

THE EFFECT BETWEEN COORDINATION AND COOPERATION IN INTERNAL AUDITOR WITH EXTERNAL AUDITORS TO AN EFFECTIVENESS OF INTERNAL AUDIT: ROLE MANAGEMENT SUPPORT

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ABSTRACT

The internal audit ineffectiveness is marked by the weakness of financial accountability. This research aimed to examine and provide determinants of the internal audit effectiveness at the Ministry of Maritime Affairs and Fisheries (KKP). The research sample consisted of 31 internal auditors and 31 KKP employees. This research belongs to the explanatory research. The research questionnaire data to test hypotheses were analyzed with the Partial Least Squares (PLS) analysis tool. The results showed that the coordination and cooperation of internal auditors with external auditors had a positive effect on the effectiveness of internal audits. In addition, management support was able to moderate the coordination and cooperation of internal auditors with external auditors on the effectiveness of internal audits. This finding can open the horizons of interested parties, especially KKP leaders to consider policies that can improve the effectiveness of internal audits to improve organizational objectives and performance.

Keywords: management support, internal auditors, external auditors, effectiveness of internal audits, ministry of maritime affairs and fisheries.

INTRODUCTION

Law Number 17 Year 2003 article 3 paragraph 1 related to the management of state finances states that state finances should be managed in an orderly manner, obeying the laws and regulations, efficiently, economically, effectively, transparently, and responsibly with due regard to a sense of justice and appropriate as a key in fulfillment of people's welfare. That is because Indonesia as a country that has abundant natural resource potential is responsible for the welfare of the people as stated in Alenia IV of the opening of the 1945 Constitution.

The government's steps to make the people prosperous have not been realized fully, the still rampant corruption and weak accountability are indicators of weak state financial management as reflected in the financial statements. In line with the opinion of Sukmadilaga et al., (2015) said that disclosures of financial statements can provide important information about the way the government manages the country, especially accountability and governance. Weak financial accountability is indicated by the disclaimer opinion pinned by the Supreme Audit Board (BPK) on the release of the Semester Examination Index (IHPS) semester I of 2017. Several Ministries / institutions obtain a disclaimer opinion, one of which is the Ministry of Maritime Affairs and Fisheries (KKP), whereas during 2012 to 2015 obtained unqualified.

The disclaimer opinion pinned by the BPK shows the role of the Government Internal Supervisory Apparatus (APIP) must be more optimal in providing internal supervision. In addition, the role of APIP must be able to provide advice to management in utilizing organizational resources economically, efficiently and effectively and to guide management in identifying risks and optimizing opportunities for organizational improvement to achieve organizational goals.

Internal auditors must also be able to increase their role in establishing coordination and cooperation with external auditors to obtain audit benefits for external organizations and stakeholders (Alzeban and Gwilliam, 2014). The similarity of roles and interests between internal auditors and auditors related to organizational governance and the effectiveness of financial internal controls will facilitate the audit process and the achievement of client objectives. The difference between the two lies in the focus of internal auditor's attention on compliance audits and operational audits while external auditors focus on auditing financial statements (Sawyer et al., 2005: 8). The difference and the similarity of roles will lead to dependency and mutual need so that there is a harmonious relationship between the two to get mutual benefits, which can ultimately increase the effectiveness of internal audit.

Endaya (2014) summarized that many benefit of coordination and cooperation between internal auditors and external auditors. First, coordination and cooperation have an impact on services for auditing clients. Second, coordination and cooperation can detect fraud. Third, auditing costs will be minimized by increasing internal audit characteristics (Ho and Hutchinson, 2010 and Abbass and Aleqab, 2013). These characteristics include the organization's internal audit status, work performed, competence, and professional care. Increasing audit characteristics. high will increase the dependence of external audits on the work carried out by internal audits which causes a decrease in the audit sample size and process. In addition, the 2050 Institute of Internal Auditor (IIA) Standard describes aspects of coordination between internal auditors and internal auditors in an effort to ensure adequate audit coverage and minimize duplication of work so as to make work effective in optimize objectives an achievement.

Coordination and cooperation in the public sector is played by APIP as an internal auditor and BPK as an external auditor. Alzeban and Gwilliam (2014) stated that the collaboration was carried out in the form of discussing audit plans, sharing working papers, trusting external auditors on the work of internal auditors, and management support for the relationship established

between the two. In line with that, APIP and BPK can work together through assisting the inspection process, discussing audit findings, discussing follow-up examinations, and utilizing the results of internal supervision (Supervision News, 2013), audit methodology, increasing auditor competence, aligning planning to reduce duplication of work, and exchanging information (BPKP, 2013).

The research of Alzeban and Gwilliam (2014) founded that the coordination and cooperation of internal and external auditors contributed to the effectiveness of the internal audit function in the public sector in Saudi Arabia. In line with the results of Badara and Saidin's (2014) and Salehi (2016) research, there is a positive relationship between coordination and cooperation between internal auditors and external auditors on the effectiveness of internal audit.

Management support is the foundation in the effectiveness of internal audit (Alzeban and Gwilliam, 2014). Management support can be seen in the form of fulfilling the adequacy of Human Resources (HR) internal audit, budget support for increasing professionalism through education and training, as well as the adequacy of internal audit operational costs (Cohen and Sayag, 2010) as well as improving the coordination and cooperation of internal auditors with external auditors and an independent internal audit organization (Alzeban and Gwilliam, 2014). An existence of management support helps establish coordination and cooperation between internal auditors and external auditors will provide certainty for internal auditors to provide their best ability to improve the effectiveness of internal auditing.

The purpose of this study is to provide empirical evidence of the influence of internal auditor coordination and cooperation with external auditors. In addition, this study attempts to test the inconsistency of the results of previous studies that use management support as a moderating variable (Endaya and Hanefa, 2016; Oktavia, 2016; Arles et al., 2017). Furthermore, this research can contribute to the development of literature related to the effectiveness of internal audit.

TEORITICAL FRAMEWORK

In the context of this study, researchers using Stewardship Theory Donaldson and Davis (1991) stated that Stewardship Theory explains that the management situation is not motivated by individual goals but rather is aimed at their main outcome goals for the benefit of the organization. This theory is based on the assumption that the behavior of the manager acts according to the interests of the principal. This shows that steward as a servant or servant will rule out individual selfishness to achieve organizational goals. The role of the internal auditor as part of the organization provides its services to ensure the responsibilities given by management are in line with the mandate given by the principal. Furthermore, Internal Auditors establish coordination and cooperation with internal auditors to ensure the achievement of common goals without compromising the interests of each different. The importance of management support to ensure the achievement of management objectives by helping to establish coordination and cooperation of internal auditors with external auditors.

Effectiveness of Internal Audit

The effectiveness of internal audit refers to the ability of internal auditors to be able to achieve the goals set in the organization (Dittenhofer, 2001; Arena and Azzone, 2009). Sarens (2009) defined that the ability of the internal audit function to be able to quality corporate governance. Likewise Lenz (2014) provided that the view that the effectiveness of internal audit is a risk-based concept that helps organizations achieve their goals by positively affecting the quality of corporate governance. The effectiveness of this internal audit can be achieved by personalizing different interests, roles and responsibilities but complementary between the internal auditor and external auditor and management. These same interests are primarily in organizational governance and the effectiveness of financial internal controls that result in mutual dependence so that coordination and cooperation occur which can increase the effectiveness of internal audit.

Coordination and Cooperation of Internal Auditors with External Auditors

According to Alzeban and Gwilliam (2014) stated that coordination and cooperation between internal and external auditors has long been considered important for the benefits of auditing for organizations and external stakeholders. This coordination and cooperation is carried out continuously to get optimal benefits for the common interests and goals. The ability to foster good relations with external auditors conducted by internal auditors helps maintain the effectiveness of organizational governance (Gramling et al., 2004).

The coordination between the two is regulated by a standard which houses both parties. The AAIP Audit Standard (2014) states that APIP leaders must coordinate with, and share information with, external auditors and / or other auditors by submitting annual internal audit activities as well as the results of internal audit activities that have been carried out by APIP during the period under review by the auditor external and / or other auditors. External auditors can use the work of APIP and APIP can use SPKN in carrying out performance audits and audits with specific objectives (SPKN, 2107). The cooperative relationship between the two is possible because of the same interests and can increase the effectiveness of internal audit.

Stewardship theory supports the effectiveness of audits determined by the interests of the steward in line with the principal's interests. Internal and external auditors play the role of each function as a steward that can be invited to work together for the purposes of the organization by aligning the interests of the principal. The interests of the organization take precedence over the interests of the individual resulting in the desire to establish coordination and cooperation. The coordination and cooperation of internal auditors with external auditors influencing effectiveness has been proven empirically (Alzeban and Gwilliam, 2014; Badara and Saidin, 2014; Shohihah et al., 2018). There is coordination and cooperation in an effort to ensure adequate audit coverage and minimize duplication of work and audit costs. In addition, it was avoid unnecessary repeated mistakes. Based on the explanation from the above research, the following hypothesis is formulated:

H1: The coordination and cooperation of internal auditors with external auditors has a positive effect on the effectiveness of internal audits.

Management support moderates the relationship of internal auditors with external auditors on the effectiveness of internal audits

Management support is important in creating effective audit activities. Management's support will stimulate the auditor as a management partner to ensure the organization's goals can be achieved according to procedures set by management. Management support can be seen in several forms such as, assisting teams in handling obstacles, showing commitment to work, and encouraging subordinates (Kandelouosi et al., 2011). Furthermore Endaya and Hanefah (2016) stated that if senior management has an interest and drive to support activities, it will ensure the effectiveness of internal auditing. Stewardship theory explains the interests of management in line with the interests of the principal. Management as a steward will prioritize the interests of the organization rather than individuals to achieve organizational goals by helping to support the coordination and cooperation of internal auditors with external auditors. This management support besides being beneficial for both parties it will also be beneficial for management in taking policies in the organization's operations to achieve goals and objectives.

Research by Alzeban and Gwilliam (2014) showed that management support contributes to improving the effectiveness of internal audit by helping to support the coordination and cooperation of internal auditors with external auditors. This support as management's commitment strengthens the internal audit function. Based on the explanation from the above research, the following hypothesis is formulated:

H2: Management support moderates the influence of internal auditor coordination and cooperation with external auditors on the effectiveness of internal auditing.

METHODOLOGY

Types of research

The type of research used is explanatory research through a quantitative approach. The research category is a causal-comparative research that is research with the characteristics of problems in the form of a causal relationship between two or more variables (Indriantoro and Supomo, 2016: 27). This research aims to examine the factors that can increase the effectiveness of internal audit.

Population and Research Samples

The unit of analysis is the KKP employees consisting of two categories, such as internal auditors and audits (KKP Inspector General work partners). The population for all active functional auditors was 91 people. This research was used the census method, so for all auditor populations are included to fill in the questionnaire. Returning questionnaires and can be processed by auditors as many as 31 questionnaires, so researchers are use 31 questionnaires from many audits. Selection of the questionnaire into pairs.

Types and Data Collection Methods

Questionnaires were distributed to obtain primary data through direct and online-based distribution. The auditor questionnaire is distributed using an online questionnaire through the Inspectorate General's Secretariat which is then distributed to each auditor, while the audits questionnaire is distributed directly through each echelon I secretariat. The researcher collected the results of respondents' answers for 15 days, starting from September 21 to October 10, 2018.

Operational Definition and Measurement

Coordination and cooperation between internal auditors and external auditors refers to how well the coordination and cooperation between the two is to realize success in achieving objectives related to the effectiveness of internal auditing. This variable is measured by seven indicators used by Alzeban and Gwilliam (2014). These indicators are attitudes towards internal auditors, coordination that addresses shared interests, internal audit's dependence on internal audit work, frequency of meetings, sharing of working papers, and promotion of management for relations between these two groups. Management Support is an effort and management concern to support internal audit activities with the aim of improving organizational performance. This variable is measured by two indicators used by Mihret and Yismaw (2007). These indicators are a response to the findings and recommendations, and a commitment to strengthen the internal audit function. The effectiveness of Internal Audit is defined as the achievement of audits objectives carried out by internal auditors to improve organizational performance. This variable is measured by three indicators used by Cohen and Sayag (2010). These indicators are audit quality, audits evaluation, and added value.

The answer to the statement submitted using the Likert scale 1-7 with the choice of answers strongly agree (ss) score 7, agree (s) score 6, somewhat agree (as) score 5, neutral (n) score 4, rather disagree (ats) score 3, disagree (st) score 2, and strongly disagree (sts) score 1. The selection of scale 1-7 is in accordance with the opinion of Budiaji (2013) that the 7-point response has good reliability, validity, discrimination power, and stability.

Data Analysis Method

The research model consists of independent variables and uses moderating variables, so that the statistical variance-based Structural Equation Model (SEM) technique is appropriate in this study. Partial Least Square (PLS) is appropriate for this study for the reason: PLS is able to test the predictive effect of relationships between latent variables in one model, PLS can be used in samples with small amounts and does not require normally distributed data, and the results remain robust even though there are data that are abnormal and missing (Abdillah and Hartono, 2016: 165). WarpPLS 6.0 software is used to analyze the data in this study. The process of data processing by evaluating the measurement model (outer model) and evaluating the structural model (inner model). Outer models are used to assess the validity and reliability of a model while the inner model examines the relationship between latent variables based on the substantive theory of research by conducting a model fit test and measuring the value of R-Square and Q-Square. Hypothesis testing in this study was carried out by determining a significant level or critical value (α) of 10% and looking at the significance of the p value and the direction of the coefficient. If the significance of p value \leq 0.10 (10%) and the direction of the coefficient are in accordance with the direction specified in the hypothesis, then the hypothesis is supported, otherwise the hypothesis is not supported.

RESULTS

Outer model testing is done before hypothesis testing. Evaluation of the outer model in the form of a validity test and a reliability test. Convergent validation test with reflective indicators was assessed based on factor loading in the research model (Rule of Thumb $>$ 0.7) and the parameter AVE value was greater than 0.5, and the communality value was greater than 0.5. If the loading factor is between 0.5-0.7 the researcher should not delete the indicator that has the loading score along the AVE score and the communality indicator $>$ 0.5 (Hartono, 2014). Followings are:

Table 1. Convergent Validity Test

Indicator	Loading Factor	P Value	Results	AVE	Results
Coordination and Cooperation of Internal Auditors with External Auditors	KK1	0.837	<0.001	0.643	Valid
	KK2	0.909	<0.001		
	KK3	0.839	<0.001		
	KK5	0.759	<0.001		
	KK7	0.504	<0.001		
	KK9	0.893	<0.001		
Management Support	DM1	0.596	<0.001	0.520	Valid
	DM2	0.547	<0.001		
	DM3	0.784	<0.001		
	DM4	0.862	<0.001		
	DM5	0.597	<0.001		
	DM6	0.769	<0.001		
	DM7	0.822	<0.001		
Effectiveness of Internal Audit	EAI1	0.948	<0.001	0.804	Valid
	EAI2	0.860	<0.001		
	EAI3	0.880	<0.001		

Source: Primary Data processed, 2018

Based on table 1. For all indicators that meet the convergent validation test requirements can be seen. The next process is to do discriminant validation test by looking at the loading and cross loading values for the validation of each indicator. The method for viewing discriminant validation tests for all indicators by comparing the roots of the Average Variance Extracted (AVE) for each construct with the correlation between constructs and other constructs in the model. The discriminant validation test results obtained as follows.

Table 2. Discriminant Validity Test

	KK	DM	EIA	Results
KK.1	0.837	-0.045	-0.07	Valid
KK.2	0.909	-0.139	0.262	Valid
KK.3	0.839	0.134	0.07	Valid
KK.5	0.759	0.03	-0.365	Valid
KK.7	0.504	0.138	-0.448	Valid
KK.9	0.893	-0.045	0.296	Valid
DM.1	-0.746	0.596	0.505	Valid
DM.2	-0.662	0.547	0.810	Valid
DM.3	0.226	0.784	-0.399	Valid
DM.4	0.195	0.862	-0.227	Valid
DM.5	0.188	0.597	-0.532	Valid
DM.6	0.04	0.769	0.282	Valid
DM.7	0.389	0.822	-0.164	Valid
Y1	-0.157	0.055	0.948	Valid
Y2	0.122	0.019	0.860	Valid
Y3	0.051	-0.078	0.880	Valid

Source: Primary Data processed, 2018

Table 3. Comparison of AVE Roots and Correlation Coefficients

Variables	KK	DM	EAI	Results
KK	0.802	0.379	0.753	Valid
DM	0.379	0.721	0.422	Valid
EAI	0.753	0.422	0.897	Valid

Source: Primary Data processed, 2018

Based on table 2 it can be seen that all indicators have passed the discriminant validation test. Each indicator values loading > cross loading and based on table 3. AVE roots on the main diagonal are greater than the correlations of the relevant variables. Based on this, all questionnaires on variables consisting of several indicators have passed the discriminant validation test. The

parameters used in the reliability test are Cronbach alpha and composite reliability. Criteria that can be used in measuring reliability are Cronbach alpha values and composite reliability above 0.7 (Solihin and Ratmono, 2013: 125). The following are the results of the reliability test.

Table 4. Reliability Tests

Variable	KK	DM	EAI	Results
Cronbach's alpha coefficients	0.882	0.839	0.877	Reliable
Composite reliability coefficients	0.913	0.881	0.925	Reliable

Source: Primary Data processed, 2018

Based on table 4. Note that the composite value is greater than 0.7 and the Cronbach value is greater than 0.7. Thus, it can be stated that all questionnaire items are reliable. The next stage is the evaluation of structural models including model fit test and R-Square and Q-Square. Evaluation of structural models at least has a good goodness of fit so that the interpretation of the test results meets the index criteria and measures of the goodness of relationships between latent variables related to their assumptions (Solimun et al., 2017). The results of the criteria can be seen in table 5. The following:

Table 5. Modules and quality indices

Model fit and quality indices	Criteria fit	Results	Conclusion
Average path coefficient (APC)	P<0.05	0.471, P<0.001	Accepted
Average R Square (ARS)	P<0.05	0.630, P<0.001	Accepted
Average adjusted R-Squared (AARS)	P<0.05	0.603, P<0.001	Accepted
Average block VIF (AVIF)	Acceptable if<=5, ideal<=3.3	1.074	Ideal
Average full collinearity VIF (AFVIF)	Acceptable if<=5, ideal<=3.3	1.812	Ideal
Tenenhous GoF (GoF)	Small>0.1 medium>0.25 Large >=0.36	0.595	Large
Sympson's paradox ratio (SPR)	Acceptable if>=0.7, ideal=1	1.000	Ideal
R-Square contribution ratio (RCSR)	Acceptable if>=0.9, ideal=1	1.000	Ideal
Statistical suppression ratio (SSR)	Acceptable if>=0.7	1.000	Accepted
Nonlinear bivariate causality direction ratio (NLBCDR)	Acceptable if>=0.7	1.000	Accepted

Source: Primary Data processed, 2018

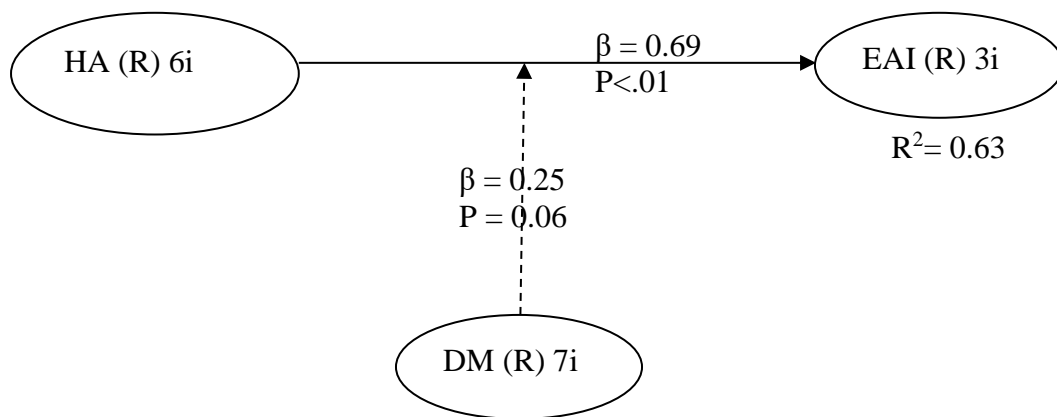
Table 5 gives an overview of each of the assumptions the test has met and the model has met the requirements of the model fit. Thus, the proposed research model is good. Structural model testing is then carried out by looking at R-Square and Q-Square. The value of R2 can be seen in table 6.

Table 6. R² and Q² Values

Construct	R ²	Q ²
Effectiveness of Internal Audit	0,630	0.618

Source: Primary Data processed, 2018

Based on table 6 it is known that the R² value of the construct of internal audit effectiveness is 0.63. This means that the effectiveness of internal audit (EAI) can be explained by the coordination and cooperation of internal auditors with external auditors and management support with a constructed model of 63% and the remaining 37% is influenced by other variables outside the model. Q squared is used to assess the predictive validity or relevance of a set of latent predictor variables on the criterion variable. Models with validity must have a Q-Squared value > 0. The estimation results of the model in table 6. Shows that good predictive validity, namely 0.618, values above zero.



Picture 1. Structural Model of Hypothesis Testing

Hypothesis Test

Hypothesis testing in this research is by looking at the value of the path coefficient. Inference whether the research hypothesis is accepted or rejected through the p value (P-Value). If the P value on the path tested <0.10 ($\alpha = 10\%$), the research hypothesis is accepted. The results of hypothesis testing are presented in table 7.

Table 7. Hypothesis Testing Results

The Effect between variables	Latent H	Path Coefficient	P-Value	Conclusion
KK --> EAI	H1	0.689	0.009	Accepted
DM*KK --> EAI	H2	0.252	0.061	Accepted

Source: Primary Data processed, 2018

Based on table 7. It can be concluded that:

Hypothesis 1 (H1) which was formulated is the coordination and cooperation of internal auditors with external auditors has a positive effect on the effectiveness of internal audit. Hypothesis test results show the variables of coordination and cooperation between the relationship of internal auditors and external auditors produce a path coefficient of 0.689 with a p-value of 0.009 still

below the significance value of 10%. In accordance with these results, hypothesis 1 is accepted. This shows the coordination and cooperation of internal auditors with external auditors has a positive effect on the effectiveness of internal audits.

Hypothesis 2 (H2) which was formulated is that management support positively moderates the influence of internal auditor coordination and cooperation with external auditors on the effectiveness of internal audit. Hypothesis test results show that the variable of management support interaction with the relationship of internal auditors with external auditors on the effectiveness of internal audit produces a path coefficient of 0.252 with a p-value of 0.061 still below the significance value of 10%. In addition, there was an increase in R2 before interaction by 57% to 63% after the interaction of management support variables into the model. In accordance with these results, hypothesis 2 is accepted. This shows that with the support of management will be able to strengthen the coordination and cooperation of internal auditors with external auditors on the effectiveness of internal auditing.

DISCUSSION

Coordination and Cooperation of Internal Auditors with External Auditors Influences To The Effectiveness of Internal Audits

The analysis shows that the first hypothesis of internal auditor and external auditor coordination and cooperation has a positive effect on the effectiveness of internal auditing. The results of this study confirm the research results of Alzeban and Gwilliam (2014) which showed that the coordination and cooperation of internal auditors with external auditors contribute to the effectiveness of internal audit. The same thing was confirmed by the research of Badara and Saidin (2014); Salehi, (2016) who expressed the opinion that there is a positive relationship between coordination and cooperation of internal auditors and external auditors on the effectiveness of internal auditing.

The results of this research also support the Stewardship theory which states the management situation is not motivated by individual goals but rather is aimed at their main outcome goals for the benefit of the organization. Internal auditors as stewards will put aside individual egos for the benefit of the organization. The actions of the internal auditor as a steward seek to establish relationships with external auditors by coordinating and collaborating on an ongoing basis to obtain optimal benefits for the interests and common goals. The most striking result of coordination and cooperation is the opportunity given by the external auditor to the inspector general (internal) auditor to explain their interests. The success of the internal auditor in establishing coordination and cooperation with the external auditor has a positive impact on increasing the effectiveness of internal auditing.

A Management Support To The Effect of Coordination and Cooperation of Internal Auditor and External Auditor On The Effectiveness of Internal Audits

Management support moderates the effect of internal auditor coordination and cooperation with external auditors on effectiveness. The results can support findings of Alzeban and Gwilliam (2014) which proved that management support helps establish coordination and cooperation between internal auditors and external auditors contributing to the effectiveness of internal audits. It is associated with Stewardship theory which states that management situations are not motivated by individual goals but rather are aimed at their main outcome goals for the benefit of the organization. Theory explains that management interests are aligned with principal interests. Management will make every effort to improve the effectiveness of internal audit. The existence of management support can affect the coordination and cooperation of internal audit with external audit on the effectiveness of proven internal audits. Management as a steward is important to optimize the role of auditors by providing support for the coordination and cooperation of internal auditors with external auditors so that this support becomes an incentive for internal auditors to use their best abilities in contributing to the achievement of organizational goals.

CONCLUSION

The conclusion can be concluded that the effectiveness of internal audit is influenced by the coordination and cooperation of internal auditors with external auditors and management support is able to moderate coordination and cooperation of internal auditors with external auditors. Internal auditors as part of the steward seek to establish coordination and cooperation with external auditors in the common interest to improve the effectiveness of internal audits. Management also endeavors to make every effort to improve the effectiveness of internal audit by helping to support the coordination and cooperation of internal auditors with external auditors.

This can provide an additional contributions to the theory of stewardship in increasing the effectiveness of internal audit. Stewardship Theory can be applied to the variables of coordination and cooperation of internal auditors with external auditors and management support.

The researcher realized that there are several limitations in this study. Some limitations are include the return of questionnaire responses for auditor respondents not optimal according to the census method. Based on the limitations of the study, the researcher's suggestion for further research could consider adjusting the respondent's time and activities when conducting research with similar objects. Involving external auditors and considering interview techniques for management to further explore the effectiveness of internal audit studies and develop research by adding external auditor perceptions variables.

This research can provided practical implementation for all parties involved in improving the effectiveness of internal audit within the CTF environment. This involvement will increase the driving force to achieve organizational goals efficiently and effectively. The KKP leaders as policy makers and interested parties in improving organizational goals and performance need to formulate and consider a new policy and strengthen existing rules so as to optimize the role of internal auditors and external auditors, especially the role of auditors as consultants and catalysts that can identify risks and provide suggestions for improvement for management at every level of the organization.

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