

# Analysis of Variables Affecting The Effectiveness of Supervision In The Inspectorate General of The Ministry of Home Affairs

Alghifahri Adhiwijaya<sup>1</sup> and Prof.Chandra Wijaya<sup>2</sup>

Postgraduate Program, Faculty of Administrative Sciences, Universitas of Indonesia, UI Campus, Depok, 16426, Indonesia

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## Abstract

This study aims to test the influence of Competence of Internal Audit Department, Size of Internal Audit Department, Relationship Between Internal and External Auditors, Management Support for Internal Audit, Independence of Internal Audit, Organizational setting, Internal Audit Quality and Audit Attributees on the effectiveness of supervision in the Inspectorate General of the Ministry of Home Affairs. The population in this study is all employees of the Inspectorate General of the Ministry of Home Affairs. The sampling method in this study used nonprobability sampling using the saturated sample method. Data collection and data analysis methods use mixed methods. Research data is obtained by disseminating questionnaires and in-depth interviews. The research hypothesis was tested using multiple regression analysis. The results showed that Competence of Internal

Audit Department, Size of Internal Audit Department, Relationship Between Internal and External Auditors, Management Support for Internal Audit, Independence of Internal Audit, Internal Audit Quality and Auditee Attributes had a significant effect on the effectiveness of supervision while organizational setting had no significant effect on the effectiveness of supervision in the Inspectorate General of the Ministry of Home Affairs.

**Keywords:** Auditee Attributes, Competence of Internal Audit Department, Effectiveness of supervision, Independence of Internal Audit, Internal Audit Quality, Management Support for Internal Audit, Organizational setting, Relationship Between Internal and External Auditors, Size of Internal Audit Department

## I. INTRODUCTION

Indonesia is a country that has a system of government that is divided into three major parts, namely the executive, legislative, and judiciary, each of which has its respective duties and functions, the Ministry of Home Affairs is part of the executive that assists the President's duties as head of government to manage the affairs of domestic government, either at the national level or at the local government level, in Presidential Regulation No. 11 of 2015 concerning the Ministry of Home Affairs explained that one of the functions of the Ministry of Home Affairs is the development and general supervision of the implementation of local government. The implementation of coaching and supervision on the implementation of local government aims to reduce the number of corruption that occurs in the region, where the level of corruption that occurs in the region has had a fairly high presents in the last 5 years.

## Recapitulation of Corruption in Provincial and District/Municipal Governments in 2016-2020

Year	2016	2017	2018	2019	2020
Provincial Government	13 Case	15 Case	29 Case	11 Case	13Case
Regency/City Government	21 Case	53 Case	114 Case	66 Case	48Case
Total	34 Case	68 Case	143 Case	87 Case	61Case

Source : Corruption Eradication Commission, Processed by Researchers (2021)

One of the causes of corruption is also caused by the abuse of authority by the regional head in running the local government, where this happens akibat the existence of regional autonomy granted to the local government by the central government that is misused by the local government, where the local government is given great authority in the management of the regional budget that results in abuse of power that impacts the opportunity to commit criminal acts corruption. This is due to the low quality of bureaucracy in the local government, where the local government is unable to control and control the management of its government, thus creating an opportunity to commit corruption crimes, Tanzi (1998)



argues that one of the 6 factors that cause corruption indirectly is the quality of bureaucracy.

Looking at Presidential Regulation No. 11 of 2015 concerning the Ministry of Home Affairs explained that the Inspectorate General of the Ministry of Home Affairs as APIP has a duty to carry out internal supervision within the Ministry of Home Affairs and supervise the implementation of the provincial government. Further explanation of the duties and functions of the Inspectorate General of the Ministry of Home Affairs is explained in Regulation of the Minister of Home Affairs No. 8 of 2018 concerning the Second Amendment to The Regulation of the Minister of Home Affairs No. 43 of 2015 concerning Organization and Work Procedure of the Ministry of Home Affairs which makes it clear that the Inspectorate General of the Ministry of Home Affairs is under the Minister of Home Affairs and is responsible to the Minister of Home Affairs where it has an internal supervisory duty domestic affairs and supervision of the implementation of local government in accordance with the provisions of applicable laws.

Improvement of bureaucratic quality must be accompanied by the improvement of the capabilities of the Government Internal Supervisory Apparatus (APIP), APIP which is the control for the course of government is considered to have a very important role in controlling the improvement of the quality of bureaucracy in local government, APIP which has the function of supervision and coaching must provide input and improvement in addressing the problems that arise in government. APIP's good capabilities are needed, considering that the existing government is so complex that it must be handled with the ability to accumulate as well, APIP under the Inspectorate Agency is considered not currently doing its role to the maximum, where it is seen that there are still many cases of corruption that arise in local government, this concludes that APIP's capability in conducting internal supervision is still very low.

Inspectorate General of the Ministry of Home Affairs as a development and supervision agency of local government has APIP level 3 capability obtained in 2020. The Ministry of Home Affairs, through the Inspectorate General, conducts general guidance and supervision to 34 provinces in Indonesia. General guidance and supervision are carried out by the Government Internal Supervisory Apparatus (APIP), consisting of 2 functional positions, namely Auditors and Government Supervisors. Apip capability level is a measure of the capabilities possessed in carrying out supervisory tasks that have elements related to capacity, APIP authority, and human resource competencies that must be owned in order to perform their role effectively.

In addition to supervising the implementation of local government, one of the main functions of the Inspectorate General of the Ministry of Home Affairs is to conduct internal supervision of esselon 1 (one) unit in the Ministry of Home Affairs, where the supervision is carried out by performance and financial audits, reviews, evaluations, monitoring, and other surveillance activities. Inspectorate is expected to be the front line in ensuring the

implementation of activities carried out by units esselon 1 (one) in the Ministry of Home Affairs; it can be seen from the findings resulting from the results of supervision conducted by the Inspektorat General of the Ministry of Home Affairs, where it is expected that the number of findings found by the inspectorate to be reduced from year to year until no findings are found in the work units carried out peng inspectorate general of the Ministry of Home Affairs, following a total recap of the Inspectorate's findings and recommendations from 2016 until 2019.

**Recapitulation of Esselon Unit 1 Supervision Results of the Ministry of Home Affairs in 2016-2019**

No .	Year	Total Surveillan ce Objects	Surveilla nce Results Report	Find ings	Sugge stion
1.	2016	27	27	275	430
2.	2017	27	27	186	353
3.	2018	27	27	276	481
4.	2019	27	25	222	323

*Source : Inspectorate General of the Ministry of Home Affair, Processed by Researchers (2021)* Looking at the data from the recapitulation of the findings produced by the Inspectorate General of the Ministry of Home Affairs, there has been no significant decrease in the findings of internal supervision conducted on units in the Ministry of Home Affairs by the Inspectorate General, where it is seen that in 2019 there were only 25 units conducted by performance and financial audit supervision where the Human Resources Development Agency (BPSDM) and the Directorate General of Regional Autonomy (OTDA) did not supervision is carried out due to clashes with external supervision by the Audit Board of Finance (BPK). With fewer units found still showing a large number and not much different from the previous year, this shows that the performance of the Inspectorate General has not been significant in the improvement of the units in the Ministry of Home Affairs, this can happen due to one of the APIP capability factors that have not been maximized and still lack of coordination with the CPC as an external auditor in terms of the schedule of implementation of supervisors.

Strengthening the role of APIP in the implementation of government both in the central and regional shows good development but not enough to meet the cool standards; the results of an external examination by the Financial Inspection Agency (BPK) to the Ministry of Home Affairs in 2019 still raises the findings of the examination with an increase in losses from the previous year, this is due to the supervisory performance of the Inspectorate General who has been in APIP Level 3 Capability has not fully effective, this is expected to experience significant changes in 2021, where it is expected that in 2021 no more findings of an assessment that have a significant loss value only administrative findings, this is the benchmark of the success of internal supervision conducted by the Inspectorate General

**Recapitulation of BPK Inspection Results to the Ministry of Home Affairs T.A 2016-2019**

Year	Findings	Recommendations	Value
2016	36	60	24,9 M
2017	46	73	31.8 M
2018	52	84	15.41 M
2019	31	62	20.5 M

Source : *Inspectorate General of the Ministry of Home Affairs, Processed by Researchers (2021)*

Based on the table above can be seen the value of the findings in the last 3 years decreased and increased, where it appears the effectiveness of the supervision conducted by APIP has not been effective, because the success in internal supervision is how agencies supervised by the inspectorate through the Government Internal Supervisory Apparatus no longer found findings that resulted in state losses, this is the target of the Inspectorate General of the Ministry of Trade in 2021 in order to be eliminated isasi as an effect has increased the APIP Capability of the Inspectorate General of the Ministry of Trade to Level 3.

APIP's human resources improvement is also a problem in the Inspectorate General of the Ministry of Trade, where there are still at least APIP that has a supervisory competency certification which should each APIP should have certifications that accumulate to help APIP to improve their respective capabilities, in addition to impacting the quality of surveillance results that will be much better. APIP's human resources also emerged from the program in passing apip removal from structural positions which do not have good supervisory competence so that the implementation of supervision skin as also can not be maximized. This is a challenge for the Inspectorate General of the Ministry of Trade to make improvements in improving APIP competencies in order to achieve good APIP capabilities.

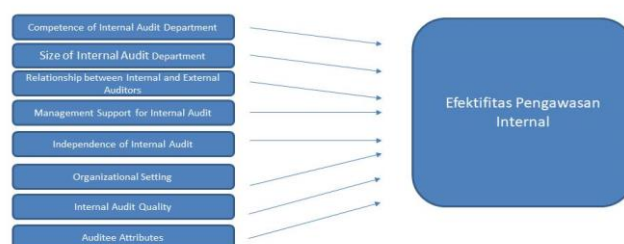
Based on the problems that have been stated above, the purpose of this study is to analyze variables that affect the effectiveness of supervision of the Inspectorate General of the Ministry of Home Affairs.

**II. THEORETICAL FRAME AND FORMULATION OF HYPOTHESES**

The theory used in this study is contingency theory. Contingency theory is a basic theory often used in research on management accounting and auditing. Although in its application, this theory has different effects depending on its application and the environment. Contingency theory, according to Daft (2009, p.26), contingency means that one thing depends on other things, and for organizations to be effective, there must be a "goodness of fit" between their structure and the conditions in their external environment. Badara and Saidin (2014) argue that contingency theory is able to help researchers to systematically explain a phenomenon, and this theory is able to explain the relationship between 2 or more variables. The effectiveness of surveillance is something that must be achieved and realized. It certainly will not be achieved if there are no variables that support achieving

and realize this. *In this study, effectiveness depends on contingency variables, namely Competence of Internal Audit Department, Size of Internal Audit Department, Relationship Between Internal and External Auditors, Management Support for Internal Audit, Independence of Internal Audit, Organizational setting, Internal Audit Quality, and Auditee Attributes.*

This study seeks to test the influence of Competence of Internal Audit Department, Size of Internal Audit Department, Relationship Between Internal and External Auditors, Management Support for Internal Audit, Independence of Internal Audit, Organizational setting, Internal Audit Quality and Audit Attributees on the effectiveness of supervision.



**Research Model Images**

Source: *Processed By Researchers (2021)*

Based on the research model presented by the researchers formulated, there are 8 (eight) hypotheses in this study, namely as follows:

1. First Hypothesis (H1)  
H<sub>1</sub> : Competence of Internal Audit Department positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the better the level of competence APIP Inspectorate General of the Ministry of Home Affairs will be, the higher the effectiveness of the Internal Supervision Inspectorate General of the Ministry of Home Affairs, where the competence of internal supervision is a piece of knowledge, ability, and various disciplines used in carrying out internal supervision (HiroTugiman, 2006).

2. Second Hypothesis (H2)  
H<sub>2</sub> : Size of Internal Audit Department positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the more the number of APIP Inspectorate General of the Ministry of Home Affairs in conducting supervision, the higher the effectiveness of internal supervision APIP Inspectorate General of the Ministry of Home Affairs where the greater the diamonds under surveillance, the more close supervision will be carried out by the supervisory agency and there is a need for more apip required (Devita , 2011).

3. Third Hypothesis (H<sub>3</sub>)

H<sub>3</sub> : Relationship Between Internal and External Auditors positively affects the Effectiveness of Internal Surveillance

This hypothesis explains that the better the relationship between the Inspectorate of Federal of the Ministry of Home Affairs and external examiners, the higher the effectiveness of internal supervision of the Inspectorate General of the Ministry of Home Affairs with which According to Dobroțeanui, L. & Dobroțeanu C.L.(2002) in Daryanto (2013), coordination between internal audit activities and external audits needs to be conducted. External audits look at the possibility of improving efficiency in auditing financial statements. While internal audit feels guaranteed in auditing financial statements plus important information in risk control assessment.

4. Fourth Hypothesis (H<sub>4</sub>)

H<sub>4</sub> : Management Support for Internal Audit positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the better the level of support of the secretariat, the higher the effectiveness of internal supervision of the Inspectorate General of the Ministry of Home Affairs with which According to Verhage (2009:83), management support is the desire of management to provide the necessary resources as well as the right to act or authority for the success of the project.

5. Fifth Hypothesis (H<sub>5</sub>)

H<sub>5</sub> : Independence of Internal Audit positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the higher the level of independence APIP Inspectorate Federal Ministry of Home Affairs with the higher effectiveness of Internal Supervision Inspectorate Federal Ministry of Home Affairs with which Independence is a mental attitude expected from an APIP not to be easily influenced in carrying out its duties.

6. Sixth Hypothesis (H<sub>6</sub>)

H<sub>6</sub> : Organizational Setting positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the better the organizational arrangement of the Inspectorate General of the Ministry of Home Affairs with the higher the effectiveness of Internal Supervision of the Inspectorate General of the Ministry of Home Affairs with.

7. Seventh Hypothesis (H<sub>7</sub>)

H<sub>7</sub> : Internal Audit Quality positively affects the Effectiveness of Internal Supervision

This hypothesis explains that the higher the quality of the audit, the higher the effectiveness of Internal Supervision of the Inspectorate General of the Ministry of Home Affairs with the Quality of Audit as a probability where an auditor finds and reports about a violation in his client's accounting system. (De Angelo, 1981).

8. Eighth Hypothesis (H<sub>8</sub>)

H<sub>8</sub> : Auditee Attributes positively affect the Effectiveness of Internal Monitoring

This hypothesis explains that the better the auditee's capability and the relationship between APIP and Auditee, the higher the effectiveness of the Internal Supervision of the Ministry of Home Affairs Inspectorate with

**III. RESEARCH METHODS**

The paradigm that will be used in this study is the post-positivism paradigm, where theory is used as a reference in answering research questions. The use of the post-positivism paradigm in this study is explained in 3 (three) basic assumes namely (1) ontological, (2) epistemology (3) methodology, where 3 asumsi basis is a process in conducting research (Creswell & Poth, 2018). This study will use a mixed-method data collection technique where the quantitative collection technique will be conducted by questionnaire and qualitative will be done by means of in-depth interview and document analysis. Creswell and Creswell (2018) explained that mixed-method data collection techniques involve a combination of closed quantitative data with qualitative data that is open. Researchers use a convergent mixed method in which researchers will mix quantitative data and qualitative data simultaneously, which is useful to provide comprehensive results to answer research questions (Creswell and Creswell, 2018).

In-depth interviews will be conducted with a number of informants who are considered relevant to obtain the data and information needed in conducting analysis of factors that affect the effectiveness of internal supervision at the Inspectorate General of the Ministry of Home Affairs, The population of this study is all State Civil Apparatus (ASN) located in the Inspectorate General of the Ministry of Home Affairs where the determination of research samples, researchers use sampling techniques with nonprobability sampling using the saturated sample method whereby this saturated sample is used when the entire population is sampled

**IV. RESULTS OF RESEARCH AND DISCUSSION**

The results of the dissemination of questionnaires conducted by researchers for 1 week, obtained by 189 people who have been willing to fill out the study questionnaire from 229 target people that researchers have determined where researchers have had confidence 189 questionnaires have represented the desired sample broadly

**Respondent Overview**

Category	Result	Percentage
<b>gender</b>		
Man	103 People	55%
Woman	86 People	45%
<b>Age</b>		
20-30	70 People	37%

Category	Result	Percentage
31-40	60 People	32%
41-50	32 People	17%
51-60	27 People	14%
<b>Education</b>		
High School or Equivalent	9 People	5%
Diploma	26 People	14%
Bachelor's Degree	72 People	38%
Master Degree	69 People	36%
Doctoral	13 People	7%
<b>Position</b>		
PTT	14 People	7%
Staff	51 People	26%
Auditor/PPUPD	110 People	57%
Esselon IV	10 People	5%
Esselon III	4 People	2%
Esselon II	3 People	2%
Esselon I	1 People	1%

Source : Processed by Researchers (2021)

Based on 189 questionnaires that were found to fill out questionnaires were 103 men (55%) and 86 women (45%), with an age range of 20-30 Years 70 People (37%), 31-40 Years 60 People (32%), 41-50 Years 32 People (17%), and 51-60 Year 27 People (14%), with a high school education level or equivalent as much as 9 People (5%), Diploma As many as 26 People (14%), Bachelor (S1) as much as 72 People (38%), Post Graduate (S2) as much as 69 People (36%), and Doctoral (S3) As many as 13 People (7%) were derived from 14 People PTT (7%), 51 People Implementing (26%), 110 People Auditor / PPUPD (57%), 10 People Esselon IV (5%), 4 People Esselon III (2%), 3 People Esselon II (2%), and 1 People Esselon I (1%).

After multiple linear regression analyses, the regression equation is obtained, namely:

$$Y_{std} = -0.0000 + 0.2738 * X1_{std} - 0.1235 * X2_{std} - 0.1962 * X3_{std} + 0.1101 * X4_{std} + 0.1569 * X5_{std} + 0.0496 * X6_{std} + 0.4766 * X7_{std} + 0.1773 * X8_{std}$$

With

$Y =$  Internal Audit Effectiveness

$X1 =$  Competence of Internal Audit Department

$X2 =$  Size of Internal Audit Department

$X3 =$  Relationship between Internal and External Auditors

$X4 =$  Management Support for Internal Audit

$X5 =$  Independence of Internal Audit

$X6 =$  Organizational setting

$X7 =$  Internal Audit quality

$X8 =$  Auditee attributes

### Linear Regression Analysis Output Results

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OLS Regression Results
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Dep. Variable:      Y      R-squared:      0.865
Model:             OLS    Adj. R-squared: 0.859
Method:            Least Squares      F-statistic:    144.7
Date:              Sun, 04 Jul 2021    Prob (F-statistic): 3.39e-74
Time:              05:23:59          Log-Likelihood: -78.637
No. Observations: 189              AIC:            175.3
DF Residuals:      180              BIC:            204.5
Covariance Type:   nonrobust
=====
               coef      std err      t      P>|t|      [0.025      0.975]
-----
const      -2.148e-16    0.027    -7.86e-15    1.000    -0.054    0.054
X1           0.2738      0.068      4.018      0.000    0.139    0.408
X2          -0.1235      0.035     -3.534      0.001    -0.192    -0.055
X3          -0.1962      0.065     -2.999      0.003    -0.325    -0.067
X4           0.1101      0.050      2.208      0.028    0.012    0.208
X5           0.1569      0.061      2.589      0.010    0.037    0.276
X6           0.0496      0.082      0.601      0.549    -0.113    0.212
X7           0.4766      0.085      5.603      0.000    0.309    0.644
X8           0.1773      0.070      2.532      0.012    0.039    0.315
=====
Omnibus:          65.794      Durbin-Watson:    1.977
Prob(Omnibus):    0.000      Jarque-Bera (JB): 283.076
Skew:             1.278      Prob(JB):          3.39e-62
Kurtosis:         8.423      Cond. No.          9.56
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Based on the results of multiple linear regression analysis obtained the result that of 8 (eight) independent variables, there are 7 (seven) variables that have a significant effect were also obtained the result that variable X6 has no significant effect affect dependent variables (variable Y) and is not eligible to enter the model, this is because the p-value obtained is greater than 0.05 or p-value >  $\alpha$ , Where also found R-square value of 0.865 which means variation of dependent variables t is described by an independent variable of 86.5%.

### Hypothesis Test Results Summary

Variabel	Koefisien	P-Value	Result
Konstanta	-0.0000	1.000	No Significant effect
X1	0.2738	0.000	Significant Impact
X2	-0.1235	0.001	Significant Impact
X3	-0.1962	0.003	Significant Impact
X4	0.1101	0.028	Significant Impact
X5	0.1569	0.010	Significant Impact
X6	0.0496	0.549	No Significant effect
X7	0.4766	0.000	Significant Impact
X8	0.1773	0.012	Significant Impact

#### ***A. The Influence of Competence of Internal Audit Department on Internal Audit Effectiveness.***

The implementation of internal supervision requires human resources that have competence in the field of good internal supervision, where the competence of internal supervision is knowledge, ability, and various disciplines used in carrying out internal supervision (HiroTugiman, 2006). Where has been conducted in-depth interviews with several informants in the Inspectorate General of the Ministry of Home Affairs, where it can be concluded that the competence possessed by APIP has been good but still not maximal. Competencies that have not been maximized occur because of the uneven capabilities possessed by each APIP in the Inspectorate General of the Ministry of Home Affairs, where one of the causes also occurs because of the lack of APIP experience level, this is because many APIP derived from the process of in passing structural positions to functional, so there is still minimal experience in conducting supervision plus the lack of hours of education and training (Training) either in the field of general or technical supervision where this training is needed by APIP, especially APIP who are new in passing to adapt and know more about their tasks internal monitoring.

#### ***B. The Influence of Size of Internal Audit Department on Internal Audit Effectiveness.***

Internal supervision activities consist of several activities such as the implementation of reviews of financial statements, performance reports, revisions of DIPA and RKA-K / L to reviews of procurement of services, supervision of obedience, and supervision with a specific purpose. The high hours of surveillance that APIP must meet require an adequate number of APIPs. Based on the results of interviews conducted by researchers to several informants found the conclusion that the number of APIP currently in the Inspectorate Federal Ministry of Home Affairs has met sufficient standards to carry out internal supervision, but there are problems that arise related to the number of APIP is actually in the number of APIP per level is still uneven, the shortcomings are at the first expert-level where too many are doing in passing at the young and intermediate level. It has an impact on the division of roles in the team, wherewith a composition like this level of madya who should be a technical controller can turn into a team member equal to the first level, whereas the explanation of the duties and functions of functional supervisors either auditors or PPUPD at each level has differences and hierarchies.

#### ***C. The Influence of Relationship Between Internal and External Auditors on Internal Audit Effectiveness.***

APIP and external auditors have different roles, tasks, and functions from each other, but in terms of achieving the objectives for the implementation of effective and efficient governance to these two examiner positions have the same vision, what distinguishes them is that the internal supervisors examine and study the efficiency and effectiveness of the organization and the effectiveness of internal control in the organization as a

whole, while the external auditor has the aim to provide an opinion on fairness in the preparation and presentation of Financial Statements (LK). Based on the results of interviews conducted by researchers to several informants found the conclusion that the relationship between APIP and external auditors has been well established; however, it still takes coordination and harmonization related to the exposure of the monitoring schedule and inspection of each agency in order to avoid conflicting activities, because it is impossible for the auditee to face internal supervision and external examination simultaneously at one time. Good relationship and mutual trust between internal supervisory agencies and external examiners is a good thing, without compromising the slightest sense of integrity between these 2 (two) agencies. This will make internal monitoring more effective because the results of internal supervision can be used as a basic reference of internal examination; of course, it must also be accompanied by improved quality of internal surveillance reporting results so that the data used is valid and can be accounted for.

#### ***D. The Influence of Management Support for Internal Audit on Internal Audit Effectiveness.***

Management support or can be said as a supporting secretariat in the implementation of internal supervision has a role to support APIP in carrying out the duties and functions of internal supervision and help provide facilitation for APIP, with the aim to provide good results in internal supervision and make internal supervision more effective. Based on the results of interviews conducted by researchers to several informants found the conclusion is that the secretariat has provided maximum support in the implementation of supervision, where the supervision plan made by the secretariat has covered all aspects that must be met in internal supervision and has involved APIP in its preparation. Management support or can be said as a supporting secretariat in the implementation of internal supervision has a role to support APIP in carrying out the duties and functions of internal supervision and help provide facilitation for APIP, with the aim to provide good results in internal supervision and make internal supervision more effective. Based on the results of interviews conducted by researchers to several informants found the conclusion is that the secretariat has provided maximum support in the implementation of supervision, where the supervision plan made by the secretariat has covered all aspects that must be met in internal supervision and has involved APIP in its preparation.

#### ***E. The Influence of Independence of Internal Audit on Internal Audit Effectiveness.***

Independence is an absolute thing for APIP in conducting internal supervision; the independent attitude of APIP must really be at a very high level where APIP is not easy to influence in carrying out its duties. Based on the results of interviews conducted by researchers to several informants found the conclusion was that the level of independence APIP Inspectorate General of the

Ministry of Home Affairs is quite high, where there have not been found fraud problems that occur in the implementation of supervision. Having a high level of independence is not easy for APIP; moreover, many parties will try to tempt and influence for the benefit of it or the interests of its group. Ganguan also comes not only from outside, but also comes from within the organization itself, such as leadership interventions or conflicts of interest that arise in the supervisory team, but it is not found in the Inspectorate General of the Ministry of Home Affairs.

#### ***F. The Influence of Internal Audit Quality on Internal Audit Effectiveness.***

The quality of internal audit is one of the benchmarks of whether internal supervision runs effectively, both of which are a straight line that is interconnected with each other. Based on the results of interviews conducted by researchers with several informants found the conclusion is that the effectiveness of internal supervision can be realized if the quality of the internal audit is good. The improvement of audit quality can certainly be seen from the aspect of the quality of reporting, whether it has met the standards or not. The Inspectorate General of the Ministry of Home Affairs has made efforts to improve the quality of surveillance reports. The quality of internal audit or internal supervision can be good if the supervision planning that has been set can run effectively in accordance with what has been planned, sometimes there are many changes in the process of the journey, but if the planning is done carefully and measurably must have been able to overcome and predict the changes that occurred so that the final objectives of the planning is still achieved.

One of the easy-to-see benchmarks of the level of quality of good internal audit is the lack of findings found by external examiners against auditees who are objects of internal supervision by APIP, where at the moment there are still many findings by external examiners, in this case, the CPC either findings administratively or findings of state losses in the Ministry of Home Affairs while in the local government there is still corruption committed by the governor or regent / mayor that shows that the internal quality of the audit is still not running well. Therefore, good supervision planning is needed, in order to create good quality supervision as well, the quality of internal audit and the effectiveness of internal supervision is a unit that intersects and influences each other, moreover with supervision planning that has an important role in the realization of good internal audit quality will create good effectiveness of supervision.

#### ***G. The Influence of Auditee Attributes on Internal Audit Effectiveness.***

Auditee Attributes or can be interpreted by the support of auditee to internal supervision conducted by APIP, wherein this variable it is seen how the auditee can control its environment, the extent to which the auditee can cooperate with APIP, and whether there is a rejection of APIP in the implementation of internal supervision. Based

on the results of interviews conducted by researchers to several informants found the conclusion that the auditee as an object of internal supervision has provided good support that makes supervision run effectively because the esesnsinya internal supervision aims to auditee to be better and ensure what the auditee has done is correct in accordance with existing methods and regulations. The support of auditee has been felt by APIP, where auditee has cooperated with APIP in solving problems without having to be a finding first, but there is still auditee that can not cooperate well to APIP, where auditee reluctantly or slowly provide data needed by APIP so as to interfere with the course of internal supervision, it happens usually comes from problematic data and want to be covered up.

### **V. CONCLUSION**

Based on the results of the analysis and discussion that has been described in the previous section, it can be concluded that there are 7 (seven) of 8 (eight) variables that have a significant effect on the effectiveness of supervision conducted by the Inspectorate General of the Ministry of Home Affairs, where 7 (seven) variables are (1) Competence of Internal Audit Department, which proves that the better competence owned by APIP, the more effective supervision will be (2) Size of Internal Audit Department, where it proves that the more fulfilled and evenly apip at each level, the more effective supervision (3) Relationship Between Internal and External Auditors, where it proves that the better the relationship between APIP and External Auditors, the more effective supervision will be (4) Management Support for Internal Audit, where it proves that the higher the level of management support or skretariat then the supervision will be more effective (5) In dependence of Internal Audit, where it proves that the higher the level of independence APIP then the supervision will be more effective (6) Auditee Attributes, where it proves that the higher the auditee support to supervision then the more effective supervision (7) Internal Audit Quality, where it proves that the more tinggu quality supervision then the supervision will be more effective. Where it proves that the higher the level of independence APIP then the supervision will be more effective (6) Auditee Attributes, where it proves that the higher the auditee support to supervision then the more effective supervision (7) Internal Audit Quality, where it proves that the more things quality supervision then the supervision will be more effective.

### **VI. SUGGESTION**

Based on the conclusions that have been concluded above, researchers can provide some suggestions as follows:

- a. The Inspectorate General of the Ministry of Home Affairs must conduct an immediate equalization of APIP's capabilities and competencies, which also occurs as a result of the lack of education and training hours received by APIP each year; the Inspectorate General must immediately coordinate with the Bpsdm of the Ministry of Home Affairs to provide the necessary training

and education materials so that APIP competencies can be evenly distributed and the fulfillment of education and training hours can be met;

- b. Inspectorate General of the Ministry of Home Affairs must overcome the gap in the number of functional experts first in the functional position of auditors or PPUPD by opening the opportunity for the Formation Training for the functional position of the first expert PPUPD and conducting coordination related to the fulfillment of the

number of first expert auditors in the scope of the Inspectorate General of the Ministry of Home Affairs to BPKP as the auditor's supervisory agency;

- c. The Inspectorate General of the Ministry of Home Affairs shall coordinate with BPK RI as an external examiner related to the inspectorate general's annual supervision schedule and the annual inspection schedule of BPK RI so as not to cause conflicting schedules each year.

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