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Internal Audit Management in Islamic Higher Education: An Effort to Minimize the Potential of Audit Findings

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Not all Islamic higher education in Indonesia have references for conducting an internal audit. Moreover, not all of them have internal auditors. In fact, the latest ministerial regulation has required each Islamic higher education to have an internal audit team. It overwhelms Islamic higher education to form and operate internal auditor teams because there are no fixed standards. However, several Islamic higher education institutions have formed and run an internal audit function. Thus, this study aims to determine the pattern of internal audit management in Islamic higher education. This study used a qualitative approach to figure out the pattern of internal audit management in two Islamic higher education institutions that had already had internal auditors before the latest regulations were published. As a result, there were similarities and differences between the two patterns. These similarities and differences will be used as a reference standard for internal audits in Islamic Higher Education.

Keywords: internal audit, internal audit management, audit findings

INTRODUCTION

The biggest challenge in financial management is fraud committed by someone who intersects with the activities. Fraud occurs in sectors both private and public. Fraud is a problem in every country in the world. In a survey, it was found that almost six out of ten (57%) people think that their government is bad, while only three out of ten people (30%) believe that their government is fine (Pring, 2017).

Fraud and corruption are gargantuan twin brothers that have limited the growth and infrastructure of many nations and led many firms to the road to bankruptcy (Kingsly & Johnson-Rokosu, 2015). One of them happened in Indonesia. Under these conditions, Indonesia seeks to eliminate fraud. In a survey, Indonesia was ranked second, whose citizens considered that the government was working to eradicate corruption properly (Pring, 2017).

One of the efforts in dealing with fraud is to form an internal auditor team. It is important because all public sector segments are highly corrupt (Kingsley, 2015). Although the assessment of Indonesian citizens - based on surveys - the country is fairly good, it needs to continue improving the performance of internal controls to prevent and combat fraud. It matters because fraud can occur anytime and anywhere.

One effort to tackle fraud was carried out in the education sector. There are two major groups of educational providers in Indonesia, namely the ministry of education and culture and the ministry of

religion. The level of *fraud* for both ministries was determined based on several factors. It was related to the management of journals in higher education. Journals are prestigious land in the academic world. It has the opportunity to create strong incentives for abuse of authority, especially those done by editors in determining potential contributors' articles and *reviewers*. Cooper, Gupta, Wilkes, & Hoffman (2006) said that as many as 40% of journals had no conflict of interest in the editor and 46% in the *peer reviewer*.

An alarming condition in financial management at both ministries is this higher education encourages researchers to seek and find ways to prevent and tackle fraud in higher education. It is not a problem for higher education under the auspices of the ministry of education and culture because they already have specific rules regarding the formation and performance of an internal auditor team. Unlike the case in the ministry of religion, there are no standard rules that can be applied. It is only a rule to form an internal auditor team, but it does not contain technical performance.

The problem began with the issuance of the ministry of religion regulation which required an internal auditor team. It made all universities under the ministry of religion confused. However, Islamic Higher education A and B were different in that they formed an internal auditor team without waiting for orders. That is why it is important to know the pattern of internal audit management on both campuses. The research was done to figure out the similarities and differences and then to take advantage of both. The advantages could be used as a reference to be set as a standard pattern of internal audit management in higher education institutions managed by the ministry of religion. Moreover, it is this religious-based ministry of religion whose performance upholds honesty and is free from fraud, following the teachings of the Quran and Hadith.

THEORETICAL REVIEW

Audit Management

Management is formed from "to manage", which means to regulate. If it is attached with the word "audit", audit management means regulating audit activities. The intended audit is collecting, evaluating, determining, and reporting between data and evidence adjusted to the established criteria (Arens, 2011). George R. Terry in Edison et al. (2016) argued that management is a process that consists of planning, organizing, actuating, and controlling carried out to determine and achieve the stated goals with humans and other resources. Audit management is different from management audit. Audit management is more directed to audit arrangements to run economically, effectively, and efficiently while management audit focuses on checking management.

Internal Auditor Team

The internal Auditor Team (SPI) at Islamic higher education oversees non-academic activities in the place where it is assigned. According to Zarkasyi (2008), SPI is responsible to a rector and all work units in charge of internal supervision. The SPI functions by assisting the rector in ensuring the achievement of the higher education's goals and mission by (1) Evaluating the implementation of higher education's programs; (2) Improving the effectiveness of the risk control process; (3) Conducting an evaluation of higher education compliance with regulations and legislation; (4) Facilitating the smooth implementation of audits by an external auditor. Every activity carried out by SPI is a form of state management's seriousness that prioritizes budget absorption and prudence. Asy'ari, Prasetyono, & Hartadi (2013) said that SPI is one of the tools in conducting supervision to ensure the objectives and management activities run well and are free from fraud.

Potential Audit Findings

Potential is an ability that has a possibility to be developed, while the audit findings are the result of evaluating audit evidence collected against audit criteria. The findings are closely related to fraud which refers to the misappropriation of financial management. Fraud is a general term that includes all the various facilities, activities, and ingenuity carried out by an individual to benefit from other parties, but with false representation (Albrecht, Albrecht, Albrecht, & Zimbelman, 2012).

Basically, there are no definitive resolutions or rules about general propositions in approved fraud. It is because fraud involves surprising, unexpected, deceptive, cunning, and other unfair ways in which the other party is cheated. Anyone can commit and be involved in fraud because fraud perpetrators usually cannot be distinguished from others on the basis of demographics or psychological characteristics.

RESEARCH METHODOLOGY

This study used qualitative methods which would produce descriptive data in the form of written or oral words from people or observed behavior (Bowker, Bogdan, & Taylor, 2006). Research data was used to find answers to certain realities (Afrizal, 2016). The researchers focused the qualitative method on the descriptive case study strategy. In the case of study research, research questions are focused on answering the “how” and “why” questions (Yin, 2010). The researchers hoped to use this strategy so that the answers to the research could be in accordance with the initial objectives, which is finding out the performance of the SPI in an effort to minimize the potential for audit findings. In collecting data, researchers used several techniques, namely observation, interview, and study documents.

FINDING

In analyzing the data, George R. Terry’s theory is used, which mentions management that is divided into four parts: planning, organizing, actuating, and controlling.

Audit Management Patterns at Internal Auditor Team in Islamic Higher Education A

Audit Planning

In planning, the Internal Auditor Team (SPI) started the activity by preparing an internal audit charter and guidelines. These two documents would be the basis for implementing SPI performance. The internal audit charter contains the basic principles and basis for conducting the audit, while the internal audit guideline is a translation of the internal audit charter. Since its establishment, SPI of Higher Education A has compiled charter and internal audit guidelines twice, published in 2016 and 2017.

The emergence of these two years will certainly invite the question of why the foundation documents were only drafted in 2016 while the formation of SPI was already in 2012. This condition could be answered by the following statement from the secretary of SPI. He said SPI was established here in 2012 but was only effective in 2015. Before the internal audit charter and guidelines, the performance of SPI was based on the instructions of the head of SPI. In 2016, a new charter and guidelines were published. Even then, 2017 was revised. So, the latest document, 2017, could be used until now.

After the internal audit charter and guidelines had been prepared, the SPI team described the activities to be carried out in the timeline. According to the Indonesian dictionary, a timeline is a list of important activity tables in a certain period of time. The SPI team used the timeline to plan to fit the stipulated time. The format of the timeline used can be seen in Table 1.

TABLE 1
TIMELINE FORMAT OF THE SPI HIGHER EDUCATION A

No.	Activities	Year:										
		January					February					etc.
		I	II	III	IV	V	I	II	III	IV	V	
1.												
2.												
etc.												

Source: Processed primary data, 2019

The activities to be carried out by the SPI Higher education A are summarized in Table 1. The timeline preparation was done as a reminder and control of the activities that would be carried out. In addition to being included in the timeline document, the activities that have been prepared were included in the Work Plans and Budget of the Institution (RKA-KL). Based on the regulation, RKA-KL is a planning and budgeting document containing the programs and activities and, as a translation of the state ministries or institutions, was concerned in one fiscal year as well as the budget needed to implement it.

The RKA-KL preparation by SPI of Higher education A differed from that of the rectorate, institutions, units, and faculties. SPI of Higher education A was not allowed to make activities like other work units, presenting participants from outside. Its RKA-KL only contained audit activities. It was in line with the statement of the head of SPI. He said that If SPI organizes such activities, who will audit them. It was also done to prevent conflicts of interest. For example, mark up on the purchase price of seminar equipment, workshops, etc. Because organizing activities is not permissible, the head of SPI can delegate its members to attend seminars and training activities that can increase audit expertise.

Another reason the SPI of higher education A is not allowed to conduct activities other than auditing is that the SPI team only focuses on audit activities, not preparing other activities such as seminars that require a long time and a lot of thought. The activities carried out by the SPI of higher education A in the last three years are as follows in Table 2.

TABLE 2
SPI HIGHER EDUCATION A ACTIVITIES IN 3 YEARS

Number	1st year	2nd year	3rd year
1	SPI external audit	Internal audit evaluation on SPI	Management Review Meeting at SPI
2	SPI Human Resource Development Workshop (internal participants)	External audit of Public Accounting Firm (KAP) on SPI	Short Course at SPI
3	Revised Financial Accounting Standards (SAK) of Higher education A	Evaluation of the external audit of the Public Accounting Firm (KAP) on the SPI	In-office meeting at SPI
4	Making the SPI Standard Operating Procedure (SOP)		Internal Audit Training at SPI
5	Monitoring the performance of the odd semester (Public Service Agency – BLU)		Comparative Audit Study at the Ministry of Finance at SPI
6	Monitoring the performance of the BLU even semester		Workshop on Compiling Audit Guidelines at SPI
7	BLU performance evaluation		
8	Audit evaluation of the Supreme Audit Agency (BPK) on the SPI		
9	Audit evaluation of the Inspectorate General of the Ministry of Religion on SPI		
10	Employee, lecturer, student, and community satisfaction index on SPI		

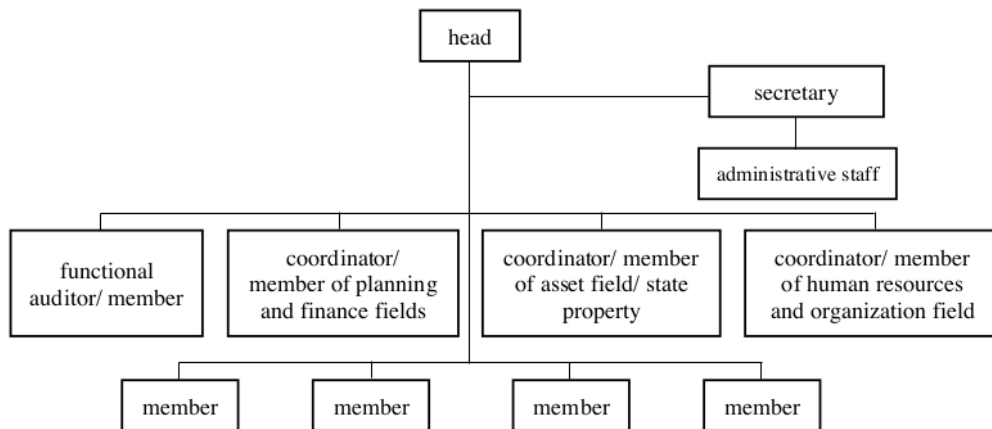
Source: RKA-KL SPI Higher Education A

From the three years above, it could be seen that the activities carried out are not the same. The first year was the year with the most activities. It was the first time the SPI operated, so much needed to be done. There were fewer for the second and third years because they tended to evaluate and develop activities or were adjusted to the previous timeline.

Audit Organizing

Audit activities need to be organized by arranging the organizational structure so that the division of work can be done clearly and directly. This organizing was done so that each SPI Higher education A member knew their respective duties. According to Saefrudin (2018), planning in management will not work or succeed without organizing, and organizing will never exist without humans. Therefore, Human Resources (HR) must be organized as an organizational structure. The organizational structure of the SPI Higher education A can be seen in Figure 1 below.

FIGURE 1
ORGANIZATIONAL STRUCTURE OF SPI IN ISLAMIC HIGHER EDUCATION A



Source: Internal Audit Guideline of Islamic Higher Education A, 2017

Based on Figure 1, the SPI Higher education A team consists of 11 positions, each filled by one person. The head and secretary of the SPI are appointed directly by the rector with special consideration, especially those with scientific background or experience in financial management at the level of study programs, units, faculties, institutions, and parts of the rectorate. This selection was made so that the continuity of the SPI organization could be led, managed, and controlled by people who truly mastered their fields to apply the principle of the right man in the right place. Not only the position of head and secretary are believed to have the ability and experience in finance. Other positions are similar in positions of auditors, field coordinators, administrative staff, and members. The head, secretary, auditor, and field coordinator positions are filled by lecturers, while administrative staff and members are filled by educational staff.

The position filled by the lecturer has a certain tenure according to the rector's tenure. At the same time, the educational staff follows the rules of the staffing leader, i.e., there is a regular movement of educational staff between work units within higher education. With the rule, it can help SPI performance in terms of the experience of the educational staff while working in work units before being transferred to SPI. With experience in previous work units, it is filling the position of members filled by educational staff who understand the ins and outs of existing activities in work units and the potential for cheating that had existed before.

Audit Actuating

The actuating is carried out by the head of SPI, both in writing and oral. Written guidance is carried out in the form of Standard Operating Procedures (SOP), a translation of the internal audit guidelines. The contents of the SOP are adjusted with internal audit guidelines. Thus, the SOP contains procedures for activities: (1) planning and budgeting review; (2) preventive audit of budget execution; (3) financial audit; (4) audit of assets / State Property (BMN); (5) organizational and Human Resources (HR) audits; (6) special audits. The six activities can be carried out with three methods: pre-audit, current audit, and post-audit. The explanation of each of the three audit methods is as follows.

Pre-Audit. Pre-audit is an activity to audit the activity proposal. At Higher education A, the proposal is the Terms of Reference (KAK). In this pre-audit activity, auditees from the parts of the rectorate, institutions, units, and faculties submit KAK activities that will be carried out to one of the four members in SPI Higher education A. After SPI members accept the KAK, the KAK is audited to find out about the completeness, suitability, and reasonableness of the contents of the document. This pre-audit activity was carried out to prevent fraud in implementation. In the realm of this pre-audit, the auditor and coordinator of the field are responsible for the implementation of the pre-audit conducted by the members. In this case, KAK recipient members can consult with auditors or field coordinators according to the type of KAK received.

Current Audit. Unlike the pre-audit, the current audit is more to confirm the truth of the activities contained in the KAK that have been sent previously. In this method, the KAK inspector directly checks the activities carried out on the implementation day. Direct checking can be done by coming to the location of the activity or telephone the party related to the audit.

For example, in the KAK was written seminar kit purchased by a number of participants, and an audit was conducted by asking participants whether they had received the seminar kit in accordance with what was written in the KAK. It was done to ensure that what was written in the KAK had been taken seriously. To support the success of the current audit, KAK recipients create their timelines that contain the date and time of conducting the recent audit. In fact, if there is something that cannot be addressed by SPI Higher education A, the SPI team invites external auditors to help audit, specifically those related to an asset or BMN audits.

Post Audit. Post audit is almost the same as pre-audit, which checks documents that enter the SPI Higher education A. The difference is that the documents received in the pre-audit are in the form of KAK, while in the post-audit, they are in the form of a Letter of Accountability (SPJ). The SPJ contains evidence of auditee transactions with third parties as well as documents regarding tax payments.

In this post-audit, the examiner checks the compatibility between what is written in the document and the facts in the field. For example, the examiner calls the shop where the auditee buys equipment to ask about the truth of the price and the amount of the purchase.

In addition to the written instructions contained in the aforementioned SOP, the actuating is also made verbally, namely by routinely holding work meetings in separate meeting rooms. Actuating verbally is not limited to place and time, considering this is an era of information technology full of internet networks, so direction and coordination activities can be done with internet-assisted communication media either through social media or e-mail.

Audit Controlling

Internal and external parties carry out audit oversight and control. The head of the SPI carries out internal parties to the auditors and verifiers about the audit activities. In contrast, the external parties are carried out by the rector as the direct leader of the SPI head. At the beginning of the fiscal year, the head of the SPI submits an audit plan timeline for one year, as shown in Table 1. From this timeline, the rector can easily conduct oversight and audit control. If there is a change in the timeline submitted to the chancellor, the SPI submits the revision of the revised timeline. The revised timeline is important so that the chancellor is not mistaken in conducting oversight and control.

Audit Management Patterns at SPI Islamic Higher education B

Audit Planning

Every implementation of activities was well adjusted to the internal audit charter (SPI charter). The description of each point in the internal audit charter is conceptual. For the technicalities, the SPI Higher education B team compiled a Handbook on the Formation of KAK, LPK, and LPJ. In the manual, the Terms of Reference (KAK) are proposals that must be compiled by each part of the rectorate, unit, institution, or faculty for disbursing funds.

After the funds are disbursed as money for inventories or advances, activities can be immediately carried out. After the activity has been carried out, each part of the rectorate, unit, institution, or faculty that has carried out the activity must compile an Activity Implementation Report (LPK) and an Accountability Report (LPJ) for the overall disbursement of funds.

Based on the description above, SPI Higher education B had two documents used as a reference in implementing operational activities. If both documents have unclear statements or new problems arise, they will immediately consult the head of the SPI or discuss them together with the team.

Similar to SPI higher education B, SPI Higher education A also arranges timelines to organize activities. The activities carried out by SPI Higher education B can be seen in Table 3 below.

TABLE 3
SPI HIGHER EDUCATION B ACTIVITIES IN 2 YEARS

No.	1st Year	2nd Year
1.	Internal Control of SPI	Focus Group Discussion (FGD) - The Role of SPI in Strengthening the SPIP System in Government Agencies
2.		Delegation of SPI Internal Auditors
3.		Study of SPI Higher education Performance Indicators C

Source: RKA-KL SPI Higher education B

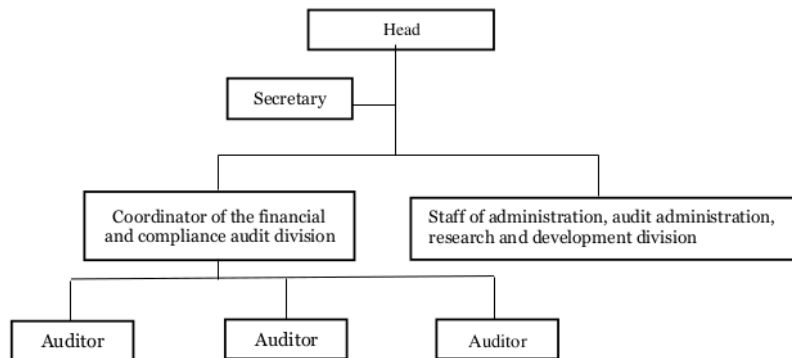
The number of entries in Table 3 differs from Table 2 of SPI Higher education A. The reason is that SPI Higher education A operated effectively one year ahead compared to SPI Higher education B even though it was established in the same year. Based on Table 3, it can be seen that the types of activities written are not only internal audit activities but the implementation of activities, delegation, and implementation of studies of performance indicators in other SPI.

To support the smooth implementation of the activities contained in RKA-KL SPI Higher education B, each person in charge of the designated activity writes it on the blackboard inside the SPI room to remind them of activities that have not yet been carried out.

Audit Organizing

The audit organization at SPI consists of several positions that can be seen in Figure 2. Based on the organizational structure in Figure 2, several positions with diverse backgrounds in employment status. The diversity: (1) the head, secretary, and coordinator of the SPI Higher education B financial audit and compliance division are lecturers; (2) the staff of the administrative division, the administration of audits, research and development are educational staff; (3) the auditor is a lecturer and educational staff.

FIGURE 2
ORGANIZATIONAL STRUCTURE OF SPI IN ISLAMIC HIGHER EDUCATION B



Source: Primary data processed, 2019

From the various staffing statuses in the organizational structure, lecturers have branch offices, namely in the faculties and SPI. At the same time, the education personnel are only located in one office and have never been transferred from or to other work units, either from the rectorate, institutions, units, or faculties.

There are three auditors. Each auditor is responsible for the auditee that is a part of it. The auditee was divided based on the names of the sections of the rector, institutions, units, and faculties. Audit activities were carried out by each position, whether head, secretary, division coordinator, division, or auditor. However, the portion of the person in charge is in the auditor's position.

The auditee is divided into seven positions according to the organizational structure of SPI Higher education B. The head, secretary, coordinator of the audit division, and division staff are given one part in charge of the auditee. The rest is divided equally among auditors. Thus, the portion of responsibility for the auditor is greater than the other auditor positions.

Audit activities are not only carried out by auditors but also by heads, secretaries, division coordinators, and division staff so that positions other than auditors can understand directly the problems that exist in the field when auditing. If a position other than the auditor directly audits, future audit activities and planning evaluations will be more targeted to what has happened before.

Audit Actuating

Audit actuating is conducted by the head directly or through the SPI secretary. The actuating is done formally and informally. For formally, it is conducted by meetings at each work desk, while informally is done by direct instruction through face-to-face or information media. Information media used today are blackboards, WhatsApp groups, and intercoms.

The whiteboard, in the form of a whiteboard on the surface, is written with a teaching schedule for SPI personnel who are also lecturers in higher education. The teaching schedule is needed to make it easy for the SPI head to choose the right time to determine the meeting time, control the attendance of auditors in the SPI office, and have interpersonal communication between the SPI head and the auditors concerned.

In addition to the teaching schedule, the blackboard is written with the latest information about future activities. This paper is needed as a reminder and levelling of information so as to minimize communication errors and lack of information.

Actuating conducted at SPI Higher education B were not limited to verbal communication and relied on the instructions of the SPI head but were also carried out through a guidebook for the preparation of KAK, LPK, and LPJ. KAK is a proposal submitted by the auditee from the rector, institution, unit, and faculty to disburse the budget used to implement activities. KAK is prepared before the implementation of the activities, while the LPK and the LPJ are arranged after the activities are carried out.

LPK contains accountability reports on the implementation of activities in a format similar to the proposal. However, it is added with the chronological points of activities that show the sequence of events and convince LPK recipients that the activities have been carried out. In addition to LPK, the documents that must be compiled are LPJ. LPJ is different from LPK. LPK tends to be more narrative, while LPJ contains reports on the use of funds which contains plans and realization of the budget and expenditure along with photocopies of evidence of financial transactions.

The KAK, LPK, and LPJ manuals make it easy for the SPI head to ensure that the IAIN Surakarta SPI audit activities are in accordance with the standards. Audits are conducted on all KAK, LPK, and LPJ that enter the SPI room. However, not all three types of documents go to the SPI but directly to the finance department for the disbursement of funds. It is because SPI Higher education B is still limited to activities other than procuring goods or services. KAK audits are conducted using the pre-audit method, while LPK and LPJ audits are conducted using the post-audit method. Both methods are carried out by checking the completeness of the documents, the reasonableness, and the relevance of the document's contents and activities by looking at the Minister of Finance's regulation on standard input costs.

Audit Controlling

Audit controlling is carried out so the activities can go according to plan. It is carried out by internal and external parties of SPI. Internal parties are carried out by the head of SPI by asking the person in charge of each activity directly. In addition, internal parties, especially the rector, also supervise and control the activities carried out by SPI. Audit controlling is carried out in two directions: (1) the rector and his staff visit the SPI office; (2) the head of SPI, along with his secretary, reports the activities that have been and will be carried out to the rector. The two-way communication is carried out to ensure that the SPI has performed its duties and functions properly.

The documents that support the smooth and successful monitoring and control activities carried out by the rector are the timeline recapitulation of activities sourced from the auditee. The timeline is sent by the auditee every three months. Thus, the SPI team sent an audit plan awaiting a recap of the auditee's timeline of activities before being submitted to the rector.

DISCUSSION

Similarities and Differences in Audit Management Patterns Between SPI Higher Education A and SPI Higher Education B

Audit Planning

SPI Higher education A and SPI Higher education B have basic documents used as a reference in implementing activities. However, the two have differences. SPI Higher education A uses three documents: the internal audit charter, guidelines, and SOP. In comparison, SPI Higher education B only refers to two documents, the internal audit charter and the manual for preparing KAK, LPK, and LPJ.

Activities that will be carried out by SPI Higher education A and SPI Higher education B are included in the RKA-KL. However, both SPIs have differences. The difference is that the activities listed in the RKA-KL of SPI Higher education A may not carry out activities other than auditing. In contrast, RKA-KL of SPI Higher education B is allowed to conduct activities other than audits, such as seminars, workshops, and focus group discussions.

Planning that has been poured into the RKA-KL both at SPI Higher education A and SPI Higher education B is also copied to other facilities. However, there are differences in the types of facilities used. SPI Higher education A uses a timeline for internal purposes and is submitted to the rector as a report. In contrast, SPI Higher education B uses a blackboard displayed on the walls of the SPI room.

Audit Organizing

Organizing audits at SPI Higher education A and SPI Higher education B begins by preparing the organizational structure. Some of the same positions in the organizational structure of the two SPIs are the

presence of a head, secretary, and auditor. The holders of each position in the organizational structure are the same: lecturers and educational staff. The difference between the two is as follows.

TABLE 4
THE DIFFERENCES IN AUDIT ORGANIZING BETWEEN SPI HIGHER EDUCATION A AND SPI HIGHER EDUCATION B

Number	SPI Higher education A	SPI Higher education B
1	Administrative activities are managed by administrative staff	Administrative activities are carried out by the administration division, audit administration, research, and development
2	There is no division coordination	There is a coordinator of the financial and compliance audit division
3	There is only one auditor position. However, the audit activities are carried out together with the field coordinators: (a) planning and finance; (b) assets and BMN; (c) HR and organization.	There are three auditor positions responsible to the financial and compliance audit division coordinator. Although there are three, audit activities are carried out by all positions in the organizational structure.
4	Educational staff comes from and will be transferred to other units periodically following the university's regulations that apply the transfer of education personnel between work units	The education staff at SPI remain at the SPI without following the institute's rules that impose the transfer of education personnel between work units
5	The person responsible for the audit is the coordinator in the fields of (a) planning and finance, (b) assets and BMN, and (c) HR and organization.	The person in charge of the audit is each auditor, who is divided according to the domicile of the auditee, which is part of the rector, institution, unit, and faculty.
6	Involve external auditors in audit activities that cannot be carried out by the SPI team, specifically in asset audits or BMN	Does not include external auditors in audit activities

Source: Processed primary data, 2019

Audit Actuating

Audit actuating conducted by SPI Higher education A and SPI Higher education B have taken advantage of the impact of the era of information technology, which is guidance that does not recognize time and place. Whenever and wherever can coordinate using communication media through face-to-face, social media, and email. Continuous coordination shows that the role of internal audit has evolved from administrative procedures focusing on compliance to becoming an important element of good governance (Wilfred, Salome A, & Elijah, 2014).

On the audit actuating, the head of SPI determines the concept of the course of audit activities in pre, current, and post-audit activities. The difference between the management of audit activities of the two is as follows.

TABLE 5
THE DIFFERENCES IN AUDIT ACTUATING BETWEEN SPI HIGHER EDUCATION A AND SPI HIGHER EDUCATION B

Number	SPI Higher education A	SPI Higher education B
1	Written guidance is carried out through documents containing standard operational procedures for audit activities.	Written guidance is carried out through a guidebook for the preparation of KAK, LPK, and LPJ.
2	Meetings are held in a certain and closed room. Each position, from head to member, left his table and headed for the meeting room.	Meetings are held at the same table during daily activities. It is because each position in the organizational structure other than the head and secretary does not have a personal work table, so the same table - rectangular in shape - is held in a meeting.
3	Pre-audits are conducted by members for verification. If the members cannot resolve something, consult the auditor and field coordinator.	Pre-audit is carried out by auditors who have been divided into sections in the rectorate, institutions, units, and faculties.
4	There is a current audit. The current audit is carried out when the activities in the KAK are carried out by sending one or a number of designated personnel to ensure that what is written in the KAK takes place at the scene.	There is no current audit
5	Post Audit is carried out by checking facts in the field (factual audit). For example, ensure that the prices written on the RAB match the prices available in the store. To ensure is done by calling the telephone number listed on the purchase note.	Post audit is carried out by matching between those in the RAB and the standard input costs listed in the Minister of Finance Regulation Regarding Input Cost Standards
6	KAK that enters the SPI is all activity documents contained in the RKA-KL.	KAK that enters the SPI is all activity documents contained in the RKAKL, except for the procurement of goods and services

Source: processed primary data, 2019

Audit Controlling

Audit controlling conducted at SPI is carried out by internal and external parties. The internal party in question is the head as the highest leader in the organizational structure of SPI. In contrast, the external party referred to as the rector is always the direct leader of SPI.

At SPI Higher education A, audit controlling is carried out by looking at the timeline or timeline that has been submitted to the chancellor at the end of the previous year or the beginning of the current year. If there is a change, the SPI team immediately submits the schedule change results to the rector. With this schedule, the rector can easily supervise and control directly and through messengers.

In contrast to SPI Higher education A, SPI Higher education B submits an audit plan schedule carried out quarterly. The period is based on the timeline of activities sent by the auditee from the rector, institution, unit, and faculty. As a result, the head of SPI Higher education B must frequently contact both directly and letters about what SPI will do regarding audit activities.

The Pattern Can Be Generalized by the SPI in Higher Education

This generalizable pattern arises from comparing management patterns run by SPI Higher education A and SPI Higher education B. The pattern chosen was an advantage between the two SPIs by considering

performance risks. Thus, the pattern developed is expected to be used by higher education and produce maximum performance. The new pattern after knowing the conditions of each work unit is as follows.

Audit Planning

In planning, the pattern of audit management that can be formed is as follows. First, standardize reference documents for SPI activities. Standardization makes performance systematic, and results will be measured, making it easy to evaluate. SPI must have a reference document to work both conceptually and technically. Conceptual documents are used as a reference in determining policies so that the performance of SPI remains in accordance with the vision and mission contained in the document. Conceptual documents are realized in the form of an internal audit charter. In realizing the matters contained in the internal audit charter, a technical document was formed. This technical document is used as a working reference for all SPI members in carrying out audit activities. The technical documents can be realized in the form of internal audit guidelines, which contain SOPs in the form of flow charts and narratives. The completeness of these documents can minimize the gaps in the results of verification and audit, especially the existence of different factors of error and human perception.

Second, determine the activities that can and may not be in the RKA-KL. In the previous discussion, there were differences in the contents of the RKA-KL between SPI Higher education A and SPI Higher education B. At SPI Higher education A does not allow activities other than auditing, while at SPI Higher education B allows. The reason for not allowing activities other than audits to be included in RKA-KL SPI Higher education A is the risk of fraud committed by the SPI team in preparing the SPJ. This condition is justified, but the prohibited solution is not entirely correct. Therefore, a solution is needed that minimizes the feared risks and is expected to be useful for SPI Higher education A in particular.

Third, the management pattern that can be formed as a solution to differences in activities in the RKA-KL and can be generalized to other higher educations is by continuing to allow activities related to improving internal auditors' skills. If the implementation of activities is prohibited, no SPI in Indonesia will carry out activities to increase the knowledge and capability of internal audits. For the risk of fraudulent preparation of SPJ, how to minimize it by embedding the character of the internal auditor who must be free from fraud. In addition, there needs to be supervision and control from the head of the SPI and the chancellor as the direct leader of the SPI. If possible, an external auditor should be present to audit the SPI's activities.

Fourth, arrange a timeline as a reminder of activities. The RKA-KL does not accommodate detailed descriptions of activities. In particular, it contains information about time. Therefore, it is necessary to have a timeline as a reminder of the activities. Thus, the planning of activities will be more orderly and controlled.

Audit Organizing

In the realm of organization, patterns of audit management that can be formed are as follows. First, Adding a verifier as a new position in the organizational structure. Verifier has the duty to verify the documents that enter SPI. This verifier has been provided a reference document to verify, which has been prepared with all SPI personnel. At SPI Higher education A, verification is done by the position of the members, as shown in Figure 1. Unlike SPI Higher education A, SPI Higher education B does not have a verifier, so all documents that enter the SPI room are immediately verified while audited by the auditor. If this continues, it will extend the time and thought. The condition is due to the double job of the auditors at SPI Higher education B, which aside from being an auditor, also a lecturer.

This obstacle is felt even more during the teaching and learning process activities that are densely packed. As a result, auditors will rarely be alert in the SPI room while the auditee requires an audit result decision immediately for smooth budget disbursement.

The solution to the situation at the two SPIs in higher education is to bring up a verifier position filled by several people. However, each of the verifiers is not free to receive documents but is divided into verifiers in charge of auditees, both documents originating from the part of the rectorate, institution, unit, or faculty. With this division, it is expected to be able to minimize risk: (1) the verifier does not know the track record of the part of rectorate, institution, unit, or faculty in preparing the document so that the

previous mistakes will not be repeated; (2) the auditee or document sender is more likely to choose a verifier that is considered more friendly and profitable.

The appearance of this verifier position is also beneficial for SPI Higher education B because: (1) auditors who also serve as lecturers do not always stand-by in the office, especially when implementing teaching, research, and community service; (2) the auditor's concentration and stamina are more awake because they do not carry out routine things that can be delegated to others - check the completeness of the documents, so that the auditor only focuses on matters relating to the reasonableness and relevance of the contents of the document with activities in the field.

Second, selecting SPI members with an educational background under statutory regulations. According to statutory regulations, SPI members come from educators and educational staff in higher education at least having a composition of expertise in accounting or finance, human resource management, asset management, law, and management. In other similar regulations, it is also written that the SPI has at least members who control: (a) financial records and reporting; (b) higher education governance; (c) laws and regulations in the field of higher education; (d) management of state property.

The minimum requirements stipulated in the two ministerial regulations are intended so that audit activities can run optimally - the audit objects are audited by people who are true experts in their fields. There are various educational backgrounds at SPI Higher education A and Higher education B. From all educational backgrounds, the science that dominates comes from economics, especially accounting. Indeed, auditing is a scientific branch of accounting. However, the audit activities carried out by SPI are not only focused on financial matters. So, it needs other knowledge to support these activities. In addition, it can reduce costs in bringing in external auditors as conducted by SPI Higher education A in asset audit activities or BMN.

Audit Actuating

In actuating, the audit management patterns that can be formed are as follows. First, maximizing communication media following the development of information technology. Communication is one element that supports the success of performance. Thus the need for proper and fast communication. With the development of information technology, communication media have emerged that are increasingly easy to operate and fast in delivery, with the support of a fast internet network. As a result, communication can be done regardless of time and place, wherever and whenever it can send messages. There is no longer any reason to postpone work because the time and place restrictions have been lost with the latest communication media.

Second, separating between workplaces and meeting room. In every meeting, not every SPI personnel has an interest in it. For example, the meeting only needs to be attended by the head, secretary, and administrative staff to discuss the technical filing, so the meeting does not need to be attended by personnel in other positions. Therefore, there needs to be a separation between the workplace and the meeting room. It is important to prevent noise from personnel who are not interested in the meeting. If it is done at work, then personnel who should be able to focus on work will be disturbed by noise during meetings.

Third, market price surveys for goods or services that the auditee routinely uses. One of the audit activities is checking the fairness of the prices of goods or services in KAK in a series of pre, current, and post-audit activities. To check the reasonableness, we need a comparison. SPI Higher education A conducts factual audits by asking directly the seller of goods or services listed in the KAK, while the standard input costs guide SPI Higher education B. Both ways are somewhat complicated. To make it easier, the head of the SPI needs to instruct its members to conduct a market price survey around higher education. The standard input costs are insufficient because the regulations on the standard input cost only list prices in the province. It would be more real if the SPI team knew the prevailing market prices around higher education.

Audit Controlling

In controlling, audit management patterns can be formed by increasing communication between SPI members, SPI heads, and chancellors. Communication can be done before the current year by preparing and submitting a timeline to the rector. Two supervision and control are conducted at SPI, namely by the

head of SPI towards his team and by the rector towards the head of SPI and his team. In conducting supervision and control, the head of the SPI or rector can be guided by the timeline for planning audit activities.

CONCLUSION

SPI Higher education A and B have been established before the legislation that requires an internal auditor at each higher education. Both operate using rules that are made independently so that when they are compared, there are similarities and differences. These similarities and differences are examined and can determine the strengths and weaknesses. Strengths will be used as a new pattern, while weaknesses will be used as material to find solutions. Thus, these advantages and solutions can be used as a standard and as a reference for other higher education institutions to establish and operate the SPI.

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