in this multiple linear regression model:

$$\text{KNRJ} = a + b_1 \text{DMNJ} + b_2 \text{KMPT} + b_3 \text{OBJT} + b_4 \text{INTG} + \varepsilon$$

Information:

KNRJ = APIP Performance

A = Constanta

$\varepsilon$  = error

DMNJ = Management Support

b1 = DMNJ regression coefficient  
KMPT = Competency Auditor  
b2 = Regression Coefficient KMPT  
OBJT = Auditor Objectivity  
b3 = OBJT Regression Coefficient  
INTG = Integrity Auditor  
b4 = Regression Coefficient INTG

### **Description of Respondents**

All responders were given questionnaires to complete in order to gather research data. All of the study's respondents are auditors working at the BPKP Head Office, which is separated into many clusters according to the kind of deputy: investigative, PKD, economic, Polhukam PMK, and state accountant. About 28 days are needed for the questionnaire to be distributed and for the collection of feedback. Out of the 100 questionnaires that were issued, 107 were returned completed, and all 107 of them may be utilized to analyze data. Thirteen surveys have not been returned. Auditors are not in the office very often because of the growing workload that the BPKP auditor is experiencing at the same time.

### **Description of Variables**

Four independent variables – Management Support (X1), Competence (X2), Objectivity (X3), and Integrity (X4) – are used in this study. Regarding the dependent variable, the Performance of APIP (Y) is the only dependent variable used. The following is a description of these variables:

#### **Description of Management Support**

The grand value of the respondents' answer mode for management support was calculated to be 4, falling between 4 and 5. This indicates that APIP's management support has been operating smoothly. However, there are still issues with the management support components among them, which may be attributed to the absence of infrastructure and technology to support the auditor's work. Furthermore, the budget amount's composition and the quantity of auditors who are not equivalent to the task were determined.

#### **Description of Competence**

The grand value of the respondents' competency response mode was calculated to be 4, falling between 4 and 5. Therefore, it indicates that the APIP auditor is capable of carrying out their responsibilities. Nonetheless, the competency factor has flaws, such as the challenge of earning audit certification and the dearth of regional certifications, as the majority of certifications are only carried out in Indonesia's major cities.

**Description of Objectivity**

The respondents' mode of objectivity's grand value, which falls between 4 and 5, was calculated to be 4. This demonstrates that the APIP auditor is fairly impartial in carrying out their responsibilities. The conflict of interest, which arises from a family or social tie between the inspected party and the auditor, is one of the objectivity element's remaining flaws.

**Description of Integrity**

The grand value of the respondent's mode of integrity was calculated to be 4, falling between 4 and 5. This indicates that the APIP auditor is carrying out their responsibilities with enough integrity.

**Description of APIP Performance**

The grand value of the respondents' mode of APIP performance was calculated to be 4, falling between 4 and 5. This indicates that the APIP auditor is doing well. The APIP performance factor still has flaws, though, since it is rarely used for jobs involving risk analysis; as a result, assignments with higher risk are more optimized than those with lower risk.

**RESULT**

**Data Analysis Results**

**Quality Testing**

**Validity Test**

The goal of a validity test is to determine if the items in the questionnaire that the respondents are given are feasible. If a questionnaire question may provide information that the questionnaire will use to assess anything, it is considered legitimate (Ghozali, 2006). According to the results of the validity test on management support instruments, each statement item's product moment (r-count) is more than r-table 0,210 (significant level 5%, with N=107). This suggests that the statement's items are legitimate and suitable for use as research data.

Table 1. Result Calculation of Multiple Linear Regression Analysis

	Unstandardized		Standardized		
	B	Std.Error	Beta		
(Constant)	0,057	0,268		0,2	0,833
Management	0,151	0,071	0,154	2,1	0,036
Competence	0,152	0,078	0,138	1,9	0,056
Objectivity	0,389	0,50	0,477	7,8	0,000
Integrity	0,303	0,71	0,320	4,2	0,000

Based on the regression coefficient contained in the table, obtained linear regression analysis equation as follows:

$$Y = 0,057 + 0,151 X_1 + 0,152 X_2 + 0,389 X_3 + 0,303 X_4 + \epsilon$$

Where as:

Y: APIP Performance

X1: Management Support

X2: Competence

X3: Objectivity

X4: Integrity

$\epsilon$  : Error

The constant value of 0.057 indicates that the APIP Performance value, the dependent variable, is 0.057 if the independent variable is regarded as constant. According to the management support regression coefficient of 0.151, APIP performance will rise by 0.151 points for every unit increase in management support. According to the competence regression coefficient of 0.152, APIP performance will rise by 0.152 points for every point that competency increases. According to the objectivity regression coefficient of 0.389, APIP performance will rise by 0.389 points for every point that competency increases. According to the integrity regression coefficient of 0.303, APIP performance will rise by 0.303 points for every point that competency increases.

#### Adjusted R2 Test

The degree to which the independent variable influences the dependent variable is tested using the determination coefficient. In essence, the coefficient determination (R<sup>2</sup>) assesses how well the model explains the variance of the dependent variable.

R-squared adjusted is 0.776. This indicates that differences in the four factors of Management Support, Competence, Objectivity, and Integrity account for 77.6% of the variance in APIP Performance. However, factors other than this regression model account for the remaining 22.4%.

#### Statistics F Test

To ascertain whether the regression model is viable to move on with, the F-statistic test is utilized to evaluate the regression relationship concurrently. If the value of f-count > f-table on degrees of freedom 5%, the hypothesis is statistically significant.

Table 2. Statistic F-Test Result

Model	Sum of Square	df	Mean Square	F	Sig.
Regressio	7,621	4	1,905	75,568	0,000
Residual	2,067	8	0,025		
Total	9,688	8			

The F count, as determined by the ANOVA or F Test in table 4.2 above, is 75.568 with a probability of 0.00. The regression model may be used to forecast APIP performance because the probability is significantly smaller than 0.05. Therefore, it can be said that the Government Internal Supervisory Apparatus's (APIP) performance is influenced by management support, competence, objectivity, and integrity.

**Statistic T-Test**

The significant relationship between each independent variable and the dependent variable is ascertained using the t test. To determine which independent variable significantly influences the auditor's performance in rendering the audit judgment, the t test is used (Ghozali, 2006). The following table displays the findings of the t test on the research variables:

Table 3. Statistic t Test Result

<b>Variabel</b>	<b>t count</b>	<b>t tabel</b>	<b>Sig.</b>	<b>Conclusion</b>
Management Support	2.130	1,987	0,036	Supported
Competence	1,939	1,987	0,056	Not Supported
Objectivity	7,848	1,987	0,000	Supported
Integrity	4,280	1,987	0,000	Supported

The table above shows that the t-count value for the integrity, objectivity, and management support variables is higher than the t table value with a significance value less than 0.05. This indicates that the dependent variable of APIP Performance is significantly impacted by the factors of integrity, objectivity, and management support. The competence variable has no discernible impact on APIP performance, as indicated by the fact that its t value is less than the t table and its significance value is higher than 0.05.

## DISCUSSION

According to the results (0.036,0.05), the management support variable has a beneficial impact on the quality of the audit result, supporting the H1 hypothesis. Furthermore, the quality of audit results is impacted by managerial support concurrently, according to the F test. The presence of positive influence suggests that increased management assistance will result in improved APIP performance.

The findings of this study are consistent with those of earlier research by Sanjiwani (2016) and Lenz (2015), which demonstrated that management support had an impact on internal auditor performance. This finding indicates that performance will increase in proportion to the level of management support the internal auditor has. However, this study's findings contradict those of Santosa (2016), who found that human resources are the most crucial component in raising internal auditor performance.

Internal audit is an impartial activity that offers guarantee of trust and consultation intended to add value and improve organizational operations, according to the Institute of Internal Auditors Research Foundation (Aswar, 2019). By offering a methodical, disciplined strategy to assess and enhance the efficacy of risk management, control, organizational governance, and management procedures, internal audit assists the company in achieving its goals.

The quality of audit results is positively impacted by the competency variable. However, the hypothesis H2 is not supported, as indicated by the significance value of  $0.056 > 0.050$ . Competency also affects the quality of audit results concurrently with the F test. Positive influences suggest that greater APIP performance will follow from an auditor's increased expertise.

The study's findings are consistent with those of Dewi and Ketut (2015), who found no discernible relationship between competency and internal auditor quality. This clarifies that an internal auditor's higher ability level does not ensure that the audit will produce high-quality results. However, competence has a favorable and considerable effect on the quality and performance of its internal audit, as demonstrated by previous research, including.

According to the Institute of Internal Auditors Research Foundation (2007), competency is the capacity to carry out duties or responsibilities in an appropriate manner. Knowledge, abilities, attitudes, and personal values are all integrated into competence. competence derived from job experience and knowledge and abilities. This indicates that excellent competence develops progressively in accordance with auditing experience.

If you re-interview the respondents and base your conclusions on the circulated surveys. The findings indicate that the competency section's questions 8, 9, and 10 make reference to the audit risk assessment and sampling exam. It is seldom carried out in the government's internal supervisory apparatus since the majority of audits are undertaken on demand, allowing the relevant stakeholders to choose the sample test and risk assessment.

The significance value of  $0.000 < 0.050$  indicates that the objectivity variable has a favorable impact on the quality of audit results, supporting hypothesis H3. The quality of audit results is also impacted concurrently by objectivity, according to the F test. Positive influence shows that objectivity and APIP performance are directly correlated; the more objective the auditor, the better the APIP performance.

The study's findings are consistent with earlier research by Kirana (2016) and Permatasari (2016), which demonstrated that objectivity significantly and favorably affects internal auditor performance. Accordingly, better performance would be attained the more objective the auditor is. However, study by Gamayuni (2016) shows that objectivity has a positive but considerable influence on audit quality, yielding conflicting findings.

Integrity is a trait, condition, or attribute that demonstrates a cohesive whole with the capacity and potential to radiate honesty and dignity. The foundation for faith in its consideration is established by the integrity of APIP. According to the APIP Code of Ethics and Auditing Standards (2008), integrity encompasses not just honesty but also fair relationships and real-world situations.

The purpose of this study was to investigate how four independent variables affected APIP performance. The four factors are integrity, competence, objectivity, and managerial support. The researcher came to the following conclusions based on the issue definition, hypothesis development, and study findings:

1. The APIP performance is significantly impacted by management support.
2. The APIP Performance is not significantly impacted by the internal auditor's proficiency.
3. The APIP Performance is significantly impacted by the internal auditor's objectivity.
4. The APIP Performance is significantly impacted by internal auditors.

This study has the following limitations:

1. Only four independent variables management support, competence, objectivity, and integrity are included in this study. covering 77.6% of the total without looking at 22.4% of the variables that are not part of the model.
2. It's possible that the respondent's understanding and what the researcher offers will have different perspectives. This is due to the fact that the researcher is unable to communicate directly with the responder and explain the purpose and content of the study, which reduces the likelihood of bias.

## CONCLUSION AND RECOMMENDATION

The following are the researcher's recommendations based on the findings of the study:

1. The most significant factors affecting APIP performance is management support. Therefore, it is essential to provide more facilities and technology infrastructure to enable internal auditing in order to boost the support that internal audit management receives. In order to get the highest possible APIP performance, the budget and the number of auditors must be properly balanced.
2. In order to achieve strong APIP Performance, it was necessary for management or the auditor to be aware that there could be no social or familial ties between the audited party and the auditor.
3. Integrity has a significant role in enhancing APIP effectiveness. Firm action must be taken against auditors who engage in or follow practices that might bring the profession into disrepute.
4. A thorough planning process is essential to achieving a high APIP performance; risk analysis should be the first task assigned. As a result, the assignment with a higher risk should be prioritized above the one with a lower risk.

In summarizing the study's findings, we should note that the contingency theory served as a foundation for the key conclusions and recommendations. However, there are a number of leadership literature streams that may be employed for additional study. First of all, it's fascinating to examine if research on empowering leadership may be applied to the government control structure. Second, although it needs further research, the literature on transformational leadership is among the most potent paradigms and can contribute to a better understanding of person-situation interactions. Of course, there is more room for discussion on the quantity and characteristics of variables.

Future research should look at the mechanisms and adverse consequences of leadership characteristics, even if the current study demonstrates the favorable relationships between four independent variables and APIP performance. Although the variables and limitations in our framework are pertinent and tailored to the research's goal, we did not intend for it to be all-inclusive.

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