

# The effects of competence, independence, audit work, and communication on the effectiveness of internal audit

Dyah Setyaningrum<sup>1\*</sup>, Cris Kuntadi<sup>2</sup>

<sup>1</sup>Economics and Business Faculty of Universitas Indonesia, Jl. Prof. Dr. Sumitro Djojohadikusumo, Kampus UI Depok 1642, Indonesia

<sup>2</sup>Ministry of Transportation, Jl. Medan Merdeka Barat No. 8 Gd. Karsa Lt. 6 Jakarta Pusat 10110, Indonesia

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## ABSTRACT

The purpose of this study was to examine the effect of competence, independence, audit work and communication on internal audit effectiveness. This research is still relevant due to lacking in internal audit function as there are still many corruption cases, especially in the Ministries/Agencies. This is a quantitative research using questionnaires distributed to the auditors in Inspectorate General of the Ministry of Transportation as respondents. Inspectorate General of the Ministry of Transportation is one of the institutions with IACM level 3 (integrated) in Indonesia. It showed that competence, communication, and audit work have positive effect on internal audit effectiveness, while independence has no effect on internal audit effectiveness. It implies that the auditors should be equipped with the audit technical competence as well as non-technical competencies relevant with their audit area. Audit work from planning, implementation and post-audit should always comply with audit standard. Effective oral and written communication between the auditor and the auditee should also be enhanced in form of audit reports to the follow-up of audit recommendations. Independence in this study does not affect the effectiveness of the internal audit, because independence is fact is main requirement when conducting audit.

## ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh kompetensi, independensi, pekerjaan audit dan komunikasi terhadap efektivitas audit internal. Penelitian ini masih relevan mengingat belum optimumnya fungsi audit internal yang ditunjukkan dari masih banyak kasus korupsi khususnya pada Kementerian/Lembaga. Penelitian ini adalah penelitian kuantitatif dengan menggunakan kuesioner dengan responden auditor di Inspektorat Jenderal Kementerian Perhubungan, sebagai salah satu institusi dengan IACM level 3 (integrated) di Indonesia. Hasil penelitian membuktikan bahwa kompetensi, pekerjaan audit dan komunikasi berpengaruh positif terhadap efektivitas audit internal, sedangkan independensi tidak berpengaruh. Hal ini memberikan implikasi bahwa auditor harus dibekali dengan kompetensi teknis audit maupun kompetensi non-teknis terkait bidang yang diaudit. Pekerjaan audit mulai dari perencanaan, pelaksanaan hingga pasca audit harus selalu dijalankan sesuai standar audit yang berlaku. Komunikasi yang efektif antara auditor dan auditan juga harus ditingkatkan dalam bentuk lisan dan tulisan terkait penyampaian laporan hasil audit hingga monitoring tindak lanjut rekomendasi audit. Independensi dalam penelitian ini tidak mempengaruhi efektivitas audit internal, karena secara faktual auditor dituntut harus independen.

## 1. INTRODUCTION

Internal audit has an important role to encourage the realization of good governance and clean government and it also supports the creation of effective, efficient, transparent, accountable, and clean governance as well as

free from corruption, collusion, and nepotism practices (PER / 05 / M.PAN / 03 / 2008). At present, there has been a paradigm shift in the role of internal audit from the traditional role as watchdog into a consultant or catalyst who can provide added value to the organization.

\* Corresponding author, email address: [dsetyani@ui.ac.id](mailto:dsetyani@ui.ac.id)

(Alzeban and Gwilliam, 2015). The paradigm change does not only occur in the internal audit role but also in the public's view of the accountability to implementing the state financial management by government officials. Today, the public is increasingly concerned about the accountability of managing state finance (Sukesti and Alfasadun, 2011).

In Indonesia, the Inspectorate General/Inspectorate has a duty for carrying out their internal oversight functions within the Central Government and Regional Governments. This is expected to not be limited to the audit function but also the function of fostering the management of state finances. The change in the paradigm of the role of internal audit and the public's view of accountability in managing state finance does not necessarily improve public services. In the 2015 KPK annual report ([www.kpk.go.id](http://www.kpk.go.id)), it was stated that the cases of corruption were the most common in the Ministries/ Institutions; and the Central and Regional Governments are ranked second and third. If examined further, public complaints related to regional income budget (APBD)/state income budget (APBN) corruption are also still high. This shows that the internal control function is not yet optimum by the Government Internal Supervisory Apparatus (APIP).

This study aims to examine the factors affecting the effectiveness of internal controls consisting of competence, independence, audit work, and communication. This research is considered still relevant to the conditions in Indonesia given the still high number of corruption cases in Indonesia and the lack of optimum public services. In addition, the respondents used in this study were auditors at the Inspectorate General of the Ministry of Transportation (IG of the Ministry of Transportation). IG Inspector General is one of the 3 Ministries / Agencies (K / L) that have level 3 (integrated) Internal Audit Capability Model (IACM) which shows that APIP has been able to carry out its role in assessing and reporting the level of efficiency, effectiveness, and economy, and provide advice to management, which covers the areas of governance, risk management and control ([www.itjen.kemendhub.go.id](http://www.itjen.kemendhub.go.id)). Thus the factors that influence the effectiveness of internal audits in the Inspectorate General of the Ministry of Transportation are expected to be a benchmark for improvement in other institutions.

Research on the factors affecting the effectiveness of internal audits has been carried out, however, research on the effectiveness of internal audits in the public sector is still interesting to study. This is because in the second semester of 2015 there were 2,175 or 25% of the total 8,733 problems that were discovered by the BPK which were weaknesses in the Internal Control System (SPI) (Summary of Examination Results of Semester II Year 2015, 2016). These facts indicate that internal supervision over SPI public sector organizations that are the object of BPK audits have not been effective, factors that have been proven to affect the effectiveness of internal auditing are auditor competence (Alzeban and aGwilliam, 2014a; Baharud-din, aShokiyah and albrahim, 2014), a auditor independence (Cohen and Sayag, 2010; aAlzeban and aGwilliam, 2014; aBaharud-din, aShokiyah and Ibrahim, 2014), support for audited management (Cohen and Sayag, 2010; aAlzeban and Gwilliam, 2014; aBaharud-din, Shokiyah and Ibrahim, 2014), and the relationship between a internal and external auditors (Alzeban and Gwilliam, 2014). In addition to the factors mentioned above, Cohen and Sayag (2010) also found an update h the positive quality of audit work on the effectiveness of internal audits.

In this study, one factor was added which has not been much explored in the previous studies, namely communication. Effective communication is necessary in the audit team to support the auditor's performance in conducting checks and supervision. This makes the work results be achieved optimally. This is supported by the results of Prabhawa's (2014) study in his research stating that the success of team work is strongly influenced by the audit team's communication. Communication that exists between members of the internal auditor team is very important to be able to provide appropriate recommendations for the auditee. Furthermore Feizizadeh (2012) said that the existence of effective communication between auditors and audites can improve the effectiveness of internal audits.

## 2. THEORETICAL FRAMEWORK AND HYPOTHESIS

### Agency Theory

Agency theory is a theory that discusses the separation of the relationship between the principal and the agent. Zimmerman (1977) stated that agency problems occur in all organizations, both in the private

and government sectors. In a public sector, agency relationships occur between people (principals) and elected officials/ government (agents). The possible ongoing conflict arises in the government sector when their officials elected when running the government just pay attention to their own attach importance to their own interests, thus sacrificing the interests of the people.

To reduce the conflict, it is necessary to monitor what is already done by the government. One of monitoring mechanisms for agents is through the role of internal audit. In this case, internal audit helps organizations achieve their goals through a systematic and regular approach to evaluating and improving the effectiveness of the risk management process, control and governance. The implementation of internal audits in the field of government is known as internal audit in the public sector or often called government internal supervision. The aim of implementing government internal supervision is to ensure public accountability is carried out by the government, both local government and the central government.

In order to carry out the duties, an internal government supervisor should meet a minimum criteria required that is they must be guided by the Government Internal Supervisory Apparatus (APIP). These criteria are summarized in an audit standard. The audit standards that apply at the Inspectorate General of the Ministry of Transportation refer to the International Standards for the Professional Practice of Internal Auditing and Practice Advisory published by the Institute of Internal Auditors (IIA). The audit standard consists of two major parts, namely general standards and performance standards. In line with the development of knowledge about general internal audit and specifically public sector internal audits, IIA issued a new model called the Internal Audit Capability Model (IACM).

The model above is due to the finding of significant differences in the characteristics of the internal audit of the public sector from one country to another, so that a model that can be universally applied is needed (Public Sector Committee, 2004). The model helps internal audit of the public sector to measure the fundamental capabilities of internal audit in achieving goals. Agency theory is the theory that discusses the separation of the relationship between the principal and aagent. Zimmerman

(1977) states that agency problems occur in all organizations, both the private sector and government. In the public sector agency relationships occur between people (principals) with elected officials / government (agents). The possible ongoing conflict can arise in the government sector when officials elected while running the government they pay attention only their own interest. Therefore, it will ignore others' interests.

### **Previous Studies**

It was stated by Baharud-din, Shokiyah, and Ibrahim (2014), that competence is related to a person's ability to do a job or task based on the level of education, professional experience, and effort to develop his skills sustainably. Therefore, a continuous competence is needed for improving an audit quality produced by an auditor (Efendy, 2010). An auditor with a higher educational background has more knowledge and understanding of the disciplines studied by the auditor.

The connection with internal audit is that when a person has a high understanding of the internal audit disciplines it will increase his understanding of the most relevant audit steps to be implemented in order to produce quality audit results. Quality inspection result is one illustration of the effectiveness of internal audits. In this case, the quality inspection results will provide added value to the auditee.

Referring to the attachment of the Inspectorate General's Regulation Number PER-10/ IJ/ 2010 on the Inspectorate General's Internal Audit Standards, independence is defined as a condition free from disturbances that can affect the Inspectorate General (Inspector General, Inspectors and Auditors) to carry out their oversight responsibly and not biased. Queena's research (2012) and Effendi (2010) concluded that independence had no effect on effectiveness. Baharud-din, Shokiyah, and Ibrahim (2014) concluded that independence is an important element because auditors will later provide auditors' professional reports and considerations for the audit work given to them. Therefore, if the auditor loses his independence, the professional reports and considerations they provide are not in accordance with the information and documents they have accessed so that the leader cannot use the report and professional judgment in making organizational decisions (Effendi, 2010). This is an illustration of the ineffectiveness of internal audits in carrying

out their roles and services as internal auditors (Manao, 2002).

When viewing an audit work, it can be interpreted that it is a process carried out by the auditor in carrying out audits and other supervisory activities. Thus the quality of audit work is the conduct of audits conducted according to audit standards and the rules for implementing audits that have been set so that the auditor is able to disclose and report if a violation is committed by the client (Rosnidah, 2011). Glazer and Jaenike (1980) argue that audit work skills depend on the extent to which internal audit standards contribute to producing effective internal audits and the extent to which auditors adhere to applicable standards.

The higher the level of compliance of internal auditors with applicable audit standards is, the higher the efficiency of planning and implementation of audits that have an impact on increasing the effectiveness of internal audits. This is supported by Cohen and Sayag (2010) which states that the quality of audit work has a positive effect on two of the three components of the effectiveness of internal audit, namely audit quality and auditee evaluation.

Team work success is greatly influenced by the audit team's communication. Communication is a determining factor in fostering good cooperation in the auditor team. Communication is needed to produce good performance. Communication that is established between audit team members is a very fundamental activity to achieve the final audit results. The existence of communication means that there is an exchange of information between auditors, so that the adequacy of information regarding the availability of accurate and timely information in accordance with what is needed is fulfilled. This is in line with the research of Prabhawa (2014).

### **Hypothesis Development**

As it was described by Baharud-din, Shokiyah, and Ibrahim (2014), competence is related to the individual's ability to do a job or task based on the level of education, professional experience, and trying to develop his expertise on an ongoing basis. Besides having knowledge and experience about audit standards, policies, procedures and audit practices, auditors must have sufficient expertise in the governance environment in accordance with the basic tasks and functions of the units served by APIP.

When auditors audit the financial system, accounting records and financial statements, they must have expertise or get training in the public sector accounting and other sciences related to audit accountability (Ruslan, 2011). These competencies are ultimately related to professional judgment which requires the auditor to be able to assemble the steps and results obtained so that he can take a comprehensive conclusion from the audited unit (Manao, 2002).

The APIP Audit Standard in PER / 05 / M.PAN / 03/2008 requires that the APIP Leader create adequate criteria regarding education and experience in filling in the auditor's position in the APIP environment. Continuous competence is needed in improving an audit quality produced by an auditor (Effendi, 2010). Thus, the first hypothesis of this study is as follows:

**H<sub>1</sub>:** *Auditor's competence affects positively internal audit effectiveness.*

The Audit Standards of the Government Internal Supervision Apparatus (APIP) state that internal auditors' function must be placed in the right position so that they are free from intervention, and obtain adequate support from the highest leadership of the organization so that they can cooperate with the auditee and carry out work freely. Even so, APIP must foster good working relationships with the auditee, especially in understanding each other's roles (APIP Audit Standards, 2008). The existence of a disruption to independence will cause the auditor and internal audit unit not objective in giving opinions or conclusions on the conditions under consideration.

Alzeban and Gwilliam (2014) revealed that the existence of independence and objectivity, internal auditors are expected to be able to perform their duties free of interference, avoid conflicts of interest, have direct access to senior management and access to important records in an organization. Baharud-din, Shokiyah and Ibrahim (2014) also stated that independence is an important element because auditors will later provide auditors' professional reports and considerations for the audit work given to them.

If the auditors lose their independence, the reports and professional considerations they provide will not match the information and documents that they have accessed. The loss of the independence of internal auditors' results in a decrease in the credibility of the results of



the internal auditor's audit and the results of the audit become useless for both the auditee and top management. This is an illustration of the ineffectiveness of internal audits in carrying out their roles and services as internal auditors (Manao, 2009). Thus, the second hypothesis of this study is as follows:

*H<sub>2</sub>: Independency has a positive effect on the internal audits' effectiveness*

Audit work can be interpreted as a process done by the auditor in carrying out audits and other supervisory activities. Therefore, the quality of audit work is the conduct of audits did according to audit standards and the rules for implementing audits that have been set so that they can disclose and report if a violation is committed by the client (Rosnidah, 2011). The quality of the audit process can be measured through the level of auditor compliance with the Professional Accountant Professional Standards (SPAP), the level of auditor specialization in the client industry, auditor professionalism, and the application of professional ethics by the auditor.

The Inspectorate General has applied the Inspectorate General Internal Audit Standard (SAINS) which has been in effect since 2009. The SCIENCE adopts the Internal Audit Standards issued by IIA (2008). The quality of the audit work is closely related to how much the auditor's maximum effort is in utilizing their capabilities and available resources in accordance with existing audit procedures and standards. The higher the level of compliance of internal auditors with applicable audit standards is, the higher the efficiency of planning and implementation of audits that have an impact on increasing the effectiveness of internal audits. The quality of audit work has a positive effect on the effectiveness of internal audit components, namely audit quality and auditee evaluation (Cohen and Sayag, 2010). Thus, the third hypothesis of this study is as follows:

*H<sub>3</sub>: Audit work affects positively the internal audit work effectiveness*

One of the elements in the government's internal control system is information and communication (PP No.60/2008). Effective communication is needed for delivering information such as by providing and utilizing various forms and means of communication and continuous management, development and updating of information systems.

Feizizadeh (2012) stated that the existence of effective communication between auditors and auditees can increase the effectiveness of internal audits.

Effective communication is necessary in the audit team to support the auditor's performance in conducting checks and supervision so that the work results can be achieved optimally. This is supported by the results of Prabhawa's (2014) study in his research stating that the success of team work is strongly influenced by the audit team's communication. Communication that exists between members of the internal auditor team is very important to be able to provide appropriate recommendations for the auditee. Thus, the fourth hypothesis of this study is as follows:

*H<sub>4</sub>: Communication affects positively the internal audit effectiveness*

### **3. RESEARCH METHODS**

This study used a survey by developing questionnaires based on theory, applicable audit standards, and discussions with stakeholders in the Ministry of Transportation. Discussions with stakeholders were intended to deepen the questions in the questionnaire and adjust to actual conditions that occurred in the IG of the Ministry of Transportation. The questionnaire consisted of three parts, namely: (1) the identity of the respondent; (2) questions related to the dependent variable, namely the effectiveness of internal audits consisting of 8 questions; and (3) questions related to the independent variables, namely competence (7 items), independence (7 questions), audit work quality (11 questions) and communication (4 questions). The respondents of this study were auditors in the IG's IG environment. The list of questions and the sources of the questionnaire questions can be seen in Appendix 1.

Since there are quite a number of items in the questionnaire, the Principle Component Analysis (PCA) technique will be used. Principal Component Analysis is a statistical technique to change from most of the original variables used and correlates with each other into a set of new variables that are smaller and uncorrelated (Wirayanti, Bambang, and Susanto, 2011). The method used to test hypotheses is a multiple regression model.

### **4. RESULTS AND DISCUSSION**

There were 109 questionnaires distributed to the auditors numbered and finally there

were 88 (81% response rate) responded. The results of the demographic analysis show that the auditor has represented 5 inspectorates in the IG's environment; where the majority of respondents are men, with an S1 education background, have the first auditor position with the most roles as team members with work experience of less than 5 years.

Before testing, the reliability and validity tests were done first to see whether the questionnaire were reliable and valid. The results of the reduction using PCA for all variables indicate a breakdown of components as shown in table 1.

In testing the hypothesis; PCA reduction components was combined into one variable according to the percentage variance that forms it. The results of hypothesis testing can be seen in Table 2.

The test results on table 2 show that competence, audit work at  $\alpha = 5\%$  and communication have a positive marginal significant effect on the effectiveness of internal

audit at  $\alpha = 10\%$ ; whereas independence does not affect the effectiveness of internal audits.

### Competence

Competence has a significant and positive effect on the internal audit effectiveness. The result is in line with that found by Baharuddin, Shokiyah, and Ibrahim (2014) and Cohyen and Sayag (2010). They also stated that competence is a positive and significant effect on the effectiveness of internal audits. Cohyen and Sayag (2010) stated that the organization would facilitate each employee to participate in training and development programs to improve capabilities and renew employee knowledge in accordance with the latest knowledge that is currently developing so as to improve the quality of audit work (Effendi, 2010).

This result is also supported by the results of interviews with stakeholders through open questions. Respondents said that auditors must master not only technical competence

**Table 1**  
**The Breakdown Components Suited to PCA**

Variables	Results PCA Reduction Componenets
Internal Audit Effectiveness	Standard and Operating Procedure (SOP)
	Internal Audit Benefits
	Value for Money
Comptency	Non- Technical Copetency
	Technical Competence
Independence	Independence in fact
	Independence in appearance
Audit Work	Audit Post
	Audit Implementation and Planning
Communication	Communication

Source: Processed Data

**Table 2**  
**Hypothesis Testing**

Coefficient	Direction	Expectation	Coef.	Sig. (1-tailed)	Description
COMP	H1	(+)	0.234	0.021	**
IND	H2	(+)	0.111	0.158	NS
AUD	H3	(+)	0.195	0.096	*
COMM	H4	(+)	0.318	0.005	***
Constant			0.000	0.500	
R square			0.600		
Sig F			0.000		
Observation			88		

Source: Processed Data

Description of Table 2:

Dependent variable EAI= Internatl Audit Effectiveness; Independent Variabless are COMP= Competence, IND= Independency; AUD= Audit Work; COMM= Communcation. \*\*\*) The Hypothesis is accepted at  $\alpha = 1\%$ ; \*\*) Hypothesis is accepted at  $\alpha = 5\%$ ; \*\*\*) Hypothesis is accepted at  $\alpha = 10\%$ ; NS= Not Significant

but also non-technical competencies. Technical competence is related to the hard skills auditors have through technical training, which currently has an average number of hours of technical training ranging from 41-80 hours per year. This non-technical competence is mainly related to the accounting / economic field and how to communicate effectively with the auditee. IGs need to pay special attention to auditor soft-skills because this component also has the role of increasing the auditor's overall competence.

### **Independence**

In fact, independence is not proven to affect the internal audit effectiveness. It shows that the auditors believe that the disruption of independence will not affect their internal audit effectiveness as well as their role and function. In additional testing by breaking down the PCA component, it can be seen that independence in appearance has a positive effect on the effectiveness of internal audit.

The evidence above shows that, in carrying out the work the auditors in general could maintain an impartial attitude throughout the audit. However, what they have to pay attention to is in their audit assignment, they should also consider the factors that can interfere with independence such as family or social relations between the auditor and the auditee.

In open questions, the respondents said that currently audit assignments had considered tenure and avoided conflicts of interest. Respondents suggested that the leadership give full support so that the auditor is free from intervention both during the audit process and after the audit process is completed.

### **Audit Work**

Audit work is proved to have a positive effect on the internal audit effectiveness. The test result is in line with that of the study by Cohen and Sayag (2010) stating that the audit work quality has a positive effect on the components of internal audit effectiveness. In conducting audit work, each stage of the work is started from pre-audit, implementation to post-audit must get attention so that the internal audit is effective.

The answers to open questions from the audit work implementation are more efficient. It includes the security of documents. The respondents who emphasized the role of auditors maintain the security of documents

used during the audit process. Therefore, there is written evidence that can be used as a basis for checking when the document is returned by the auditor. In addition, the respondent provided input on the audit period. The audit should take place in the not too distant future so that the auditor focuses on important issues or issues, and asks the auditee to prepare the necessary documents in the audit process so that the audit is more efficient in terms of time.

### **Communication**

Finally, the result shows that communication has a positive effect on the internal audit effectiveness. An effective communication between the auditor and the auditee is very important, especially regarding the delivery of audit reports prepared reliably, accompanied by relevant and timely evidence.

The more important input is that obtained from the results of open questions in the communication section. The respondents said that in practice so far, communication between auditors and auditees had not been effective. Therefore, efforts need to be made to improve the effectiveness of communication between the auditor and the auditee. Effective communication is needed to reduce tension and pressure on the audited party.

Effective communication training is needed so that the auditor's communication skills are increasingly honed. The next recommendation is related to communicating unfair conditions to the auditee as soon as possible. There was a lot of input from the respondents who stressed the importance of this. Audit requests that auditors be more open, especially when finding unfair conditions. Auditee feels that it is necessary to be informed immediately about this so that the auditee can immediately take action to resolve the problem.

### **Additional Analysis**

Effective communication appears to be a very important part of increasing the internal audit effectiveness. This did an additional testing to see whether communication plays a role in moderating the relationship between competence and audit work. Independence was not tested for moderation by communication because independence is in fact and in appearance in audit assignments. The test results can be seen on Table 3.

**Table 3**  
**Additional Analysis**

Koefisien	Direction	Expectation	Coef.	Sig. (1-tailed)	Description
COMP	H1	(+)	0.270	0.011	**
IND	H2	(+)	0.139	0.112	NS
AUD	H3	(+)	0.145	0.173	*
COMM	H4	(+)	0.336	0.004	***
CMP*COMM		(+)	-0.076	0.255	NS
AUD*COMM		(+)	0.167	0.079	*
Constants		(+)	-.0796	0.177	
R square			0.783		
Sig F			0.000		
Observation			88		

Source: Prosesed Data

Description of the Table:

Independent Variable EAI= Effectiveness Internal Audit; Independent Variables COMP= Competence, IND= Independence; AUD= Audit Work; COMM= Communication.

\*\*\*) Hypothesis is accepted at  $\alpha = 1\%$ ; \*\*) Hypothesis is accepted at  $\alpha = 5\%$ ; \*\*) Hypothesis is accepted at  $\alpha = 10\%$ ; NS=Not Significant.

The test result shows that communication is proven to strengthen the effect of audit work on the internal audit efficiency. This is in line with that of interviews with the respondents who had discussed in the previous section that in carrying out work before, during and after a good communication audit with the auditee, the audit work is more efficient. Yet, the communication interaction and competencies are not significant. It means that the auditor's competency consisting of technical and non-technical capabilities is a condition mentioned in the Auditing Standards must be owned by the auditor.

## 5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

This study aimed to examine the effect of competency, independence, audit work and communication on the internal audit effectiveness. It is still relevant considering that the APIP function has not been optimum as indicated by the many cases of corruption, especially in the Ministries/ Institutions. The auditors at the Inspectorate General of the Ministry of Transportation were chosen as the respondents, considering that the various achievements of the Inspectorate General of the Ministry of Transportation were considered the achievement of IACM level 3 (integrated). Factors which were proven to affect the internal audit effectiveness can be used as an input

for K/ L institutions and LGs in Indonesia so that they can be optimized. It also shows that competence, audit work, and communication have a positive effect on the internal audit effectiveness.

This study has limitations because it only looks at the factors affecting the internal audit effectiveness from auditors' perceptions. Therefore, for further research, researchers can compare the auditors' perceptions and auditees in order to obtain a more comprehensive analysis. Other variables can also be added such as top leadership support, motivation, and relationships between internal and external auditors.

This study has some implications for the Inspectorate General. The auditors (APIP) must be equipped with technical audit competencies as well as non-technical competencies related to the audited field. Audit work from planning, implementation to post-audit must always be carried out in accordance with applicable Audit Standards. Finally, effective communication between auditors and auditees must also be improved both orally and written forms related to the delivery of audit reports to monitoring follow-up of audit recommendations. Independence in this study does not affect the effectiveness of internal audits. This is due to factually auditors are required to be independent, so that there is no variation in assignments related to



independence, even though independence in appearance must still be sought.

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