

ABSTRACT

The function of Government Internal Supervisory Apparatus (GISA) as a part of the Indonesian Government's internal control system is increasingly important. The expectations of the role of GISA in carrying out its supervisory function are getting higher. Government internal auditors found the Government Internal Auditor Association (GIAA) to meet these expectations. GIAA strives to meet stakeholder expectations by developing activities, mechanisms and standards that can promote the effectiveness of the GISA's function. These activities, mechanisms, and standards are the variables tested in this study. This study examines the effect of supply-side variables on the effectiveness of the GISA's function. These variables are organizational competence, organizational independence, compliance with audit implementation standards, risk-based audit planning, implementation of the Quality Assurance and Improvement Program (QAIP), and auditee attributes.

The samples used in this study were 81 GISA units at the level of District Regency's / City's Government. This study used a questionnaire to measure variables. Each unit of GISA is represented by one of official structural or supervisory/auditor. Personnel who occupy these positions are selected because they are considered to have an adequate understanding of the GISA's conditions.

This study provides empirical evidence that, in the context of the Indonesian Government, organizational competence, risk-based audit planning, and implementation of QAIP do not have a significant positive effect on the effectiveness of the GISA's function. Meanwhile, organizational independence, compliance with audit implementation standards, and auditee attributes have a significant positive effect on the effectiveness of the GISA's function.

Keywords: effectiveness of internal audit, Government Internal Supervisory Apparatus (GISA), internal audit, public sector.