

## Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness



Darma Yanti<sup>1</sup>, Dinda Mayang Sari<sup>2</sup>, Rosalina Ghazali<sup>3</sup>, Lis Djuniar<sup>4</sup>, Fenty Astrina<sup>5</sup>

<sup>1,2,3,4,5</sup>Accounting Study Program, Faculty of Economics and Business, University of Muhammadiyah Palembang

**ABSTRACT:** The formulation of the problem in this research is how is the Effect of Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit (Case Study on State-Owned Enterprises (BUMN) in Palembang City). The type of research used is associative research. The data used are primary data. The population in this study is the internal audit in the State-Owned Enterprises (BUMN) in Palembang City as many as 32 respondents. Data collection techniques are using interviews and questionnaires. The data analysis method used in this research is quantitative analysis. The results of this study show that management support, competence, organizational culture and professional ethics significantly influence the effectiveness of internal audit.

**KEYWORDS:** Management Support, Competence, Organizational Culture, Professional Ethics, Internal Audit Effectiveness

### 1. INTRODUCTION

The development of business and government systems now allows for supervision of all activities, for this reason it is necessary to supervise so that everything can run well or in other words that requires an internal audit to meet the needs of company management in tackling the company's problems. Internal audit is an auditor who works in a management company so that he is an employee of the company and is an inseparable part of the company's organizational structure where his role is to provide continuous monitoring and assessment. Internal auditors have an interest in the effectiveness of internal control in a company (Hery, 2019: 4).

The effectiveness of internal audit refers to the ability of the audit function to meet the needs of the audit, or the effectiveness of internal audit is the ability of the auditor to achieve the function of the audit. The internal audit functions include the ability to plan, increase organizational productivity, assess the consistency of results with established goals and objectives, implement internal audit recommendations, evaluate and improve risk management, evaluate internal control systems and make recommendations for improvement (Alzeban & Gwiliam, 2014).

Management support is management's commitment to support internal audit in carrying out audits and top management's awareness regarding the needs of internal auditors (Seif, 2017). Management support is very important for operations and internal audit, because all the determinants of internal audit effectiveness come from top management support, bearing in mind that hiring a proficient internal audit person, developing an internal audit person's career and providing an independent opinion for an internal audit person are the result of decisions made by top management and management support not only on implementing audit recommendations, but also on funding, training, and support for audit implementation for example hiring outside experts (Cohen and Sayag, 2010).

Competence shows skills or knowledge that are characterized by professionalism in a particular field as the most important thing, as superior in that field. (Wibowo, 2017:271). Organizational culture is the shared experiences, histories, beliefs, and norms that shape the characteristics of the organization. This culture helps explain the work climate and business climate in the organization (Sunardi and Anita, 2015: 87).

Ethics is defined as a personal discipline in relation to the environment more than what is simply dictated by law. Ethics is often also called morals and values that are believed to be good and right things. Ethics is a basic trait that is embedded in the heart that a person (organization) must have as a guide to behave in social life (Soemarso, 2018:15). From this definition, professional

## **Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness**

ethics is an action or rule that must be applied by an auditor and becomes a reference for the auditor in paying attention to steps when bound by an agreement with his client.

Research conducted by Hadi and Bambang (2016), Zulkifli et al (2014), Badara and Saidin (2014), Leonardo Aries, Rita Anugrah and Andreas (2017), Dea and Haryanto (2016) stated that management support has a positive effect on audit effectiveness. while research conducted by Rheza and Darsono (2015) and Irfan and Suriana (2017) stated that management support had no significant effect on the effectiveness of internal audit.

Previous research by Zulkifli et al (2014), Restu and Nastia (2013), Dea and Haryanto (2016), Seif (2017) stated that competence has a positive influence on the effectiveness of internal audit, while research conducted by Leonardo Aries, Rita Anugrah and Andreas (2017) stated that competence has no effect on the effectiveness of internal audit. Ni Wayan Eka et al (2017) stated that organizational culture has a positive influence on effectiveness. And previous research conducted by Amin and Choyroh (2012) that there is a positive influence of professional ethics.

Based on the results of interviews with several SOEs in the city of Palembang, namely that in terms of competency skills related to education, there is still a diversity of auditor levels. And it can be concluded that this can determine the competence of the auditor. The higher the competence of the auditor, the more capable the auditor is in finding errors. The organizational culture structure within the company already reflects what is needed in today's companies. As in the case of employee learning, training has been carried out so that employees can develop their skills and knowledge. As with ethics, the company's auditors have adhered to the principles of independence, integrity and professionalism. Independence which means a condition or position where we are not bound by any party, Integrity which means being honest, consistent and with character and professional which means adhering to moral values. Management support is a support such as audit facilities and infrastructure.

Based on the results of interviews with several other SOEs in Palembang City, namely that the competence and ethics of auditors in this company are good, this is because if the competence is good, it will produce good audit quality as well. The organizational culture in this company is structured but the lack of management support is due to the length of the audit process due to the provision of data that is too many days.

### **Attribution theory**

Attribution theory is a theory developed by Fritz Heider which argues that a person's behavior is determined by a combination of internal forces (internal forces), namely factors that originate from within a person, such as ability or effort and external forces, namely factors -factors that come from outside such as difficulties in work or luck (Arfan, 2019: 129).

### **Management Support**

Management support is how top management defines the information and processing needed, makes system goals and objectives, conducts system reviews and allocates funds (Romney and Steinbard, 2009: 64). Management support is support given to employees to work properly so that they feel recognized by the organization and feel motivated to complete their work properly (Ernie and Donni, 2018: 98).

Based on the definition that has been explained by the authors, the conclusion is that management support is the commitment of top management to support the auditor in carrying out the duties and responsibilities of the audit and top management in relation to the needs of the internal auditor, with the aim of succeeding in the objectives of the internal audit conducted by the auditor.

There are four management roles that must be carried out by managers if the organization they lead can run effectively (Amirullah, 2015: 14), namely:

- a The role of interpersonal relationships
- b Informational role
- c Deciding role (decision maker)

#### **Competence**

Competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude required by the job (Wibowo, 2017: 271).

Competence is the possession of knowledge, skills, and abilities required by certain positions, knowledge, skills, and basic values which are reflected in the habits of thinking and acting, the ability to carry out tasks obtained through education or training (Indra, 2014: 280).

From the definition mentioned above, it can be concluded that competence is an individual characteristic that includes knowledge, skills and behavior that results in effective work to achieve organizational goals.

## **Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness**

### **Organizational culture**

Organizational culture is a system of shared meaning held by members of an organization that distinguishes the organization from other organizations. This meaningful system is a set of key characteristics that are upheld by the organization (Danang and Burnahudin, 2015: 148). Organizational culture is a habit that has lasted a long time and is used and applied in the life of work activities of employees and company managers (Irham, 2013: 114).

Based on the explanation above, it can be concluded that organizational culture is defined as a long-standing habit that has been developed and shared within the organization that determines how the organization can interact with the external environment. Indicators of organizational culture (Sari, 2013: 18), namely:

- a. Leader behavior
- b. Prioritizing the company's mission
- c. Learning process
- d. Motivation

### **Professional ethics**

Ethics is defined as a personal discipline in relation to the environment more than what is simply dictated by law. Ethics is often also called morals/morals, character which is the nature and area of moral, mental, soul, conscience which is the ideal guideline for behavior, which should be possessed by humans as social beings (Ihyanul, 2012: 92).

Ethics is often also called morals and values that are believed to be good and right things. Ethics is a basic trait that is embedded in the heart that a person (organization) must have as a guide to behave in social life (Soemarso, 2018: 15).

Some of the definitions above can be concluded that professional ethics are actions or rules that must be applied by an auditor and become a reference for the auditor in paying attention to steps when bound by an agreement with his client.

The principles of professional ethics put forward by the Indonesian Institute of Accountants (Mulyadi, 2014: 53-60), are:

- a. Professional responsibility
- b. Integrity
- c. Objectivity

### **Internal Audit Effectiveness**

Effectiveness is the ability to carry out tasks, functions (operations, program activities or missions) than an organization or the like in which there is no pressure and tension between its implementation (Betri, 2019: 35).

Internal auditors are auditors who work in companies whose main task is to determine whether the policies and procedures set by top management have been complied with, determine the efficiency and effectiveness of organizational activity procedures, and determine the reliability of information produced by various parts of the organization (Agoes & Hoesada, 2012: 56).

Based on the definition of internal auditors and effectiveness, it has been explained that the effectiveness of internal auditors is the auditor's ability to achieve the function of internal audit. Internal audit has several indicators, namely:

- a. Guided by applicable standards
- b. Increase contribution to risk management
- c. Destination identification

### **Hypothesis**

Based on the description of the framework, the researcher proposes a hypothesis that will be used to draw conclusions, as follows:

H1 : There is a joint influence of Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit

H2.a : There is a Positive Effect of Management Support on the Effectiveness of Internal Audit.

H2.b : There is a Positive Effect of Competence on the Effectiveness of Internal Audit

H2.c : There is a Positive Effect of Organizational Culture on the Effectiveness of Internal Audit.

H2.d : There is a Positive Effect of Professional Ethics on the Effectiveness of Internal Audit.

## **2. METHODOLOGY**

The type of research used in this study is associative research, the data used in this study is primary data. Primary data is in the form of data obtained from respondents' answers through questionnaires. The location of this research was conducted at the State-Owned Enterprises in Palembang City. The dependent variable used is the effectiveness of internal audit (Y), while the independent variables are Management Support (X1), Competence (X2), Organizational Culture (X3) and Professional Ethics (X4). The population to be studied is the Internal Audit section who works in 15 State-Owned Enterprises in Palembang City. The sample

## **Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness**

used in this study were 3 (three) State-Owned Enterprises (BUMN) in Palembang City. The data collection methods used in this study were interviews and questionnaires.

The data analysis method used in this research is quantitative data analysis. Quantitative analysis was carried out using statistical testing of the results of the questionnaire. In this study, the scale used is the Likert scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. The analytical technique used to determine the effect of management support, competence, organizational culture and professional ethics on the effectiveness of internal audit is multiple linear regression analysis, either partially or jointly. The analytical technique in this research will be assisted by the statistical program for special science (SPSS). Before carrying out the analysis, according to the requirements of the OLS (Ordinal Least Square) method, the following tests must first be carried out:

### **Validity test**

Validity test is used to measure the validity or validity of a questionnaire, a questionnaire is said to be valid or valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. The significant test was carried out by comparing the calculated  $r$  value (calculated  $R$  value (corrected item-Total correction value at Cronbach alpha output) with  $r$  table (V.Wiratna, 2018: 178).

$r$  count  $>$   $r$  table then the item or question is valid

$r$  count  $<$   $r$  table then the item or question is not valid

### **Reliability Test**

Reliability tests were carried out on question items that were declared valid. This test is used to measure a questionnaire which is a variable. A questionnaire is said to be reliable or reliable if a person's answer to a statement is consistent and stable from time to time (V.Wiratna, 2018: 178). Criteria if:

*Cronbach Alpha*  $>$  0.60 then reliable

*Cronbach Alpha*  $<$  0.060 then not reliable

### **Classic assumption test**

The classical assumption test consists of, namely: (V.Wiratna, 2018: 179-182)

#### **1. Normality test**

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. This normality test has 2 ways to detect whether the residuals are normally distributed or not, namely by using the Kolmogorof statistical test (V.Wiratna, 2018: 179).

#### **2 Multicollinearity Test**

Multicollinearity test is needed to determine whether there are independent variables that have similarities between independent variables in a model, the similarity between independent variables will result in a very strong correlation. This test is also to avoid habits in the decision-making process regarding the effect of the partial test of each independent variable on the dependent variable. If the resulting VIF is between 1-10, there is no multicollinearity.

3 Heteroscedasticity tests the occurrence of differences in residual variance from one observation period to another observation period. How to predict the presence or absence of heteroscedasticity if the data points spread above and below or around the number 0, the data points do not collect only above or below, the spread of data points should not form a wavy pattern that widens then narrows and widens again, the spread unpatterned data points.

### **Hypothesis testing**

#### **1 Joint Hypothesis Testing (F Test)**

Joint hypothesis testing is a multiple regression coefficient hypothesis testing with  $B_1$  and  $B_2$  simultaneously influencing  $Y$ .

#### **2 Partial/Individual Hypothesis Testing**

(t test)

Individual hypothesis testing is a multiple regression coefficient hypothesis testing with only one  $b$  ( $b_1$  or  $b_2$  or  $b_3$  or  $b_4$ ) affecting  $Y$ .

#### **3 Multiple Linear Regression Analysis**

Multiple regression has classical assumptions that must be met, namely the residuals are normally distributed, there is no multicollinearity, there is no heteroscedasticity, and there is no autocorrelation (Wiratna, 2018: 180).

3. RESULT AND DISCUSSION

Validity test

The validity test was carried out on the statement items of each variable in the questionnaire. The validity test is conducted to determine the extent to which the items that make up the concept that have been compiled can represent variables if the rcount of the statement is greater than the value of r table. It is concluded that the variables in the research are valid and can be used as research data.

Table 1. Validity Test Results

Variable	Information
Management Support	Valid
Competence	Valid
Organizational culture	Valid
Professional ethics	Valid
Internal Audit Effectiveness	Valid

Source: Processed data, 2020

Reliability Test

This reliability test uses a test with Cronbach's Alpha coefficients with the help of SPSS22 software. In general, an instrument is said to be reliable if the Cronbach's Alpha value is > 0.60. Cronbach's Alpha value is obtained with all variables showing greater than 0.60. Thus the respondents' answers from these variables are reliable, so that the questionnaires from these variables can be used for research.

Classic assumption test

1) Normality Test

The normality test is used to measure whether the data held is normally distributed so that it can be used in statistics. The normality test aims to test whether in the regression model, the independent and dependent variables have a normal distribution or not. The results of the normality test can be seen in the figure that the points spread around the line and follow the diagonal line, so the residual value is normal.

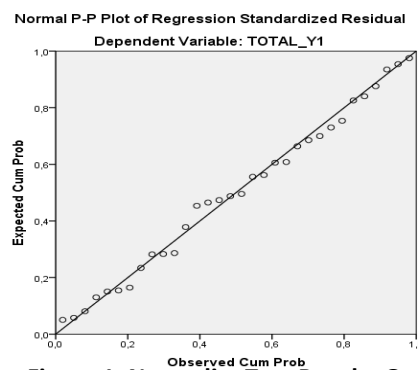


Figure 1. Normality Test Results Graphic Method

Source: Processed data, 2020

2) Multicollinearity Test

The multicollinearity test means that there is a perfect or definite linear relationship between some or all variables that are independent of the existing model. As a result, this multicollinearity regression coefficient is not certain and the standard error is infinite. This multicollinearity test aims to test whether the regression model found a correlation between the independent variables. The method for testing the existence of this multicollinearity can be seen from the tolerance value or variance inflation factor (VIF). The limit of the tolerance value or variance inflation factor > 0.1 or the VIF value less than 10 means that there is no multicollinearity. The multicollinearity test was assisted by the SPSS version 22 program with the following results:

Table 2. of Multicollinearity Test Results

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	23,303	9,148		2,547	0,017		
TOTAL_X1	,581	,227	,407	2,562	0,016	,841	1,189
TOTAL_X2	,298	,185	,269	1,612	,119	,761	1.313
TOTAL_X3	-,380	,197	-,299	-1,933	,064	,890	1.123
TOTAL_X4	,322	,241	,216	1.338	,192	,819	1,221

a. Dependent Variable: TOTAL\_Y1

Source: Processed data, 2020

Based on the table above, it can be concluded that all independent variables in this study have no multicollinearity.

3) Heteroscedasticity Test

The results of processing the heteroscedasticity test data using the SPSS version 22 program show that there is no clear pattern such as points spread above and below the number 0 on the Y axis, so there is no heteroscedasticity.

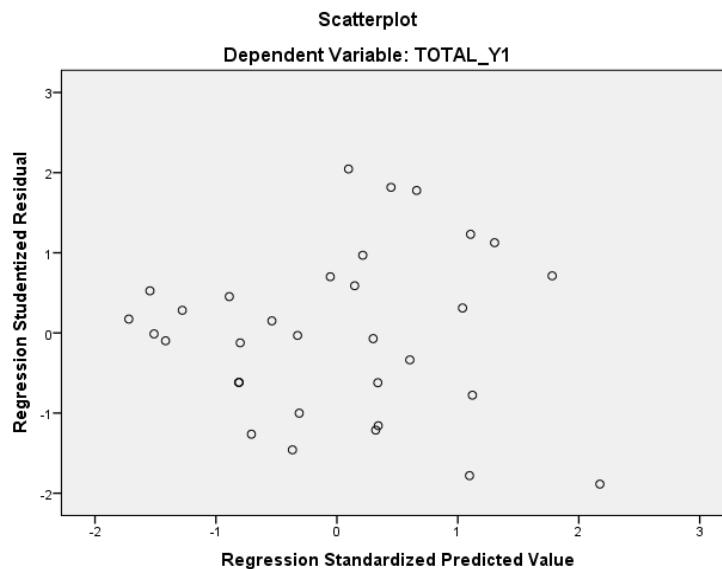


Figure 2. Heteroscedasticity test

Source: Processed data, 2020

Hypothesis testing

1) F Test (Simultaneous)

The F test was conducted to find out how the variables of Management Support, Competence, Organizational Culture and Professional Ethics influence the effectiveness of Internal Audit together or simultaneously.

Table 3. Simultaneous Test Results Table

ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	91,786	4	22,946	5,008	,004b
Residual	123.714	27	4,582		
Total	215,500	31			

a. Dependent Variable: TOTAL\_Y1

b. Predictors: (Constant), TOTAL\_X4, TOTAL\_X1, TOTAL\_X3, TOTAL\_X2

Source: Processed data, 2020

Based on the table above, it shows a significant value of F that Fcount is 5,008 > Ftable, which is 2,728 with a significance level of 0.004 less than 0.05. This shows that Management Support (X1), Competence (X2), Organizational Culture (X3) and Professional Ethics (X4) have a significant effect on Internal Audit Effectiveness (Y).

2) t test (Partial)

The t-test was conducted to determine whether there was an effect of the independent variables, namely Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit individually or partially.

Table 4. Partial Test Results Table

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	23,303	9,148		2,547	0.017		
TOTAL_X1	,581	,227	,407	2,562	0.016	,841	1,189
TOTAL_X2	,298	,185	,269	1,612	,119	,761	1.313
TOTAL_X3	-,380	,197	-,299	-1,933	,064	,890	1.123
TOTAL_X4	,322	,241	,216	1.338	,192	,819	1,221

a. Dependent Variable: TOTAL\_Y1

(a) Partial Effect of Management Support (X1) on Internal Audit Effectiveness (Y).

The results of the hypothesis test show that it is known that the tcount value for the variable Management Support (X1) is 2,562 while the ttable with a real rate ( $\alpha$ ) of 5% (0.05) and  $df = nk = (32-5) = 27$  is 2.052, so it can be concluded that Ha2a is accepted and H02a is rejected because tcount > t table with numbers 2,562 > 2,052. The results of individual hypothesis testing for the Management Support variable (X1) indicate that this variable significantly affects the internal audit effectiveness variable (Y). This is illustrated by the rejection of H02a and the acceptance of Ha2a and the significance value of X1of 0.016 because the value of t

## Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness

sig <0.05 = 0.016 <0.05, meaning that it has a positive and significant effect. The conclusion is that Management Support significantly affects the effectiveness of internal audit.

### (b) Partial Effect of Competence (X2) on Internal Audit Effectiveness (Y).

The results of the hypothesis test show that the tcount value for the Competency variable (X1) is 1.612 while the ttable with a real rate ( $\alpha$ ) of 5% (0.05) and  $df = nk = (32-5) = 27$  is 2.052, so it can be concluded that Ha2b is rejected and H02b is accepted because  $tcount > t$  table with numbers  $1.612 < 2.052$ . The results of individual hypothesis testing for the Competency variable (X2) indicate that this variable does not affect the Effectiveness of Internal Audit (Y). This is illustrated by the acceptance of H02b and the rejection of Ha2b and the significance value of X2 of 0.119 because the value of  $t$  sig  $> 0.05 = 0.119 > 0.05$ . So the conclusion is that Competence does not affect and is not significant to the Effectiveness of Internal Audit.

### (c) Partial Influence of Organizational Culture (X3) on Internal Audit Effectiveness (Y).

The results of the hypothesis test show that the tcount value for the variable implementation of Organizational Culture (X3) is -1,933 while the ttable with a real rate ( $\alpha$ ) of 5% (0.05) and  $df = nk = (32-5) = 27$  is 2.052, so it can be concluded that Ha2c is rejected and H02c is accepted because  $tcount < t$  table with numbers  $-1.933 < 2.052$ . The results of the individual hypothesis test for the Organizational Culture variable (X3) indicate that this variable does not affect the internal audit effectiveness variable (Y). This is illustrated by the acceptance of H02c and the rejection of Ha2c and the significance value of X3 of 0.064 because the value of  $t$  sig  $> 0.05 = 0.064 > 0.05$ , it means that it has no positive and significant effect. The conclusion is that Organizational Culture does not affect and does not significantly affect the effectiveness of internal audit.

### (d) Partial Effect of Professional Ethics (X4) on Internal Audit Effectiveness (Y).

The results of the hypothesis test show that the tcount value for the Professional Ethics variable (X4) is 1.338 while the ttable with a real rate ( $\alpha$ ) of 5% (0.05) and  $df = nk = (32-5) = 27$  is 2.052, so it can be concluded that it is concluded that Ha2d is rejected and H02d is accepted because  $tcount < t$  table with numbers  $1.338 < 2.052$ . The results of the individual hypothesis test for the Professional Ethics variable (X4) indicate that this variable does not affect the Internal Audit Effectiveness (Y). This is illustrated by the acceptance of H02d and rejection of Ha2d and the significance value of X4 of 0.192 because the value of  $t$  sig  $> 0.05 = 0.192 > 0.05$ . So the conclusion is that Professional Ethics does not affect and is not significant to the Effectiveness of Internal Audit.

## 3) Regression Test Results

This study aims to see the effect of Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit by using SPSS version 22.

**Table 5. Regression Test Results**

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	23,303	9,148		2,547	0,017
TOTAL_X1	,581	,227	,407	2,562	0,016
TOTAL_X2	,298	,185	,269	1,612	,119
TOTAL_X3	-,380	,197	-,299	-1,933	,064
TOTAL_X4	,322	,241	,216	1,338	,192

a. Dependent Variable: TOTAL\_Y1

The results of multiple linear regression examined on the variables of Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit. The regression equation used in this study is as follows:

Equation I:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

$$Y = 23.303 + 0.581X_1 + 0.298X_2 + (-0.380)X_3 + 0.322X_4$$



## **Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness**

The constant value of 23.303 means that if all independent variables are considered constant, namely Management Support (X1), Competence (X2), Organizational Culture (X3) and Professional Ethics (X4), the value of the dependent variable, namely Internal Audit Effectiveness (Y) is 23,303. The results of the study showed that the regression coefficient of Management Support (X1) was 0.581 with a significant value of 0.016. The significant value of 0.016 is smaller than 0.05 so that Management Support (X1) has an influence on Internal Audit Effectiveness (Y). The conclusion of the first hypothesis, namely the influence of Management Support on Internal Audit Effectiveness, is accepted.

The result of the research is the competency regression coefficient value (X2) is 0.298 with a significant value of 0.119. The significant value of 0.119 is greater than 0.05 so that Competence (X2) has no effect on Internal Audit Effectiveness (Y). The conclusion of the second hypothesis, namely the influence of Competence on Internal Audit Effectiveness, is rejected. The results of the research that the regression coefficient value of Organizational Culture (X3) is -0.380 with a significant value of 0.064. The significant value of 0.064 is greater than 0.05 so that Organizational Culture (X3) has no influence on the Effectiveness of Internal Audit (Y). The conclusion of the third hypothesis, namely the influence of Organizational Culture on Internal Audit Effectiveness, is rejected.

The results of the study showed that the regression coefficient of Professional Ethics (X4) was 0.322 with a significant value of 0.192. The significant value of 0.192 is greater than 0.05 so that Professional Ethics (X4) has no effect on Internal Audit Effectiveness (Y). The conclusion of the fourth hypothesis, namely the influence of Professional Ethics on Internal Audit Effectiveness, is rejected.

## **DISCUSSION**

### **The Effect of Management Support, Competence, Organizational Culture and Professional Ethics on the Effectiveness of Internal Audit Together.**

Based on the results of the analysis using SPSS 22 and hypothesis testing, it shows that Ha1 is accepted and H01 is rejected, which means that Management Support, Competence, Organizational Culture and Professional Ethics have a significant effect on the Effectiveness of Internal Audit. These results indicate that the better Management Support, Competence, Organizational Culture and Professional Ethics, the higher the level of Internal Audit Effectiveness.

Management support, competence, organizational culture and professional ethics are one of the important indicators an auditor has in supporting the effectiveness of internal audit. The results of this study indicate that the effectiveness of internal audit within the State-Owned Enterprises (BUMN) in Palembang City really needs management support, competence, organizational culture and professional ethics in the results issued by the auditors.

The results of this study are in line with research conducted by Zulkifli et al (2014) which states that management support and competence have a positive and significant effect on the effectiveness of internal audit. And shows that the greater the effectiveness will depend on audit competence and management support. And this research is also in line with Hadi and Bambang (2016), Badara and Saidin (2014), Leonardo Aries, Rita Anugrah and Andreas (2017), Dea and Haryanto (2016), Zulkifli et al (2014), Restu and Nastia (2013), Seif (2017) Christony and Novi (2017), Ni Wayan, Edy Sujana and Made Arie Wahyuni (2017), Amin and Choyroh (2012) state that management support, competence, organizational culture and professional ethics have a significant effect on the effectiveness of internal audit.

### **The Effect of Management Support on the Effectiveness of Internal Audit**

Based on the results of the analysis using SPSS 22 and hypothesis testing, it shows that Ho2a is rejected and Ha2a is accepted, which means that management support significantly affects the effectiveness of internal audit, this shows that the better management support, the higher the level of Internal Audit Effectiveness. In realizing the creation of the effectiveness of internal audit, it is impossible for only one party to strive to achieve this, but there must be strong support from the internal and external environment (Rahaditya and Darsono, 2015). Management support is top management's commitment to support auditors in carrying out their duties and responsibilities, as well as by providing facilities and infrastructure.

This is in line with research conducted by Hadi and Bambang (2016), Zulkifli et al (2014), Badara and Saidin (2014), Leonardo Aries, Rita Anugrah and Andreas (2017), Dea and Haryanto (2016) stated that management support has an effect on on the effectiveness of internal audit. However, this study is not in line with research conducted by Rheza and Darsono (2015) and Irfan and Suriana (2017) which states that management support does not have a significant effect on the effectiveness of internal audit.

### **The Effect of Competence on the Effectiveness of Internal Audit**

Based on the results of the analysis using SPSS 22 and the hypothesis testing conducted, it shows that Ho2b is accepted and Ha2b is rejected, which means that competence has no and no significant effect on the effectiveness of internal audit. Competence as well as education is basically the main technical standard in conducting audits. However, the competencies related to education

## **Management Support, Competence, Organizational Culture and Professional Ethics on Internal Audit Effectiveness**

here have a variety of levels of auditors, this can determine the competence of the auditors, the higher the competence of the auditors, the more capable the auditors are in finding errors.

This result is in line with research by Leonardo Aries, Rita Anugrah and Andreas (2017) which states that competence has no effect on the effectiveness of internal audit. However, this study is not in line with research by Zulkifli et al (2014), Restu and Nastia (2013) which states that competence has a positive effect on the effectiveness of internal audit.

### **The Influence of Organizational Culture on the Effectiveness of Internal Audit**

Based on the results of the analysis using SPSS 22 and the hypothesis testing conducted, it shows that Ho2c is accepted and Ha2c is rejected, which means that organizational culture has no and no significant effect on the effectiveness of internal audit. The results of this study are in line with Susilawati (2018) which states that organizational culture does not affect the effectiveness of internal audit. And this result is not in line with previous research, Christony and Novi (2017) stated that organizational culture has a positive effect and also Ni Wayan Eka et al. (2017) stated that organizational culture has a positive influence on effectiveness.

### **The Effect of Professional Ethics on the Effectiveness of Internal Audit**

Based on the results of the analysis using SPSS 22 and hypothesis testing, it shows that Ho2a is accepted and Ha2a is rejected, which means that professional ethics has no effect and is not significant on the effectiveness of internal audit. Ethics is defined as a personal discipline in relation to the environment, professional ethics includes the attitude standards of members of the profession. The main role of an auditor is to provide a review in terms of an objective and independent party, but in this case it is seen that there is a lack of internal audit role that has a bad influence. However, this study is not in line with the research of Amin and Choyroh (2012) that there is a positive influence of professional ethics.

## **4. CONCLUSIONS**

This study examines Management Support, Competence, Organizational Bdaya, and Professional Ethics have an influence on the Effectiveness of Internal Audit in State-Owned Enterprises in Palembang City. From the discussion and description in Chapter IV, it can be concluded that Management Support, Competence, Organizational Culture and Professional Ethics have a significant effect on the effectiveness of internal audit. Management support has a significant effect on the effectiveness of internal audit, Competence, Organizational Culture and Professional Ethics have no significant effect on the effectiveness of Internal Audit. And the conclusion from the aspect of the effectiveness of internal audit that management support there is a support such as facilities and infrastructure, competencies related to education, there are still various levels of auditors,

## **REFERENCES**

- 1) Alzeban dan William. 2014. Factors Affecting the Internal Audit Effectiveness. Vol 23, No 2
- 2) Amirullah. 2015. Pengantar Manajemen. Jakarta: Mitra Wacana Media.
- 3) Amir. 2012. Manajemen Strategik Konsep dan Aplikasi. Jakarta: Rajawali.
- 4) Anwar Sanusi. 2011. Metode Penelitian Bisnis. Jakarta: Salemba Empat.
- 5) Arens. 2017. Audit & Jasa Assurance: Pendekatan Terintegritas. Edisi 15. Jakarta: Erlangga
- 6) Arfan Ikhsan. 2019. Akuntansi Keperilakuan. Jakarta: Salemba Empat.
- 7) Badara dan Saidin. 2014. Empirical Evidence of Antecedent of Internal Audit Effectiveness From Nigerian Perspective. Middle East Journal of Scientific Research. Vol 19. Pp 460-469.
- 8) Betri. 2019. Pemeriksaan Manajemen. Palembang: NoerFikri.
- 9) Christony dan Novi. (2017). Pengaruh budaya organisasi dan gaya kepemimpinan terhadap kinerja audit internal. Vol 06, No. 01
- 10) Cohen dan Sayag. 2010. The Effectiveness of Internal Auditing: An Empirical Examination of Its Determinan InIsraeli Organisations Review 20.3, 296-307
- 11) Danang dan Burhanudin. 2015. Teori Perilaku Keorganisasian. Jakarta: CAPS.
- 12) Dea dan Haryanto (2016). Determinan Efektivitas Auditor Internal pada Inspektorat Provinsi Daerah Istimewa Yogyakarta. Vol 13, No. 2
- 13) Edison, et.al. 2016. Manajemen Sumber Daya Sumber. Bandung: Alfabeta.
- 14) Erni dan Donni. 2018. Kepemimpinan dan Perilaku Organisasi. Bandung: PT Refika Aditama.
- 15) Gusti. 2011. Audit Kinerja pada Sektor Publik. Jakarta: Salemba Empat.
- 16) Hadi dan Bambang (2016). Pengaruh sistem pengendalian intern, dukungan manajemen, dan audit profesionalism terhadap keefektifan audit internal. Vol XX, No 01
- 17) Hery. 2019. Auditing Dasar-Dasar Pemeriksaan Akuntansi. Jakarta: PT. Grasindo.
- 18) Ihyarul. 2012. Audit Sektor Publik. Jakarta: Bumi Aksara.

- 19) Indra Bastian. 2014. Audit Sektor Publik. Jakarta: Salemba Empat
- 20) Irfan dan Suriana (2017). Determinan Efektivitas Auditor Internal Pemerintah (Studi pada Kantor Inspektorat Provinsi Maluku Utara). Vol 14, No. 1
- 21) Irham Fahmi. 2013. Etika Bisnis. Bandung: Alfabeta
- 22) Leoardo Aries, Rita Anugrah dan Andreas. (2017). Pengaruh kompetensi, independensi dan dukungan manajemen terhadap efektivitas audit internal. Vol 5, No 2
- 23) Mulyadi. 2014. Auditing. Jakarta: Salemba Empat.
- 24) Ni Wayan, Edy Sujana dan Made Arie Wahyuni. (2017). Pengaruh budaya organisasi, gaya kepemimpinan dan pengalaman kerja terhadap efektivitas sistem pengendalian intern. Vol 7, No 1
- 25) Priyastama, Romie. 2017. Buku Sakti Kuasai SPSS. Bantul: PT. Anak Hebat Indonesia.
- 26) Restu dan Nastia. (2013). Pengaruh kompetensi, independensi dan profesionalisme terhadap kualitas audit. Vol 21, No 3
- 27) Rheza dan Darsono. (2015). Pengaruh pengalaman auditor, manajemen risiko, pendidikan dan dukungan manajemen terhadap efektivitas audit internal. Vol 4, No.4
- 28) Romie. 2017. Spss Pengolahan Data & Analisis Data. Yogyakarta: Start Up.
- 29) Romney, Marshal B., dan Steinbart, Paul John. 2009. Accounting Information Systems. USA: Cengage Learning.
- 30) Sawyer. 2005. Internal Auditing. Jakarta: Salemba Empat
- 31) Seif Obeid (2017). Internal Auditing Effectiveness Success Model: A Study on Jordanian Industrial Firms.
- 32) Soemarso. 2018. Etika dalam Bisnis & Profesi Akuntan dan Tata Kelola Perusahaan. Jakarta: Salemba Empat.
- 33) Stephen et.al. 2015. Akuntansi Manajemen Teori dan Aplikasi. Yogyakarta: Pustaka.
- 34) Sukrisno Agoes. 2013. Auditing Petunjuk Praktis Pemeriksaan Akuntan oleh Akuntan Publik Edisi 4 Buku 1. Jakarta: Salemba Empat.
- 35) Sunardi dan Anita. 2015. Pengantar Bisnis: Konsep, Strategi dan Kasus. Yogyakarta: CAPS.
- 36) Sunyoto, Danang. 2016. Metodologi Penelitian Akuntansi. Bandung: PT. Refika Aditama.
- 37) Sutrisno Edy. 2011. Manajemen Sumber Daya Manusia. Jakarta: Kencana.
- 38) Uma. 2017. Metodologi Penelitian Bisnis. Jakarta: Salemba Empat
- 39) Wibowo. 2017. Manajemen Kinerja Edisi Lima. Jakarta: PT RajaGrafindo Persada.
- 40) William, Steven, dan Douglas. 2014. Jasa Audit dan Assurance: Pendekatan Sistematis. Jakarta: Salemba Empat.
- 41) Wiratna. 2018. Metode Penelitian: Lengkap, Praktis, dan Mudah Dipahami. Yogyakarta: Pustaka Baru Press.
- 42) Zavara, Hiro dan Muslih. (2016). Pengaruh etika auditor dan fee audit terhadap kualitas audit. Vol 3, No.3
- 43) Zulkifli Baharudin, Alagan Shokiyah, and Mohd Serjana Ibrahim (2014). Factor that Contribute to the Effectiveness of Internal Audit in Public Sector. V70. 24



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.