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# Factors Affecting the Performance of Indonesian Government's Internal Supervisory

*Factores que afectan el desempeño de supervisión interna del gobierno indonesio*

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### ABSTRACT

The role of the Indonesian government's internal oversight apparatus (APIP) in guiding and supervising government institutions obliges them to maintain and improve its performance. This paper investigates the effect of management support, competence, objectivity, and integrity on the performance of the government's internal oversight apparatus. The tool used in this data processing is SPSS. The results show that support for management, objectivity and integrity have a significant effect on APIP performance, while competition has a non-significant effect on APIP performance. Governments should be involved in supporting APIP performance by creating policies that can improve the management of internal oversight officers.

**Keywords:** APIP performance, internal audit, internal auditor competency, management support, Indonesia.

### RESUMEN

El papel del aparato de supervisión interna del gobierno indonesio (APIP) en la orientación e inspección de las instituciones gubernamentales los obliga a mantener y mejorar su desempeño. Este trabajo investiga el efecto del apoyo a la gestión, la competencia, la objetividad y la integridad en el desenvolvimiento del aparato de supervisión interna del gobierno. La herramienta utilizada en este procesamiento de datos es SPSS. Los resultados muestran que el apoyo a la gestión, la objetividad y la integridad tienen un efecto significativo en el desempeño de APIP, mientras que la competencia tiene un efecto no significativo en el desempeño de APIP. Los gobiernos deben participar en el apoyo al desempeño de APIP mediante la creación de políticas que puedan mejorar la gestión de los oficiales de supervisión interna.

**Palabras clave:** Apoyo a la gestión, auditoría interna, competencia del auditor interno, desempeño APIP, Indonesia.

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## INTRODUCTION

The profession as an auditor has the responsibility to supervision task that is an audit which they do to maintain the professionalism of performance that is executed, so as to produce the result of audit which is competent and reliable (can be guaranteed its curiosity). The performance of a profession can be measured from a predetermined standard, where quality is related to the quality of the resulting performance and quantity is the amount of work produced within a certain amount period of time that has been planned.

The condition and performance of an organization's internal audit can determine how the organization goes forward. The better internal audits that exists within the organization, the easier it will reach its goals. One of the determinants of auditor performance is the code of ethics of internal audit itself. The code of ethics in an internal audit consists of several elements, namely independence, integrity, objectivity, and secrecy.

In addition to the factors of the auditor, the performance of the internal audit is also influenced by its management. As expressed by Lenz (2015), stakeholder pressure affects internal audit performance; also, objectivity and independence are influenced by two factors, namely individual and organizational factors.

In the current era of globalization, the internal control performances are related to the capability of internal control in order to meet the requirements of the organizational governance and professional expectation has become a necessity. Along with that, all of the components of the government are located at the level of ministries/institutions, central governance, provincial and district/city. Not only in Indonesia but worldwide, it is also recognized the importance of internal control through the capabilities of its apparatus in order to achieve effective and efficient public sector governance (Adli: 2010, pp.9-127).

Realizing the importance of this, the Institute of Internal Audit (IIA) through its research institute association, the Institute of Internal Auditor Research Foundation (IIARF) built a model of general measurements for public sector governance that measure the internal control capabilities. A model of the assessment called the Internal Audit Capability Model (IACM) was developed since 2006. The internal control assessment method developed by IIARF was adopted by Indonesia's government, known as the Governments Internal Supervisory Apparatus (APIP) Capabilities Measurement (Allison Dale: 2003; Sukier et al.: 2020).

In order to achieve efficiency, effectiveness, and economics in every activity, the most important thing that needs to be improved is the Governments Internal Supervisory Apparatus itself. With the increasing performance of the Internal Control Officers, it will be easier to achieve the goals of the organization. Due to the good performance of the Governments Internal Supervisory Apparatus, the acts of fraud that occur will be smaller with the tight supervision made (Motyer: 2020, pp.58-98).

In relation to the improvement of the Governments Internal Supervisory Apparatus performances, there are previous studies showing which factors influenced the improvements. The result of Lenz's (2015) study concludes that stakeholders or management influences the performance of internal control. The study is in line with the research done by Sanjiwani (2016), which concluded that leadership and organizational commitment have a positive effect on the performance of internal control. This means that the performance of APIP's internal control can be achieved well if there is support from management. However, according to Santosa (2016), human resources are more important than management support in improving the effectiveness of internal control.

The competencies of the Government's Internal Supervisory Apparatus also affect the performance to be achieved. This is supported by Permatasari's (2016) study, which concludes that competence affects the performance of auditors. The study is in line with research conducted by Gamayuni (2016), which concludes that competence affects the quality of internal audit. These studies can be interpreted if you want to get a good performance; one of the factors that need to be improved is competence. But unlike the result of research conducted by Dewi (2015), in her research, concluded that competence does not affect the quality of internal audit. In the study said that the competence of the auditor does not guarantee the achievement of good internal audit quality either.

Other factors affecting the performance of the Government Internal Supervisory Apparatus are objectivity. This is supported by previous studies. In her research Kirana (2016), concluded that objectivity affects the performance of internal control. The result of the research is also supported by Permatasari (2016) study, which concludes that one of the factors affecting auditor performance is objectivity. These studies mean that the higher the auditor's objectivity, the better the performance will be achieved. But research done by Gamayuni (2016) said that the objectivity of internal auditors has a positive but not significant impact on the quality of internal audit.

Integrity is also a factor affecting the performance of APIP. The statement is supported by research conducted by Permatasari (2016) and Kirana (2016), which concluded that integrity positively affects the performance of internal auditors. This means that the higher the level of integrity that internal auditor has, the higher the performance that will be achieved. However, different results were found in the research conducted by Sukriah (2009). In his research stated that the integrity of the auditors does not affect the quality of the internal audit itself. It is because the auditor is still considering the circumstances of the audited that make its audited violate the prevailing provisions.

Research using the variables of competency, objectivity, and integrity has been done quite a lot in Indonesia. But most of the research studies only the influence of competency, objectivity, and integrity to audit quality or the performance of the auditor. This research is more directed to research done by Permatasari (2016) but by using management support as one of the influencing factors besides the competency, objectivity, and integrity, and to analyze its influence to the performance of government internal supervisory apparatus, not the performance of the auditor.

This studies purposes to get empirical evidence of management support, competency, objectivity, and integrity influences to performance of government internal supervisory apparatus. In line with the purpose, this study aims to give an overview of the conditions that may affect the performance of government internal supervisory apparatus and provide input and suggestion about how to conduct a good internal supervisory in order to improve the financial performance.

Based on the above description, the researcher uses the factors affecting the APIP performance namely management support, competency, objectivity, and integrity write research with the title Factors Affecting the Performance of Government Internal Supervisory Apparatus.

## **LITERATURE REVIEW**

### **Contingency Theory**

The leadership academic literature is widely presented by several streams, such as trait theory (Zaccaro et al.: 2004, pp.124), behavioural theory (Stogdill & Coons: 1957), situational or contingency theory, transformational leadership theory (Ghasabeh et al.: 2015, pp.459-467). And a new wave of empowering leadership studies (Sharma & Kirkman: 2015, pp.193-237). The contingency (or situational) theory is chosen to be the core of the current research mostly because of the main suggestion that leadership depends on the situation.

Fiedler's contingency model or theory sees that the effective group depends on a match between the leader style that interacts with the subordinate so that the situation becomes the controller and influences the leader. Leadership will not occur in a social or environmental void. Leaders try to influence the group members in relation to specific situations (Atkins: 2020, pp.500-513).

Since the situation can vary greatly along different dimensions, therefore only make sense to estimate that there is no single style of leadership approach that will always be best. However, as we have seen that the most effective strategy may vary from one situation to another, acceptance of this basic fact underlies the theory of leader effectiveness developed by Fiedler, who explains his theory as a Contingency Approach. The central assumption of this theory is that leader's contribution to the success of performance by his group is

determined by both the characteristics of the leader and by the variety of conditions and situations. In order to fully understand the effectiveness of the leader, both of these should be considered (Freeks: 2016, pp.236-248).

Contingency theory looks at situational aspects of leadership (organization context). Fiedler says that there are two types of leadership variables: Leader Orientation and Situation Favorability. Leader Orientation is whether the leader in an organization is oriented towards a relationship or task-oriented. The Orientation Leader is known from the semantic differential scale of the least favoured peer in the organization (Least Preferred Coworker (LPC)). LPC is high if the leader does not like colleagues, while the low LPC indicate leaders who are ready to accept co-worker to work together. A high LPC score suggests that the leadership-oriented leader, on the other hand, the low LPC score indicates that the leader is crossing the line. Fiedler predicts that leaders with low LPC who are task-oriented will be more effective than high LPC leader, those who prioritize people's orientation or a good relationship with people when the situation control is very low or very high. Conversely, leaders with high LPC will be more effective than leaders with low LPC if the control situation is moderate.

Situation favorability is the extent to which the leader can recognize a situation, determined by three situational variables, namely:

1. Leader-Member Orientation: the personal relationship between the leader and its members.
2. Task Structure: the level of task structure provided by the leader to be done by members of the organization.
3. Position Power: the level of power that an organization leader obtains because of the position.

In contour theory, conditional factors can be grouped into several variables: culture, organizational, interpersonal and individual.

### **Internal Control**

Committee of Sponsoring the Organization of The Treadway Commission issues a definition on internal control. The COSO definition of the internal control system is a process involving boards of the commissioner, management and other personnel, designed to provide reasonable assurance about achieving the following three objectives:

- a. Effectiveness and efficiency of operations

The focus of this goal is securing asset, with periodic asset loss prevention and detecting and reporting asset loss. While from the financial side, aims to improve quality, productivity, environmental support and liquidity. All these aspects will harmoniously create the vision, mission, and purpose of the establishment of the entity will be achieved.

- b. Reliability of financial reporting

The purpose of reliability of financial reporting is as a means of accountability for internal stakeholders as well as external stakeholders. The most noticeable benefit of financial reporting reliability for internal stakeholders is in management decision making. Very many decisions made by management based on the financial statement such as determining the allocation of future costs and can also determine targets in the next period. In addition to internal stakeholders, the reliability of financial reporting is also very useful for external stakeholders, and these external stakeholders utilize the reliability of financial statements to make an investment or not.

- c. Compliance with applicable laws and regulations

The applicable laws and regulations should be a minimum standard for the entity in carrying out its activities. If you want to be more advanced than a similar entity, the entity must dare to be different than similar entities, one way by making the minimum standards applicable to the entity is higher than the rules or laws generally accepted in the region.

In his journal entitled soft control: what is the starting point for internal auditors, Combee (2015) says:

"A soft control is a (control) measure that – more than hard controls – intervenes in or appeals to employee's individual performance (conviction, personality). Soft controls can be regarded as measures influencing employee's motivation, loyalty, integrity, inspiration and standards and values."

Internal auditing is an independent appraisal function established within an organization to review and evaluate organizational activity as a form of service provided to the organization.

Another definition of internal auditing by The Institute of Internal Auditors Research Foundation in his book Common Body of Knowledge, as follows:

Internal audit as an independent activity, which provides assurance of confidence and consultation designed to provide an added value to enhance organizational operations. Internal audit helps the organization to achieve its objectives by providing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and organizational governance and management processes.

### **Objectivity**

All internal audit activities must be independent and objective in carrying out their duties. Objectives are attitudes that must be owned by internal auditors in conducting examinations and should always avoid conflicts of interest, with attitudes possessed by the auditor then the internal auditors allow to conduct the examination in earnest, true, and confident about his work.

In his journal at the National Symposium on Accounting XIX in Lampung, Gamayuni (2016) says, the objectivity of internal auditors has no significant effect on the effectiveness of the internal audit function. Internal auditors (unbiased, neutral, non-conflictive interest) must be accompanied by an internal auditor competitor to be able to create effective internal functions.

### **Competence**

The Institute of Internal Auditors Research Foundation states that: "Competence is defined as the ability to adequately perform a task, duty or role. Competence integrates knowledge, skills, personnel values and attitudes. Competence builds knowledge and skills and is acquired through work experience and learning by doing."

In line with the CBOOK studies definition of study by the IIA Research Foundation, Picket (2010) reveals: "Internal audit is the access to knowledge, skills, and other competencies needed to perform their individual responsibilities."

Based on the definition obtained from the above sources can be concluded that internal auditors should have the knowledge, skills, abilities, and sufficient experience in carrying out its duties. The competence of internal auditors (education, skills, expertise, and behaviour) is a very important factor in creating an effective internal audit function. Therefore, it is necessary to increase the competence of internal auditors, among others by conducting continuous Education and Training (PPL) for internal auditors regularly and continuously (every year), especially on Government Accounting Standards (SAP) and Government Internal Control System (SPIP), and other PPL.

### **Integrity**

Integrity is a quality, character, or state that shows a unified whole that has the potential and ability that exudes dignity and honesty. The integrity of internal government auditors builds trust and thus provides the basis for trust in its consideration. Integrity expresses not only honesty but also fair relationships and actual circumstances.

## **Management Support**

In his journal at The National Symposium on Accounting XIX in Lampung, Gamayuni (2016) said the management support of local government is an important factor for the effectiveness of the internal audit function so that the local government needs to increase the number of Auditor Functional Position (JFA) sufficient in accordance with the number of objects examined for the task load internal auditor is not excessive, head of local government (Governor / Mayor / Bupati) need to hold the degree of supervision or coordination meeting on a regular basis and follow up the audit findings and recommendations. Provincial/municipality reGENCY governments should make regulations (Governor/Regent/Mayor Regulations) governing accounting and regulatory policies governing technical implementation guidelines for Government Internal Control Systems (SPIP) as guidelines for work.

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

One tool that can be used to measure the performance of the Government Internal Supervisor is a model of the assessment called the Internal Audit Capability Model. The model was developed in 2006 by an internal auditor research institute and patented into the model in 2009. The model was designed with the aim that public sector governance has universal modelling emphasizing the importance of the Government Internal Collective Apparatus. IACM is an example of work that identifies the fundamental aspects needed for the realization of an effective internal audit unit in the public sector. IACM refers to the evolution that the work unit's organization needs to follow in the development of an effective internal audit unit that meets the professional expectations and needs of organizational governance. IACM demonstrate the steps of the development of the internal audit unit from an under-served level to a strong and effective level. Internal audit effectiveness with more mature and complex organizations.

## **Hypothesis Development**

### **Influence of the management support to performance of Government Internal Supervisory Apparatus**

Chitou (2012) stated that one of the hard control factors is the legitimacy trust given by management to the internal control itself. From these studies, concluded that management support has an effect on internal control. In line with the statement, Allsup (2009) also stated the same thing about management support for internal control. "Auditing soft control is something that will stay, not a passing fad. We, as professional, must address the organization's commitment", according to Allsup (1999) organizational commitment in 2009. The model is designed with the aim that public sector governance has a universal model in emphasizing the importance of the Government Internal Collective Apparatus.

IACM is an example of work that identifies the fundamental aspects needed for the realization of an effective internal audit unit in the public sector. IACM refers to the evolution that the work unit's organization needs to follow in the development of an effective internal audit unit that meets the professional expectations and needs of organizational governance. IACM demonstrates the steps of the development of the internal audit unit from an under-served level to a strong and effective level. Internal audit capabilities with more mature and complex organizations are things that can improve internal control capabilities. In addition, Combee (2015) in his research says "One of the most important indirect behaviour within an organization is the Organizational culture", the statement explains that a work culture that is one of the support of management is a factor that affects the internal control capabilities. Based on the theory and previous research hypothesis is derived as follows:

H1: Management Support positively affects the performance of the Government Internal Supervisory Apparatus

### **The Effect of Objectivity on Performance of Government Internal Supervisory Apparatus**

The result of Permatasari's (2016) studies examine the stages of the approach used by external audit in evaluating the internal audit function, and the results found that the competence factor, objectivity and performance of internal auditors in an influential factor to the internal strength of the audit. In line with the research, Kirana (2016) in his research on the effectiveness of internal audit function as well as the factors that influence and the implication to the quality of financial reporting stated audit objectivity influenced the effectiveness of internal audit function. Based on the theory and previous

the research hypothesis is derived as follows:

H2: Objectivity positively affects the performance of Government Internal Supervisory Apparatus

### **Influence of Competence on Performance of Government Internal Supervisory Apparatus**

According to Chitoui (2012) in his research that focuses on the "gap" between hard control and soft control that in improving an internal control one aspect of soft control is educational requirements, which is part of the competence. In line with the study, Burnaby in the Journal of Forensic and Investigative Accounting Vol. 3 issue 1 states:

"The top three skills needed to be most effective at detecting their organization's fraud risk are knowledge, intrapersonal skills and internal audit standards".

So according to Burnaby (2014) knowledge, the competence of internal auditors and audit standards is the most important thing in internal control, especially fraud risk audit. Based on the theory and previous research hypothesis is derived as follows:

H3: Competence positively affects the performance of the Government Internal Supervisory Apparatus

### **Influence of Integrity to the Performance of Government Internal Supervisory Apparatus**

Integrity is a quality, character, or circumstance that demonstrates a unified whole that has the potential and capability that exudes dignity and honesty. Integrity has a positive and significant impact on the quality of internal audit. It is also in line with Kirana (2016) says that the performance of internal auditors is influenced by integrity. Based on the theory and previous research, the hypothesis is derived as follows:

H4: Integrity positively affects the Performance of Government Internal Supervisory Apparatus.

## **METHODS**

### **Research Objects**

The research object used in this study is Management Support, Auditor Objectivity, Auditor Competence, Auditor Integrity, and Performance of Government Internal Supervisory Apparatus which in this research is Head Office of BPKP

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

Source of data used in this research is primary data source with research instrument in the form of questionnaire at Head Office of BPKP as one part of Internal Supervisory Apparatus of Central Government with level of position as follows: Team member, Team Leader, Technical Controller, and Quality Controller or played on the level of Quality Control. The measurement technique used in this research is to change the data that is qualitative in the result of the questionnaire obtained into quantitative data by Summated Rating Method: Likert Scale.

## Population and Sampling Method

### Sample

Target population in this study is the auditor at the Head Office of BPKP. This study uses cluster sampling area. Cluster sampling is used when there is homogeneity among the population and there is heterogeneity among elements in the population. Auditor population of Head Office of BPKP has 5 cluster based on Deputy in the Head Office of BPKP are Cluster of Economic Deputy, Cluster of Deputy of Polhukam and PMK, Cluster of Deputy of PKD, Cluster of Deputy of State Accountant, and Cluster of Deputy of Investigation. From all Cluster, the researcher selected the samples from all clusters in the Head Office of BPKP.

### Data Analyzing Methods

A research study requires analysis of its data and interpretations that aim to answer research question in order to uncover certain social phenomena. The data analysis is a simplified process of simplifying in a simpler form to understand and interpreted. The method chosen for analyzing the data should be in accordance with the research pattern and the variables studied.

### Data Analyzing Tools

In analyzing the data in this study using the multiple linier regression model. The equation used in this multiple linier regression model uses the sub-path line equation as follows:

$$\text{KNRJ} = a + b1 \text{ DMNJ} + b2 \text{ KMPT} + b3 \text{ OBJT} + b4 \text{ INTG} + \varepsilon$$

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

### This study has the following limitations:

1. This research is only limited to four independent variables, namely management support, competence, objectivity, and integrity. Newly covering 77.6%, without examining 22.4% other variables outside of the model.
2. There is a possibility of differences in perceptions between what the researcher submits and what the respondent understands; this is because the researcher cannot interact directly with the respondent, and explain the content and intent of the research, so that the possibility of bias will be smaller.



## **RESULTS**

### **Descriptive Analysis**

#### **Description of Respondents**

Research data obtained by distributing questionnaires to all respondents. Respondents in this study are all auditors at Head Office of BPKP which is divided into several clusters based on deputy namely, economic deputy, PKD deputy, Polhukam PMK deputy, state accountant deputy, and investigative deputy. The time required for the distribution of the questionnaire and to accumulate feedback is approximately 28 days. Of the total of 100 questionnaires distributed, the 87 questionnaires was returned fulfilled and all 87 can be used for data processing. The number of not returned questionnaires is 13. It is due at the same time that the burgeoning workload is occurring in the BPKP auditor, so auditors are not very often in the office.

#### **Description of Variables**

This study uses 4 independent variables, namely Management Support (X1), Competence (X2), Objectivity (X3), and Integrity (X4). As for the dependent variable using one dependent variable that is the Performance of APIP (Y). The description of these variables is described as follows:

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

Calculation of the grand value of the response mode of respondents regarding management support of 4 which is in the interval range 4-4.5. Thus it means that the management support on APIP has been running well. But there are still weaknesses of the management support elements among them, that are explained by the lack of facilities and infrastructure technology that support the task of the auditor. In addition, the composition of the budget amount, the number of auditors that are not comparable with the assignment was made.

#### **Description of Competence**

Calculation of the grand value of the response mode of respondents regarding competence of 4 which is in the interval range 4-4.5. Thus it means that the auditor at APIP is competent enough in performing its duties. However, there are weaknesses in the competency element, namely the difficulty of obtaining certification in the field of audit, not many certifications conducted in the regions, because most of the certification is conducted only in big cities all over Indonesia.

#### **Description of Objectivity**

Calculation of the grand value of the respondent's mode of objectivity of 4 which is in the interval range 4-4.5. This means that the auditor of APIP is quite objective in performing its duties. However, there are still weaknesses of the objectivity element, one of which is the conflict of interest, between the auditor and the audited party having a familial or social relationship that causes a conflict of interest.

#### **Description of Integrity**

Calculation of the grand value of the respondent's mode of integrity of 4 which is in the interval range 4-4.5. This means that the auditor of APIP is sufficiently integrity in performing its duties.

#### **Description of APIP Performance**

Calculation of the grand value of the respondent's mode of APIP performance of 4 which is in the interval range 4-4.5. This means that the auditor of APIP has a good performance. However, there are still weaknesses of APIP performance element, which is rarely performed tasks with risk analysis, so the assignment with a greater risk is more optimized than the assignment that has a small risk.

## Data Analysis Results

### Data Quality Testing

#### Validity Test

Validity Test is done with the purpose of knowing the feasibility of the items in the questionnaire given to the respondents. The questionnaire is said to be valid if the question on the questionnaire is able to reveal something that will be measured by the questionnaire. The result of the validity test on management support instruments shows that product moment (r-count) of each item of the statement is bigger than r-table 0,210 (significant level 5%, with N=87), so it can be concluded that the items of the statement are valid and can be used as research data.

From the instrument validity test for Competence, Objectivity, integrity, and APIP Performance, shows that the product moment (r-count) of each item of statement is greater value of r-table 0.210 (significant level 5%, with N=87), so it can be concluded that the items of the statement are valid, and all items of statement can be used as research data.

#### Hypothesis Test

#### Multiple Linear Regression Equation Test

The purpose of multiple linear regression test is to test the relationship of influence between one variable to other variables. From the test results using multiple linear regression analysis method with SPSS 21, obtained partial regression coefficient as in the table below:

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,057	0,268		0,211	0,833
Management Support	0,151	0,071	0,154	2,130	0,036
Competence	0,152	0,078	0,138	1,939	0,056
Objectivity	0,389	0,50	0,477	7,848	0,000
Integrity	0,303	0,71	0,320	4,280	0,000

**Table 1.** Result Calculation of Multiple Linear Regression Analysis

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

$$Y = 0,057 + 0,151 X_1 + 0,152X_2 + 0,389X_3 + 0,303X_4 + \epsilon \quad (1)$$

Where as:

Y: APIP Performance

X1: Management Support

X2: Competence

X3: Objectivity

X4: Integrity

$\epsilon$  : Error

The constant value of 0.057 explains that if the independent variable is considered constant, then the dependent variable, the APIP Performance value is 0.057. The management support regression coefficient of 0.151 explains that each 1-point increase on management support, APIP performance will also increase by 0.151 points. The competence regression coefficient of 0.152 explains that every 1-point increase on competency, APIP performance will also increase by 0.152 points. The objectivity regression coefficient of 0.389 explains that every 1-point increase on competency, APIP performance will also increase by 0.389 points. The integrity regression coefficient of 0.303 explains that every 1-point increase on competency, APIP performance will also increase by 0.303 points.

**Adjusted R<sup>2</sup> Test**

Determination coefficient is used to test how much the independent variable influence the dependent variable. The coefficient determination (R<sup>2</sup>) essentially measures how far the ability of the model in explaining the variation of the dependent variable.

Adjusted R Square is 0.776. This means that 77.6% of APIP Performance variation can be explained by variations of the four Management Support, Competence, Objectivity, and Integrity variables. While the rest of 22.4% is explained by other causes beyond this regression model.

**Statistics F Test**

The F-statistic test is used to test the regression relationship simultaneously which aims to determine whether the regression model is feasible to proceed. Hypothesis is statistically significant if the value of f-count > f-table on degrees of freedom 5 %.

Model	Sum of Square	df	Mean Square	F	Sig.
Regression	7,621	4	1,905	75,568	0,000
Residual	2,067	82	0,025		
Total	9,688	86			

**Table 2.** Statistic F-Test Result

From ANOVA or F Test in the table 2 above obtained the value of F count is 75.568 with a probability of 0.00. Due to the probability of much less than 0.05 then the regression model can be used to predict APIP Performance. Thus, it can be concluded that the Management Support, Competence, Objectivity, and Integrity affect the Performance of Government Internal Supervisory Apparatus (APIP Performance).

**Statistic t-Test**

The t test is used to determine the significance relation of each independent variable to the dependent variable. The t test is performed to detect further which of the independent variable has a significant effect on the auditor's performance in making the audit judgment. The result of t test on the research variables can be seen in the following table:

Variabel	thitung	ttabel	Sig.	Conclusion
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

**Table 3.** Statistic t Test Result

It can be seen from the table above that the t-count value for management support, objectivity, and integrity variables is greater than the value of t table with a significance value smaller than 0.05. This shows that the variables of management support, objectivity, and integrity have a significant influence on the dependent variable of APIP Performance. While for the competence variable, t is smaller than t table with a significance value greater than 0.05, it shows that the competency variable has no significant effect on APIP Performance.

## **DISCUSSION**

### **Effect of Management Support on APIP Performance**

The management support variable has a positive effect on the quality of audit result, as shown on the result 0.036, 0.05, so the H1 hypothesis is supported. In addition, from the F test, management support simultaneously affects the Quality of Audit Results. Positive influence indicates that the higher management support will lead to higher APIP Performance.

The result of this study is in line with the result of previous studies by Sanjiwani (2016) and Lenz (2015) which proves that management support affect the performance of internal auditors. This result shows that the higher level of management support owned by the internal auditor, the higher the performance will also be achieved. But the result of this study is not in line with the research result of Santosa (2016), which proves that the most important factor in improving the performance of internal auditors is human resources.

The Institute of Internal Auditors Research Foundation states that internal audit as an independent activity, providing assurance of confidence and consultation designed to provide added value and enhance organizational operations. Internal audit helps the organization to achieve its objectives by providing a systematic discipline approach to evaluate and improve the effectiveness of risk management, control, and organizational governance and management processes.

### **Competence Influence on APIP Performance**

The competence variable has a positive effect on the quality of audit results. However, the significance value of  $0.056 > 0.050$  shows that the hypothesis H2 is not supported. In addition, to the F test, competence has an effect simultaneously on the quality of audit result. Positive influence indicate that the higher the auditor's competency will lead to higher APIP Performance.

The results of this study are in line with the research by Dewi and Ketut (2015), which proves that competence has no significance effect on internal auditor quality. This explains that the higher the competency level of internal auditor does not guarantee that the performance to be achieved from the internal audit will be good. However, in other studies, namely Permatasari (2016) and Gamayuni (2016) proved that competence has a positive and significant influence on the quality and performance of its internal audit.

The Institute of Internal Auditors Research Foundation states that competence is defined as the ability to adequately perform tasks or roles. Competence integrates knowledge, skills, personal values and attitudes. Competence built on knowledge and skills and gained through work experience. This means that good competence is formed gradually in line with experience in conducting the audit.

If you draw the conclusions based on the questionnaires that have been distributed, and re-interview the respondents. Results show that questions 8, 9, and 10 in the competency section, questionnaire referring to the sampling test and audit risk assessment. It is rarely conducted in the Government's Internal Supervisory Apparatus, because most of the audits conducted are audit with demand, so that the sampling test and risk assessment are determined by the stakeholders concerned.

### **Effect of Objectivity on APIP Performance**

The objectivity variable has a positive effect on the quality of audit results, as shown on the significance value of  $0.000 < 0.050$ , so hypothesis H3 is supported. In addition, from the F test, objectivity affects simultaneously the quality of audit results. Positive influence indicates a direct relationship between objectivity with APIP performance, the higher the auditor's objectivity leads to higher APIP Performance.

The results of this study are in line with previous research done by Kirana (2016) and Permatasari (2016) which proved that objectivity has a positive and significant effect on the performance of its internal auditors. This means that the higher the auditor's objectivity level the higher performance will be achieved, but different results are found in the research conducted by Gamayuni (2016) which proves that objectivity has positive but significant impact on audit quality.

The Institute of Internal Auditors Research Foundation states that all internal audit activities should be independent and objective in carrying out their duties. Objective is an attitude that must be owned by internal auditors in carrying out the examination and should always avoid conflict of interest. With attitudes possessed by the auditor then the internal auditors make it possible to conduct the examination in earnest, true and confident in their work.

### **Effect of Integrity on APIP Performance**

The integrity variable has a positive effect on the internal audit performance, this is shown on the significance value of  $0.000 < 0.050$ , is hypothesis H4 is supported. In addition, from the F test, integrity affects simultaneously with the internal audit performance. Positive effect indicates a direct relationship between objectivity and internal audit performance, the higher the auditor's objectivity, leads to higher APIP Performance.

The results of this study are in line with previous research done by Kirana (2016) and Permatasari (2016) which proved that integrity has a positive and significant effect on the performance of its internal auditors. This means that the higher the level of auditor's integrity the higher performance will be achieved, but different results are found in the research conducted by Sukriah (2009) which proves that integrity does not affect audit quality.

Integrity is a quality, character, or state that shows a unified whole that has the potential and ability that exudes dignity and honesty. The integrity of APIP builds trust and thus provides a basis for trust in its consideration. Integrity not only expresses honesty, but also fair relationship and actual circumstances.

## **CONCLUSION**

This study was conducted to examine the effect of four independent variable on APIP Performance. The four variables are management support, competence, objectivity, and integrity. Based on the formulation of the problem, hypothesis formulation and research results, the researcher draw the following conclusions:

1. Management support has a significant effect on the APIP performance
2. The competence of the internal auditor has no significant effect on the APIP Performance
3. The objectivity of the internal auditor has a significant effect on the APIP Performance
4. Internal auditor has a significant influence on the APIP Performance.

Based on the result of research that has been done, the suggestion of researcher are as follows:

1. Management support is a very important factor on the APIP Performance. So it is necessary to increase the internal audit management support in the form of provisions of facilities and technological infrastructure that support the performance of internal audit. It is also needs to make the appropriate

composition between the budget, the number of auditors with the number of assignment in order to achieve maximum APIP Performance.

2. Required the existence of the awareness of the management or auditor itself that in the absence of a familial or social relationship between the auditor with the audited party for the achievement of good APIP Performance.

3. Integrity is an important factor in improving the APIP performance. It is necessary to have firm action for auditors who do or follow activities that can discredit auditor profession.

4. In order to achieve a good APIP performance it is necessary to have good planning, it should be in making the assignment to perform risk analysis first. So the assignment has a greater risk to take precedence than the assignment that has a relatively small risk.

Summarizing study results, we should remark that the contingency theory became a fundament for the main insights and suggestions. At the same time there are several streams in leadership literature that can be used for further research. First of all, empowering leadership studies are quite interesting to be checked for their applicability to be implemented into government control system. Secondly, the transformational leadership literature is one of the most powerful paradigms and can bring additional value into understanding of the person-situation interactions, but it should be further investigated. And of course, the number and features of variables can be further discussed. Current study proves the positive links between four independent variable and APIP Performance, but future work should examine the processes and negative effects of leadership variables to occur. However, we did not intend to be exhaustive with our framework, the variables and constraints are relevant and designed according to the aim of the research.

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