



## Influence of Internal Audit, Information & Communication, and Monitoring of Internal Control Performance

Ery Herliana<sup>1</sup>, Cris Kuntadi<sup>2</sup>

<sup>1</sup>Postgraduate Program Student, Perbanas Institute, email: [ery.herliana33@perbanas.id](mailto:ery.herliana33@perbanas.id)

<sup>2</sup>Bhayangkara University Jakarta Raya, email: [cris.kuntadi@dsn.ubharajaya.ac.id](mailto:cris.kuntadi@dsn.ubharajaya.ac.id)

\*Corresponding Author: Ery Herliana<sup>1</sup>

**Abstract:** Weak internal controls can cause fraud in the organization or company. This causes need for internal control performance which is influenced by several factors to minimize the risk of loss by fraud. This research is aim to know the effect of internal audit, information & communication, and monitoring on internal control performance. The research method used a qualitative method and literature review or library research. The results of this literature review article are: 1) Internal audit has an effect on internal control performance; 2) Information & communication affects the performance of internal control; and 3) Monitoring affects the performance of internal control.

**Keywords:** Internal Control Performance, Internal Audit, Information and Communication, Monitoring

### INTRODUCTION

Internal control in an organization is a monitoring mechanism established by management to minimize the risk of loss caused by fraud or cheating and irregularities, as well as increase organizational effectiveness. Internal control functions to monitor operational and financial activities within a company so that they are carried out in accordance with applicable procedures and policies.

The concept of internal control has been presented by COSO and widely adopted by various organizations around the world. Internal control according to COSO includes 5 (five) components, consist of: Control environment, risk assessment, control activities, information and communication, and monitoring. With the implementation of these five components, it is hoped that can assist the board of directors and external parties (stakeholders) in achieving an effective internal control system to support the achievement of company goals (Fajar & Rusmana, 2016)

Weak internal controls within the organization can lead to fraud committed by certain elements from the lowest level to the highest level in the organization for personal gain. Several cases of mega-corruption that occurred in Indonesia due to weak internal control

consisted of corruption, abuse of government administration authority, such as land grabbing involving the former Regent of Indragiri Hulu (1998-2008) with an estimated loss of IDR 78 trillion, and corruption in mining permits for the East Kotawaringin Regent worth IDR 5. 8 trillion, as well as corruption from BP Migas-PT Trans Pacific Petrochemical Indotama (TPP) of around Rp. 37.8 trillion. Meanwhile, corruption cases related to investment finance include BLBI, which according to BPK audit results in 2000 estimated losses of Rp. 138 trillion, Centuri Bank Rp. 7 trillion, ASABRI corruption Rp. 23 trillion, and Jiwasraya Rp. 17 trillion, and Pelindo II (2020) Rp. 6 trillion. According to the Summary of Semester Examination Results (IHPS) I of 2022 BPK which contains 15,674 problems totaling Rp. 18.37 trillion, it turns out that as many as 7,020 problems or 45% are due to weaknesses in the internal control system (Mochtarom, 2022).

Based on this phenomenon, the authors are interested in writing a Literature Review Paper to determine the influence or relationship between internal audit, information & communication, and monitoring that affect internal control performance. This article does not discuss all components of internal control, but only discusses a small part that will be studied and reviewed.

Based on the background, the problem can be formulated discussed in order to build hypotheses for further research, consist of:

1. Does internal audit affect the performance of internal control?
2. Does information and communication affect the performance of internal control?
3. Does monitoring affect the performance of internal control?

## **THEORITICAL REVIEW**

### **Internal control**

Internal control is the influence of the board of directors, management entities and other personnel on the processes that occur as a guarantor in achieving company goals both related to operations, reporting and compliance (COSO, 2013 in Fajar & Rusmana, 2016). The elements of internal control consist of five components, namely: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, (5) Monitoring Activities (COSO, 2013 in Fajar & Rusmana, 2016).

Internal control is a process that is fully carried out in ensuring that the objectives of control can be achieved, such as protecting asset security, maintaining detailed records, providing accurate and reliable information, and so on (Romney and Steinbart, 2018 in Cahyaningsih et al., 2021 ). Internal control is a process carried out to provide adequate assurance that the following control objectives have been achieved: (1) Securing assets, (2) Managing records in good detail to report company assets, (3) Providing accurate information and reliable, (4) Prepare financial reports according to the criteria, (5) Encouraging and improving operational efficiency, (6) Encouraging compliance, (7) Complying with laws and regulations (Nufninu & Dawu, 2021).

The internal control system includes an organizational structure, methods and measures that are coordinated to safeguard organizational assets, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies. The purpose of the internal control system based on this definition are to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency, and encourage compliance with management policies (Mulyadi, 2016 in Fajarsari & Dini, 2022). Internal control systems are policies and procedures designed to provide management with reasonable assurance that the company has achieved management goals and objectives (Aerens et al., 2015 in Iswahyudi & Dwi Prastowo Darminto, 2019).

This internal control has been studied by many previous researchers including (Fajar & Rusmana, 2016), (Cahyaningsih et al., 2021), (Nufninu & Dawu, 2021), (Fajarsari & Dini, 2022), and (Iswahyudi & Darminto, 2019).

### **Internal Auditing**

Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. This internal audit helps the organization achieve its goals by taking a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes (Zamzami et al., 2018 in Siregar et al., 2022). The role of internal auditors who are getting bigger is not only helping internal auditors but starting to have a clear function as an independent appraisal to test and evaluate company activities and the profession of internal auditors is starting to be called the organizational policeman and watchdog who carries out monitoring functions (Spira & Page, 2003 in Edriansah et al. al., 2022).

Internal audit is an independent verification and evaluation activity that is carried out through internal arrangements and is used as a tool used by auditors in gathering information and news (Fatimatuzzahro & Sudaryanto, 2019 in Oktora & Marlina, 2022). The purpose of internal audit is to provide the organization with services that support all members of the organization. All organizations provide assignments and support with the ultimate goal of enabling them to effectively carry out all assigned responsibilities. Internal audit assists management in maximizing the efficient and effective use of capital resources, within regulatory effectiveness, with reasonable funds. All of this internal support is provided through assessment analysis, recommendations, guidance and information about the desired activities (Oktora & Marlina, 2022).

Internal audit is carried out by the company's internal audit function with respect to the Company's financial reports and accounting records and compliance with required management policies, government regulations and applicable professional regulations (Sukrisno, 2017 in Oktora & Marlina, 2022). Meanwhile, according to the Institute of Internal Auditors, Internal audit is an objective and independent consulting and assurance activity that aims to add value and improve organizational operations. Assessing and improving the effectiveness of controls and risk management helps organizations achieve their goals by implementing a systematic and disciplined system (Aerens et al., 2015 in Oktora & Marlina, 2022).

There are differences between the public sector internal audit and the private sector. In the private sector, internal audit is a function performed by the company's own employees, who are called internal auditors. They depend hierarchically and directly on senior management, as determined by the organizational chart of each company. In the public sector, internal auditors are also employed by public entities. In both types of agencies, the internal audit function is inherent. Modern organizational management, both public and private sectors, benefit greatly from the existence of internal audit in preventing irregularities, inconsistencies in procedures, policies and controls that enable them to optimize asset protection, operations, development, growth and financial results (Kuntadi, 2019).

Internal audit has been extensively researched by previous researchers including (Siregar et al., 2022), (Edriansah et al., 2022) , (Astuti, 2022), and (Oktora & Marlina, 2022).

### **Information and Communication**

Information is necessary for the entity to carry out its internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from internal and external sources to support the functions of other components of internal control. Communication is an iterative process that continuously

provides, shares, and obtains the necessary information (COSO, 2013 in Fajar & Rusmana, 2016). Three principles within the organization that support the information and communication component are: (1) The organization obtains or produces and uses relevant and quality information to support the internal control function, (2) The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the internal control function, (3) the organization communicates with external parties regarding matters affecting the internal control function (COSO, 2013 in Fajar & Rusmana, 2016).

Information needed for an organization's operating accountability system lower to higher. Information is structured in a standardized form and content. Meanwhile, communication is the provision of unstructured and interactive information between the information provider and the information recipient. It can come from subordinates and can also come from superiors who come from print media, electronic media, and even information from colleagues. Good communication between elements in an organization often brings benefits to achieving goals (Soetedjo & Sugianto, 2018). Effective communication is needed within the audit team to support the auditor's performance in conducting inspection and supervision. This causes that work results can be achieved optimally (Setyaningrum & Kuntadi, 2019).

Information and communication is the identification, capture and exchange of information in a form and timeframe that enables people to carry out their responsibilities. Relevant information systems in financial reporting which include accounting systems that contain methods for identifying, combining, analyzing, classifying, recording, and reporting transactions as well as maintaining accountability of assets and liabilities. Communication includes providing descriptions of individual tasks and responsibilities related to the internal control structure in financial reporting (Aerens et al., 2015 in Iswahyudi & Darminto, 2019).

Information and communication have been studied by many previous researchers including (Fajar & Rusmana, 2016), (Soetedjo & Sugianto, 2018), and (Iswahyudi & Darminto, 2019).

## **Monitoring**

The components of monitoring activities in internal control are ongoing evaluations, separate evaluations, or some combination of the two used to ascertain whether each of the five components of internal control, including controls for influencing the principles in each component, is present and functioning (COSO, 2013 in Fajar & Rusmana, 2016). Monitoring activities include the process of assessing the quality of internal control performance over time, and ascertaining whether everything is being carried out as desired and whether it has been adjusted to changing circumstances (COSO, 2013 in Fajar & Rusmana, 2016).

Monitoring is a process that determines the quality of internal control performance over time. Monitoring includes determining the design and operation of controls in a timely manner and taking corrective action. This process is carried out through ongoing activities, evaluations separately, or with various combinations of the two (Aerens et al., 2015 in Iswahyudi & Darminto, 2019). Monitoring is an effort to ensure that the 5 (five) main components of internal control are available and functioning properly. Any deficiencies or imperfections must be communicated and evaluated in a timely manner to the directors (McNally, 2013 in Abdurrahman & Novita, 2021).

Principles in monitoring activities consist of: (a) The organization selects, develops, and carries out evaluations continuously (continuously) and/or separately to ensure that the internal control components actually exist and function (b) The organization evaluates and communicates internal control weaknesses in a timely manner to those responsible for taking

corrective action, including top management and the supervisory board, as appropriate (Nufninu & Dawu, 2021).

Monitoring has been extensively researched by previous researchers including (Fajar & Rusmana, 2016), (Iswahyudi & Darminto, 2019), (Abdurrahman & Novita, 2021), and (Nufninu & Dawu, 2021).

**Table 1: Relevant past research**

No	Authors (year)	Previous research results	Similarities to this article	Difference with this article
1	Siregar, Parhusip, and Sari (2022)	Internal audit has a positive and significant effect on the effectiveness of internal control	Internal audit affects the performance of internal control	Nothing
2	Edriansyah, Parawansa, and Nursyamsi (2022)	The role of the internal auditor has a positive and significant effect on the effectiveness of internal control	The role of the internal auditor influences the performance of internal control	Influence also on other variables
3	Oktora and Marlina (2022)	The role of internal audit has a positive and significant effect on receivables internal control	The role of internal audit affects the performance of internal control	There isn't any
4	Lorensa, Fallah, and Sangganafa (2018)	There is an influence between the role of internal auditors on fraud prevention through internal control components	The role of the internal auditor influences the performance of internal control	There is influence from other variables
5	Pangkey, Elin, and Rondonuwu (2021)	Information and communication as well as monitoring which are part of the internal control components run effectively	Information and communication as well as monitoring affect the performance of internal control	The components that affect more
6	Rumamby, Kalangi, and Suwetja (2021)	Information and communication as well as monitoring which are part of the internal control components have not been effective	Information and communication and monitoring have no effect on the performance of internal control	The components that affect more
7	Astuti, 2022	The role of internal audit has a positive and significant effect on the internal control system	The role of the internal auditor influences the performance of internal control	Influence also on other variables
8	Fajar and Rusmana, 2018	Implementation of internal control with components of information and communication and monitoring has followed the concepts contained in the Internal Control – Integrated Framework published by COSO, however, in practice	Information and communication affect the performance of internal control while monitoring does not affect the performance of internal control	The components that affect more

No	Authors (year)	Previous research results	Similarities to this article	Difference with this article
		still principles that have not been implemented consistently, namely the monitoring activity component		
9	Soetodjo and Sugianto, 2018	Elements of internal control consisting of information and communication, namely information relating to the achievement of organizational goals is identified whether it has a direct or indirect impact, as well as monitoring, namely monitoring all risk control activities that have been carried out to ensure that risks have been properly mitigated	Information and communication as well as monitoring affect the performance of internal control	The components that influence more and the results of the research have a different impact
10	Iswahyudi and Darminto, 2019	The components of information and communication as well as monitoring of internal control have been effective	Information and communication as well as monitoring affect the performance of internal control	The components that affect more
11	Nufninu and Dawu, 2021	The information and communication component is in accordance with the COSO framework, while the monitoring component is not in accordance with the COSO framework	Information and communication affect the performance of internal control while monitoring does not affect the performance of internal control	The components that influence more and the results of the research have a different impact
12	Cahyaningsih, Praptiningsih, and Guritno, 2021	The information and communication component of internal control has been effective but the monitoring component of internal control has not been effective	Information and communication affect the performance of internal control while monitoring does not affect the performance of internal control	The components that affect more
13	Fajarsari and Early, 2022	The information and communication component of internal control has been effective but the monitoring component of internal control has not been effective	Information and communication affect the performance of internal control while monitoring does not affect the performance of internal control	The components that affect more
14	Setyaningrum and Kuntadi, 2019	Communication has a positive effect on the effectiveness of internal audit	Communication affects the performance of internal control	Influence also on other variables

## WRITING METHOD

The method of writing this scientific article is a qualitative method and literature review (**Library Research**). Examine the theory and the relationship or influence between variables from books and journals both offline in the library and online sourced from **Mendeley**, **Scholar Google** and other online media.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that it is exploratory in nature, (Ali & Limakrisna, 2013).

## DISCUSSION

Based on relevant theoretical studies and previous research, the discussion of this literature review article in the concentration of internal control performance are:

### Effect of Internal Audit on Internal Control Performance

(Siregar et al., 2022) conducted research on the Role of Internal Audit in Supporting the Effectiveness of Internal Control of Sales and Collection of Receivables at PT. Happy Joint Partners. The research method used is a simple linear regression data analysis method with the data return technique is a questionnaire. The results showed that internal audit has a significant effect on the effectiveness of internal control over sales and debt collection with an effect of 75.3 %. This is in line with research conducted by (Oktora & Marlina, 2022) regarding Analysis of the Role of Internal Audit in Internal Control of Receivables at PT. Pos Indonesia (Persero) Meulaboh Branch. The research method used is descriptive qualitative method, the type and source of data used is primary data, namely the source of data obtained directly from the company. The results of this research show that the role of internal audit influences the control of receivables at PT Pos Indonesia Meulaboh. The role of the company's internal auditors as supervisors of business continuity is very good. Internal audit's organizational structure is similar to that of other managers. There is administrative support for internal audits.

Research conducted by (Astuti, 2022) regarding The Influence of Internal Audit on The Quality of Financial Statements. The research method used is a quantitative approach with non-probability sampling technique. The results of the research show that internal audit performance and internal audit implementation have a significant effect on the internal control system. The level of relationship between the two variables is included in the high category. This shows that there is a relationship between the influence of internal audit and fraud prevention with financial performance.

The research conducted by (Edriansah et al., 2022) regarding the Analysis of the Role of Internal Auditors on Company Performance with Internal Control as Intervening Variables (Case Study at PT Semen Tonasa). The research method used is a quantitative research approach through a descriptive design. The results showed that the role of the internal auditor had a positive and significant effect on the effectiveness of internal control at PT Semen Tonasa. This is indicated by the role of the internal auditor which consists of indicators of independence, professional ability, scope of work and implementation of inspection activities that can increase the effectiveness of internal control. The results of this study are in line with research conducted by (Lorensa et al., 2018) regarding the Effects of Organizational Culture and the Role of Internal Auditors on Fraud Prevention with Internal Control Structure Components as Intervening Variables. The research methodology used is saturated sampling technique with quantitative data types. The results of the study indicate that there is an influence between the role of the internal auditor on fraud prevention through the internal

control component. Internal auditors have an important role in monitoring activities to ensure that anti- fraud programs and controls are running effectively.

### **Effect of Information and Communication on Internal Control Performance**

(Pangkey et al., 2021) conducted research on the Evaluation of the Internal Control System for Cash Disbursements at PT Bank SulutGo Main Branch. The research method used is descriptive qualitative in the form of interview results. The results of the research show that the information and communication components are effective. At PT Bank SulutGo using quality, relevant and supporting information on the internal control structure, the company internally provides information including the goals and responsibilities of each employee in carrying out their duties and responsibilities in accordance with the existing sections.

(Soetedjo & Sugianto, 2018) conducted research on the Application of the COSO ERM Integrated Framework in Supporting Forensic Audits to Overcome Fraudulent Acts. The research method used is literature review. The results of the research show that information relating to the achievement of company goals is identified whether it has a direct impact or not, grouped into various types, and distributed or communicated through the right communication media at the right time so that each individual company can carry out their duties and responsibilities more effectively good.

(Iswahyudi & Darminto, 2019) conducted research on the Effectiveness of Internal Control of Accounts Receivables Using the COSO Approach. The method of analysis uses a qualitative descriptive questionnaire on internal control of accounts receivable which refers to the COSO framework on the components of internal control. The results showed that the information and communication components carried out by the company regarding accounts receivable were very effective, this was indicated by fast and easy system access in obtaining information data regarding trade receivables that were directly connected to related parties. Receivables management always forwards information that is updated at any time to related parties. The company also has a division that is very important in the development of the company in the field of information and communication, especially observing competitors.

(Fajar & Rusmana, 2016) conducted research on Evaluation of the Implementation of BRI's Internal Control System with the COSO (Committee of Sponsoring Organization of the Treadway Commission) Framework. This study uses the literature review method, which evaluates the application of the internal control system concept at Bank BRI with COSO internal control. The results of the study show that the principles of information and communication have been implemented consistently in the implementation of controls at Bank BRI. BRI's accounting, information and communication systems were developed as a means of conveying information by prioritizing three things, namely: (1) Information Processing Automation, (2) Effective Internal Communication, (3) Effective external communication.

(Nufninu & Dawu, 2021) conducted research on the Analysis of Internal Control of Merchandise Inventory at PT Hypermart 369 Kupang. The research method used is descriptive analysis. The results of the research show that the components of information and communication are in accordance with the COSO framework. Implementation in accordance with the COSO framework, namely PT. Hypermart 369 Kupang has a database on a computer that contains merchandise inventory transactions, employee responsibilities are well communicated and the company communicates problems to external parties concerned with problems faced by the company.

(Cahyaningsih et al., 2021) conducted research on the Analysis of the Implementation of the Internal Control System for Merchandise Inventory at PT XYZ. The research method uses qualitative research with an interpretive paradigm and an ethnomethodological approach with data collection techniques through interviews and documentation. The results of the

research show that the information and communication system run by the company has been effective. The existence of a system such as MRP greatly facilitates companies in ordering activities, planning material requirements, stock taking, determining production, to scheduling delivery of goods to customers.

(Fajarsari & Dini, 2022) conducted research on the Analysis of Internal Control of the Payroll System Using the COSO Approach at CV XYZ. The research method used is quantitative research. The results of the study indicate that internal and external communication has been going well, but it is necessary to develop employee attendance technology so that it is properly measured.

(Setyaningrum & Kuntadi, 2019) conducted research on the Influence of Competence, Independence, Audit Work, and Communication on Internal Audit Effectiveness. The research method used is quantitative research using questionnaires distributed to the auditors. The research results show that communication has a positive effect on the effectiveness of internal audit. Effective communication between the auditor and the auditee is very important, especially in terms of submitting audit reports that are prepared reliably, accompanied by relevant and timely evidence.

The research conducted by (Rumamby et al., 2021) regarding the Evaluation of the Implementation of COSO-Based Internal Control at PT Moy Veronika. The research method used is descriptive qualitative using interviews, observation and documentation as data collection techniques. The results showed that the components of information and communication were not effective and efficient. Information and communication in PT. Moy Veronika pointed out that the recording and reporting of all sales data is still not well structured or there are still some frauds on the part of existing bases or resellers, where the price at each base is different from the set price.

### **Effect of Monitoring on Internal Control Performance**

(Pangkey et al., 2021) conducted research on the Evaluation of the Internal Control System for Cash Disbursements at PT Bank SulutGo Main Branch. The research method used is descriptive qualitative in the form of interview results. The results showed that the monitoring component was effective. PT Bank SulutGo also performs the function of an internal examiner, in this case SKAI (Internal Audit Work Unit) and ICRO (Internal Control Risk Officer), and is continuously monitored by senior analysts and general *managers*, so that petty cash disbursements transactions can run well.

(Soetedjo & Sugianto, 2018) conducted research on the Application of the COSO ERM Integrated Framework in Supporting Forensic Audits to Overcome Fraudulent Acts. The research method used is literature review. The results of the study indicate that monitoring of all risk control activities has been carried out to ensure that risks have been properly mitigated. In addition, it also takes into account the data obtained in the form of historical data, current data, and data in the form of future forecasts. Historical data is intended to track past performance in terms of achieving targets, plans and expectations. The current data provides additional information and future data to improve the information analysis. The monitoring results are then re-evaluated for further improvement and then developed to produce a better organizational system implementation.

(Iswahyudi & Darminto, 2019) conducted research on the Effectiveness of Internal Control of Accounts Receivables Using the COSO Approach. The method of analysis uses a qualitative descriptive questionnaire on internal control of accounts receivable which refers to the COSO framework on the components of internal control. The results of the study show that the monitoring component of trade receivables has been running well and effectively. This can be seen from the company's monitoring of the development of accounts receivable balances, accounting policies, and the existence of client companies. Good supervision is also

shown by internal audit in providing suggestions on good accounting policies. In the monitoring conducted by PT. Phar Indonesia has a weakness only in determining potential customers, this is because the marketing department only prioritizes achieving sales targets without thinking about the risk of failing to collect receivables.

The research conducted by (Nufninu & Dawu, 2021) regarding the Analysis of Internal Control of Merchandise Inventory at PT Hypermart 369 Kupang. The research method used is descriptive analysis. The research results show that the monitoring component is not in accordance with the COSO framework. The application is in accordance with the COSO framework, namely there are corrective actions in a timely manner by management if actions are found that result in inefficient and effective internal control of merchandise. Applications that are not in accordance with the COSO framework, namely PT. Hypermart 369 Kupang does not carry out formal and periodic monitoring. This is in line with research conducted by (Cahyaningsih et al., 2021) regarding the Analysis of the Implementation of an Internal Control System for Merchandise Inventory at PT XYZ. The research method uses qualitative research with an interpretive paradigm and an ethnomethodological approach with data collection techniques through interviews and documentation. The results showed that the monitoring carried out by PT XYZ was not fully effective. This is because the SOP is still weak regarding the procedure for sending materials from the warehouse to the production department and the procedure for picking up goods from the production *store* by the logistics department which is also inadequate. The absence of re-checking supported by documents such as goods receipt checklists and goods delivery checklists is a lack of monitoring gaps.

(Fajar & Rusmana, 2016) conducted research on Evaluation of the Implementation of BRI's Internal Control System with the COSO (Committee of Sponsoring Organization of the Treadway Commission) Framework. This study uses the literature review method, which evaluates the application of the internal control system concept at Bank BRI with COSO internal control. The results of the study show that the monitoring principle has not been implemented consistently in the implementation of controls at Bank BRI. This is because there are external audit findings that have not been completed (under monitoring), namely: (1) BPK RI with 102 (21.25%) findings out of a total of 480 findings, (2) Financial Services Authority with 43 (12.80%) findings out of a total of 336 findings, (3) Public Accounting Firms as many as 33 (32.35%) findings out of a total of 102 findings, (4) Bank Indonesia as many as 4 (4.44%) findings out of a total of 94 findings. This is in line with research conducted by (Rumamby et al., 2021) concerning Evaluation of the Implementation of COSO-Based Internal Control at PT Moy Veronika. The research method used is descriptive qualitative using interviews, observation and documentation as data collection techniques. The research results show that the monitoring component is not yet effective and efficient. Supervision and monitoring carried out by the company PT. Moy Veronika is still not well structured because there are still several frauds that are caused by a lack of supervision from the company which results in several bases not complying with applicable laws and regulations.

(Fajarsari & Dini, 2022) conducted research on the Analysis of Internal Control of the Payroll System Using the COSO Approach at CV XYZ. The research method used is quantitative research. The research results show that there is no monitoring or evaluation for the payroll division yet.

### **Conceptual Framework**

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for this article is obtained as below.

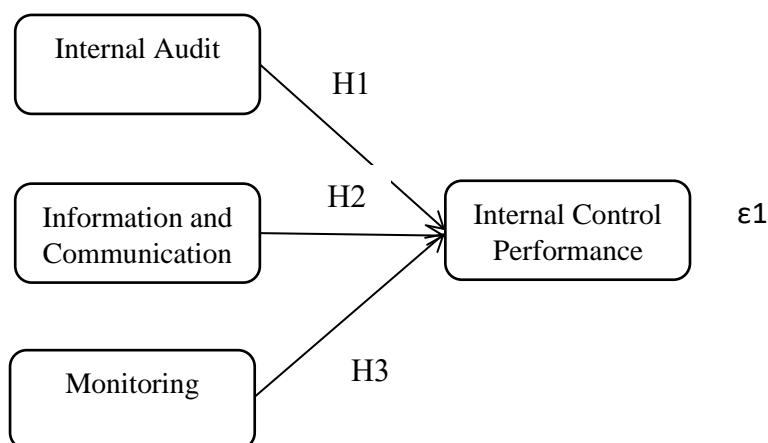


Figure 1: Conceptual Framework

Based on the conceptual framework picture above, then: internal audit, information & communication and monitoring affect the performance of internal controls.

Apart from these three exogenous variables that affect control performance, there are many other variables that influence them, including:

- a) Control environment: (Pangkey et al., 2021), (Rumamby et al., 2021), (Fajar & Rusmana, 2016), (Soetedjo & Sugianto, 2018), (Iswahyudi & Darminto, 2019), (Nufninu & Dawu, 2021), (Cahyaningsih et al., 2021), and (Fajarsari & Dini, 2022).
- b) Risk assessment: (Pangkey et al., 2021), (Rumamby et al., 2021), (Fajar & Rusmana, 2016), (Soetedjo & Sugianto, 2018), (Iswahyudi & Darminto, 2019), (Nufninu & Dawu, 2021), (Cahyaningsih et al., 2021), and (Fajarsari & Dini, 2022).
- c) Control activities: (Pangkey et al., 2021), (Rumamby et al., 2021), (Fajar & Rusmana, 2016), (Soetedjo & Sugianto, 2018), (Iswahyudi & Darminto, 2019), (Nufninu & Dawu, 2021), (Cahyaningsih et al., 2021), and (Fajarsari & Dini, 2022).

## CONCLUSIONS AND SUGGESTION

### Conclusion

Based on the theory, relevant articles and discussion, hypotheses can be formulated for further research:

1. Internal audit affects the performance of internal control.
2. Information and communication affect the performance of internal control.
3. Monitoring affects the performance of internal control.

### Suggestion

Based on the conclusions above, the suggestion in this article is that there are many other factors that affect the performance of internal control, apart from internal audit, information & communication and monitoring at all types and levels of organizations or companies, therefore further studies are needed. Continue to look for other factors that can affect the performance of internal control besides the variables examined in this article. Other factors such as the control environment, risk assessment and control activities.

## REFERENCES

- Abdurrahman, A., & Novita. (2021). Implementasi Pengendalian Internal Berdasarkan COSO Framework dan Good Corporate Governance Terhadap Kinerja Perusahaan: Studi Kasus pada PT Reasuransi Syariah Indonesia. *Jurnal Ilmiah Mahasiswa Akuntansi*, 10(1), 1–10. <https://doi.org/10.33508/jima.v10i1.2779>
- Astuti, A. (2022). The Influence Of Internal Audit On The Quality Of Financial Statements.

- JASa (Jurnal Akuntansi, Audit Dan Sistem Informasi Akuntansi)*, 6(2), 248–253.
- Cahyaningsih, N. A., Praptiningsih, & Guritno, Y. (2021). Analisis Penerapan Sistem Pengendalian Internal atas Persediaan Barang Dagang pada PT XYZ. *Prosiding Konferensi Riset Nasional Ekonomi, Manajemen, Dan Akuntansi*, 2, 1527–1540.
- Edriansah, D., Parawansa, D. A. S., & Nursyamsi, I. (2022). *Analisa Peran Auditor Internal terhadap Kinerja Perusahaan Dengan Pengendalian Internal sebagai Variabel Intervening ( Studi Kasus pada PT Semen Tonasa )*. 5(2003), 630–640.
- Fajar, I., & Rusmana, O. (2016). Evaluasi penerapan sistem pengendalian internal dengan coso. *Jurnal Ekonomi, Bisnis, Dan Akuntansi (JEBA)*, Vol. XX(No. 04), 4.
- Fajarsari, I., & Dini, M. (2022). Analisis Pengendalian Internal Sistem Penggajian Menggunakan Pendekatan Coso Pada Cv Xyz. *Jurnal Akuntansi & Bisnis (JAB)*, 8(01), 1–9.
- Iswahyudi, & Darminto, D. P. (2019). Efektivitas Pengendalian Intern Piutang Usaha dengan Menggunakan Pendekatan COSO. *Jurnal Riset Akuntansi & Perpajakan (JRAP)*, 6(02), 31–44. <https://doi.org/10.35838/jrap.v6i02.1042>
- Kuntadi, C. (2019). *Audit Internal Sektor Publik* (E. S. Suharsi (ed.)). Salemba Empat.
- Lorenza, C. N., Fallah, S., Si, M., & Sanggenafa, M. A. (2018). Pengaruh Budaya Organisasi dan Peran Auditor Internal terhadap Pencegahan Kecurangan dengan Komponen Struktur Pengendalian Internal Variabel Intervening (Studi Empiris Pada Inspektorat Provinsi, Kabupaten dan Kota Jayapura). *Jurnal Akuntansi & Keuangan Daerah*, 13(2), 13–25.
- Mochtarom, A. (2022). *Memperkuat Pengendalian Internal Pemerintah*. Wwww.Detik.Com. <https://news.detik.com/kolom/d-6367819/memperkuat-pengendalian-internal-pemerintah>
- Nufninu, P., & Dawu, L. M. T. (2021). Analisis pengendalian internal persediaan barang dagang pada PT. Hypermart 369 Kupang. *Jurnal Inspirasi Ekonomi*, 3(2), 32–40.
- Oktora, B., & Marlina, L. (2022). Analisis Peran Internal Audit Pada Pengendalian Internal Piutang Pada PT. Pos Indonesia (Persero) Cabang Meulaboh. *Jurnal Pendidikan Dan Konseling*, 4(2018), 1707–1715.
- Pangkey, J. N. D., Elim, I., & Rondonuwu, S. (2021). Evaluasi Sistem Pengendalian Intern Pengeluaran Kas Pada Pt. Bank Sulutgo Cabang Utama Evaluation of Internal Control System Cash Disbursements of Pt. Bank Sulutgo Main Branch. *705 Jurnal EMBA*, 9(1), 705–713.
- Rumamby, W. P., Kalangi, L., & Suwetja, I. G. (2021). Evaluasi Implementasi Pengendalian Internal Berbasis Coso Pada PT. Moy Veronika. *Jurnal EMBA*, 9(2), 261–268.
- Setyaningrum, D., & Kuntadi, C. (2019). Pengaruh Kompetensi, Independensi, Pekerjaan Audit dan Komunikasi terhadap Efektivitas Audit Internal. *Journal of Economics, Business & Accountancy Ventura*, 22(1). <https://doi.org/10.14414/jebav.v22i1.879>
- Siregar, R. A., Parhusip, A. A., & Sari, T. N. (2022). Peranan Audit Internal Dalam Menunjang Efektivitas Pengendalian Internal Penjualan dan Penagihan Piutang pada PT. Mabar Mitra Bersama. *Accumulated Journal*, 4(1), 96–107. <http://dx.doi.org/10.22303/accu>
- Soetedjo, S., & Sugianto, A. (2018). Penerapan Coso Erm Integrated Framework Dalam Mendukung Audit Forensik Untuk Menanggulangi Tindakan Kecurangan. *Journal of Applied Managerial Accounting*, 2(2), 262–274. <https://doi.org/10.30871/jama.v2i2.944>