INTERNAL CONTROL SYSTEM OF THE STATE ISLAMIC UNIVERSITIES IN INDONESIA: STUDYING THE EFFECTIVENESS AND RISK MANAGEMENT[1]

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ABSTRACT – This study intends to analyze the effectiveness of the implementation of the internal control system at the State Islamic Universities in Indonesia (PTKIN) including identifying its risk management. The empirical study was conducted at Ar-Raniry State Islamic University (UIN Ar-Raniry) Banda Aceh. Primary data was gathered through a survey that was distributed to 128 respondents within the university. Additional data were collected using semi-structured in-depth interviews with nine key personnel of the internal control unit of several Islamic universities in Indonesia. The result shows that UIN Ar-Raniry, based on eight elements of the control environment assessed, has sufficient internal control system with a score of 62.79. However, many steps need to undertake by the university's management to be more effective and able to reduce risk management. A similar condition was also found in other PTKINs as identified during the interviews process with their key personnel. It also found that the internal control system was effective in identifying 69 risk sources that could potentially have a negative impact on the university performance, especially in terms of financial report reliability, asset security, effectiveness and efficiency of activities, and compliance with regulations. Based on the results, it is expected that the PTKIN should be more focus on internal control activities and linked them to the risk assessment which are regularly evaluated.
Keywords: Internal Control, Islamic University, Risk, Good University Governance, Higher Education

ABSTRAK – Sistem Pengendalian Internal pada Perguruan Tinggi Keagamaan Islam Negeri di Indonesia: Kajian terhadap Efektivitas Pelaksanaan dan Risiko Pengelolaan. *Kajian ini bertujuan untuk menganalisis efektivitas pelaksanaan sistem pengendalian internal pada Perguruan Tinggi Keagamaan Islam Negeri di Indonesia (PTKIN) termasuk mengindentifikasi risiko pengelolaan yang muncul. Studi empiris dilakukan pada Universitas Islam Negeri Ar-Raniry (UIN Ar-Raniry) Banda Aceh. Data primer dikumpulkan melalui angket yang didistribusikan kepada 128 responden, yang terdiri dari para pejabat dalam UIN tersebut. Data tambahan dikumpulkan melalui wawancara mendalam secara semi-terstruktur dengan sembilan personil kunci dari Satuan Pengawasan Internal PTKIN BLU di Indonesia. Hasil kajian menunjukkan bahwa, berdasarkan delapan elemen dari lingkungan pengendalian yang ases, UIN Ar-Raniry mempunyai skor 62,79 (kategori cukup). Data ini menunjukkan bahwa walaupun termasuk ke dalam kategori cukup, masih banyak hal yang harus dilakukan oleh UIN Ar-Raniry sehingga dapat meminimalisir risiko pengelolaan universitas. Kondisi yang relatif sama juga ditemukan di PTKIN BLU lainnya seperti yang teridentifikasi selama proses wawancara dengan beberapa personil kuncinya. Sistem pengendalian internal yang diimplementasikan di UIN Ar-Raniry telah efektif dalam mengidentifikasi 69 sumber risiko yang berpotensi memberikan dampak negative bagi kinerja universitas, khususnya dalam hal keandalan laporan keuangan, keamanan aset, efektivitas and efisiensi kegiatan, dan kepatuhan terhadap aturan. Berdasarkan temuan kajian, PTKIN direkomendasikan untuk lebih focus terhadap kegiatan pengendalian internal dan menghubungkannya dengan asesmen risiko yang dievaluasi secara berkala.*
Kata Kunci: *Pengendalian Internal, PTKIN, Risiko, Good University Governance, Pendidikan Tinggi*

INTRODUCTION

In order to create good governance, the government requires every administrator both at the central and regional levels to carry out a comprehensive internal control system ranging from planning, implementation, supervision, to accountability in an orderly, controlled, effective and efficient manner. To accommodate the order, pattern that can provide adequate assurance that the implementation of activities has been carried out in accordance with the plan and can achieve the objectives. This system is known as the Government Internal Control System (SPIP) in Indonesia.

The regulation regarding the implementation of SPIP is then regulated in Indonesian Government Regulation Number 60 of 2008 (PP No. 60/2008) concerning the Government Internal Control System. In Article 1 Paragraph 1, the Internal Control System (SPI) is defined as "the whole process that is integral to actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, securing state assets, and compliance with laws and regulations (PP, 2008).

In the Ministry of Religious Affairs (MORA), the implementation of the Internal Control System (SPI) is regulated by the Minister's Regulation No. 24 of 2011 (PMA No. 24/2011) concerning the Implementation of the Government's Internal Control System in the Ministry of Religious Affairs (PMA, 2011). This applies also to all Religious State Higher Education (PTKN) which are under the control of the Ministry of Religious Affairs including UIN Ar-Raniry in Banda Aceh where the empirical data were collected.

Although internal control has been compiled and organized by a government agency, basically internal control has limitations. Among the causes of the ineffectiveness of an internal control are due to limitations in consideration, errors in translating instructions, violations by management, collusion and factors of limited costs in internal control. In higher education, these limitations can affect all academic stakeholders.

So far, the quality of higher institutions within the Ministry of Religious Affairs in general still has not shown progressive results. One indicator is the

average rank of PTKIN in the world-recognized rating agencies which is still at the lower level. According to data released by Webometrics as per July 2017, the average PTKIN in Indonesia is above the national 50s ranking and is ranked 5000th internationally. The UIN Ar-Raniry itself placed at number 112 nationally, while internationally is at rank of 11,229 (Webometrics, 2017). Although the rating does not necessarily provide conclusions about the weakness of internal control within PTKIN, these facts indicate that there are problems in the management of PTKIN in general.

Scientifically, internal control can improve the quality of management of government institutions, including universities, both in terms of the quality of its financial reporting and governance management. Armando (2013) shows that if the government's internal control system is carried out properly, the value of information from financial statements produced by government institutions will be valuable. Similar results were also found by Mulyani and Suryawati (2011) and Sari (2013) in their studies across times and places. In addition to aforementioned studies, research on the implementation of SPIP within government agencies were also carried out by Shintadevi (2015). The results of his research show that the internal control system can reduce the tendency of fraud in financial reporting due to unethical actions in government agencies. The positive impact of the internal control system on the quality of financial statements of government agencies was also found by Syarifudin (2014), Herawati (2014), and Simangunsong (2014). While Ramandei (2009) found that the internal control system can improve managerial performance of local government officials, especially in Jaya Pura City.

Therefore, the study of the implementation of SPIP in universities, especially in PTKIN is very important to carry out considering that universities are a place for prospective national leaders to study. Not only that, the results of this study are expected to be a reference for all PTKIN in Indonesia in managing good universities to be able to compete nationally and internationally.

The significance of this research contributes both to the level of theory and practice. As explained above, the research that focused on assessing the link between internal control systems and PTKIN is still rarely carried out. The majority of studies on internal control relate to local government institutions such as Mulyani and Suryawati (2011) and Sari (2013). While research

related to universities there are also some such as Wuryani (2010), Zamzami and Faiz (2014) dan Ismani, et al (2014), but it is very difficult to find its relationship to PTKIN. Therefore, this research is expected to fill in the gap.

In practical terms, this research is expected to provide an assessment of the implementation of the internal control system in PTKIN in general and the Ar-Raniry UIN in particular. The results of the assessment are then expected to identify areas that are weaknesses in implementing PTKIN's internal control system in general and the Ar-Raniry UIN in particular. More broadly, the results of this study can provide suggestions for improvement and one of the references for all PTKIN in Indonesia to be able to implement a better internal control system.

LITERATURE REVIEW

Government Internal Control System

Government Regulation No. 60 of 2008 (PP No. 60/2008) concerning the Government Internal Control System (SPIP) is the adoption of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework with several adjustments in accordance with the needs and characteristics of government in Indonesia. This SPIP is integrated and is a process that is continuously carried out by Government Agencies and is dynamic and follows along with the times.

SPIP in various literatures has similarities both in content and function. In the general provisions of PP No. 60/2008, the Internal Control System (SPI) is defined as "an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state norms, and compliance with laws and regulations ". Meanwhile, PMA No. 24/2011 concerning the Implementation of the Government's Internal Control System in the Ministry of Religion defines the Government's Internal Control System as "an internal control system that is carried out comprehensively on the process of designing and implementing policies as well as planning, budgeting, and budget execution in the ministry environment". While Boynton and Johnson (2006) define internal control as an attempt to protect the norm by opposing expropriation, the use and disposition of norms illegally.

Internal control used in an entity is a factor that determines the reliability of financial statements produced by the entity (Mustafa, 2004). Therefore, before the auditor conducts an in-depth audit of the information contained in the financial statements, it must first understand internal control. Internal control (internal control) as 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 risks and achieving the goals set and communicated by the organization, with the aim of: (1) reliability and integrity of financial and operating information; (2) operations are carried out efficiently and achieve the expected results effectively; (3) norm security; and (4) organizational activities and decisions are in the corridor of compliance with applicable laws and regulations (Sari, 2013).

Public sector organizations are unique in the way that they are different from commercial organizations. One of them is reflected in the form of services provided or known as public services and regional financial management in the form of APBD (provincial governmental budget). To ensure that services provided to the public are in accordance with the plan, certain actions are needed; one of them that considered relevant is internal control. In this case, internal control is not limited to organizational plans, but also procedures and records relating to the decision-making process that lead to the authorization of the leader of certain transactions.

Furthermore, in the context of governance, through PP No. 60/2008, the government establishes an internal control system that must be implemented at both, the central and regional government levels. The internal control system is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate assurance of the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state norms, and compliance with regulations legislation. Thus adequate internal control will create good quality financial statements.

Furthermore, to achieve effective, efficient, transparent and accountable state financial management, ministers / institutional leaders, governors, and regents / mayors are required to exercise control over the administration of government activities based on SPIP. Conceptually the implementation of internal control is expected to eliminate corrupt practices because the government process will be carried out transparently so that it can be monitored by the community and can be accounted for regularly. The

application of this government regulation in the government environment is a manifestation of the government's commitment to building good governance. The internal control system is useful for controlling government activities in order to achieve effective, efficient, transparent and accountable state financial management.

Elements of Internal Control System

According to COSO, internal control consists of five components which include: (1) Control environment; (2) Risk normative; (3) Control activities; (4) Information and communication; (5) Monitoring (Cruz, 2016). These five components were then adopted by various countries including Indonesia after making several adjustments. The five elements can be explained as follows:

Control environment

Control environment is a condition of a government agency that influences the effectiveness of internal control. Building a control environment means building and creating a conducive "atmosphere" that drives the effective implementation of the internal control system. A good control environment is the key to successful implementation of internal control. The control environment will be effective if an environment with competent people understands the responsibilities and limitations of their authority, has adequate knowledge, has full awareness and commitment to do what is right and should by complying with organizational policies and procedures and ethical and behavioral standards . The role of the leadership in realizing a good control environment is very important because leaders act as tone at the top (determinants of the "rhythm" of the organization).

Risk Assessment

Risk assessment is an integral part of the risk management process in making decisions on actions and activities through the stages of risk identification, analysis and evaluation. Risk assessment is a reflection of the implementation of the precautionary principle in carrying out the duties and functions of the institution.

Control Activities

Control activities are actions needed to overcome risks and the establishment and implementation of policies and procedures to ensure that actions to

overcome risks have been implemented effectively. Control activities are a reflection of the actualization of the implementation of SPIP policies to achieve the stated control objectives.

Information and Communication

Information and communication held by government institutions in the framework of the implementation of SPIP is a process of gathering and exchanging information needed to carry out, manage, and control the activities of agencies. Information and communication includes the collection and presentation of information to employees so that they can carry out their responsibilities, including understanding their roles and responsibilities in relation to internal control.

Monitoring Internal Control

Monitoring of internal control is basically carried out to ascertain whether the internal control system in a government agency has been running as expected, and whether the improvements that need to be carried out have been carried out in accordance with the developments that occur. Monitoring was carried out on eight sub-elements of the control environment, namely (1) Enforcement of Integrity and Ethical Values, (2) Commitment to Competence, (3) Conducive Leadership, (4) Organizational Structure in Accordance with Needs, (5) Delegation of Authority and Responsibility The Right Answer, (6) HR Development Policy, (7) Effective Internal Supervision, (8) Good Working Relations with Government Agencies.

Previous Studies

As briefly mentioned in the introduction, research that specifically links internal control systems with PTKIN is still limited in the literature. However, studies on the effect of the implementation of internal control systems on higher education have generally been carried out by several researchers. Wuryani (2010), for instance, examines the integration of internal control in organizational governance in higher education. In the study, Wuryani concluded that new internal control runs effectively if it is positioned as an integral part of the infrastructure of a college entity because he connects the objectives with the main tasks and functions of a university.

Another research related to the application of SPIP in universities is conducted by Zamzami and Faiz (2014). This study aims to evaluate the implementation of the internal control system conducted by X state university in accordance with the provisions of the Government Internal Control System which is regulated in PP No. 60/2008. The study was carried out by studying data files, semi-structured interviews, and participant observation. The results showed that in general the internal control system of X state university had been run well and in accordance with the SPIP. However, it is necessary to improve the aspects of goods and services procurement services, risk assessment documentation, and application development.

A more comprehensive study was carried out by Ismani et al (2014). This study aims to determine the implementation of the Government Internal Control System (SPIP) which includes elements of the control environment, risk assessment, control activities, information and communication, and monitoring at Yogyakarta State University (UNY). The population in this study was all UNY employees, while the research sample was UNY employees in the UNY Rector's status as civil servants. Based on these criteria, 146 employees were selected as research samples. The results of the study conclude that the implementation of the elements of the Government Internal Control System on UNY has gone well.

From the three studies that have been described above, it can be concluded that research on the internal control system is still very necessary to do given the lack of available literature and the results of the research are still not comprehensive. Wuryani's research (2010), for example, is still very normative because it only offers concepts so that they have not been tested empirically and are at a very general level. While the research of Zamzami and Faiz (2014), although it is more applicable, but because it does not lead to a particular university results in data anomalies given the nature of universities in Indonesia varies depending on the ministry that manages it. In addition, the data used is also limited and only relies on qualitative aspects so the results are not too comprehensive. Meanwhile, the study of Ismani, et al (2014) has a deficiency in terms of sample representation. Although this research is more comprehensive than the two previous studies, but because the samples used only represent elements of employees and are limited to civil servants, the conclusions of this study cannot be generalized. Therefore, a more comprehensive study with broader data is still needed.

RESEARCH METHOD

Population and Sample

The population of this study is the officials of all work units throughout the PTKIN in Indonesia. However, due to the empirical research is focused on UIN Ar-Raniry, the special population is officials from 16 work units in UIN Ar-Raniry starting from the rector to the secretary of department, and the bureau chief to the head of the sub-section, totaling 128 people. Then, sampling is selected using the judgmental sampling method, which is a sampling technique based on the characteristics set against the target population elements that are tailored to the research objectives. In addition, in-depth interviews, as a comparison material, were arranged with nine people from the Internal Control Unit (SPI) of four PTKIN BLU; four SPI personnel from UIN Ar-Raniry, one personnel from SPI UIN Jakarta, one personnel from SPI UIN Bandung, one personnel from SPI UIN Medan, one personnel from SPI UIN Surabaya, and one personnel from SPI UIN Makassar.

Types and Data Collection Techniques

Based on the form of data, this study uses two forms of data, namely primary data and secondary data, while in terms of data types, this study uses two types of data, namely qualitative and quantitative data. The questionnaire is the main instrument used in this study to collect data. In addition, semi-structured interviews will also complement the data collection process in this study. The questionnaires were distributed using direct delivery technique as the research instruments were delivered directly to the research location where the officials are based. For the interview, semi-structured interviews were employed as the questions were only prepared in an outline and was developed in accordance with the answers of the informants to clarify some things that are not clear.

Research Instruments

Questionnaires are the main instrument used in this study to collect data. While the instruments for interviews are lists of questions, recorders and notebooks. The form of the questionnaire in this study was provided in a closed form, so the respondents select the most suitable answers. Referring to Ibrahim and Kamri (2013), likert scale was employed in providing choices of

answers with the weight: 1 (very inadequate), 2 (inadequate), 3 (doubtful), 4 (adequate), and 5 (very adequate).

The complete questionnaire form was adapted from the Regulation of the Head of the Financial and Development Supervisory Agency Number 25 of 2013 concerning the Control Environment Evaluation (CEE) Implementation Guidelines. The statements in the questionnaire were adopted from the applicable rules, specifically PP No. 60/2008 concerning the Government's Internal Control System and PMA No. 24/2011 concerning the Implementation of Government Internal Control Systems in the Ministry of Religion which consisted of eight elements of control, namely the enforcement of integrity and ethical values, commitment to competence, conducive leadership, the formation of an appropriate organizational structure, proper delegation of authority and responsibilities, preparation and implementation of HR policies, the realization of the role of effective government internal control officers, and good working relations with related government agencies. Risk assessment is carried out by providing a risk identification form to each work unit to be filled by responsible officials in the work unit. The valuation method used is self-control assessment.

Data Analysis

Data analysis for this study was carried out descriptively by making a systematic, factual and accurate description of the facts, the nature and the relationship between the phenomena to be known (Nazir, 1998). Specifically, the quantitative data collected from the questionnaire were analyzed using the percentage descriptive method with the following steps:

a. Calculate the value of the respondent and each aspect or sub-variable
b. Recap value
c. Calculate the average value
d. Calculate the percentage with the formula: $DP = \frac{n}{N} x \, 100\%$

Where:
  DP = percentage description
  n = Total score for each answer choice
  N = Total score for all answers

To interpret the type of descriptive percentage obtained by each indicator in a variable, the interpretation is taken based on the group of the most answers.

Determine the level of criteria by looking for the highest and lowest percentage numbers, i.e.

(1) The highest percentage: $\frac{5}{5}x100 = 100$, and

(2) Lowest percentage: $\frac{1}{5}x100 = 20$

From the percentage numbers then divided into percentage groups with categories and values of each group illustrated in Table 1.

Table 1 Rating Category

Percentage	Level	Value
81 - 100	Very Adequate (SM)	5
61 - 80	Adequate (M)	4
41 - 60	Doubtful (RR)	3
21 - 40	Inadequate (KM)	2
0 - 20	Very Inadequate (TM)	1

Source: Author, 2018

The next step is to determine the highest score and the lowest score for all items:

Highest score: 5 x 100 = 500
Lowest score: 1 x 100 = 100

In the next stage, the respondent's answers are then analyzed based on the quantity for each statement item:

Number of scores for n people who answer SM = n x 5
Number of scores for n people who answer M   = n x 4
Number of scores for n people who answer RR   = n x 3
Number of scores for n people who answer KM = n x 2
Number of scores for n people who answer TM = n x 1

The results of multiplying the number of scores above will be obtained by the total score. The results are then used as a basis for determining the score for each item, with the formula:

Item Score $= \frac{Total\ item\ score}{Hinghest\ score}x100\%$

Furthermore, when all statement items in the questionnaire have been calculated, the criteria for items and sub-elements will be determined as

grouped in Table 1 above. The numbers will then be analyzed and described according to the grouping above.

The quantitative data is then used as a basis for conducting interviews as well as confirming with the interviewees so that a comprehensive picture of the implementation of SPIP in UIN Ar-Raniry is obtained and compared with other PTKIN BLU throughout Indonesia. The results obtained from the interview are then analyzed and described so that they are meaningful and understandable.

RESULTS AND DISCUSSIONS

Implementation of Internal Control System at UIN Ar-Raniry

Environmental Control Profile

The element of the control environment is the foundation of the other internal control elements so that the element of the control environment has a very significant influence on the effectiveness of the implementation of the Government Internal Control System (SPIP). A strong control environment is a factor that determines the creation of a conducive "atmosphere" that encourages the implementation of other elements in the government's internal control system. While a good / bad control environment determines the success / failure of the application of other SPIP elements. To be able to identify areas of the control environment that are still weak and require further strengthening, an assessment needs to be carried out first. Based on the results of the assessment, management will be able to plan the appropriate actions to overcome them. Therefore, in general the development of a control environment aims to create a conducive work environment that can encourage the implementation of an effective internal control system.

The environmental assessment of control on UIN Ar-Raniry is carried out as a whole from the existing units. The population of the control environment is the number of permanent employees of Ar-Raniry UIN. The assessment method is carried out by perception surveys using a questionnaire. The control environment in UIN Ar-Raniry consists of hard and soft control. Assessment of hard control is carried out on documents such as the existence of SOPs and other regulations. This assessment is conducted regularly every year by several components such as the Public Accountant (KAP), BLU Financial Management team, BLU monitoring and evaluation team, and the Strategic

Management System team. While the soft control assessment is done by perception surveys using a questionnaire.

Weakness of Control Environment

There are several weaknesses in the control environment of the Ar-Raniry UIN, especially in terms of the lack of a policy on the implementation of government internal control systems so that there are no structured control measures. In general, the weakness of the implementation of this internal control system occurred due to several obstacles and limitations in Ar-Raniry's UIN in its implementation. These general weaknesses are other:

a. The leaders of government agencies still do not fully realize the importance of the internal control system;
b. The perspective of government agencies and auditors or evaluators on the implementation of the internal control system has not fully supported the creation of an adequate control environment;
c. Errors that occur are carried out by personnel, either intentionally or unintentionally.

Environmental Control Assessment

The implementation of an internal control system is basically an activity carried out regularly by every government agency including UIN Ar-Raniry. However, an assessment of the existing control system needs to be carried out to determine the extent to which the control system has been established in order to secure the achievement of agency objectives from various existing risks and compliance with regulations. The assessment of the implementation in UIN Ar-Raniry is carried out by the Internal Audit Unit (SPI) in accordance with its main duties and functions as mandated by Article 35 PP No.23 of 2005 concerning BLU financial management jo PP No. 74 of 2012.

Internal Control System Effectiveness of UIN Ar-Raniry

As explained in the discussion of the research method, the perception results are divided into five categories, which are "very adequate" with a perception score between 81 - 100, "adequate" with a score between 61 - 80, "doubtful" with a score between 41 - 60, "inadequate" with a score between 21 - 40, and "very inadequate" with a score of 0 - 20. In general, the value of recapitulation of SPIP in UIN Ar-Raniry from the results of perceptions of officials

(respondents) is adequate with an average score of 62.79. Of the eight sub-elements of control that value, four sub-elements fall into this category (adequate), while four others fall into the category of doubtful. If seen more closely, of the four sub-elements that fall into the adequate category, three of them have low perception scores; close to the lower limit for that category or below 70. These results provide the conclusion that although UIN Ar-Raniry is already on the right track, but internal reform efforts must still be carried out. If not, this positive trend that has been gained will be useless so that these achievements become useless.

This study also shows that the highest perception score is obtained for leadership items that are conducive with a value of 71.34. These results conclude that the average respondent considers that the existing leadership when the research data was taken is conducive to create a good work environment so that it can increase work productivity. This result similar to what has been identified by Ibrahim and Kamri (2016) that work environment positively affected work productivity.

One thing that should be underlined is that most officials who are the respondents in this study are the officials who have held position and the duration of joint work time has been relatively long—at the time the data was collected—so that the cohesiveness of work has been well established. Therefore, it is very reasonable when respondents' perceptions of conducive leadership are considered adequate.

Table 2 Recapitulation of SPIP Results of UIN Ar-Raniry

No.	Sub-Element	Perception	Score
1	Enforcement of Integrity and Ethical Values	Doubtful	56.79
2	Commitment to Competencies	Doubtful	57.10
3	Condusive Leadership	Adequate	71.34
4	Organizational Structure in accordance with needs	Adequate	68.71
5	Appropriate Delegation of Authority and Responsibility	Adequate	63.27
6	HR Development Policy	Doubtful	59.38
7	Effective Internal Control	Doubtful	55.93
8	Good relationship with government agencies	Adequate	69.80

Average Score	**Adequate**	**62.79**

Source: Research Finding, 2018

The lowest score is in the field of "effective internal control", which is 55.93. This indicates that most respondents see that the role of the internal control is still not running effectively. The follow-up results of the internal control unit (SPI) of UIN Ar-Raniry showed several things that caused the ineffectiveness of internal supervision within UIN Ar-Raniry, among the most basic problem is the lack of human resources number. As per December 2017, the number of effective employees at SPI are only 4 people, consisting of one head, one secretary, one verificator, and one administrative personnel. Of these, only two people who are academically (have an accounting background) who are capable of carrying out the technical duties of the auditor, while the rest are legal experts and another is an administrative employee who has never been involved in technical auditing.

When viewed from adequacy, this number only meets one fifth of the total number of employees needed. The results of workload analysis (ABK) conducted by SPI shows that the ideal number of SPI employees in accordance with workload is 11 auditors. Based on these conditions, it is very natural that many things - as mentioned in the questionnaire items - have not been able to be carried out optimally by SPI. Attempts to add personnel have been carried out, namely by adding auditor personnel: lecturers from Faculty of Islamic Economics and Business (FEBI) UIN Ar-Raniry, but this has not been effective because in FEBI there has also been an extraordinary lecturer deficit. At the beginning of 2018, SPI was given two additional auditors so that it is more or less helpful for SPI in carrying out effective supervision.

Relatively similar conditions were also found in several other PTKIN BLUs, such as UIN Medan, UIN Jakarta, UIN Bandung, UIN Surabaya, and UIN Makassar. In several occasions the unstructured interview with several personnel from the Internal Control Unit in several PTKIN BLUs found more or less the same conditions. This condition is caused by the derivation of the legislation used from the same source because it comes from one ministry. In addition, PTKIN's psychological condition is generally the same throughout Indonesia considering that the PTKIN manager's educational background also tends to be similar so that the mindset that is built will also lead to the same thing.

Effectiveness in Identifying Risk

Risk assessment is an integral part of the risk management process in decision making on actions and activities through stages of risk identification, analysis and evaluation. Risk assessment is a reflection of the implementation of the principle of prudence in carrying out the duties and functions of institutions / agencies. Risk assessment is observed through the achievement of effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. Risk assessment aims to help achieve the objectives of government agencies, continuity of services to stakeholders, efficiency and effectiveness of services, the basis for preparing strategic plans, and avoiding waste.

Risk identification in UIN Ar-Raniry is carried out using a methodology that is suitable for the objectives of government agencies and objectives at the level of activities comprehensively, using adequate mechanisms to recognize risks from external and internal factors and assessing other factors that can increase risk. The risk analysis is carried out to determine the impact of the risks that have been identified towards achieving the objectives of government agencies while still applying the precautionary principle.

Based on the data from the collected risk identification form, data is obtained about the types of risks that threaten the organization's objectives, then the risks that are prioritized to be addressed. The risks involved include risks identified based on the problems found by the internal supervisor, and the risks identified through management discussions. A complete discussion of the types of risks in Ar-Raniry UIN can be explained as follows:

Reliability of Financial Statements

From the risk form shared, identified 26 risks that arise for this section, which consist of 14 budget risks and 12 data risks. This risk will have a large impact on the reliability of the financial statements of UIN Ar-Raniry. In this situation, the leader or Chancellor of UIN Ar-Raniry is responsible for ensuring excellent control of the budgeting system and Ar-Raniry's UIN data. The following are summarized forms of risk description that occur in Ar-Raniry's UIN:

a. Budget Risk; it occurs due to a number of things, including the realization of late budget disbursement, unconditional delivery of activities, and delays in the preparation of planning data.
b. Data Risk; it is generally caused by data entry problems caused by regulatory constraints that are not well established yet.

Securing Assets

The forms of risk that arise include the absence of a website and repository so that the proposed works of units are too late, inadequate Wi-Fi quota, the work unit application system is problematic so that its use is ineffective, inadequate voltage, tuition fee payment and deposits are not fully online so the payment checking is is still manual which leads to ineffective lecture conditions.

In addition, office facilities are not safe in terms of facilities and infrastructure are not balanced with the number of users, disorderly parking lots, lack of maintenance of facilities and infrastructure so that they tend to be left undamaged, the receipt of state-owned goods from universities to faculties is not in accordance with needs , still the loss of state assets. Another identified risk is an ineffective study plan online system, e-student applications, e-lecturers, and e-academic still needs improvement in several aspects (menus) so that it can reduce manual work that should be covered with menus in the application.

Eficiency and Effectiveness of Programs

There are two identified risks; HR Risk and Communication, Cooperation, and Ethics Risk.

a. HR Risk

    The forms of risk that arise for the field of human resources include several vacant positions that disrupt the administration of work units, the occurrence of errors in recruitment procedures for civil servants so that it impacts reporting to law enforcement agencies, there are discrepancies between officials occupying a position in the unit and educational background needed, and still employ administrative staff who do not have competence so that there is an imbalance between the work that must be done and the number of stakeholders that must be served.

Furthermore, there is still a shortage of administrative staff in many departments in the UIN Ar-Raniry so that the lecturers who are supposed to carry out the *Tri Dharma* of Higher Education (Education, Research, and Community Service) are hampered because they are required to carry out administrative duties of the study program, lack of permanent lecturers so they must recruit extraordinary lecturers to fill the shortcomings the existence of scientific discrepancies with subjects taught so that the impact on the learning process was not optimal, and also (when data collection was carried out) there were still multiple positions in several places so that one of the tasks could not be carried out maximally.

b. Risk of Communication, Cooperation and Ethics

The forms of risk that arise for the fields of communication, cooperation, and ethics include the ineffectiveness of collaboration between student organizations and related units (general sub-section and academic sub-section). This is because communication is not optimal so that the related units cannot play a role according to their potential. In addition, the problem of lack of coordination between the academic section of the faculty and the lecturers who teach about finance and administrative completeness still often arises. Another thing that also arises is that lecturer ethics do not reflect Islamic values that have an impact on student behavior such as discipline, behavior, and clothing (Ibrahim, 2010).

Compliance with Laws and Regulations

In the field of compliance with laws and regulations, six regulatory risks emerge, namely the source of risks that arise in terms of compliance with applicable regulations that will have an impact on the emergence of problems in related fields. Regulatory risks that arise include the inaccuracy of procedures, accounts, and synchronization with applicable regulations, the existence of regulatory mismatches in the preparation of BLU financial statements due to the lack of similarity of regulations between the Ministry of Religion and the Ministry of Finance resulting the delay in making Financial statements.

In addition, there are also minus budget in work units due to withdrawals exceeding the stipulated cbudget, and there is still a difference in understanding of the rules of administration process caused by incomplete explanations of regulations so that the process of obstructions is hampered.

CONCLUSION

The tabulation results of the assessment of the eight elements of the control environment of the Ar-Raniry State Islamic University showed adequate conditions with a score of 62.79. The assessment results show that of the eight sub-elements (variables) of control that are assessed, four variables go into the category of doubt. That is, respondents are still not fully convinced that the Ar-Raniry UIN has been managed with modern university management. However, the score also indicates that respondents perceive that the Ar-Raniry UIN is on the right track towards university modernity. Therefore, internal improvement efforts must continue to be carried out with the synergy of the entire academic community. The relatively similar results also occur in several PTKIN BLUs that are data. The results of interviews with several informants indicate that in general PTKIN BLU's condition has only begun to rise in recent years.

The study also found that internal control carried out by UIN Ar-Raniry was effective in identifying 69 risk sources that could potentially have a negative impact on UIN Ar-Raniry, especially in terms of financial statements reliability, asset security, effectiveness and efficiency of activities, and compliance with regulations legislation.

There are risk sources that have the potential to have a negative impact on the reliability of UIN Ar-Raniry financial statements, which consist of risk sources in budget issues, and risk sources in data problems. In terms of securing assets, sources of risk arise from facilities and infrastructure that are potential to have an adverse impact on UIN Ar-Raniry. In terms of effectiveness and efficiency of activities, there are human resource risks and communication, cooperation and ethics issues that can hinder various activities at UIN Ar-Raniry. Finally, in terms of compliance with the applicable legislation, this study identifies that regulatory risk will have a negative impact on the university.

Suggesstions

Based on the results of the environmental control evaluation, it is expected that the Chancellor of UIN Ar-Raniry along with all the leadership elements under him to jointly formulate control environment activities must have the following characteristics:

a. Control activities are prioritized on the main activities of UIN Ar-Raniry;
b. Control activities must be linked to the risk assessment process;
c. Control activities selected are adapted to the special characteristics of Ar-Raniry State Islamic University;
d. Policies and procedures must be in written documents;
e. The procedures that have been determined must be in clear written documents; and
f. Control activities are regularly evaluated to ensure that these activities are still appropriate and functioning as expected.

Recommendations

This study provides several recommendations for the next researcher who will examine the same problem:

a. This research is only limited to the identification of risks that occur, subsequent research is recommended to calculate the impact with quantitative methods.
b. The perception survey conducted by this study is limited to one Islamic State Higher Education BLU only, it is recommended that subsequent research be able to conduct surveys in several other PTKIN BLUs in Indonesia so that they reflect balanced survey data.

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