

The Role of Internal Audit on the Effectiveness of the Internal Control System at KSP Kopdit Pintu Air

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Article Information

Article History

Received, 3 February, 2025
Revised, 17 February, 2025
Accepted, 21 February, 2025
Published, 21 February, 2025

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ABSTRACT

This study aims to determine the role of internal audit on the effectiveness of the internal control system at KSP Kopdit Pintu Air. In this study, the author uses a qualitative descriptive type of research. The resource persons in this study are employees in the internal control system section of KSP Kopdit Pintu Air and also from the cooperative supervisory element. The results of the study show that the internal audit of KSP Kopdit Pintu Air has carried out its role by the steps to implement the audit in ISO 9001, namely conducting audit planning, audit process, reporting audit results, and follow-up on audit results. In carrying out the audit process, several aspects are the main focus of the internal audit of KSP Kopdit Pintu Air, including aspects of governance, risk profile, financial performance, and capital.

Keywords: internal audit, effectiveness, internal control system, savings and loan cooperative

1. INTRODUCTION

The development of cooperatives in Indonesia has had a significant socio-economic impact and a great contribution to community empowerment. Cooperatives have become one of the important instruments in Indonesia's economic development, especially in improving people's welfare. Cooperatives in Indonesia have existed since the Dutch colonial era and continue to develop until now. Initially, cooperatives in Indonesia were established to remedy weaknesses and injustices in the capitalist economy, as well as to overcome the problem of poverty that could not be solved by individualism. However, over time, the role of cooperatives continues to grow with various services provided to improve the economic condition of their members.

Along with its development, cooperatives are also followed by increasingly complex problems such as limited human resources and not maximized as best as possible, the existence of stagnant member receivables, ineffective document management, financial risks, lack of management supervision, capital participation systems that have not been properly integrated, management that has not been maximized and cooperative activities which also further increase the possibility of frauds in cooperation. The number of frauds arises as a result of the increasing complexity of company transactions and operations,

which requires companies to increase internal control in each of their operational activities to prevent possible misappropriation (Wahyuningtias et al., 2014).

Every company, including cooperatives, must use a system to regulate the company's operational activities. By using a good system, the company can prevent fraud that will occur. One of the good systems for companies is the internal control system. According to IAPI (2011), an internal control system is a process run by the board of commissioners, management, and other entities designed to provide adequate confidence about the achievement in the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

In the internal control system, there are five (5) main components contained in COSO (Committee Of Sponsoring Organizations Of Commission), namely the control environment, risk assessment, control activities, information and communication, and monitoring. COSO is a guideline related to the company's internal control system so that it can be designed to help the organization establish, assess, and improve internal control in the organization. COSO also provides various possibilities to develop an internal control system to more effectively adapt to changes in the environment of a business to provide the ability to reduce acceptable risks (Maulidi & Tri, 2023).

KSP Kopdit Pintu Air is one of the credit cooperatives located in Rotat Hamlet, Sikka Regency which is engaged in savings and loans. Based on statistical data as of August 2024, KSP Kopdit Pintu Air has assets of IDR 2,166,179,368,873., with a total of 368,213 members and loan disbursements of IDR 1,839,049,689,543., spread across 59 branches and 13 KCPs, which will continue to increase every month. The value of this large asset of course requires good management and control so that it is not abused. To carry out good management and control of assets, KSP Kopdit Pintu Air continues to improve, among others, by making changes to the organizational structure along with its duties, responsibilities, and authorities, training employees to be more competent, and improving the administrative system. However, this does not rule out the possibility of problems in its operational activities, because so far the problems that often occur at the Pintu Air Kopdit KSP include abuse of authority, administrative errors, and fraud. An internal control system that has not been implemented effectively results in these problems will continue to exist. An organizational structure that has been made properly along with its duties and responsibilities will not run if its employees do not have competence according to their positions, lack of integrity, and no responsibility at work. In addition, supervision of credit provision that has not been maximized, lack of employee understanding of the accounting process, and suboptimal management and management in identifying and analyzing risks, are things that need to be considered in the internal control process to minimize the occurrence of fraud. For this reason, the role of internal audit is very necessary in helping cooperatives to measure and assess aspects related to managerial and operational problems of cooperatives. In the sense that if internal audits can be carried out adequately and continuously, the irregularities that occur can be suppressed to a minimum and action can be taken as early as possible.

Savings and Loan Cooperatives (KSP) have an important role in the Indonesian economy, especially in providing financial access to people who are not served by formal financial institutions. KSP Kopdit Pintu Air is one of the KSPs that is quite well known and has a large number of members. In carrying out its business activities, KSP is faced with various risks, both internal and external. These risks can affect the performance and sustainability of KSP if not managed properly. KSP Kopdit Pintu Air has a vital role in providing financial services to its members. The sustainability and health of KSP directly affect the welfare of members and the surrounding community. Therefore, it is important to ensure that KSP has an effective SPI in place to manage risk and achieve its goals. One

way to manage risk is to implement an effective internal control system (SPI). SPI is a process designed to provide reasonable confidence regarding the achievement of organizational objectives, operational efficiency and effectiveness, reliability of financial statements, and compliance with applicable laws and regulations. An effective SPI will assist KSP in identifying, preventing, and overcoming risks that may arise.

KSP's business environment continues to change and evolve, with the emergence of new risks such as technology risks and increasingly fierce competition. An effective SPI is essential to help KSP adapt to these changes and remain competitive. Internal audit is an independent and objective assessment activity that aims to provide confidence and consultation on the effectiveness of internal control, risk management, and organizational governance. Through internal audit activities, KSP can obtain accurate and relevant information regarding weaknesses in SPI that need to be improved. This study aims to analyze the role of internal audit on the effectiveness of SPI in KSP Kopdit Pintu Air. This study will examine how internal audit helps KSP in improving the effectiveness of the Internal Control System, as well as what factors affect the effectiveness of internal audit in improving the Internal Control System.

The cooperative has an internal auditor to assess whether the internal supervision system that has been set by the management is running well and efficiently, whether the financial statements show the financial position and business results are accurate, and whether each section implements the policy by the plans and procedures that have been set. Internal audits provide appropriate and objective information to assist management in making decisions so that they can improve management capabilities and reduce the possibility that can harm the company (Wahyuningtias et al., 2014). Internal Auditors are required to provide information regarding the adequacy and effectiveness of the internal control system in the cooperative.

An auditor is an independent internal auditor in an organization that aims to evaluate organizational activities as actions or efforts to help achieve organizational goals. Internal audit activities are carried out to improve performance and assist the company in achieving or realizing the goals reflected in the company's vision and mission (Priantinah & Megasari, 2012). As an internal auditor, internal auditors are also required to be able to assist management in carrying out their duties and responsibilities effectively, by providing various assessment analyses, information, and recommendations related to the activities carried out to test and assess the feasibility of internal control and its elements (Hidayat, 2011). Every "good" business person from time to time must have an awareness of the importance of "internal control" in order to be in line with the business goals and be ready to face opportunities and challenges outside the institution and in the future. With internal control in the company, it is hoped that all activities can be run by the provisions that have been previously set (Astari, 2015).

The role of internal audit on the effectiveness of internal control has been widely researched, including by Meikhati and Rahayu (2015) with the title "The role of internal audit and fraud prevention in supporting the effectiveness of internal control (case Study on the Internusa Surakarta Foundation)", the results show that the role of internal audit partially or simultaneously has a significant influence on the effectiveness of internal control. Furthermore, research by Darmauli Silaban, et al. (2020) on "The Role of Internal Audit in Supporting the Effectiveness of Internal Control of Credit Distribution in the Karya Jasa Palembang Credit Cooperative", the results of the study show that the internal auditors of the Karya Jasa Palembang Credit Cooperative are quite competent and have an

independent attitude. In addition, the implementation of internal audits has been by the established procedures, and most of the internal controls on credit disbursement carried out have been by the internal controls implemented by COSO except in terms of the environment and control activities.

2. LITERATURE REVIEW

Cooperation

A cooperative is a group of people who have a common goal or interest. The formation of cooperatives is based on the principles of kinship and cooperation, especially to help its members who need assistance in the form of goods or money loans. In general, the definition of a cooperative is an association consisting of people or cooperative legal entities that provide freedom of entry and exit as members, by working together in a family manner to run a business and enhance the welfare of its members (Sonny Sumarsono, 2003). Article 2 of Law No. 25 of 1992 that cooperatives are family-based. The principle of kinship means that everything in the cooperative is done by all members. Because cooperatives are formed with the same goal, namely to improve the welfare of members, cooperative businesses are businesses that are directly related to the interests of members. The purpose of cooperatives as stated in Chapter II Article 3 of Law No. 25 of 1992 is: "Cooperatives have the goal of prospering members in particular and society in general and participating in building the national economic order to realize an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution".

Audit Internal

According to The Institute of Internal Auditors (Denies Priantinah & Megasari Chitra A, 2012: 37) Internal Audit is: "an independent activity, objective belief, and consultation designed to provide added value and improve the operations of the organization". The audit helps the organization achieve its goals by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of the risk management process, the adequacy of control, and the management of the organization.

Internal audit is an objective activity that is managed independently to assist the organization in achieving its goals by applying a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and management processes. Internal audit also includes consulting activities to the management about the problems it faces. This consultation is provided by the findings and analyses carried out on various operational activities independently and objectively in the form of findings and recommendations or suggestions intended for organizational purposes (Sri, 2017).

Internal audit function according to the Public Accountant Professional Standards (SPAP) (2001; 322.2) quoted by Wardoyo and Lena (2010:3) said "The function of internal audit is to monitor the performance of entity control. When the auditor seeks to understand internal controls, the auditor must attempt to understand the internal audit function sufficiently to identify the internal audit activities relevant to the audit statement."

Mulyadi (2002:202) in Aristanti Widyaningsih (2010), said "The task of the internal audit function is to investigate and assess the internal control and efficiency of the implementation of the functions of various organizational units. Thus, the internal audit function is a form of control whose function is to measure and assess the effectiveness of other elements of internal control".

Internal Control System

The internal control system is defined by AICPA (American Institute Of Certified Public Accountants) in Aloisius Hama, et al. (2020:66), quoted from James A. Hall (2001) as the structure of an organization and all organized methods and measures set in a company for the purpose of maintaining the security of the company's assets, checking the accuracy and correctness of accounting data, improve the efficiency of operational activities and encourage compliance with the policies that have been set.

According to IAPI (2011), an internal control system is "a process carried out by the board of commissioners, management and other entities designed to provide adequate confidence about the achievement in the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations".

3. RESEARCH METHOD

In this study, the author uses a type of qualitative descriptive research, which displays the data as it is without the process of manipulation or other treatments, where the theoretical foundation is used as a guideline and also as a material for research language. Sugiyono (2018) in M. Rizki Maulidi and Tri Ratnawati (2023; 36) explained that "researchers in a qualitative approach have a role as a human instrument that has the function of determining the focus of research, selecting data source informants, collecting data, assessing data quality, analyzing data, and interpreting data and making conclusions on its findings". So in this study, the researcher acts as the main instrument, namely as an executor as well as a data collector.

The data analysis technique in this study is a qualitative analysis technique, as proposed by Miles and Huberman, namely:

1. Data Reduction
Data reduction is the simplification of data that has been collected through selection, focusing and validity of raw data into meaningful ones, making it easier to draw conclusions.
2. Data Presentation
The presentation of data that is often used in qualitative data is a form of narrative. The data presented is in the form of a set of information that is organized systematically and is easy to understand.
3. Verification / withdrawal Conclusion
Concluding is the final stage in data analysis which is carried out by looking at the results of data reduction, but still refers to the formulation of the problem and the goals to be achieved. The data that has been compiled is compared with each other to conclude an answer to existing problems.

Data analysis in this study also uses a descriptive method, namely a problem-solving procedure by describing the research object at the present time based on the facts as they are, then analyzed and interpreted in the form of surveys and development studies.

4. RESULTS AND ANALYSIS

a. The Role of Internal Audit at KSP Kopdit Pintu Air

Kuntadi (2009) in Ety & Istiyawati (2015: 4) explains that the role of internal audit is to "assist the company in conducting audits for the benefit of management, solve some obstacles in an organization and support management efforts to build a culture that

includes ethics, honesty, and integrity. This is in line with the results of an interview with the GM of KSP Kopdit Pintu Air, he said that the internal audit at KSP Kopdit Pintu Air has an important role in risk control, performance supervision, quality and compliance from various existing fields of work, conducting analysis, assessment, and input on the results of the audit carried out. The role of internal audit is of course related to the operational plan, finance, policies, and procedures carried out by the cooperative. In carrying out its role, there are stages carried out by the internal audit of KSP Kopdit Pintu Air based on the steps to implement Internal Audit in ISO 9001, including:

1) Audit planning

Audit activities at the Pintu Air Kopdit are carried out within six months or at least once a year. Before the audit process is carried out, the head of the internal audit division sets the objectives of the audit, the aspects to be audited, determines the audit schedule for each branch office and head office, determines the resources needed to carry out the audit, identifies the areas of concern for the audit, identifies procedures for communicating the audit results, and obtains approval from the Deputy Operational and General Manager for the audit work plan. Furthermore, if approved, the head of the internal audit division will communicate the audit schedule to each branch and head office. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

“The role of internal audit at KSP Kopdit Pintu Air, like the role of auditing in general, is in terms of risk control, work supervision, compliance with SOPs, and analysis of financial statements which are expected to run by applicable regulations. Regarding the work procedures of the audit section, before conducting an audit to the branches, usually first do planning by making a schedule for visits to the branch that is adjusted to the activities in the office, determining the purpose of the audit and what things need to be audited, the number of audit staff who will go down to the branch. Furthermore, the head of the audit division will report to the deputy for operations and ask for approval from me as the General Manager for the next work plan.”

The stages of audit planning carried out by the internal audit of KSP Kopdit Pintu Air, have been by the internal audit work steps in ISO 9001, namely the auditor must plan each audit implementation correctly and accurately, by recording and documenting it. Based on the policy pattern, the internal auditor is authorized and responsible for preparing the planning and implementation of the audit with specific objectives, as well as determining the procedure and scope of the implementation of the supervision of the Pintu Air Kopdit KSP Management.

2) Audit Process

During the audit process, the internal auditor of the Pintu Air Kopdit will collect evidence of transactions and accurate information by communicating with the staff of the branch or field being audited, observing activities directly, and reviewing existing documents, as well as documenting the findings using audit working papers, recording the information obtained and making any analysis of the information obtained. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"For the audit process, based on the audit objectives that have been made, the audit team will collect evidence of transactions, search for accurate information, interview and communicate with branch employees / all related parts in the branch

by the existing findings, conduct direct observation of activities, check the existing documents of the branch."

The audit process carried out by the internal audit of KSP Kopdit Pintu Air is also based on Technical Instructions for the Cooperative Sector Number 15 of 2021 concerning Guidelines for Cooperative Health Inspection Working Papers which include an assessment of governance, risk profile, financial and capital performance. Based on the policy pattern, the internal audit of KSP Kopdit Pintu Air is authorized to conduct research, verification, testing, analysis, confirmation, and assessment of documents, data, and information related to the object of the internal audit of KSP Kopdit Pintu Air.

The audit process carried out is by the stages of the audit process in ISO 9001. Where in carrying out the audit process, the internal audit must collect accurate and competent evidence and information, to support the audit findings, and document them in the audit working paper so that it is useful for the cooperative in achieving its goals. Based on the information obtained regarding what aspects are the main focus of internal audit in carrying out the stages of the audit process, the following data are obtained:

a. Governance Aspects

The purpose of the audit process on the governance aspect is to ensure that the organization is well managed and in accordance with the principles of good governance.

b. Risk Profile Aspects

The purpose of the audit process in this aspect is to ensure that the organization has a comprehensive understanding of the risks faced and has implemented an effective risk management system.

c. Financial Performance Aspects

The goal is to ensure that the organization's financial resources are used effectively and efficiently to achieve the goals that have been set.

d. Capital Adequacy Aspect

The goal is to ensure that the institution has sufficient capital to run its business in a healthy and safe manner, as well as to protect the interests of all members. In this aspect, what is assessed is the adequacy of capital and the adequacy of capital management.

The results of the audit related to these aspects will be contained in the audit working paper, which will be the basis for follow-up. These four aspects of the audit are also the basis for audits carried out by the Internal Supervisory Unit (SPI) as a work report every month.

3) Audit reporting

After completing the audit process, the internal auditor team of KSP Kopdit Pintu Air held a joint meeting with the management and committee of the branch or field of work to be audited to convey the audit results. According to the General Manager of KSP Kopdit Pintu Air, this process is carried out so that branch management and staff of the audited work field can know the parts that need to be improved and the parts that must be maintained or improved, as well as open a dialogue if there are obstacles to find solutions together. After the meeting, the internal auditor team will submit a written report in the form of a signed working

paper to the branch manager. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"After the data is collected and examined, then documentation of the findings in the form of a working paper report, recording information, analyzing the information to be reported to superiors. After completing the inspection at the branch with the existing findings and the ongoing process, then a kind of evaluation will be carried out at the branch to convey improvements to the existing shortcomings as an initial report and after returning to the head office will report back to the head of the audit division for further forwarding in accordance with the existing structure and procedures. This report is also not only oral, but also in the form of a written report as a result of the audit."

The stages of reporting audit results carried out by the internal audit of KSP Kopdit Pintu Air are by the Professional Standards of Practice for Internal Audit. Where the internal auditor must discuss the audit conclusions and also its recommendations with the appropriate level of management before issuing the final report of the audit results. Internal audit reports must be reported objectively and written as clearly as possible, delivered in a timely and constructive manner, and also presented with recommendations for improvement or recommendations for the results found.

4) Follow-up on audit results

After completing the audit process and making a report on the audit results on the audit working paper, the internal auditor team immediately submits the audit results or findings to the direct supervisor, in this case, General Manager and Deputy for Operations, so that immediate follow-up is carried out on the problems raised or recommended in the audit report results. The General Manager of KSP Kopdit Pintu Air also added that the follow-up carried out by the top management of KSP Kopdit Pintu Air on the findings during the audit process was to ask for clarification and accountability as well as direct and assist to resolve errors from the findings. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"The report on the audit results received will identify problems by urgency so that they are followed up immediately, and if it takes time for discussion, it must be discussed first. These audit findings are also used as inputs for the preparation of POLJAK, for example, related to governance, and branch financial performance which can be considered based on findings in the field."

The follow-up steps on the audit results carried out by the internal audit of KSP Kopdit Pintu Air are in accordance with ISO 9001, where it is said that follow-up is an important step in improving the quality management system process in the company.

Based on the description of the stages of the implementation of the audit carried out by the KSP Kopdit Pintu Air internal audit team above, it can be concluded that the internal auditor of the KSP Kopdit Pintu Air has carried out its role, namely assisting the cooperative to achieve organizational goals by conducting audits for the benefit of management, to be able to carry out its duties and responsibilities effectively, by providing various assessment analyses, information, and recommendations related to the activities carried out and support management's efforts to build a culture that includes ethics, honesty, and integrity. This is in line with research conducted by Ety Meikhati & Istiyawati Rahayu (2015) which researches the role of internal audit and fraud prevention in

supporting the effectiveness of internal control (case study on the Internusa Surakarta Foundation). The results of the research show that the role of internal audit has a significant influence on the effectiveness of internal control. Similar research has also been conducted by Sisca Darmauli, et al. (2020), in their research on the role of internal audit in supporting the effectiveness of internal control of credit distribution in the Karya Jasa Palembang Credit Cooperative. The results of the study show that the internal auditors of the Kredit Karya Jasa Palembang Cooperative are quite competent and have an independent attitude, and the implementation of internal audits has been by the established procedures including compliance, verification, and evaluation.

b. The Role of Internal Audit on the Effectiveness of the Internal Control System

An internal control system is a process designed and executed by all parties in an organization to safeguard the company's assets, ensuring the accuracy and correctness of financial statements, the effectiveness and efficiency of the use of the company's resources, and compliance with the policies that have been set. An internal control is said to be effective if it understands the extent to which the objectives of an entity's operations are achieved, and applicable laws and regulations are complied with.

The stages of audit implementation carried out by internal auditors in carrying out their roles will affect the implementation of the internal control system in the KSP Kopdit Pintu Air. The following are five (5) components of the control system according to Bodnar and Hoopwood (2006) in Chyntia Amanda, et al. (2015):

1) Control Environment

The control environment is the foundation for all other elements of internal control that form discipline and structure in the organization. The Control Environment of an organization refers to the overall internal control culture and is established from the top structure to the bottom. The role of KSP Kopdit Pintu Air's internal audit in the audit planning stage which is carried out routinely once every six (6) months or at least once a year as well as the findings in the audit process, encourages KSP Kopdit Pintu Air in implementing elements of internal control, control environment, by committing to integrity and ethical values, as well as accountability of its employees. The application of elements of the control environment is also seen in the determination of a clear organizational structure along with the authority, roles, duties, and responsibilities of each existing structure, as a follow-up to the audit results. However, in implementing elements of a controlling environment, KSP Kopdit Pintu Air has not been able to prioritize the recruitment of employees with the appropriate skills and qualifications needed to carry out their roles effectively. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"For the internal control system to run effectively, audits are carried out every six months. Regarding the control environment, internal audits ensure that the structure is in place and that employees are working by their duties and responsibilities."

2) Risk Assessment

Risk assessment is the process of identifying, analyzing, and managing risks that affect the company's objectives. Risk assessments need to be carried out periodically and continuously based on the organization's internal control system. The role of the internal audit of KSP Kopdit Pintu Air in the audit process stage, namely focusing on the audit or audit process on evidence of transactions and documents on loan forms is a form of implementing elements of internal control risk assessment, because fraud or fraud often occurs in these documents. Through this audit process, cooperatives can identify every risk that arises, analyze the causes, and determine solutions. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"Risk assessment is carried out by examining evidence of transactions, existing loan form documents whether fraud or fraud occurs, which is our focus on risk assessment."

3) Control Activities

Control activities are processes, activities, actions, and communications that are carried out to reduce risk and maintain strong internal control. Control activities are divided into 3 (three types), namely preventive control which is designed to prevent errors or deviations before they occur. Detective control is designed to identify errors or irregularities that have occurred. The latter corrective control is designed to correct errors or deviations after they are detected.

The role of internal audit at the stage of the audit process focuses on documents that are often indicated to be fraudulent and there is a follow-up to the audit results by controlling the evidence of transactions received and issued by the cashier, which must be clear and approved by the manager. Provide affirmation to the credit staff that the loan file is filled in correctly and completely before disbursement and report to the head office if there is a loan disbursement. The restriction of access to the Sikopdit Online application program, to avoid the misuse of data and authority, shows that KSP Kopdit Pintu Air has tried to implement elements of internal control, and control activities. If an error or irregularity occurs, the internal audit immediately searches by finding out where the error lies and identifying whether it is a minor or severe error. If it includes minor errors, for example, there is a mistake in data input, then corrections will be made immediately. If it is included in a serious violation, then the internal audit team will immediately conduct an in-depth examination to be held accountable. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"For control activities, focusing on documents that indicate more opportunities for fraud, controlling the evidence of transactions received and issued by the cashier, the evidence must be clear about the purpose of the transaction and must be known or with the approval of the manager whether it runs or not. For the credit section, the completeness of the loan file is given an affirmation, whether it is filled in correctly or not, whether the disbursement process is on schedule or not, and this is our priority whether the control is effective or not. When an error or deviation occurs, it is identified whether the error is minor or severe."

4) Information and Communication

The internal audit of KSP Kopdit Pintu Air has fully implemented elements of internal control, information, and communication. The application of the internal

information and communication control system in KSP Kopdit Pintu Air is manifested in the use of Sikopdit Online to record every accounting transaction that occurs. Through Sikopdit Online, the cooperative management can easily find out information related to financial statements and monthly statistics.

The role of internal audit in every stage of the audit that is carried out from audit planning to follow-up to audit results always prioritizes information and communication. Information and communication is one of the important parts of coordinating with branch management and head office. Internal auditors always provide information to branch managers regarding the audit schedule and what documents need to be prepared for a smooth audit process. Internal auditors also always communicate with branch and central management if there are errors in bookkeeping, archiving, and data input, as well as the latest information related to the accounting process. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"Internal audit must also communicate with branches regarding the audit schedule and documents that must be prepared. The Sikopdit Online program used by cooperatives is part of the information and communication system used for accounting transactions and can also support control activities and monitoring processes."

5) Monitoring

Monitoring involves a continuous process to ensure that the internal control process is continuously running effectively. Monitoring activities are carried out by the internal auditor of KSP Kopdit Pintu Air by analyzing the monthly financial statements and statistics of the head office and branches, as well as assessing financial performance and whether it is in a healthy condition or not. In addition, audits are also carried out regularly, every six (6) months or at least once a year, on aspects of cooperative governance, risk profile, and financial and capital performance.

The results of the internship report related to the effectiveness of the internal control system are in line with the previous research conducted by Ety Meikhati & Istiyawati Rahayu (2015) which measured the effectiveness of internal control using 5 (five) COSO components. The results of the study show that the implementation of these five elements of internal control can run with the participation of the company's internal audit. This is based on an interview with the General Manager of KSP Kopdit Pintu Air. The following is an excerpt from the interview:

"After the audit is carried out by analyzing the financial statements, assessing whether it is healthy or not, the existence of findings and evaluations, then a review is carried out whether the suggestions and improvements have been implemented or not so that violations of existing rules, fraud or mistakes are no longer committed. If the same mistake is found again, based on the Kopdit rules, it will be processed according to procedures, namely with an oral, written reprimand or warning letter starting from SP one to SP three if a serious violation occurs."

5. CONCLUSION

Based on the results of the interviews and analysis that have been carried out, the author can draw conclusions related to the research entitled "The Role of Internal Audit on the Effectiveness of the Internal Control System at KSP Kopdit Pintu Air", as follows: The internal audit of KSP Kopdit Pintu Air has carried out its role by the steps to implement the audit in ISO 9001, namely conducting audit planning, audit process, reporting audit results and follow-up audit results. In carrying out the audit process, several aspects are the main focus of the internal audit of KSP Kopdit Pintu Air, including aspects of governance, risk profile, financial performance, and capital.

Audit activities carried out by the internal audit of KSP Kopdit Pintu Air begin with conducting an audit plan, which must be approved and signed by the Deputy for Operations and the General Manager for the next audit process. The audit process is carried out by collecting evidence of documents and transactions and filling out audit working papers which are the basis for making audit reports. The next process is the follow-up on the audit results based on the audit findings and recommendations for improvement in the audit results report.

Based on the above conclusion, the author gives the following suggestions: (1) The management of KSP Kopdit Pintu Air should be more effective in following up on the audit results that have been carried out, by the circumstances and time needed so that continuous improvements are created so that repeated irregularities do not occur. (2) KSP Kopdit Pintu Air should recruit employees who are competent in their fields, have integrity and instill ethical values, and by cooperative operational standards. Hiring incompetent or dishonest employees can damage the control system in place. (3) For further researchers, it is recommended to increase the number of references related to the role of internal audit and review in detail the role of internal auditors in credit cooperatives, as well as add other elements of the internal control system that are in line with the role of internal audit.

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