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EFFECTIVENESS OF GOVERNMENT INTERNAL CONTROL SYSTEM (SPIP) IN THE PRESIDENTIAL MILITARY SECRETARIAT

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EFFECTIVENESS OF THE GOVERNMENT INTERNAL CONTROL SYSTEM (SPIP) IN WORK UNIT X

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ABSTRACT

This study aims to analyze the effectiveness of the Government's Internal Control System (SPIP) and the constraints of SPIP implementation on work unit X. This research used a quantitative descriptive method assisted with qualitative data. The results of the study indicated that internal control in work unit X was not yet effective and required strengthening. Elements that still required strengthening were the control environment, risk assessment, and monitoring. As for the elements of control and information and communication activities had been effective. In the control environment, the sub-elements that still needed strengthening are commitment to competence, organizational structure, delegation of authority, and HR development policies and practices. The elements of risk assessment, risk identification and risk analysis still needed strengthening. And in the monitoring element, the sub-elements that still needed strengthening were continuous monitoring and separate evaluation. Suggestions for improvements that can be taken so that the SPIP becomes effective were by making policies and socializing them to all employees, implementing HR management, carrying out self-assessments, conducting regular evaluations related to internal control and documenting the results of these evaluations and raising awareness regarding internal control for all employees in work unit X.

Keywords: *Effectiveness, Government Internal Control System*

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1. INTRODUCTION

The demand for the achievement of a government that is Good Governance and Clean Governance makes the government need a system to control all government administration activities. As a government action, Government Regulation Number 60 of 2008 was issued concerning the Government Internal Control System (SPIP). Based on Government Regulation Number 60 of 2008, the Internal Control System (SPI) is an integral process of actions and activities carried out continuously by leaders and all employees to provide adequate assurance of achieving organizational goals through effective activities, reliability of financial reporting, asset security country, and compliance with laws and regulations.

Ministry Y has the task of carrying out technical and administrative affairs as well as analysis of government affairs in the secretariat sector in assisting the President and Vice President in administering state government. To support the implementation of SPIP, Ministry Y issued Minister Y Regulation Number 11 of 2012 concerning Implementation of SPIP in the Ministry of Environment. This regulation mandates each work unit to implement SPIP. Based on this regulation, SPI must be carried out in its entirety in the process of designing and implementing activities, including planning, budgeting and budget execution activities within Ministry Y.

Work unit X is one of the echelon I units in Ministry Y which has the task of providing technical and administrative support to the president and vice president. In carrying out the self-assessment, work unit X has never conducted an independent assessment, so that until now it has not been known how far the implementation of SPIP has been in work unit X. The SPIP is a rule that must be carried out by every government organization, the impact if the SPIP is not running is less effective and efficient performance and also a lack of a sense of responsibility for employees in achieving the goals of the organization.

Based on the reasons above, the author has an interest in researching the extent to which the effectiveness of the implementation of the Government Internal Control System (SPIP) in work unit X and identifying weaknesses in carrying out tasks so that in the future the results of this study can generate insights to improve internal control in units x work.

The aims of this research are:

- a. How Effective is the Implementation of the Government's Internal Control System in work unit X?
- b. Based on the results of the evaluation of the effectiveness of SPIP implementation which still needs strengthening, what are the obstacles to implementing the Government Internal Control System (SPIP) in work unit X?

2. LITERATURE REVIEW

The internal control model that is widely known is the COSO model, this model is considered to be used as a frame of reference for companies to be able to design and implement internal controls properly. COSO (2013) explains that internal control is a process created to provide reasonable assurance about the achievement of objectives related to operations, reporting and compliance that are influenced by the board of directors, management and other personnel.

According to Moller (2009), internal control is a process implemented by management and made to provide reasonable assurance for the accuracy of reliable financial data and operational information; compliance with policies, planning procedures, laws, rules and regulations; maintain assets; operational efficiency; achieving the mission, goals, objectives of the organization's programs and operations; integrity and ethical values. So, it can be concluded that internal control is a process that is designed and carried out on an ongoing basis by all employees to achieve the organisation's goals. With the existence of effective internal controls, it is expected to prevent various forms of irregularities or fraud that can be detrimental to the organization.

Utomo's research (2015) with the object of research at the Secretariat of the Vice President, Ministry of State Secretariat stated that elements of the SPIP have generally been implemented at the Secretariat of the Vice President. However, the results of his research show that there are differences in the results of the assessment of the elements of the control environment that have been effective and the results of the assessment of the elements of risk assessment that are not effective. These results show the asynchronous elements of the SPIP because in the SPIP concept, the control environment element is the "main umbrella" for the other elements. Based on this research, it is recommended that it is necessary to rearrange the concept of elements of risk assessment and control environment so that they are more synergized so as to produce better output regarding the overall SPIP.

To answer the research questions, the research framework, as seen in Figure 2, could be referred to.

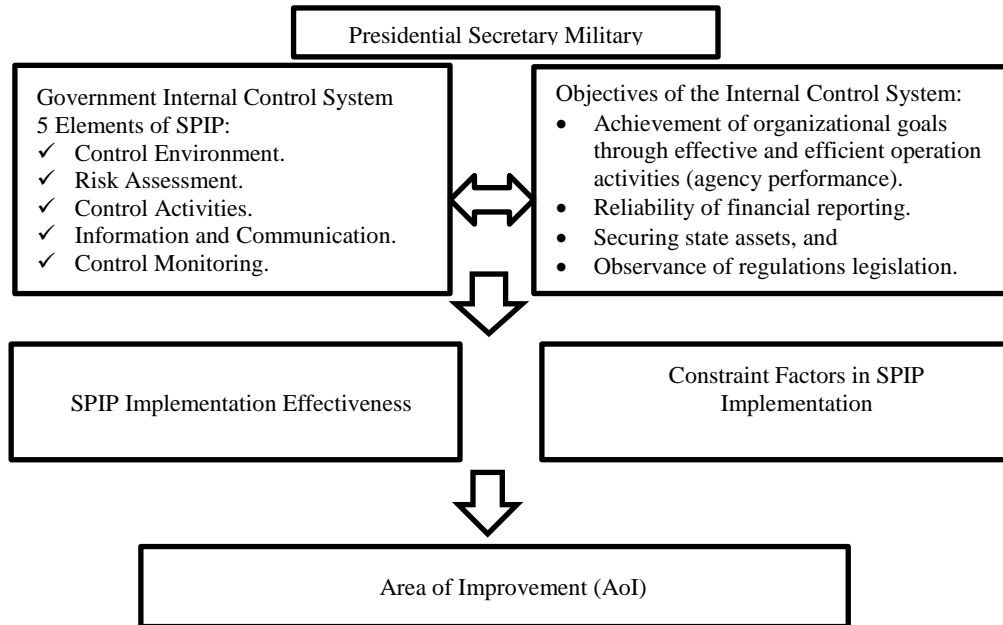


Figure 1 Research Framework

Source: Author (2022)

This research begins by looking at the 5 (five) elements of the Government Internal Control System (SPIP), whether internal control has achieved the objectives of implementing internal control at SPIP. By conducting a questionnaire to see how far the SPIP implementation has been effective and to see what factors are the weaknesses of the SPIP implementation. Furthermore, the data collection results are processed so that conclusions can be drawn to what extent the Presidential Military Secretariat has implemented the SPIP and seen the weaknesses in the implementation of the SPIP. After knowing the weaknesses of the implementation of the SPIP, a preparation is carried out related to recommendations for improvements to the weak elements (Area of Improvement).

3. RESEARCH METHODS

The method used in this research was descriptive quantitative analysis which will be supported by qualitative data. This study described the implementation of SPIP effectiveness in work unit X by collecting data by questionnaire supported by interviews. The purpose of this study was to analyze the effectiveness of the

implementation of the Government Internal Control System in work unit X and provided suggestions for improvements to existing weaknesses. Assessment of the effectiveness of the SPIP was carried out by gathering information from the perceptions of research respondents through the distribution of research questionnaires related to the elements of internal control. The results of the questionnaire served as a guide in making interview questions. This research was expected to identify the weaknesses in the implementation of internal control in Work unit X and then provide recommendations for improving the implementation of internal control in Work unit X to make it more effective.

Case study research has three principles in data collection, namely using various sources of evidence, making basic data and the last is linking evidence (Yin, 2014). There were two data used in this study, namely:

a. Primary data

Primary data was data obtained directly from the source, namely questionnaires and interviews with parties related to this research. The questionnaire consisted of 89 statements that were used to look at employee perceptions regarding the effectiveness of the implementation of the Government Internal Control System by looking at the quality of SPIP implementation in work unit X. After obtaining the results of the questionnaire, interviews were conducted on the results where SPIP implementation still needed strengthening which aims to find out more in depth the constraints faced during the implementation of SPIP.

b. Secondary data

Secondary data was data obtained from various sources that had been processed to support research information, the data referred to are as follows:

- Legislation;
- Internal regulations and policies from Ministry Y and work unit X;
- Strategic plan of work unit X.

To provide an overview regarding the effectiveness of the implementation of the elements in SPIP (Control Environment, Risk Identification, Control Activities, Information and Communication, and Monitoring), data processing with descriptive statistics was used. Descriptive statistics provided an overview or description of a data seen from the minimum, maximum, average, and standard deviation values. obtained through a questionnaire, this questionnaire used a Likert scale consisting of five levels. After that, an interpretation of the range of intervals and absolute indexes was carried out to determine the categories of SPIP effectiveness, which are described in the following table:

Table 1. Criteria Based on Absolute Index Value

No	Criteria	Score	Absolute Index	Description
1	Effective	4,21 –5,00	84,01%-100%	The quality of SPIP is perfect

2	Adequate	3,41 –4,20	68,01%-84%	SPIP quality implementation requires strengthening
3	Not Yet Effective	2,61 –3,40	52,01%-68%	Improvement is needed in the application of SPIP quality
4	Ineffective	1,81 –2,60	36,2%-52%	Rearrangement is needed in the implementation of SPIP
5	No SPIP	1,00 –1,80	below 36,2%	No implementation of SPIP

After getting the results from the questionnaire, interviews were conducted to see the constraints or constraints of the SPIP implementation. The interview questions were prepared based on the results of the questionnaire which received a score in the adequate category. The meaning of the adequate category was that the implementation of SPIP quality in work unit X still needs strengthening.

4. ORGANIZATION PROFILE

Work unit X is an organizational unit at Echelon I level within Ministry Y. Work unit X is led by a leader whose responsibilities are under Minister Y. In accomplishing their duties, work unit X can receive assignments directly from the President. Based on the Regulation of the Minister of Y of the Republic of Indonesia Number 5 of 2020 concerning the Organization and Work Procedure of the Ministry of Y, according to this regulation the main task of the work unit X is to provide technical and administrative support to the President in carrying out the exercise of the highest authority over the TNI Polri, conferring the authority is in the President's office, and coordinates the security of the President and Vice President and their families.

To support the mandated tasks and functions, work unit X consisted of: one echelon I, four echelon II and Adjutants to the President/Vice President, Assistant Adjutants to the President/Vice President, Adjutants to the Wife/Husband of the President/Vice President, and the Presidential Doctor.

5. RESULT AND DISCUSSION

Respondents in this study were employees in work unit X which consisted of four bureaus namely the General Bureau, Bureau A, Bureau B, and Bureau C as well as BKO (Under Operations Control) who were placed in work unit X. The total number of employees who were the target of respondents was 105 people,

namely 30 people from the General Bureau, 20 people from Bureau A, 23 people from Bureau B, and 18 people from Bureau C and 14 people from BKO work unit X. With a population of 105 people, the number of respondents is 82 people. Of the 82 questionnaires distributed, 77 questionnaires were collected again.

The results of the questionnaires that have been distributed based on the profile of the respondents are that there are more male respondents than women, namely 61% or 47 people compared to women by 39% or 30 people. As for work units, the majority of respondents were in the general bureau, namely 35.1% or 27 people, with a total of 30 general bureau employees, while for bureau B, bureau C and bureau A, there were 24.7% or 19 people, 20.8% or 16 people and 19.5% or 15 people. Work unit X was filled by ASN and TNI Polri, while there were more ASN respondents in this questionnaire, namely 58.4% or 45 people while the TNI POLRI was 41.6% or 32 people. For positions dominated by staff and functional, namely as many as 40.3% or 31 people and 32.5% or 25 people, the functional itself can only be filled by ASN while staff can be filled by ASN and TNI Polri. For years of service, it was dominated by 0-5 years of service by 28.6% or 22 people, while for years of service over 20 years it was 22.1% or 17 people. For the age of respondents, ages 31-40 years dominate with 37.7% or 29 people, while those under 30 are the lowest, namely 14.3% or 11 people.

After conducting the respondent profile, an SPIP assessment was carried out using a Likert scale to find the value of the effectiveness of SPIP implementation in work unit X. The scale was made into five levels with statements related to the initial understanding of SPIP, and the elements of SPIP which consisted of five namely control environment, risk assessment, control activities, information and communication and monitoring. The explanation regarding the assessment of each SPIP variable will be explained as follows:

Table 2 Results of the SPIP Quality Assessment at the Work Unit X

No	Variable	Score	Category	Absolute Index
1	Initial Understanding of SPIP	4,09	Adequate	81,8%
2	Control Environment	4,18	Adequate	83,6%
3	Risk Assessment	4,11	Adequate	82,2%
4	Control Activity	4,24	Effective	84,9%
5	Information and Communication	4,27	Effective	85,4%
6	Monitoring	4,20	Adequate	84,0%
Average		4,18	Adequate	83,6%

Table 2 is a summary of all SPIP quality assessments at the Presidential Military Secretariat. It can be seen in the table that the highest score in the effective category is the element of communication and information with an absolute index value of 85.4% and elements of control activities with an absolute index value of 84.9 %. While the lowest score is the element of initial understanding of SPIP with an absolute index value of 81.8% in the adequate category. Control environment with an absolute index value of 83.6% is included in the adequate category, risk assessment with an absolute index value of 82.2% is included in the adequate category, and monitoring with an absolute index value of 84.0% is included in the adequate category. Overall, the average value of each variable is 4.18 with an absolute index value of 83.6%, which is included in the adequate category. In the adequate category, the implementation of SPIP at the Presidential Military Secretariat still needs strengthening. The explanation regarding each element is as follows:

In the SPIP Initial Understanding element, the sub-element that still needs strengthening is SPIP understanding with an absolute index value of 78.4% which is included in the adequate category and the SPIP Socialization sub-element with an absolute index value of 75.5% is also included in the adequate category, which means it requires reinforcement in these sub elements. The obstacle to this element of initial understanding of SPIP is that it is still weak, there are still many employees who do not understand what SPIP is, in line with the opinion of the source who said that the implementation of SPIP socialization had never existed while he was working in work unit X, it is likely that there are still many employees who are unfamiliar with SPIP terms.

The second is the control environment element, the sub-element that still needs strengthening is the HR Development Policy and Practice sub-element, commitment to competence, organizational structure, delegation of authority and responsibility and human resource development policies and practices. The explanation regarding the sub-elements that still need strengthening is as follows:

- The sub-element of HR development policies and practices is from HR related to filling in the SKP (Employee Performance Targets) related to the employees themselves, whether the employees care about these performance targets or not;
- then the sub-element of commitment to competence is that employees still feel that the implementation of competency development does not affect career paths; and
- sub-element of the organizational structure is the determination of employees according to the needs of the organization, the determination of employees has gone through the Job Analysis (AnJab) process to find out the qualifications of employees who will occupy certain positions and Workload Analysis (ABK) to find out how many employees are needed to occupy the position certain conditions, but when filling in AnJab and ABK did not reflect the needs of the organization.

The third element is risk assessment, the risk assessment element has just been updated by each bureau due to a request from the Governance Organization bureau because there is the latest Ministerial regulation related to risk management at Ministry Y which is required to carry out a risk assessment. The obstacle encountered in carrying out the risk assessment was that when starting to carry out the risk assessment, the employees did not really understand it, but after explaining it further, they immediately understood because indirectly they had carried out risk identification, but it had not been done in writing.

Furthermore, in the fourth element, namely control activities, the sub-elements that still need strengthening are the human resource development sub-elements, control over information system management, physical control over assets, separation of functions and good documentation of the internal control system. The explanation regarding the sub-elements that still need strengthening is as follows:

- In the HR development sub-element, one of the parameters of HR development is an understanding of the organisation's vision, mission and goals. the vision, mission and goals of Work unit X, according to the source, not all employees know the vision, mission and objectives of Work unit X which are actually contained in the Strategic Plan for Work unit X 2020 – 2024;

- Sub elements of control over the information system have been implemented properly, it's just more for employees who have not fully implemented security awareness.
- The third sub-element is physical control over assets, in practice in the work unit X already have policies and procedures. As for this matter, all employees have been informed to comply, while constraints on policies and procedures have not been seen because this policy has just been implemented . It has been anticipated in several ways to secure assets that are at risk of being lost, stolen, or used without rights, namely affixing labels to all state-owned goods, installing CCTV in storage warehouses, and making records on the SAKTI application, and segregating functions related to recording. goods in and out. Whereas the obstacle to physical security of assets is the lack of space for storage so that assets are still scattered in several places, but the storage area is always locked and can only be accessed by those who have authority.
- Separation of functions sub-element, this sub-element has been carried out well, it's just that there has been no further evaluation related to the activities undertaken, with this evaluation it is hoped that the obstacles or problems encountered previously will not be repeated and can serve as a guide for future activities.
- And the last sub-element is good documentation of the internal control system. Documents themselves are useful for facilitating tracking of transactions, events and related information, from the initial stage, to the completion stage. This good documentation is an effective tool to make evaluations related to the internal control system more efficient and makes it easier for an internal control system to make modifications or changes when needed. Based on the results of the interviews, the obstacle in implementing this sub-element is that there is no documentation related to internal control.

The fifth element is information and communication. The element of information and communication aims to make information available to all interested parties, and good communication can be established between internal and external parties. the information obtained is both relevant and of good quality both internal and external sources. while communication is an ongoing process to obtain, share and provide that information. In work unit X, elements of information and communication are good, information and communication has been carried out through a website-based application system (Mail Letter and Electronic Disposition System - SPDE) to facilitate correspondence between work units and also echelon I units, the weakness here is that not all employees use it. SPDE and still use paper for dispositions from echelon I to lower levels

The last element is monitoring. The monitoring element aims to ensure that the system is running effectively. Monitoring of the internal control system ensures that monitoring is carried out continuously, conducting separate evaluations and following up recommendations on the results of audits and other reviews. In the implementation of continuous monitoring, the leadership is indirectly responsible for existing internal controls, and when there are recommendations from the auditor, the leadership immediately follows up on the results of these recommendations. It's just that there really isn't a strategy or SOP related to following up on the results of the recommendations, apart from that related to evaluations or meetings being held on internal control, work unit X has never held these meetings.

6. CONCLUSIONS

This study aims to analyze the effectiveness of implementing the Government Internal Control System (SPIP) in work unit X and analyze weaknesses or obstacles in implementing internal controls. This study's quantitative method was descriptive and supported by qualitative data. The analysis was conducted by conducting questionnaires to employees in work unit X and interviewing several sources.

The results obtained from filling out the questionnaire related to the Government Internal Control System (SPIP) in work unit X. The scores for each element are as follows, an initial understanding of SPIP (score 4.09), elements of the control environment (score 4.18), elements of risk assessment (score 4.11), and elements of monitoring (4.20) are included in the category adequate. In contrast, the elements of control activities (score 4.24) and information and communication (score 4.27) are included in the effective category. The average of all SPIP elements is 4.18 which is included in the adequate category. This means that it is not yet effective and still needs strengthening.

As for the obstacles encountered in implementing SPIP in work unit X, in the initial understanding of SPIP, there was no socialization related to internal control so that employees did not really understand the intent and purpose of internal control.

Related to the element of control, there are several sub-sections that are still experiencing problems, namely:

- Commitment to competence, in this sub-section employee awareness related to competency improvement is still not running because it is still considered not to have too much influence on employee career paths;
- Organizational Structure, in this sub-section there are two points, the first is that there is a new pattern related to the organizational structure that makes the leadership have to adjust, the second is related to filling in Job Analysis

and Workload Analysis which should be filled in with actual conditions in the field .

- Delegation of Authority and Responsibility, this sub-element has been running well.
- HR Development Policies and Practices, in this sub-element the regulations and policies already exist but have not been fully implemented.

In the element of risk assessment, the obstacles encountered were at the beginning of making a risk assessment which still required more explanation. However, after being explained further, each bureau already understands because basically the implementation of risks has been carried out even though there are no written rules yet.

In the element of control activities, several sub-elements that are still experiencing problems are:

- Development of human resources, in this sub-element, the vision, mission and objectives of the x work unit are not understood by all employees, which is actually contained in the x work unit strategic plan for 2020 – 2024;
- Control over Information Systems, this sub-element has been carried out well, only sometimes the employees themselves lack security awareness;
- Control over Physical Assets, this sub-element is generally good, it's just that warehouses for storing assets are still scattered and indeed there is no anticipatory plan for recovering assets in the event of a disaster;
- • Separation of functions, in this sub-element the separation of functions has been carried out, but indeed the evaluation has not been carried out;
- • Good documentation of the Internal Control System, in this sub-element the work unit X has not yet documented it.

In terms of information and communication elements, the implementation has been well implemented, there is indeed a system that helps information flow to employees, the problem is that not all employees use the system.

And the last element is monitoring, related to the results of follow-up reviews carried out immediately by work unit X, but in practice there is no SOP or regulatory mechanism. In addition, work unit X has never held a meeting discussing internal control.

Based on the results of the analysis and conclusions obtained, to overcome the obstacles faced by work unit X in implementing internal control, the authors recommend several implications that can be a concern in implementing internal control in work unit X, including:

- a. Making the latest policy related to the Government Internal Control System (SPIP) at Ministry Y which must be made immediately so that SPIP implementation runs at Ministry Y in order to achieve the goals of the organization so that activities run effectively and efficiently;

- b. Creating an understanding for all employees that the importance of the government's internal control system in achieving organizational goals in terms of compliance with laws and regulations;
- c. Internal control is also included in the implementation of HR development, such as supervising employees every year and improving HR competencies on a regular basis and also socializing clear rules related to HR development (HR management) so that employees know the benefits of increasing competence to be carried out.
- d. Carry out an independent assessment related to government internal control coordinated by the SPIP task force in the work unit X based on the latest regulations by coordinating with the ministry inspectorate for implementation guidelines and cooperating with echelon II to carry out assessments starting from preparation, implementation to reporting ;
- e. Periodic evaluations are carried out as a form of leadership supervision related to the Government Internal Control System which is carried out in meetings and reported in the form of documentation and archived so that it can become a guideline for the implementation of the next SPIP and for improvement efforts so that there are no repeated findings;
- f. Awareness of the implementation of government internal control is not only at the leadership level, but all employees must have this to create a conducive environment. Furthermore, the government's internal control system should not only be written rules, but can be a guideline that is implemented in each activity in work unit X. If all elements are implemented optimally, the four objectives of the SPIP are more easily realized.

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