

# THE IMPLEMENTATION INTERNAL CONTROL SYSTEM GOVERNMENT WITH GOVERNMENT REGULATION RELEASE OF NO. 60/2008 IN KPU JEMBER REGENCY: A PHENOMENOLOGY APPROACH

Sukma Uli Nuha<sup>1</sup>  
Muhammad Miqdad<sup>2</sup>  
Agung Budi Sulistiyo<sup>3</sup>

## ABSTRACT

This study aims to determine and analyze the application of SPIP in the perspective of PP no. 60 of 2008 at the KPU Jember Regency. The type of research used in this study is qualitative with a phenomenological approach. The data collection technique was carried out by means of participation observations, documentation and interviews of the Chairperson and Members and the KPU Jember Regency SPIP work unit. Data analysis in this study used a phenomenological approach, and triangulation to test the validity of the data. The results of this study indicate that the practice of internal control of the government system at KPU Jember Regency has not fully implemented the five internal control systems in accordance with PP. 60 of 2008 due to the poor implementation process of the existing components in the SPIP. Human resources in the KPU still have not shown a commitment to integrity and ethics. The weak implementation of SPIP is caused by the poor condition of the control environment. The theoretical contribution of this research is to strengthen the theory of stewardship. The practical contribution of this research can be used as a basis for the government to revise the PP by referring to the latest internal controls in the 2013 COSO Framework so that the KPU can become an independent, professional, and integrity election organizer for the realization of a LUBER and JURDIL Election.

**Keyword:** System, Internal Control, Government Release, Phenomenology

## ABSTRAK

Penelitian ini bertujuan untuk mengetahui dan menganalisis penerapan SPIP dalam perspektif PP No. 60 Tahun 2008 pada KPU Kabupaten Jember. Jenis penelitian yang digunakan penelitian ini yaitu kualitatif dengan pendekatan fenomenologi. Teknik pengumpulan data yang dilakukan dengan cara observasi partisipasi, dokumentasi, dan wawancara terhadap Ketua dan Anggota KPU, serta tim satuan kerja SPIP KPU Kabupaten Jember. Analisis data penelitian ini menggunakan pendekatan fenomenologi, dan triangulasi untuk pengujian keabsahan data. Hasil penelitian ini menunjukkan bahwa praktik system pengendalian intern pemerintah di KPU Kabupaten Jember belum sepenuhnya menerapkan lima komponen system pengendalian intern sesuai dengan PP No. 60 Tahun 2008 karena masih buruknya proses penerapan komponen yang ada pada SPIP tersebut. Sumber daya manusia yang ada di KPU masih belum menunjukkan komitmen terhadap integritas dan nilai etika. Lemahnya penerapan SPIP disebabkan oleh buruknya kondisi lingkungan pengendalian. Kontribusi teoritis pada penelitian ini adalah untuk berkontribusi memperkuat teori *stewardship*. Kontribusi praktiknya penelitian ini dapat dijadikan dasar pijakan pemerintah agar merevisi PP dengan mengacu perkembangan pengendalian interna terbaru pada COSO Framework 2013 sehingga KPU dapat menjadi penyelenggara pemilihan umum yang mandiri, profesional, berintegritas untuk terwujudnya Pemilu yang LUBER dan JURDIL.

**Kata kunci:** Sistem, Pengendalian Internal, Peraturan Pemerintah, Fenomenologi

## Introduction

The phenomenon that occurs in the development of government at this time is to strengthen the demands for internal control over public institutions, both at the central and regional levels. Regarding the government sector in Indonesia, the internal control system approach uses SPIP which is based on PP no. 60 of 2008.

<sup>1</sup> Corresponden Author

: Master student at University of Jember, Jember, Telp. 081556772575, Email: [sukmauli7@gmail.com](mailto:sukmauli7@gmail.com)

<sup>2</sup> Second Author

: Lecturer at University of Jember, Jember, Email: [miqdad.feb@unej.ac.id](mailto:miqdad.feb@unej.ac.id)

<sup>3</sup> Third Author

: Lecturer at University of Jember, Jember, Email: [agungbudisulistio@gmail.com](mailto:agungbudisulistio@gmail.com)

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PP Number 60 of 2008 is the implementation of Article 58 paragraph (1) of Law no. 1 of 2004 concerning the state treasury. Preparation of PP No. 60 of 2008 is the adoption of the concept of internal control suggested by The Committee of Sponsoring Organization (COSO) in 1992 (Pitaloka, 2020). The proper implementation of SPIP can have a good impact on an institution. The Jember Regency KPU implements SPIP based on PP no. 60 of 2008 to achieve effective, efficient, transparent, and accountable agency management. Until now, the condition of achieving SPIP's goals is still far from perfect and has not been maximized. The limitations of human resources both in terms of quantity and quality in the preparation of financial reports or activities are the cause of the unreliability of the reports produced. The utilization of human resources that have not been optimal is the cause of the implementation of activities that have not been effective and efficient.

The phenomenon of fraud can occur in various sectors such as the government sector and other sectors so that internal controls are needed to control these problems. The United States generally defines internal control as a mechanism to control the reliability of financial reporting / ICFR, while for other countries than the US, it is a system of regulatory compliance and efficiency in operations (Henk, 2020). Similar to Indonesia, the European Union also has internal control system regulations to be able to carry out management and control for EU finances (Buinauskas, 2010). Russia also considers the importance of developing public control in the control system, especially on Russian finance so that in the future the management of state finances will be good (Krasnyukova, 2021). The law on the internal control system in Nigeria still fails to control financial accountability, especially the finances of Non-Governmental Organizations (NGOs) so it is necessary to make policies that will have an impact on strengthening NGO activities (Rafindadi, 2019).

Cases of non-compliance with Sharia internal controls also occur at IFI Malaysia because governance controls, risk management, audit procedures in their implementation have not fully run with Sharia rules (Hanefah, 2020). Banks in Saudi Arabia also experience problems in implementing an internal control system including the need for improvements in the control environment, risk assessment, and communication systems (Sharma, 2019). Employees of Local Government units in Poland also need to carry out management control and risk management, not only related to activities but also to contribute to the implementation of activities in public services (Mormul, 2021). Private banks in Trincomalee also experienced problems in implementing the effectiveness of the internal control system which was influenced by the lack of time so that there was not enough time to correct errors or fraud (Kumuthinidevi, 2016). The system of internal control and financial accountability of the Local Government of Western Uganda is weak this is evidenced that the district's financial operations are neglected, internal control is inadequate in taking into account staff gaps in local government and low level of public services (Eton, 2018).

Examples of cases that occur in the Special Region of Yogyakarta Government still have obstacles in implementing SPIP (Satya, 2017). Constraints

faced in implementing SPIP are the low competence of HR and lack of commitment to HR competence, lack of understanding of Regional Apparatus Organizations (OPD) on SPIP, and the lack of SPIP culture within the organization. The next case was the implementation of SPIP in Kalikurmo Village, Bringin District, Semarang Regency which experienced obstacles that caused the implementation of the SPIP component not fully fulfilled including aspects of the suitability of educational background, minimal risk assessment, and the division of tasks was not yet firm (Pitaloka, 2020). There are also weaknesses in the implementation of SPIP in Ghana, namely the government does not monitor and evaluate the internal control system (Agbenyo, 2018). The implementation of the internal control system and financial performance at financial institutions in Rwanda also experienced weaknesses due to poor internal control, giving rise to various risks such as fraud, embezzlement, and waste (Emmanuel and Olang'o, 2017).

The next case example is the application of SPIP at a State University (Zamzami, 2015). The implementation of SPIP at PTN X is weak in improving compliance with the standard process that has been prepared. Research at the Riau Police also shows the discrepancy in the application of internal control with the COSO internal control framework in the work unit as evidenced by the lack of commitment to HR competencies and practices placed in the work unit (Kartika, 2016). The next case study occurred at PT Pasar Buah 88 that the weakness of the control environment at PT Pasar 88 was due to HR's awareness of the importance of implementing internal control (Tannusa, 2018). Inventories of goods in warehouses and stores experienced differences due to fraud and did not have a written SOP. The implementation of internal control at Church X in East Java also shows that it has not fully implemented SPIP practices because it considers that the church does not have standardized regulations in managing its organization so that it becomes a reproach for certain human resources to commit fraud (Yohanna, 2021).

The application of SPIP is now more politically motivated than running SPIP according to the principles and objectives themselves. This phenomenon proves that PP No. 60 of 2008 has not been able to become an internal control, so PP no. 60 of 2008 needs to be reviewed and updated in accordance with the latest COSO, namely the COSO Framework 2013. This research supports the results of previous research that government agencies need to implement SPIP based on PP no. 60 of 2008 which are in accordance with its objectives and principles. Stewardship theory assumes that the leader as a steward has one goal, namely achieving agency goals. The motivation of the research is to know and analyze the application of SPIP in the perspective of PP No. 60 of 2008 because there are still few previous studies that researched independent government such as the KPU, so the authors are interested in conducting research by looking at the phenomena that exist in these government institutions. KPU cannot be equated with other state institutions whose authority is determined and granted by the 1945 Constitution.

The novelty of this research lies in SPIP in the perspective of PP no. 60 of 2008 with a phenomenological approach associated with the 2013 COSO Framework principles. It is different from previous researches (Satya, 2021; Pitaloka, 2020; Agbenyo, 2018; Zamzami, 2015; Kartika, 2016; Tannusa, 2018;

Yohanna, 2021) because this research uses the PP no. 60 of 2008 perspective phenomenological approach. The theoretical contribution to this research is to strengthen the theory of stewardship, in the context of this research, leaders and staff need to be responsible and not concerned with personal interests to achieve the goals of the KPU Jember Regency and the practical contribution of this research can be used as input for the government to revise the laws and regulations – the invitation refers to the COSO Framework 2013 so that the KPU can implement internal control in holding elections that are independent, professional, with integrity for the realization of a LUBER and JURDIL Election.

### **Literature Review**

#### **Stewardship Theory**

Produg (2011) said that stewardship theory is based on a socio-psychological behavioral model on human behavior which says that a leader's behavior is pro-organizational and collegial, obtaining high utility or achievement by providing group/organizational/agency services and also provide mutual satisfaction. In this context, stewardship theory assumes a strong relationship between satisfaction and success in the implementation of SPIP at KPU Jember Regency. The successful implementation of SPIP at KPU Jember Regency illustrates that by maximizing the utility of existing leaders and human resources. This theory shows that leaders are not motivated by personal interests but prioritize common interests. All existing human resources have responsibilities or responsibilities in managing and carrying out internal control in accordance with PP No. 60 of 2008 at the KPU Jember Regency both in terms of finance and other activities.

Stewardship theory assumes that leaders are not motivated by individual goals but are more focused on the main outcome goals for the running of the internal control process at the KPU Jember Regency. This theory says that the leader is the backbone of the success of the company or agency, where the success of the leader in achieving the goals of the company or agency can increase the welfare and comfort of the managers of this organization or agency (Jefri, 2018). This theory also says that the running of SPIP at KPU Jember Regency can be achieved by improving the performance of an effective and efficient organization so that in the future it can provide satisfaction to various parties such as stakeholders and agency managers.

Yohanna (2021) also stated that stewardship theory explains a situation where management is not motivated by individual goals but rather aimed at their main outcome goals for the benefit of the organization. The application of SPIP at the KPU Jember Regency which refers to stewardship theory assumes that there is a greater utility in cooperative behavior than individualism behavior so that the internal control manager of the KPU Jember Regency will increase the competence of its human resources in making internal controls effective and creating a good and strong government. KPU Jember Regency leadership and staff in implementing SPIP Based on PP no.60 of 2008 acts by providing services that function to manage

Existing resources. Therefore, the human resources in the KPU Jember Regency are held accountable to the public regarding the implementation of general elections so that they can reduce or prevent the reduced application of ethical values to the public.

### **The Committee of Sponsoring Organization (COSO)**

Internal control under COSO 1992 is defined as a process influenced by the board of commissioners, directors or top management, other personnel designed to obtain reasonable assurance about the achievement of objectives in terms of reliability of financial reporting, compliance with applicable laws and regulations, and effectiveness and operating efficiency. The internal control used in an entity is a factor that determines the reliability of the financial statements produced by the entity. Internal control is a means created by and for the benefit of the organization. The purpose of the internal control process is to support the parties involved in the organization's activities in managing risk and achieving the goals that have been set and communicated by the organization. These objectives are the reliability and integrity of financial and operating information, operational activities are carried out efficiently and achieve the expected results effectively, asset and activity security, and organizational decisions are within the corridor of compliance with applicable laws and regulations.

Currently, COSO has published The Framework 2013 which was published to update The Framework 1992. The publication of this Internal Control Integrated Framework reflects the changes in the world after 20 Years of the publication of the initial Framework (COSO 1992). COSO Framework 2013 combines basic principles and combines existing guidelines to provide an overview and concepts that are in line with the changes and complexity of the current control environment. Internal control according to COSO 2013 is a process influenced by directors, management, and other personnel designed to provide reasonable assurance about the achievement of objectives related to operations, reporting, and compliance. The COSO Framework divides the objectives of internal control into three categories, namely

1. Operations which aims are performance targets and securing organizational assets from fraud, focusing on the effectiveness and efficiency of the agency's operations.
2. Reporting which aims to report internal and external financial and non-financial reporting related to transparency, timeliness, and reliability of the organization's reporting habits.
3. Compliance in which the expectation of internal control is based on compliance with laws and regulations that must be complied with by the organization.

Theoretically, internal control as defined by The Committee of Sponsoring Organization (COSO) is a process influenced by the board of commissioners, management, and other business unit personnel designed to obtain reasonable assurance about the achievement of objectives such as reliability of financial reporting, compliance with laws and regulations, applicable and the effectiveness and efficiency of operations. The COSO framework teaches that there are five components to internal control system including:

1. The control environment is a standard, process, and structure that provides the basis for implementing internal control throughout the organization whose components are ethical values, organizational structure, commitment to employ competent staff, and human resource policies.
2. Risk assessment involves analyzing the organization's analysis of the risks posed by internal and external changes so that it can achieve its goals and minimize the risks that occur.
3. Control activities are tasks and activities that must be in accordance with those determined by organizational policies and procedures so that they can assist in achieving internal control objectives by conducting approval, verification, reconciliation, and reviewing performance.
4. Information and communication are essential in the internal control system. The COSO emphasizes that the importance of relevant and quality information so that it can be used as a control and communication tool is expected to provide clarity from external parties. These two things are the key and can be used as a strong system in internal control.
5. Monitoring of internal control is useful as an ongoing evaluation. This evaluation is separate and regular, based on the level of risk, the effectiveness of the system, and in accordance with existing regulations.

According to COSO (2013), an effective internal control system must meet five main interrelated components. In the context of this study, these five components of internal control include environmental control which is the basis of all components, risk assessment which is the process for analyzing internal risk in the KPU Jember Regency, control activities are policies and procedures in terms of reducing risks that occur, information and communication are the formation of the information system in the KPU Jember Regency, and supervision is an activity to evaluate and ensure that the five existing components can run and function. The implementation of internal control is very important to reduce irregularities in the KPU Jember Regency environment. Weak internal control is due to a lack of knowledge about inadequate internal control systems.

### **Government Regulation Release of No. 60/2008**

The issuance of Government Regulation Number 60 of 2008 concerning Government Internal Control System (SPIP) requires Ministers, Heads of Institutions, Governors, Regents, and Mayors to implement SPIP in their environment. Based on the Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning the Government Internal Control System (SPIP), the Internal Control System is an integral process for actions and activities carried out continuously by the leadership and all employees to gain good confidence in the realization of organizational goals through activities/ effective and efficient activities, reliability of financial reporting, protection of state assets, and compliance with laws and regulations. While SPIP is an internal control system that is carried out globally within the Central Government and Regional Governments. The Government's Internal Control System needs to take into account the cost and benefit aspects, human resources, clarity of the barometer for calculating effectiveness, and the growth of information technology and is carried out comprehensively.

SPIP of KPU Jember Regency which refers to PP No. 60/2008, in the context of this research, must be carried out in a sustainable and integrated manner starting from the leadership and all employees to provide good confidence that achieving organizational goals is carried out through effective and efficient management of activities, effective financial reporting, protecting state assets and compliance. On the laws and regulations, the Government Internal Control System (SPIP) is the actualization of internal control with the system, meaning that the KPU Jember Regency must be able to implement internal control. Control is not from humans but by systems or methods and the supervision is not by people but also by systems and methods that are made as well. To be able to straighten or improve the quality of accountability and produce governance towards Good Governance, SPIP here has a role as a very important pillar to be immediately built and implemented by the KPU Jember Regency.

This will be realized if all levels of leadership and control administrators can carry out activities effectively and efficiently throughout their respective agencies. The Chairperson and Members and all staff of the KPU Jember Regency must create and maintain an environment within the entire organization to create positive and conducive behavior towards internal control and sound management. Every institution certainly has risks and its emergence has the potential to paralyze the achievement of its goals, both organizations, and activities. Therefore, the KPU Jember Regency needs to prepare steps to anticipate this. The anticipatory step is to conduct a risk assessment.

### **Research Method**

The type of research used in this research is qualitative research. The approach in this study is a phenomenological approach. Fatchan (2013) explained that the phenomenological approach is one of the approaches used in qualitative research with individual research subjects. The phenomenological approach refers to knowledge that arises from awareness, describing what is felt from awareness of one's direct experience (Syawaluna, 2017). Phenomenology frees researchers from prejudices that come from assumptions, understandings, theories, beliefs, habits, experiences, and judgments held by researchers. This research was conducted at the General Election Commission (KPU) Office of Jember Regency which is located on Jl. Kalimantan No. 31, Sumbersari District, Jember Regency by involving the Chairperson and Members of the KPU Jember Regency and five resource persons from the SPIP job unit at the KPU Jember Regency.

Sources of data obtained in this research came from primary data and secondary data. Primary data was obtained directly from informants. While secondary data was obtained from documents related to discussion, literacy, and other support related to the focus of research which in this study is the profile of the KPU Jember Regency, the 2019 SPIP results report, and regulations regarding the implementation of SPIP at the KPU Jember Regency. In this study, data collection techniques were carried out using observation, interviews, and documentation.

Data analysis conducted in this study used a phenomenological approach. Phenomenology refers knowledge that arises from awareness, describing what is

felt from one's experience. Data analysis used in phenomenological research has four stages including the following:

1. Epoché

The initial stage in the analysis of phenomenological research data was epochoe. Epochoe comes from the Greek words "avoid" and "do not choose". At this stage, the researcher tried to ignore the experience, perception, and assessment of the object of research. Epoché requires the researcher to be "neutral" and behave in no way affecting the object so that the object enters the realm of consciousness without being influenced by anyone. By using this method, researchers are expected to obtain truly pure data about objects related to ideas, feelings, and understanding. Researchers carried out the epochoe process when conducting the data collection process.

2. Phenomenological Reduction

Phenomenological reduction will lead us to experience something. Researchers tried to restore the original assumptions and restore its natural nature. Phenomenological reduction is used as a way to understand a phenomenon to raise awareness. At this stage, the researcher will change the existing facts to be general.

3. Imagination Variation

The function of this stage is to look for meanings and themes that arise based on the experiences of informants that have been collected by researchers. Problems were used as a tool to reflect on the experience and knowledge of informants to find meaning in their entirety.

4. Synthesis of Meaning and Essence

The function of this stage is to find a synthesis of the meaning and nature of the object as a whole by integrating the description resulting from the reduction of phenomenology and the description generated by the imagination variant into a statement that describes the nature of the phenomenon as a whole.

The validity test in qualitative research is a very important process to determine the degree of trustworthiness of the research results that have been carried out. The author chose to use the triangulation technique in this study because the technique of data collection used interviews, documentation, and observation. By using triangulation techniques in collecting data, the data obtained would provide more consistent results so that they become valid data so that this research can be accounted for. Moleong (2010) said that the triangulation process by conducting interviews, direct observation, and indirect observation.

The triangulation technique is a technique for checking the validity of the data by utilizing the data it has, it can be checked or compared with other data sources. In the examination technique, which was carried out on the triangulation technique, namely by comparing observational data with data from interviews then comparing what the informant said in public with what was said in private, then comparing the results of the interview with the contents of the document, in this case, the SPIP KPU Jember Regency, so that the authors could achieve the expected goals in this study.



## **Result and Discussion**

This study investigates and reveals internal control practices through the perspective of PP No. 60 of 2008 to reduce irregularities in the KPU Jember Regency. PP No. 60/2008 concerning SPIP stated that more accountable and transparent regional financial management can be achieved if all leaders and staff of the KPU Jember Regency carry out control activities over all of its activities starting from planning, implementation, supervision, to accountability in an orderly, controlled, effective and efficient manner. efficient. On this basis, the KPU Jember Regency needs a system that can provide adequate confidence that the implementation of activities at the KPU Jember Regency can achieve its objectives effectively and efficiently, report financial management reliably, secure assets, and encourage compliance with laws and regulations. The application of SPIP based on the theory of Stewardship and COSO to improve the quality of general election organizers who are independent, professional, with integrity for the realization of elections that are LUBER (direct, public, free, and confidential) and JURDIL (honest and fair) at the KPU Jember Regency.

The concept of implementing SPIP at the KPU Jember Regency is a fairly long series. The concepts applied in internal control at the KPU Jember Regency include understanding the substance of SPIP PP No. 60 of 2008 and preparing human resources to implement SPIP at the KPU Jember Regency. Understanding of SPIP in the perspective of PP No. 60 of 2008 is a joint task because the implementation of internal control involves all human resources in the agency. Internalization of SPIP into all work processes will have a good impact on the agency. Control is carried out to find out events or obstacles encountered during implementation that were previously unthinkable at the time of planning so that solutions can be immediately sought to reduce the possibility of the risk of failure in an activity. After understanding the substance of the government regulation, then preparing the HR so that the HR understands the implementation of SPIP in accordance with PP No. 60/2008. The next step after providing an understanding to all elements involved in the KPU Jember Regency, both from the Chairperson and Members of the KPU and the staff in it is to prepare them to have sensitivity so that their subconscious in their daily lives can apply internal control to the agency.

There are five elements or components that will be associated with the results and discussion including the control environment, risk assessment, control activities, information and communication, and monitoring of internal control. The following are the results and discussion of the internal control system based on the perspective of PP No. 60/2008:

### **1. Control Environment at KPU Jember Regency**

The human resources at the KPU Jember Regency have not shown a commitment to integrity and ethical values, this is evidenced by the lack of order at the time of arrival, the use of official uniforms, and others. In the supervision of the supervisory board of DKPP (Honorary Council for General Election Organizers) and BAWASLU (General Election Supervisory Body) still found deficiencies in the performance of commissioners at the KPU Jember Regency.

In the process of recruiting support personnel in the 2020 Simultaneous Regional Head Elections, it still needs improvement to obtain competent human resources in accordance with their divisions so that activities can run smoothly. This is evidenced when recruiting is not appropriate in reviewing the background of prospective support staff, in addition to positioning the assignment of tasks in each division that is not in accordance with the educational background so that it is less than optimal at work. The accountability of each individual for the implementation of internal control needs to be improved to achieve the goals of this agency. These various problems show the weak control environment at the KPU Jember Regency.

2. Risk Assessment at the KPU Jember Regency

The relevant KPU Jember Regency needs to be socialized internally in each division regarding the division's objectives clearly to identify and assess the risk of these objectives. Identify risks for achieving overall goals and analyze risks as the basis for risk management. This needs to be done because there are still many human resources that do not match the competence and educational background in their assignment. Considering the potential for fraud in conducting a risk assessment, because during the Pilkada there are many potential frauds. Hence, it is necessary to identify and assess changes so that internal control can run properly. These problems show the weak risk assessment of the J KPU Jember Regency.

3. Control Activities at the KPU Jember Regency

The development of activities according to the stages of the Pilkada must be right so that it is in accordance with the desired expectations. Including election socialization activities to the public also need to be reviewed because there are still many frauds in their financial reporting. KPU Jember Regency needs to select and develop appropriate activities to minimize risks and develop control activities in general. Carry out activities in accordance with established policies. These problems show the weakness of control activities at the KPU Jember Regency.

4. Information and Communication at the KPU Jember Regency

KPU Jember Regency must obtain, produce and use relevant and quality information to support the functioning of other components of internal control. In addition, it is also necessary to maintain social media assets, because the KPU website has also been misused by unauthorized parties. It is necessary to communicate information internally to avoid misunderstanding of thoughts, this is useful to support the functioning of internal control. In addition, there is a need for communication with external parties so that the control components can run smoothly. These various problems show the weakness of information and communication at the KPU Jember Regency.

5. Monitoring of Internal Control at KPU Jember Regency

KPU Jember Regency must carry out continuous (continuous) evaluations to ensure that the internal control components are actually functioning.

The results of this evaluation need to be communicated and conveyed the weaknesses of internal control promptly to those responsible for taking appropriate action, including for the Chairperson and Members of the KPU and all staff, both civil servants and contract workers, as well as supporting staff for the Jember Regency KPU. These various problems show the weakness of monitoring control at the KPU Jember Regency.

Internal control based on perspective of PP No. 60/2008 illustrates that in the application of the five components or elements mutually reinforcing, adjusted to the form of the organization with compliance with financial operations reporting through effective and efficient activities, reliability of financial reports, asset security, and regulatory compliance. The purpose of the internal control process is to support the parties involved in the organization's activities in managing risk and achieving the goals that have been set and communicated by the organization. Stewardship theory assumes that leaders are not motivated by individual goals but are more focused on the main outcome goals for the running of the internal control process at the KPU Jember Regency. This theory also says that the running of SPIP at KPU Jember Regency can be achieved by improving the performance of an effective and efficient organization so that in the future it can provide satisfaction to various parties such as stakeholders and agency managers.

This study supports the research of Henk (2020) and Buinauskas (2010) that every government needs to have a system for managing and controlling internal controls, including finances. This study also supports research by Mormul (2021) and Eton (2018) that the Government needs to implement internal control so that public services can run optimally because through the application of internal control it can monitor risks or problems that will and are happening. This research also supports Krasnyukova's research (2021) and Rafindadi (2019) that a new policy is needed in implementing internal control and internal control not only APIP, but the public or the public also needs to implement special controls on state finances. This study also supports the research of Satya (2017), Pitaloka (2020), and Agbenyo (2018) which say that in carrying out government internal control it is necessary to implement the SPIP component which is sourced from PP No. 60/2008 so that performance can be precise as well as assess and reduce the risk of misuse of performance and activities can run smoothly. Internal control is not only in government institutions, but in other sectors, it is also necessary to implement internal control. This research also supports the research of Emmanuel and Olang'o (2017), Zamzani (2015), Kartika (2016), Yohanna (2010), and Tannusa (2018) related to internal control in other sectors so that in carrying out activities there is no fraud such as using loopholes for cheating.

The results of this study support researches (Buinauskas, 2010; Mormul, 2021; Krasnyukova, 2021; Rafindadi, 2019; Satya, 2017; Pitaloka, 2020; Agbenyo, 2018; Zamzani, 2015; Kartika, 2016; Yohanna, 2010; and Tannusa, 2018 ) due to the importance of implementing internal control both in the government and other sectors so that HR within the agency's internal environment can implement activities appropriately and obtain accurate information and establish communication with both internal and external parties to reduce the risk value that will occur by evaluating or monitoring controls. continuously internally. This study

also supports research sharma (2019), and Kumuthidevi, (2016), that the application of internal control is not only in the government and private sectors, but bank also need to implement internal controls in their environment.

The study also said that it was necessary to implement SPIP in accordance with the components of PP. 60/2008 which is guided by the latest COSO, namely the 2013 COSO Framework so that there is no abuse of authority and power. These results also support the stewardship theory that all human resources in the agency must have responsibility for the mandate of their work without prioritizing personal interests so that in the future the environment can be controlled optimally.

PP No. 60/2008 concerning SPIP states that more accountable and transparent regional financial management can be achieved if all levels of leadership in the region carry out control activities over all their activities from planning, implementation, supervision, to accountability in an orderly, controlled, effective and efficient manner. PP No. 60/2008 based on COSO 1992 which shows the close relationship between the objectives, components, and organizational structure of the implementation of internal control. Currently, the COSO has published The Framework 2013 which was published to update The Framework 1992. This COSO Framework 2013 combines basic principles and combines existing guidelines to provide an overview and concepts that are in accordance with the changes and complexities of environmental control that happening at the moment. The purpose of COSO 1992 is to gain confidence in the reliability of financial reporting, compliance with applicable laws and regulations, effectiveness and efficiency of activities while the objectives of COSO 2013 are designed to provide reasonable assurance about the achievement of objectives related to operations, reporting and compliance. COSO 2013 introduces 17 principles of internal control, these principles present the fundamental concepts of each component of internal control. The principle in COSO Framework 2013 is an update with the old COSO so that PP No. 60/2008 needs to be revised or updated again by referring to the 2013 COSO Framework so that internal control can run optimally.

The application of SPIP based on the perspective of PP No. 60/2008 can provide benefits including the following:

1. Obtaining the effectiveness and efficiency of obtaining the objectives of the activities or activities of the State government.

Implementation of internal control that refers to PP No. 60/2008 can assist KPU Jember Regency in carrying out activities or activities. This internal control can monitor and provide evaluations related to existing problems so that in the future the activities or activities of the KPU Jember Regency can achieve their goals effectively and efficiently.

2. Financial reporting skills.

Implementation of internal control that refers to PP No. 60/2008 can be used as a control tool for the KPU Jember Regency so that in the future it can minimize fraud and be able to present financial reports appropriately.

3. Protection of State Assets

Implementation of internal control that refers to PP No.60/2008 can be used as a tool to protect state asset. All existing human resources will use state assets

such as two- or four-wheeled vehicles, electronic devices, and other facilities. When there is a control team here, it can carry out a risk assessment and create a solution.

#### 4. Compliance with Legislation – Invitations.

Implementation of internal control that refers to PP No. 60/2008 at the KPU Jember Regency is a form of compliance with applicable regulations. Implementation of internal control in accordance with applicable regulations will have an impact on the environment; minimize the risks that occur, ongoing activities or activities, proper application of information and communication as well as monitoring or evaluation of problems that occur.

The application of SPIP based on the perspective of PP No. 60/2008 also encountered obstacles, the most important obstacle in implementing internal control was the readiness of human resources. From the control process, an evaluation will be obtained, here all parties must be able to minimize risk by not repeating mistakes so that in the future it will be better. HR is the most dominant factor in internal control, because no matter how big the reward, if the person is reluctant to change from what has been evaluated, in the future, it will still be bad. The current weak application of SPIP at the KPU Jember Regency can be used as an evaluation so that in the future it can be better. How to deal with obstacles that occur when implementing the government's internal control system at the KPU Jember Regency is by monitoring internal controls or conducting regular evaluations.

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#### **Conclusions**

Based on the discussion that has been explained, it can be concluded that the practice of the KPU Jember Regency internal control system in the perspective of PP no. 60 of 2008 has not been fully implemented due to the weak commitment of HR to integrity and ethical values, weak in analyzing objectives so that it has an impact on risk assessment, the need for special policies in carrying out activities, must obtain relevant information and maintain communication both internally and externally and need to improve continuous evaluation so that internal control runs smoothly. The weakness of the government's internal control system at the KPU Jember Regency is due to its human resources so that in the future it is necessary to improve the quality of existing human resources in the agency.

### **Limitations**

In connection with the research that has been done, there are limitations for researchers, especially during the interview process. KPU Jember Regency is also supervised by external parties from the APIP Inspectorate, DKPP, and also Bawaslu. However, in this study, the author can only conduct interviews with internal KPU because it is not allowed to conduct interviews with several related parties. This makes it difficult for researchers to obtain information about the internal control in the KPU Jember Regency.

### **Suggestions**

1. For related institutions, in the future, it is expected to be more assertive in addressing problems by looking at environmental conditions by carrying out internal controls. Be more assertive in giving warnings or sanctions for leaders and staff who do not heed ethical values and various environmental problems and carry out activities appropriately. Next, evaluate so that internal control can run properly. In addition to the above, it is hoped that in the future the KPU Jember Regency can provide facilities for further researchers to be able to communicate or conduct interviews with external parties (APIP Inspectorate, DKPP, and Bawaslu) in obtaining data.
2. For the government, in the future, to revise the applicable Government Regulations because PP no. 60 of 2008 still refers to the 1992 COSO Framework and should update and be guided by the 2013 COSO Framework.
3. Future researchers are expected to be able to develop this research by replacing stewardship theory with other theories such as agency theory or by changing the methodology used other than the phenomenological approach such as the critical case study approach, known as the approach to deconstructing a case.

### **Implications**

1. The practical implications of this research can be used as knowledge so that the KPU Jember Regency can improve and optimize the existing internal control system. This needs to be done so that in the future there will be no deviations, minimize the risks that occur, and can control internal problems at the KPU Jember Regency.
2. Theoretical implications of strengthening stewardship at the KPU Jember Regency where the leadership and staff have one goal, namely to achieve organizational goals and in carrying out tasks and responsibilities so as not to prioritize personal interests.

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