

EFFECTIVENESS OF INTERNAL AUDIT IMPLEMENTATION AT BPJS OF EMPLOYMENT

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Abstract

This study aims to analyze the effectiveness of implementation of internal audit in BPJS of Employment. This study involved 8 informants consisting of the Assistant Head of the Internal Audit Department, Internal Auditor, and the Branch Head. Measurement of the effectiveness of internal audit in this study uses the IPPF Practice Guide: Measuring Internal Audit Effectiveness and Efficiency from the Institute of Internal Auditors which consists of basic measures, services to stakeholders, technical development, innovation, and human resource development. The results showed that in a basic measure, clients (auditees) felt satisfy with the services provided by SPI. Internal auditors also feel satisfied in terms of the field of work and salary or facilities provided by management. The findings obtained by internal auditors at this time are more on administrative errors and do not lead to fraud. The recommendations by the internal auditor are always followed up by the auditee and this is also the support of management. Repeated findings are still at a reasonable level and the numbers are not many. The existence of SPI greatly helps management in achieving organizational goals. SPI allocates a budget for internal auditor technical development, but this is done in turn because of budget constraints. Internal auditors are also involved in professional organizations, but their nature is only passive. All internal auditors already have certification and auditor rotation is carried out in accordance with the needs and management policies.

Keywords: *internal audit, effectiveness of internal audit, internal audit department.*

1. INTRODUCTION

Fraud is still common in Indonesia, both fraud on financial statements and corruption. The cause of fraud can be caused by weak internal control, this can be due to the ineffectiveness of internal audit. The report on the results of the examination of the State Audit Board (BPK) in 2014 found that the management of the Manpower Social Security Administration Agency (BPJS) funds was not in accordance with the

applicable rules and regulations, causing trillions of rupiah to be unaccounted for (CNN Indonesia, 2016). Based on the Summary of Semester Examination Results (IHPS) II Year 2016, BPK conducted an examination with a specific purpose related to the implementation of national social security for employment at BPJS of Employment, BPK revealed 10 findings containing 16 problems. These problems include 9 weaknesses of the internal control system and 7 non-compliance with the provisions of laws and regulations with a loss value of Rp. 37.12 billion. BPK also conducted inspections with certain objectives related to application development and improvement of information technology infrastructure, the results were 5 findings containing 10 problems. These problems include 4 weaknesses in the internal control system and 6 non-compliance with laws and regulations with a loss value of Rp. 8.84 billion.

In 2017 BPK conducted an examination related to the consolidated financial statements at BPJS of Employment. Based on the 2017 IHPS I, BPK found 16 findings containing 35 problems consisting of 23 problems with weaknesses in the internal control system and 12 problems of non-compliance with the provisions of laws and regulations with a loss value of Rp 80.49 billion. Based on the 2018 IHPS II, BPK conducts inspections with certain objectives related to the management of investments, fixed assets and expenses for the 2016 and 2017 Financial Years at BPJS of Employment. BPK found 14 findings containing 19 problems. These problems include 9 weaknesses in the internal control system, 8 non-compliance with the provisions of laws and regulations with a loss value of Rp 1.34 billion and 2 3E problems with a loss value of Rp 23.98 million.

This problem is probably caused by the lack of a strong three-layer defense (Three Lines of Defense) in the government, both ministries and institutions, BUMN and other agencies. The Chartered Institute of Internal Auditors (2019) explains that to ensure the effectiveness of the organization's risk management framework, the board and top management must be able to rely on the three lines of defense function, namely: the first line of defense, operational management has the ownership, responsibility, and accountability to directly assess, control, and mitigate risks. The second line of defense consists of activities covered by several internal components of governance, such as compliance, risk management, quality, IT and other control departments. Finally, internal audit forms the organization's third line of defense. An independent internal

audit function through a risk-based approach to its work will provide assurance to the organization's directors and senior management.

The first line of defense in BPJS of Employment is carried out by branch offices throughout Indonesia that carry out daily operations. This branch office is headed by a Head. Branch heads are expected to be able to ensure a conducive control environment, implement risk management policies set out in the integrity pact, and be able to demonstrate effective internal control at branch offices. The second line of defense is carried out by the risk management function. BPJS of Employment is carried out by the Assistant Deputy Director for Wasrik and Risk Management. This unit is responsible for developing and monitoring the implementation of overall risk management, monitoring whether the branch offices have carried out operations according to the SOPs that have been set. This unit also monitors and reports the risks experienced by BPJS of Employment as a whole to the Deputy Regional Director, then reported to the President Director. The third layer of defense is carried out by both external and internal auditors. However, the role of the internal auditor is more intense where the internal auditor reviews and evaluates the overall risk management design and evaluation and ensures that the first and second layers of defense are as expected. George et al. (2015) revealed that the main factors that affect the effectiveness of internal audit are: (1) quality of internal audit; (2) competence of the internal audit team; (3) independence of internal audit; and (4) management support.

Internal auditors are required to have high competence in carrying out their duties. One way to improve the competence of internal auditors is by participating in training or certification. Internal auditor certification in Indonesia reaches 260 people and is still very few compared to other countries, this is due to the online certification exam using a foreign language (Simatupang, 2017). Competence is required by internal auditors in order to compete in global competition.

Internal audit provides assurance on the organization's strategic procedures, risk management and control, and assists the organization in meeting strategic, operational, financial and regulatory objectives (Salehi, 2016). The internal audit function includes assessing the company's risk and developing the necessary controls that remain relevant and sustainable throughout the process (Obeid and Abdelnur, 2018). Internal audit is an important part in an organization, because internal audit is an independent managerial

function to improve efficiency and optimize performance (Alkebsi and Aziz, 2017). The effectiveness of internal audit will benefit organizational management effectively in achieving goals (Badara and Saidin, 2013). The internal audit department is a management partner to ensure that the company's operations run according to rules and standards, internal audit acts as a consultant who is expected to evaluate and develop effective risk management and improve organizational governance. Companies that have an effective internal audit department will be able to help management to achieve goals and prevent and minimize fraud.

One of the factors that influence the effectiveness of internal audit is management support. Management support is one of the most important factors affecting audit effectiveness (Alkebsi and Aziz, 2017). Internal auditors need senior management support for the effectiveness of their audit work, for that, internal auditors must have full support from senior management to carry out their duties without obstacles (Endaya and Hanefah, 2016). Management can support internal auditors by providing training, facilitating communication with management, and authorizing access to data (Alkebsi and Aziz, 2017). In the context of achieving optimal performance, top management plays an important role, especially for the audit process, therefore the audit department and auditors need support from top management to improve the audit process (Alkebsi and Aziz, 2017).

Another factor that can affect the effectiveness of internal audit is the competence of internal auditors. The effectiveness of the internal audit function and process is highly dependent on the competence and knowledge of internal audit personnel within the organization (Musah et al., 2018). Competent internal auditors will have all the necessary skills to produce a good audit report, and to achieve competence, various types of training and development must be provided to internal auditors (Shamsuddin, 2014). The level of competence of internal auditors gives confidence to senior management that internal auditors can carry out their activities professionally and competently (Erasmus and Coetzee, 2018).

In the current era of the industrial revolution 4.0, the use of information technology is very important and unavoidable. Information technology serves to design, implement, and maintain control over the organization's business processes (Musa, 2008).

BPJS of Employment currently manages Rp 410 trillion in funds and will increase membership benefits through regulatory revisions (Zainudin, 2019). The Fiscal Policy Agency (2019) revealed that as of December 2018, the total pension funds reached Rp. 850.78 trillion, with BPJS of Employment dominating at Rp. 319.33 trillion. With such a large fund, optimal management and adequate internal audit are needed to ensure that good governance, risk management, and organizational goals can be achieved.

Research related to the effectiveness of internal audit has been widely carried out by previous researchers, Endaya and Hanefah (2016) examined the relationship between the characteristics of internal auditors with the effectiveness of internal audit and top management support as moderating variables, the results show that the characteristics of internal auditors consist of objectivity, effective communication, proficiency and due professional care, and training and development, have a direct effect on the effectiveness of internal audit, Deliana and Mahyuni (2018) examine the effectiveness of internal audit in plantation companies in North Sumatra and the results of their research are that the competence of internal auditors and top management support affect the effectiveness of audits internals.

2. LITERATURE REVIEW

Agency Theory

The agency relationship is a contract between the owner of the organization and its top management. Managers work in an organization as agents to do work on behalf of owners who delegate some decision-making authority to managers. This authority can be abused by managers to fulfill their own self-interest needs. In response to this, the existence of an audit committee, external and internal auditors will help to improve organizational performance and ensure that management implements plans according to procedures (Adams, 1994).

According to Endaya and Hanefah (2013) agency theory can serve as an approach to build a theoretical framework for internal audit effectiveness. The internal auditor is an agent and is the part that carries out oversight in an organization that reports its work to top management, the audit committee and the board of commissioners. Internal auditors carry out their work reporting to top management, but at the same time internal

auditors are agents of the board and audit committee who believe in their ability to evaluate the work of top management. In fact, internal audit in this case the internal auditors has a personal relationship with top management, where the position of the internal auditors, salaries and incentives are influenced by top management, so that it can provide information bias to the audit committee, and can affect the level of trust of the audit committee on audit objectivity internals.

Information Asymmetry

Swardjono (2014: 584) explains that information asymmetry is a condition when management as a party has more control over information than investors. Scoot (2009:105) reveals that information asymmetry is where the parties involved in a transaction have more information about the assets traded compared to other parties. Basically, information asymmetry occurs because management controls more information than other parties, such as investors or shareholders. However, in this study, information asymmetry occurs because the head of the work unit/branch head has superior information compared to the management/director. With the allegation that the head of the work unit takes action to maximize performance appraisal indicators in order to get incentives or bonuses from management, this encourages the head of the work unit as an agent to hide some information that is not known by management as the principal. Internal auditors are mandated by management to carry out their duties to assess good governance. Internal auditors also aim to manage risks that occur in the organization. The role of the internal auditor in information asymmetry carried out by the head of the work unit is to check that the business processes carried out are in accordance with applicable operational standards and organizational goals can be achieved.

Internal Audit

According to the Institute of Internal Auditors (2017) internal audit is an independent and objective insurance and consulting activity, designed to add value and improve the organization's operations. Internal audit also helps an organization achieve its objectives in a systematic, disciplined approach to evaluating and developing the effectiveness of risk management, oversight, and governance processes. According to Agoes (2018:218) internal audit (internal audit) is an examination carried out by the

company's internal audit department, on the company's financial statements and accounting records as well as compliance with government regulations and provisions in the fields of taxation, capital market, environment, banking, industry, investment, and others.

Furthermore, Bastian (2014) said that internal audit is a managerial oversight whose function is to measure and evaluate the control system with the aim of helping all members of management in managing their responsibilities effectively by providing analysis, assessment, recommendations and comments related to the activities being reviewed. Internal audit has a purpose in the management of an organization or company. According to Agoes (2018), internal audit aims to assist company management in carrying out their duties through analysis, assessment, and providing advice and input regarding activities or programs that are included in the examination.

Internal Audit Effectiveness

According to Arena and Azzone (2009) effectiveness is the capacity to get results that are consistent with targets. Badara and Saidin (2013) define the effectiveness of internal audit as the ability of internal auditors to achieve the goals set in local government. From some of the definitions above, it can be concluded that the effectiveness of internal audit is the level of quality and ability of the internal auditors to achieve the goals set through a dynamic process.

The internal audit function includes assessing the company's risk and developing the necessary controls that remain relevant and sustainable throughout the process (Obeid and Abdelnur, 2018). George et al. (2015) explained that the main factors that affect the effectiveness of internal audit are: quality of internal audit, competence of the internal audit team, independence of internal audit, and management support. According to Agoes (2018) several things must be considered in order for a company to have an effective internal audit department: 1) The internal audit department must have an independent position within the company's organization 2); The internal audit department must have a job description; 3) The internal audit department must have a manual internal audit; 4) There must be strong support from top management to the internal audit department; 5) The internal audit department must have people who are professional, capable, can be objective, and have high integrity and loyalty; 6) Internal auditors must be able to cooperate with public accountant; 7) Internal audit department

must have an internal audit charter.

Internal Audit Effectiveness Measurement Indicator

The measurement of the effectiveness of internal audit in this study uses the IIA (2010), namely the IPPF Practice Guide: Measuring Internal Audit Effectiveness and Efficiency. A list of interview questions with informants can be seen in table 1.

Table 1
Measurement of Internal Audit Effectiveness

No	Performance Measurement Category	Effectiveness Measure
1	Base Size	<ul style="list-style-type: none"> - Level of client satisfaction (auditee) - Level of satisfaction of staff (auditors) - Significant number of audit findings - Percentage of recommendations implemented - Number of repeated finds - Number of unsatisfactory internal audit recommendations
2	Service to Stakeholders	<ul style="list-style-type: none"> - High quality service delivery
3	Technical Development	<ul style="list-style-type: none"> - Development of relevant technical knowledge
4	Innovation	<ul style="list-style-type: none"> - Improve audit process - Involvement in industry organizations (Example: IIA)
5	Human Resource Development	<ul style="list-style-type: none"> - Number of incoming and outgoing staff rotations within the internal audit department - Average years of audit experience - Percentage of auditors with professional certification - The number of auditors who were promoted to other work units with the number of auditors leaving the company

Source: IIA – IPPF Practice Guide: Measuring Internal Audit Effectiveness and Efficiency, (2010).

Assessing effectiveness requires knowledge of the goals set. The objectives set are usually related to providing assurance services and providing added value to financial institutions and stakeholders.

3. RESEARCH METHODS

This research is a qualitative research, Creswell (2009) says that the main core of qualitative research is the purpose of exploring and understanding data in depth. This research uses a case study design, which is a research procedure that focuses on making concepts based on data. The data used in this study are primary data and secondary data. According to Sekaran and Bougie (2013) primary data is data obtained directly by researchers from the actual scene. The primary data in this study are transcripts of interview results derived from interviews with informants. Secondary data is data obtained from existing information or sources (Sekaran and Bougie, 2013). Secondary data in this study were obtained through company records or documentation, internal books published by the company, company websites, and regulations contained within the company.

The data collection techniques used in this study were in-depth interviews, observation, and documentary studies. The use of in-depth interviews because the use of these interviews is very significant to understand more deeply about each individual's perception of the phenomenon being studied. Observations were made to observe the activities of the parties involved in this research, but the researcher was only passive. Documentary studies are conducted to analyze documents sourced from company regulations. This study uses semi structured interviews, the researcher prepares guiding questions to be used as the main guide when conducting interviews (Bandur, 2019).

In qualitative research, the most important research instrument is the researcher, because the validity of the data obtained by qualitative research depends on the ability of the researcher to check the accuracy of the data and information obtained by applying appropriate research procedures (Indrawati, 2018:188). To obtain valid data, researchers used a triangulation approach, namely method triangulation and data source triangulation.

Triangulation methods are used to compare information or data in different ways (Indrawati, 2018: 189). The researcher used a semi-structured interview method with open-ended questions to the informants. Then the researcher checks the truth of the information by using different informants to get different perspectives or views so that results that are close to the truth can be obtained.

Data analysis carried out in this study was a qualitative method. The stages of

analysis carried out are data collection, data reduction data display, and conclusion. At the data collection stage, all data entered as is in accordance with the results of interviews and documentation. In the data collection process, researchers always base on interview guides. The preparation of these guidelines is based on the formulation of the problem, the objectives and focus of the research, supporting theories, and the results of previous research. In the data collection process, the validity of the data is also carried out mainly for credibility testing by means of source triangulation and method triangulation. In this case, the results of interviews with one informant were checked with the results of interviews with other informants. Likewise, the results of the interviews were checked again with documentation data, supporting theories, or also by asking for responses from the SPI and the head of the BPJS of Employment branch who were more familiar with the topics discussed. In this way, it can be guaranteed that the data obtained has a high level of validity.

4. RESULTS AND DISCUSSION

This study analyzes the effectiveness of internal audit implementation in BPJS of Employment. The purpose of this study is to answer the question of how effective the internal audit is at BPJS of Employment. The effectiveness of internal audit is measured through the following criteria: basic measures, services to stakeholders, technical development, innovation, and human resource development.

A. Base Size

The baseline measure is measured by the level of auditee satisfaction, the level of auditor satisfaction, the number of significant audit findings, the percentage of recommendations implemented, and the number of repeated findings.

Client Satisfaction (Audite)

At BPJS of Employment, the auditees are satisfied with the services provided by SPI, because SPI is currently no longer acting as a watchdog, or not just looking for faults but has provided solutions and is very helpful in improving the performance of each unit and in the end. will be able to help management to achieve organizational goals. For example, when conducting an audit in a work unit, SPI provides input on how the funds issued must be in accordance with the predetermined budget, and also

provides input that each fund issued must have a clear output, and SPI also provides inputs and evaluations. from the use of the budget in each work unit. As the results of an interview with Tony W.K. as Head of Branch X:

"...an auditor today is very different from the past. In the past, the auditors were silent and finally made these findings. Already. Done. Frankly, what are you doing. In fact, if necessary, find fault with the personnel. Later the personnel will be punished. This means that this is intentionally to trap a person or unit. But now no, we can be invited to have a discussion, have a light chat. It's not that we're looking for what it's called, the term, yes earlier, how to advance the unit. So that when people run the unit itself, operationally it does not hesitate. If you just keep quiet, if you used to have doubts. Oh this is scary. Finally, what, the absorption of the budget is not right. That's right. Because of our fear, fear of breaking. Finally, fear. But now no. Sir, why is the budget not absorbed? We are also scolded. What does it mean, need planning. Finally, we made a plan, so how much is the plan each month? There are budget estimates and so on. That's also the case when using a budget, budget estimates, what are the outputs, what are the results, are they balanced? If it's not balanced, it's evaluated. That's their encouragement. SPI salute."

From the results of this interview, we can see that the auditee in this case the branch head is satisfied with the services provided by SPI. In addition, Singgih Marsudi and M. Izzadin as Heads of Branches Y and Z also expressed satisfaction with the services provided by SPI BPJS of Employment. SPI in providing services is not only conducting audits but has been oriented towards improving performance and ultimately encouraging the organization to be able to achieve its goals. This is in line with the Institute of Internal Auditors (2017) which states that internal audit is an independent and objective assurance and consulting activity designed to add value and improve the organization's operations and help the organization achieve its goals.

Auditor Satisfaction

The SPI BPJS of Employment auditors are satisfied with what they currently have, both in terms of job satisfaction and also in terms of the facilities and salaries that the company provides them. The auditors find their work as auditors very enjoyable because they have different experiences from when they work in other units. The auditors also feel that in SPI they have more challenges, for example, they have to learn more both in terms of rules and developing business processes, and this is a dynamic that they really enjoy and they feel very comfortable working as auditors at SPI. The following are the results of an interview with Bramastyo as an auditor:

“...Actually I didn't like it at that time. The first time I was transferred here. Because in the past SPI was an apostrophe that had a bad image. I first entered. There are still many patterns from auditees who do give gifts. But we don't accept it. So it has changed. It's getting cleaner here. So from my anxiety about it finally changed. That means there has been an improvement. Fortunately, we have a lot to learn here. This means that we must know more than our auditees. Especially from the rules. That's heavy. If you enjoy it now.”

The same thing was said by Ardhi Kuswikanto as Auditor: “....there is a lot of experience here. Because the scope of work is in accordance with PP 55, the SPI is tasked with maintaining all BPJS of Employment assets, be it investments or fixed assets, operations, including human resources. So it is very broad and not boring.” This is also supported by a statement from Harry Christianto as Auditor: “....In SPI, the development is more, more complex. Not only that, we have to know how it might be multitalenta. There are many there, not only our business processes, but other lessons, such as GG (Good Governance). We have to understand the risks. That is, in SPI it's not just that-that's all, here we are required to develop even more. It's not just business processes, if possible, we have to understand what's outside, as the term for backing up our knowledge, right? If later, for example, we are dealing with external parties or we are dealing with other auditees, the term is that there is a back up of our knowledge, which supports our task. We have to be more observant.

From several statements of the BPJS of Employment SPI auditors, it can be seen that the auditors are very satisfied with their work because as SPI auditors they must have extensive knowledge not only limited to business processes. This requires the auditor to be able to develop so that the auditor finds many new and not boring things. SPI auditors are also satisfied with the salaries and facilities provided by the company to them. Although the issue of whether the salary is sufficient or not is very relative and different for each individual. This is in accordance with the statement of Sabastian as Auditor:

“....Until now, thank God, it is sufficient for me and my family. Both in terms of salary, then in terms of facilities have been met. But indeed, if there is a desire, they want more.” Furthermore, Ardhi Kuswikanto as Auditor said: “...It's actually enough. The only thing management has to think about is that SPI is an auditor, a function that is not easy to set up. It's just that it takes the longest to build the character of the auditor and the education takes the longest to form a qualified auditor. What should be considered is a kind of functional position that the auditor will indeed develop on the spot, meaning he does not think about other positions, so he focuses on improving this institution through SPI”.

Meanwhile Harry Christianto as the Auditor said that because it was in accordance with the times, the current salary received was not sufficient, as follows:

"If it fits the needs, I think that for now there are still some that are not sufficient. But if you look at the past, the salary increase is quite drastic. Maybe it's just because of the times, and then the need increases, the longer it takes, it seems as if it's not enough."

From the results of interviews with several auditors, we can see that the SPI BPJS of Employment auditors are satisfied with the facilities and salaries provided by the government, although the level of satisfaction of each individual differs according to their needs.

Number of Significant Audit Findings

In the BPJS of Employment SPI, significant audit findings can be seen from what type of audit is being carried out, whether operational audits, compliance audits and so on. Whether it is significant or not depends on the inputs to management which are the main focus of management both at the head office level, in this case the directors and supervisory boards, at the middle level, namely the deputies and their heads. This is in accordance with Ardhi Kuswikanto's statement as Auditor:

"...In SPI there are several types of audits: first, there is an operational audit to assess effectiveness and efficiency in accordance with COSO objectives, what internal audits are, what kind of compliance, and what kind of compliance, then there are mitigation and audits for certain objectives. Then there is an assessment for risk management and good governance. Complex problem. Answering whether it is significant or not, what we are bringing up is something that we provide input to management on matters that are the main focus of management, both at the head office level (Board of Directors and Board of Directors), then at the middle management level there is a deputy director then to its divisions".

When conducting an audit at BPJS of Employment, the SPI auditor found significant findings. Findings that have been obtained, for example, there is a difference between registered applicants, the auditor reconciles at the registration point, payments from participants and deposits, after reconciliation it will be seen whether there is a difference in the amount or not. Furthermore, the auditor will recommend to the Deputy Regional Director to make an administrative letter to be distributed to all branches. Significant findings have also been found in the service division, in this case there has been a mispayment, in the HR department and in general there have also been significant findings in terms of procurement payment errors. The following are the results of an interview with Sabastian as an auditor:

“...found a discrepancy between the registrant and the registered one. This has quite an impact in terms of material, namely the money that is registered. So, we immediately consulted with the Department of Regional Directory and we recommended that further administrative letters be issued and then distributed to all branches. Then reconciliation at three points. That is the point of registration, payment from the participant to us, then we register it to the application according to the TU. Then the third is to deposit. Well, sometimes these three points are different in number, even though they should be the same. Well this is different sometimes causes a difference. Then the second, we focus on service. Well here in my opinion there is a very significant, namely the wrong payment. We acknowledge that it is significant because it is related to services and improvements in the system as well as during membership registration. Because this registration will be very influential. Then the third, in the field of general and human resources still found some errors in terms of procurement payments ”.

The findings obtained by the SPI auditor at this time are mostly administrative errors and do not lead to fraud, this is due to strict sanctions given by the leadership, as said by Harry Christianto as Auditor:

“In terms of material, during my inspection, there were a lot of material. The only thing that leads to fraud, now many people don't dare because they reflect on past experiences regarding fraud, they are immediately fired. The current findings are just administrative problems, such as lack of files, lack of signatures, or lack of stamps. Since 2018, no one has dared to commit fraud because the risk is long.”

Percentage of Audit Recommendations Implemented

In BPJS of Employment, audit findings recommended by SPI to auditees are generally followed up well. The auditee always communicates with the auditor to improve matters recommended by SPI as a form of follow-up. The percentage of recommendations that are followed up is around 90%. The management is very cooperative in following up on the recommendations given by SPI. This is according to what Harry Christianto as Auditor said:

“The findings that were followed up were as much as 90% of them to follow up. Maybe there is something that is not followed up if it is like past files or documents that cannot be accounted for anymore. Now, even though I was last audited in 2018, until now there are still those who send follow-ups. They are really trying to not be a debt to them. Sometimes the regional team themselves also like to monitor, sometimes ask for a meeting to discuss follow-up.”

The same thing was also said by Sabastian as the Auditor, that the management (auditees) always follow up on the recommendations given. Since 2018 BPJS of Employment has had an Internal Government Award (IGA) 68 where one of the assessments is the percentage of follow-up, this encourages management to follow up on the recommendations given by SPI. This was conveyed by Sabastian as Auditor:

"....Since 2018 we have had an IGA, one of the parameter assessments is the percentage of follow-up. For example, the report is published in October, it must be completed in December. So that's why they are competing to finish it, except in October, meaning in the following year. Well this is also quite helpful for SPI. Here will also be assisted to monitor from the regional office. Like now, in 2019 it is 90%."

From the explanation above, we can see that management already supports the existence of an internal audit department, and this will increase the effectiveness of internal audit in an organization, because without the support of management, the internal audit department will be meaningless. This is in accordance with what Endaya and Hanefah (2016) said that management support is very important to ensure all recommendations by internal auditors are strictly followed by all departments. This is also in line with Mihret and Yismaw (2007) who stated that management support includes management's response to audit findings and management's commitment to strengthen internal audit.

Number of Repeated Audit Findings

When carrying out their duties as an SPI auditor, the auditor sometimes finds repeated findings from the previous year. In the BPJS of Employment SPI there were also found findings that were repeated from the previous year, but the numbers were not large and the auditors still considered this to be reasonable. Repeated findings are usually caused by the same work unit processes and limited human resources both in terms of quantity and quality. This can happen, for example, in the field of HR, there are findings, and the following year the same findings occurred because the Head of HR was transferred and the new Head of HR did not understand the rules. This was conveyed by Sabastian as Auditor:

"....Recurring findings are natural. Because the process Because the process of our work unit is the same. There is participation, then payment at the head office, then the BUBM, now it will repeat itself when we have 12 months,

we have limitations through human resources. Both the number and quality of its human resources. It could be that person A becomes the head of the HR department later next year, he will change again. It's just that you don't know what the new rules are and new findings may emerge later."

The same thing was also said by Ardhi Kuswikanto as Auditor:

"...Because our business processes are the same, it is certain that what is monitored is controlled, that's all. It's just that the people being monitored are different. The auditee has changed. For example, in service, when the head has changed, the findings are the same and the same. When the head of the department changes, maybe the rules don't understand his subordinates anymore. That's why the findings are repeated and that's all."

Sometimes it is said that the findings are repeated but in fact they are not repeated findings. For example, the auditor in the previous year found 1000 partially listed companies (PDS), this year the auditor also found 1000 PDS, but this does not necessarily indicate repeated findings because it is possible that the 1000 are different companies and the number is different.

Number of Unsatisfactory Internal Audit Recommendations

The auditees usually judge that there are some recommendations from the internal auditors that are not satisfactory. This is related to the business processes that have been carried out, but according to the auditor there was an error in the procedure. At BPJS of Employment, auditees consider only a few internal audit recommendations unsatisfactory. This is related to the business processes that have been carried out, but according to the auditor there was an error in the procedure. At BPJS of Employment, auditees consider only a few internal audit recommendations unsatisfactory. This was conveyed by Tony W.K. as Head of Branch X:

"...Alhamdulillah, as long as I have been in charge, nothing like this has ever happened. Because of what, on the one hand we are also in control. Don't let the SPI friends forget, even though it has been resolved, yes sometimes people's names can be listed, so it seems as if the findings have not been followed up. Well, I don't want to be like that."

From the explanation above, it can be concluded that there are very few unsatisfactory internal audit recommendations. The auditees accept the recommendation to be followed up so that in the Audit Result Report later there will be no notification that has not been clear.

B. Service to Stakeholders

SPI BPJS of Employment provides inspection and consulting services. However, currently most of the services provided by BPJS of Employment SPI are still inspection services, and a small portion of them are consulting services. Consulting services are usually provided by the SPI in an informal and formal manner. Usually the branch head will contact the SPI team informally to discuss less serious cases, such as legal and regulatory issues, while for more serious cases, the branch head requests consulting services by sending an official letter to the regional deputy director. SPI BPJS of Employment also plays a very important role in the success of a branch, where SPI provides input and also provides solutions if there are problems, especially those related to rules and laws.

C. Technical Development

SPI BPJS of Employment as a unit that is directly responsible to the President Director. In carrying out its work, SPI must have good competence related to audits, business processes, in addition to having sufficient experience so that they can carry out their work professionally. SPI auditors have the opportunity to attend trainings relevant to the SPI field of work at least once a year. SPI also makes a budget for auditor training, but the amount of the budget is still limited and has not been able to meet all needs. Each auditor has a different area of competence, in this case the auditor is given the opportunity to take turns taking training according to the available budget.

D. Innovation**Improve Audit Process**

SPI BPJS of Employment in carrying out its duties always makes new innovations. Innovations are made from simple things, for example by sharing in a group of branches that have followed up, so that other branches are motivated to carry out follow-up. The Internal Government Award (IGA) is also one of the innovations carried out by BPJS of Employment to streamline the SPI, because one of the parameters is the percentage of follow-up. BPJS of Employment also uses the SILPI application to monitor follow-up, and this is an innovation in improving the audit process. The audit process innovation is also carried out by standardizing the audit framework, by reading literature books and comparing with external audit frameworks.

Involvement in Professional Organizations

The SPI BPJS of Employment auditor is involved in professional organizations such as IIA, IAI and others. Involvement in professional organizations will increase the insight of SPI auditors, because professional organizations always provide the latest information and often hold trainings for auditors, both internal auditors and external auditors. As stated by Ardhi Kuswikanto, Bramastyo, Harry Christianto, Sabastian, and Syaifullah Putra that they are members of the profession at IIA and IAI.

D. Human Resource Development

Pengembangan sumber daya manusia di SPI BPJS of Employment terus dilakukan. Pada saat ini SPI BPJS of Employment memiliki sebanyak 69 orang pada tahun 2019, dan sekitar 95% sudah memiliki sertifikasi. Hanya posisi sekretaris saja yang tidak memiliki sertifikasi auditor internal. Rotasi auditor SPI dilakukan sesuai dengan kebutuhan, minimal 2 tahun. Hal ini disampaikan oleh Bapak Syaifullah Putra selaku Asisten Kepala SPI Bidang Auditorat I:

“....SPI is a functional path. So you can start from 4 to start up to grade 15. Because to form a competent person is not easy. So the specificity given, SPI can stand in place. But if management needs it then it can also be moved to structural. Because when we release seniors to replace it is not easy, it takes time. Not sure. If the last one came out yesterday, it was only 2 years, because of promotion, it depends on management policy”.

From the explanation above, we can see that BPJS of Employment's SPI continues to develop human resources, of which almost all of the 77 auditors are certified and are also rotating auditors according to management needs and policies. This is in accordance with what Kabuye et al. (2017) that internal auditor certification is considered a signal of a significant and important level of competence for progress in the internal audit department.

5. CONCLUSION

Based on the results of the research above, it can be concluded that the internal audit carried out by the BPJS of Employment Internal Supervisory Unit is quite effective. It can be seen from the answers of the informants which are measured by measures of effectiveness, such as: basic measures, services to stakeholders, technical

development, innovation, and human resource development.

The client (auditee) is satisfied with the services provided by SPI. At this time, SPI is here to provide solutions and is very helpful in improving performance. SPI is also satisfied in terms of the field of work as well as the salary and facilities provided by the management. Although the issue of whether the salary is sufficient or not is very relative and different for each individual.

BPJS of Employment SPI provides inspection and consulting services, and the existence of SPI greatly assists management in achieving organizational goals. BPJS of Employment provides budget allocations for technical development, so that SPI auditors can improve their competencies and can work professionally. However, due to budget constraints, technical development is carried out in turn.

Innovation is carried out by SPI BPJS of Employment in terms of improving the audit process. Whether it's in a simple way or from the application and reading literature books. SPI members are also involved in professional organizations, but currently they are only passive.

SPI BPJS of Employment continues to develop human resources, where almost all of the auditors already have certifications and auditor rotation is still being carried out in accordance with management needs and policies.

Based on the results of the research and discussion, the researcher provides several suggestions as follows: First, SPI must improve the competence of its auditors, especially for the field of investigation and information technology because in the future IT audit techniques will continue to develop. Second, BPJS of Employment allocates a larger budget to increase the competence of auditors. Third, internal auditors are expected to be actively involved in professional organizations to update knowledge and current issues related to internal auditing.

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