

Analysis Of Maturity Assessment Of Government Internal Control Systems (Case Study: Ministry Of Foreign Affairs Republic Of Indonesia 2018)

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Abstract—This study aims to assess the maturity of the government internal control system in the Ministry of Foreign Affairs of the Republic of Indonesia in 2018 and to determine what strategies should be carried out by the Ministry of Foreign Affairs of the Republic of Indonesia in improving the maturity assessment of the government's internal control system in the following year. This research method is a descriptive method using secondary data. Secondary data used in this study are supporting documents obtained at the time of validating the maturity assessment of the government's internal control system in the Ministry of Foreign Affairs of the Republic of Indonesia in 2018. Data Analysis Methods used in this study are in accordance with the Head of the Financial and Development Supervisory Agency Republic of Indonesia No. 4 of 2016 concerning Guidelines for Appraisal and Maturity Improvement Strategy of the Government Internal Control System. In total, there are five assessment focuses that are distributed into 25 SPIP sub-elements according to the Regulation of the Head of the Indonesian Financial and Development Supervisory Agency No 4 of 2016. The results of this study indicate that the conditions of applying the Internal Control System practices at the Ministry of Foreign Affairs of the Republic of Indonesia in 2018 reached the category of "Managed and Measured" with a score of 4.0. Managed and measurable level means that the Ministry of Foreign Affairs of Indonesia has implemented effective internal control. Each personnel implementing the activity always controls the activities on achieving the objectives of the activity itself and the objectives of the Ministry of Foreign Affairs of the Republic of Indonesia. Evaluation is done formally and documented. However, most evaluations are done manually, not yet using a computer application assistance tool.

Keywords—:Maturity Assessment, Government Internal Control System

INTRODUCTION

Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning the Government Internal Control System, explains that the Internal Control System is an integral process of actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective activities and efficient, reliable financial reporting, securing state assets, and adherence to laws and regulations. The Government Internal Control System, hereinafter referred to as SPIP, is the Internal Control System that is carried out comprehensively within the central government and regional governments.

Republic of Indonesia Supreme Audit Agency (BPK RI) gives a Fair Opinion With Exception (WDP) on the Financial Statements of the Ministry of Foreign Affairs of the Ministry of Foreign Affairs of the Republic of Indonesia in 2015. Internal Control (SPI) and entity non-compliance with laws and regulations within the Ministry of Foreign Affairs of the Republic of Indonesia. (BPK RI, 2016).

"SPIP is needed to create a condition of internal control in which there is a culture of supervision of all organizational activities so that it can detect the possibility of irregularities early on and minimize actions that can harm the country. To find out whether SPIP in an organization is effective or not, it is necessary to check the maturity of SPIP, which can be done by the BPKP (Financial and Development Supervisory Agency) or self-assessment conducted by APIP (Government Internal Control Apparatus) of the organization. Organizations with good control system maturity will have an appropriate control plan

and implement the design effectively in all their activities. "(BPKP 2018)

Research conducted by [9] Tamoding, et. al. (2018: 595) concluded that the internal control structure using the COSO approach at the Manado City House of Representatives (DPRD) Secretariat was effective.

While the research according to [4] Khasanah (2016: 10) concludes that the Government Internal Control System (SPIP) in the city of Yogyakarta has not been effective because the security of regional assets is still not optimal because there are assets whose status has not been determined and the PDAM does not have a good asset management policy. Based on this description the researcher wants to see how the Maturity Assessment Analysis of the Government's Internal Control System at the Ministry of Foreign Affairs of the Republic of Indonesia in 2018.

LITERATURE REVIEW

Research Review

The first study was conducted by [6] Paneo, et. al. (2017) concludes: 1) Gorontalo District Government has implemented SPIP and in general is in accordance with PP 60 of 2008 concerning SPIP, but there are several obstacles in its application. This constraint occurs in four elements out of 5 (five) SPIP elements. This is why SPIP maturity is still at level 2 or developing level; 2) constraints in the application of SPIP are inadequate Human Resources (HR) competence, quantity of HR not in accordance with organizational needs, limited budget, lack of compliance, not yet maximum evaluation and documentation activities and there are activities that are not yet supported by Standard Operating Procedures (SOP) .

The second study was conducted by [9] [9] Tamoding, et. al.(2018) concluded that the internal control structure using the COSO approach at the Manado City House of Representatives (DPRD) Secretariat was effective.

The third research by [3] Kapoh, et. al. (2017) by concluding that: (1) In general, the internal control system implemented by the Inspectorate of North Minahasa Regency is already good, because its application has been carried out in accordance with the elements in the Government Internal Control System (SPIP) which have been determined based on Government Regulation Number 60 In 2008, (2) In general the achievement of the 2016 Minahasa districtinspectorate's strategic objectives was effective, and (3) The systems and procedures in the North Minahasa District Inspectorate were sufficient, and supported by competent employees so as to create an error rate Significant control over supervision can be

overcome quickly, but the number of staff in the North Minahasa

District Inspectorate has not been ideal, resulting in the implementation of tasks not yet fully run efficiently.

The fourth research by [7] Sari (2015) explained that: (1) The lack of district / city governments that received the Fair Without Exception (WTP) opinion was caused by SPIP not being implemented properly and consistently. (2) The Financial and Development Supervisory Agency as the supervisor of SPIP had implemented its function is adequate, but it has not been effectively seen the achievements that have not all reached the target. (3) The Financial and Development Supervisory Agency is only as a supervisor of SPIP, not as an executor, the executor is the regency / city government.

The fifth study conducted by [1] Dewi and Yadyana (2015) concluded that the implementation of internal control was quite effective even though the internal auditor was only at the central office so that the internal auditor did not directly assess the process of internal control implementation and the absence of SOP (Standard Operating Procedure) that documented in writing.

The sixth research by [4] Khasanah (2016: 9) concluded that the implementation of SPIP in the Government of Yogyakarta City can be seen from the achievement of the SPIP objectives stated in PP No. 60/2008 which can be said to be effective.

The seventh study by Irsutami, et. al (2018), concludes that the design of an internal control system based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for the Managerial Accounting study program in which each component of the COSO presents a set of controls that must be considered by the leadership to be relevant to the vision and mission has been determined by the study program.

The eighth study conducted by [2] Fajar and Rusmana (2018), concluded that the application of internal control at BRI Bank has followed the concepts in the International Control - Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, however in its implementation there are still principles that have not been implemented consistently, namely in the internal control environment component, there are still cases of fraud

Internal Control Systems

Here are some definitions of internal control systems:

(1) According to Mulyadi (2016: 129), internal control systems include organizational structure, methods and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, encourage

efficiency and encourage compliance with policies management.

(2) According to COSO (2013),

Internal control is a process, effected by an entity's board of directors, management and other personal, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The purpose of internal control according to [5] Mulyadi (2016: 129), is (1) Safeguarding organizational assets;

(2) Checking the accuracy and reliability of accounting data; (3) Encouraging efficiency, and (4) Encouraging compliance with management policies.

Internal Control System Components

1. Control Environment

According to [5] Mulyadi (2016: 136), the control environment reflects the attitudes and actions of the owners and managers of the company regarding the importance of internal control of the company. The control environment must be stressed, because based on reality, it is precisely this control environment that has a large impact on the seriousness of internal controls applied in the company.

2. Risk Assessment

According to the Indonesian Institute of Accountants (2015: 47), each entity faces a variety of risks both internal and external, risks defined as the likelihood that an event will occur and negatively impact the achievement of organizational goals. An inherent risk arises before management takes any steps to control the likelihood or impact of an event. Residual risk is what happens after management implements internal controls or other risk responses.

3. Control Activities

According to the Indonesian Institute of Accountants (2015: 47), control activities in the form of policies and procedures that provide adequate confidence that control objectives can be fulfilled and the response to risk has been carried out.

4. Information and Communication

According to the Indonesian Institute of Accountants (2015: 47), information and communication require the seven components in controlling ERM. This is directly related to the main purpose of the accounting information system which is to obtain, observe, process, store, summarize and

communicate information about an organization.

5. Monitoring

According to the Indonesian Institute of Accountants (2015: 47-49), Enterprise Risk Management (ERM) must be periodically monitored and modified if necessary, and deficiencies therein must be reported to management. The main methods of monitoring performance consist of: carrying out evaluations of ERM, implementing effective supervision, using accountability accounting systems, monitoring system activities, tracking the purchase of software and mobile devices, conducting periodic audits, hiring special employees who handle computer security and having compliance officer, assigning specialists / forensics experts, installing software capable of detecting fraud and opening Fraud Hotlines.

Maturity Assessment of Internal Control Systems

According to IIA (2013) Maturity models describe the stages of the process that are believed to lead to better outputs and outcomes. Low maturity reflects a lower likelihood of achieving goals, whereas a higher level of maturity reflects a higher likelihood of success. The maturity level of SPI administration is a framework that contains basic characteristics that indicate the level of maturity of structured and sustainable SPI implementation. This level of maturity can be used at least as: (1) evaluative instrument for implementing the SPI; and (2) generic guidelines for increasing the maturity of the internal control system.

The SPIP maturity framework is patterned in six levels, namely: (1) Not yet available; (2) Stubs; (3) Developing; (4) Defined; (5) Managed and Measured;

and (6) Optimum. The levels referred to are equivalent to levels of 0.1, 2, 3, 4 and 5. Each level of maturity has basic characteristics that indicate the role or capability of the organization of SPIP in supporting the achievement of the objectives of government agencies.

RESEARCH METHODS

Data Analysis Methods

This research uses descriptive method, with research subjects of the Ministry of Foreign Affairs of the Republic of Indonesia. Definition of descriptive method according to [8] Sugiyono (2014: 53) namely: "A problem formulation regarding the question of the existence of an independent variable,

either only on one variable or more (the independent variable is a standalone variable, not an independent variable, because if the independent variable is always paired with the dependent variable). "The data generated in the form of numbers (quantitative) and in the form of an explanation paragraph of the numbers (quantitative).

Data analysis methods used are as follows:

1. The data analysis method used in this study is in accordance with the Regulation of the Head of the Indonesian Financial and Development Supervisory Agency No. 4 of 2016 concerning Guidelines for Assessment and Strategies for Improving the Maturity of the Government's Internal Control System. In total there are five focus assessments that are spread into 25 SPIP sub-elements

Table 3.1 Weight of Assessment Focus (Sub-Elements)

NO	MATURITY LEVEL	INTERVAL SCORE
0	No Level	Less than 1.0 ($0 < \text{score} < 1.0$)
1	Pioneering	1.0 to less than 2.0 ($1.0 \leq \text{score} < 2.0$)
2	Developing	2.0 to less than 3.0 ($2.0 \leq \text{score} < 3.0$)
3	Defined	3.0 to less than 4.0 ($3.0 \leq \text{score} < 4.0$)
4	Managed and Measured	4.0 to less than 4.5 ($4.0 \leq \text{score} < 4.5$)
5	Optimum	4.5 to less than 5.0 ($4.5 \leq \text{score} \leq 5.0$)

2. The next step is to conduct an assessment of the 5 components of internal control and its sub elements. Determination of the SPIP maturity score uses the results of the validation results by making a weighted average of the validation scores. This score is then used to determine the maturity level of SPI.

Table 3.2 Interval Score Maturity Level SPIP

NO	ELEMENT	AMOUNT OF SUB ELEMENTS	WEIGHT SUB ELEMENTS	TOTAL WEIGHT OF ELEMENTS
1	Control Environment	8		
2	Risk Assessment	2	3,75	30
3	Control Activities	11		
4	Information and Communi	2	10	20
5	Monitoring	2	2,27	25
TOTAL		25		

No Level. At this level, there is absolutely no infrastructure (policies and procedures) needed to carry out internal control practices. Pioneering maturity level means having realized the importance of internal control. The risk and control approach

needed is still ad-hoc and not well organized, without communication and monitoring. Weaknesses not identified. Employees are not aware of their responsibilities.

The developing level states that the Ministry has implemented internal control practices, but is not well documented and its implementation is highly dependent on individuals, not yet involving all organizational units. Therefore, the reliability of SPIP still varies from one organizational unit to another within one Ministry. The effectiveness of control has not been evaluated so there are many weaknesses that have not been adequately addressed. The actions of the Ministry of Management in dealing with weaknesses are not consistent.

Defined Level, the Ministry has implemented internal control practices and is well documented. However, evaluation of internal control is carried out without adequate documentation. Some control weaknesses occur with significant impact on the achievement of organizational goals.

Managed and measurable maturity levels mean the Ministry has implemented effective internal controls. Each personnel implementing the activity always controls the activities on achieving

the goals of the activity itself and the goals of the Ministry. Evaluation is done formally and documented. However, most evaluations are done manually, not yet using a computer application assistance tool. The optimum level of maturity means the Ministry has implemented ongoing internal control, is integrated in the implementation of activities and is supported by automatic monitoring using computer applications. Full accountability is applied in monitoring control, risk management, and enforcement. Self-assessment (self assessment) of control is carried out continuously based on analysis of gaps and their causes. The employees are actively involved in improving the internal control system.

RESEARCH Results and Discussion Table 4.1 Assessment of SPIP Maturity

TABEL

From all the variables and sub elements, an analysis and validation of the documents of each indicator has been carried out and adjusted as follows:

1. Control Environment
 - a. Integrity and ethical values
Integrity and ethical values get maturity value 3 (defined), which means the Ministry of Foreign Affairs already has, communicates and enforces / implements Operational Standards and Procedures (SOP) / policies regarding integrity and ethical values.

- b. Commitment to competence
Commitment to competence gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding commitment to competence.
 - c. Conducive leadership
Conducive leadership gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforce/ implements and carries out regular monitoring/ evaluation of SOP or policies regarding conducive leadership.
 - d. Organizational structure as needed
Organizational structure according to needs gets maturity value 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, enforces/ implements and carries out regular monitoring/ evaluation of SOP or policies regarding organizational structure as needed.
 - e. Delegation of authority
Delegation of authority according to the need to obtain maturity value 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding delegation of authority.
 - a. Healthy HR Development
Healthy human resource development according to the need to get maturity value 4 (managed and measurable), which means the Ministry of Foreign Affairs already has, communicates, implements / implements and conducts regular monitoring / evaluation of SOP or policies regarding the development of healthy human resources.
 - b. The Role of an Effective Government Internal Control Apparatus (APIP)
The role of APIP effectively gets maturity value 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, implements / implements and conducts regular monitoring / evaluation of SOP or policies regarding the effective role of APIP.
 - c. Good working relationship with relevant government agencies.
Good working relations with related government agencies get maturity value 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, applies/implements and implements periodic monitoring / evaluation of SOP or policies regarding good working relations with government agencies related.
2. Risk Assessment
 1. Risk Identification
Risk identification gets maturity value 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, enforces / implements and conducts regular monitoring / evaluation of SOP or policies regarding risk identification.
 2. Risk analysis
Risk analysis obtains maturity value 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, implements / implements and conducts regular monitoring / evaluation of SOP or policies regarding risk analysis.
 3. Control Activities
 - a. Performance Review
Performance Review gets a maturity value of 5 (optimum), which means that the Ministry of Foreign Affairs already has, communicates, implements / implements, monitors / evaluates regularly, develops continuously according to changes that occur, and there is an automatic monitoring facility related to performance reviews.
 - b. HR Development
HR Development gets maturity value 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, implements / implements and conducts regular monitoring / evaluation of SOP or policies regarding HR development.
 - c. Control over information systems
Control over the information system gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding control of the information system.
 - d. Physical control over assets
Physical control over assets gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding physical control of assets.
 - e. Determination of indicator reviews and performance indicators
Determination of review indicators and performance indicators get a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, applies / implements / implements and conducts regular monitoring / evaluation of SOPs or policies regarding the determination of performance indicators and indicators
 - f. Separation of Functions

Separation of functions gets a maturity value of 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding the separation of functions.

- g. Authorize important transactions and events
Authorization of transactions and important events get a maturity value of 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, enforces / implements and conducts regular monitoring / evaluation of SOP or policies regarding authorization of transactions and important events.

- h. Accurate and timely recording
Accurate and timely recording gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, applies / implements and implements periodic monitoring / evaluation of SOP or policies regarding accurate and timely recording.

- i. Restricted access to note resources
Restricted access to note resources has a maturity value of 4 (managed and measured), which means that the Ministry of Foreign Affairs already has, communicates, applies / implements and implements periodic monitoring / evaluation of SOP or policies regarding restrictions access to note records.

- j. Accountability and resource recording
Accountability and resource recording gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding accountability and resource recording,

- k. Good documentation of the Internal Control System (SPI) as well as important transactions and events

Good documentation of the Internal Control System (SPI) as well as important transactions and events gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding good documentation of the Internal Control System (SPI) as well as important transactions and events.

4. Information and Communication

a. Information

Information gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding information.

b. Effective Communication

Effective Communication gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding effective communication.

5. Pemantauan

a. Ongoing monitoring

Ongoing monitoring gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding ongoing monitoring.

b. Separate Evaluation

Separate evaluation gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding separate evaluation.

c. Follow-up

Follow-up gets a maturity value of 4 (managed and measured), which means the Ministry of Foreign Affairs already has, communicates, enforces / implements and carries out regular monitoring / evaluation of SOP or policies regarding follow-up.

Conclusions

Conclusions

Based on an analysis of the maturity assessment of the Government's Internal Control System at the Ministry of Foreign Affairs in 2018, it can be concluded that, the SPIP maturity assessment at the Ministry of Foreign Affairs of the Republic of Indonesia in 2018 reached the category of "managed and measured" with a score of 4.0. Managed and measurable levels mean the Ministry of Foreign Affairs of the Republic of

Indonesia has implemented effective internal controls. Each personnel implementing the activity always controls the activities on achieving the objectives of the activity itself and the objectives of the Ministry of Foreign Affairs of the Republic of

Indonesia. Evaluation is done formally and documented. However, most evaluations are done manually, not yet using a computer application assistance tool.

Suggestions

1. In order to increase the maturity of SPIP implementation from the "defined" level (level 3) to the "managed and measured" level (level 4), to conduct periodic and documented evaluations of the consistency in the implementation of the consistency of policies / rules related to their relevance.
2. In order to improve the maturity of SPIP implementation from the "managed and measured" level (level 4) to the "optimum" level (level 5), in order to follow up on the results of evaluations of the consistent implementation of policies / rules and their relevance, as well as developing a sustainable application system that allows them to do so Automatic monitoring of the implementation of related rules / policies.

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