

ABSTRACT

The control environment is the basis for the implementation of other elements in internal control practices in all sectors. The leader is the tone at the top which is the dominant factor in the control environment. This study aims to explore internal control practices in central government representative organizations in remote regions of Indonesia by focusing on the crucial control environment. So far, research related to internal control has been dominated by the private sector, especially those related to the effectiveness of internal control. A qualitative approach with the grounded theory method was used to achieve the research objectives. In-depth interviews were conducted with twelve informants who were internal control actors at the XYZ work unit located in the Kepulauan Talaud Regency, Sulawesi Utara Province. The results of this study indicate that in the context of the outermost regions of Indonesia, it turns out that central government representative organizations in implementing their internal control require leaders who have managerial skills related to interpersonal relationships as the main basic skills (human skills). Other basic managerial skills, namely conceptual skills and technical skills are also needed, but are not the most essential.

Keywords: control environment, remote area, central government, managerial skill, Indonesia