
THE INFLUENCE OF INTERNAL CONTROL ON GOOD CORPORATE GOVERNANCE IN PT POS INDONESIA (PERSERO) BANDUNG CITY

Azka Salsabila

Universitas Padjadjaran, Indonesia

Salsabilaazka05@gmail.com

Abstract : This study aims to determine the effect of internal control on good corporate governance. The factors tested in this study are the independent variable is internal control, while the dependent variable is good corporate governance. The research method used is the verification method. The population in this study is the internal auditor at the Internal Supervisory Unit (SPI) at PT Pos Indonesia (Persero) Bandung City, amounting to 36 employees. The sampling technique used is a non-probability sampling technique with a total sampling technique, so that the number of samples is 36 employees. The analytical method used is simple linear regression analysis using the SPSS Version 25.00 program. The results of the study indicate that internal control and good corporate governance are included in the fairly good category. In addition, the results of hypothesis testing show that internal control has an effect on good corporate governance at PT Pos Indonesia (Persero) Bandung City. The magnitude of the influence of internal control in contributing to the influence of good corporate governance is 44.9%.

Keywords: Internal Control, Good Corporate Governance.

INTRODUCTION

Along with the increasing level of competition in the business world, it requires every company to be able to implement good corporate governance. Currently, almost all companies, whether private, state-owned, and regionally owned, have implemented good corporate governance in achieving company goals. Good governance is a function of governing, one of which contains the principle of providing good public services by government officials in all aspects of life. Basically, good governance is the implementation of a solid and responsible state government, as well as efficiency and effectiveness by maintaining a synergistic constructive interaction between state domains, the private sector and society (Kurniawan, 2015:16).

One of the companies that are required to implement good corporate governance is a company that is included in the State-Owned Enterprises (BUMN). This is in accordance with the Regulation of the Minister of State-Owned Enterprises Number: PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises which states that SOEs are required to implement GCG consistently and sustainably by referring to the Ministerial Regulation. with due observance of the applicable provisions and norms, as well as the articles of association of SOEs. State-Owned Enterprises, hereinafter referred to as SOEs, are business entities whose entire or most of the capital is owned by the State through direct participation originating from separated state assets (Peraturan Menteri Badan Usaha Milik Negara, 2011).

In general, the purpose of implementing good corporate governance in State-Owned Enterprises (BUMN) is to optimize the value of SOEs so that companies have strong competitiveness, both nationally and internationally, so that they are able to maintain their existence and live sustainably to achieve the goals and objectives of SOEs (Peraturan Menteri Badan Usaha Milik Negara, 2011). Good corporate governance is a set of rules that regulate the relationship between holders, management (managers) of the company, creditors, government, employees, and other internal and external stakeholders relating to their rights and obligations or in other words a system that controls company. The purpose of corporate governance is to create added value for all interested parties (Sedarmayanti, 2014:52).

In fact, there are still various cases that show the weak implementation of good corporate governance in State-Owned Enterprises (BUMN). Based on information quoted from the 2015 article www.tribunnews.com, it was stated that the Deputy Speaker of the DPR, Agus Hermanto, assessed that Rini Soemarno as the Minister of BUMN had not been able to make BUMN companies into good corporate governance. Agus Hermanto also assessed that there are still many things that must be addressed in BUMN, especially in terms of good corporate governance. State-owned companies have not shown a change in corporate governance for the better. The Ministry of SOEs pays less attention to good corporate governance (Zulfikar, 2015). One of the cases where good corporate governance is still weak in State-Owned Enterprises (BUMN) is PT Pos Indonesia (Persero). PT Pos Indonesia (Persero) which is one of the largest State-Owned Enterprises in the field of Services in Indonesia which provides Courier and Logistics Services. Being the oldest company with an age of 270 years, as well as being supported by a very wide network and tens of thousands of employees is not a guarantee that the company can provide good services (Pos Indonesia, 2022).

Information quoted from the 2016 www.gresnews.com article stated that M Rum as the Head of the Attorney General's Legal Information Center stated that there were a number of corruption cases that occurred at PT Pos Indonesia. The Attorney General's Office revealed a corruption case in the procurement of Portable Data Terminal (PDT) at PT Pos Indonesia regarding alleged corruption related to the cost of sending Social Protection Cards (KPS). M Rum said that the procurement funds were used, among other things, to buy cell phones and handed over to the operational area leadership. As evidence of accountability for funds, the heads of the UPT were forced to make evidence with fake receipts or marked up payment receipts. In 2016, the Attorney General's Office uncovered another case by PT Pos Indonesia related to the procurement of PDT. From the results of BPKP's calculation, the state loss in this case is estimated at Rp. 9.56 billion. The PDT procurement case that occurred out of 1725 PDT tools purchased was only 50 functioning tools, and the tools did not meet the specifications stated in the contract. The case of corruption that occurs shows that good corporate governance is still weak at PT Pos Indonesia, this cannot be separated from the less than optimal implementation of internal control (Rahman, 2016).

In addition, the latest case regarding the weakness of good corporate governance at PT Pos Indonesia (Peresero) quoted from the article www.kumparan.com in 2019 stated that the PT Pos Indonesia Strong Dignified Workers Union (SPPIKB) together with employees and female employees of PT Pos

Indonesia (Persero) took action the crowd in front of the Postal Building and moved to the Ministry of SOEs to express some demands. Starting from the wage system, reshuffle of directors, to the insistence on improving corporate governance in the future. Secretary General of SKPPIKB Hendri Joni said that the action taken by his party was the culmination of disappointment from various problems faced by employees and the company for the past three years. In addition, there is miss management in corporate governance, namely the remediation (regeneration) payroll management system, a career pattern system that does not match employee expectations, is not objective, not done fairly, then union boosting (basting) also performs unprocedural layoffs for 6 employees. Hendri said that the implementation of internal control that was not optimal was also the cause of miss management in corporate governance. Hendri also mentioned that the corporate governance of PT Pos Indonesia (Persero) which was considered not working well caused a multiplier effect. For example, the disparity or salary gap which he thinks is unreasonable. Not only that, he said, various financial problems have also occurred among employees. Such as overtime pay and escort fees which are considered not to be in accordance with the provisions. The mass action demanded that the government replace the directors and improve the corporate governance of PT Pos Indonesia (Persero) (Abdullah, 2019).

From the description above, one of the efforts that can be made to create a company that is able to implement good corporate governance practices is to improve the internal control system. one of the efforts that can be made to realize a company that is able to implement good corporate governance practices is to improve the company's internal control. Internal control is a set of policies and procedures to protect the assets or assets of the company from all forms of abuse, ensure the availability of accurate company accounting information, and ensure that all legal provisions (regulations) and management policies have been complied with or carried out properly by the company. all employees of the company (Hery, 2016:159). The general goals of management in designing an effective internal control system are financial reporting reliability, operating efficiency and effectiveness, and compliance with laws and regulations (Arens et al., 2014:198). Internal control in the company, encourages and helps companies to implement good corporate governance in their business activities. The company's internal control system still needs improvement, this also affects the need for further improvements to the implementation of the principles of good corporate governance as well (Widjaja & Mustamu, 2014). Effective internal control will encourage the application of good corporate governance principles (Kristiana et al., 2017).

Internal control is a process designed, implemented and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives relating to the reliability of financial statements, operating efficiency and effectiveness, and compliance with laws and regulations (Agoes, 2017:162). According to Agoes (2017:162), the indicators for the internal control system are as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities

4. Information and Communication
5. Monitoring

Good corporate governance is a set of regulations that regulate the relationship between shareholders, management (managers) of the company, creditors, government, employees, and other internal and external stakeholders relating to their rights and obligations or in other words a system that controlling the company (Agoes & Ardana, 2017:101). According to Agoes & Ardana (2017:101), the principles of corporate governance include five things, as follows:

1. Fairness
2. Transparency
3. Accountability
4. Accountability
5. Independence

The general goals of management in designing an effective internal control system are financial reporting reliability, operating efficiency and effectiveness, and compliance with laws and regulations (Arens et al., 2014:198). The company's internal control system encourages and helps companies to implement good corporate governance in their business activities. The company's internal control system still needs improvement, this also affects the need for further improvements to the implementation of the principles of good corporate governance as well (Widjaja & Mustamu, 2014). Through the implementation of all elements of internal control, it can contribute to strengthening the principles of good corporate governance (Al-Zwyalif, 2015). The better the internal control, the better the implementation of good corporate governance will be (Anamukti et al., 2015). Effective internal control will encourage the application of good corporate governance principles (Kristiana et al., 2017).

Ho: Internal control has no effect on good corporate governance.

Ha: Internal control has an effect on good corporate governance.

METHODS

The research methodology used in this research is verification. The population in this study is the internal auditor at the Internal Supervisory Unit (SPI) at PT Pos Indonesia (Persero) Bandung City, amounting to 36 employees. The sampling technique used is a non-probability sampling technique with a total sampling technique, so the number of samples is 36 employees. The types and sources of data used were primary data, while the data collection technique used a questionnaire. The independent variable is internal control, while the dependent variable is good corporate governance. Analysis of the data used is simple linear regression analysis using SPSS Version 25.00 program.

RESULTS AND DISCUSSION

Table 1. Recapitulation of Respondents' Responses Regarding Internal Control Variables

Number	Indicator	Actual Score	Ideal Score	%	Mean Score	Category
1	Control Environment	598	900	66,40	3,32	Fairly Good
2	Risk Assessment	323	540	59,81	2,99	Fairly Good

3	Control Activities	782	1260	62,06	3,10	Fairly Good
4	Information and Communication	377	540	69,81	3,49	Good
5	Monitoring	313	540	57,96	2,90	Fairly Good
	Total	2.393	3.780	63,31	3,17	Fairly Good

Source: Data processed

Based on table 1. above, the internal control variable shows that the total value of the actual score is 2,393, the ideal score is 3,780, the percentage value is 63.31%, and the mean score of 3.17 is included in the pretty good category. This shows that the implementation of internal control shown by PT Pos Indonesia (Persero) Bandung City is included in the fairly good category.

Table 2. Recapitulation of Respondents' Responses Regarding Business Performance Variables Based on Balance Score Card

Number	Indicator	Actual Score	Ideal Score	%	Mean Score	Category
1	Fairness	248	360	68,89	3,44	Fairly Good
2	Transparency	215	360	59,72	2,99	Good
3	Accountability	239	360	66,39	3,22	Fairly Good
4	Accountability	249	360	69,17	3,46	Good
5	Independence	217	360	60,28	3,01	Fairly Good
	Total	2.962	4.400	67,32	3,37	Fairly Good

Source: Data processed

Based on table 2. above, the good corporate governance variable shows that the total value of the actual score is 1,168, the ideal score is 1,800, the percentage value is 64.89%, and the mean score of 3.24 is included in the pretty good category. This shows that the implementation of good corporate governance shown by PT Pos Indonesia (Persero) Bandung City is included in the fairly good category.

Table 3. Simple Linear Regression Analysis

Variabel	Koefesien
C	0,756
Internal control	0,655

Source: SPSS Output Results

Based on table 3. above shows that the regression equation model formed is:

$$Y = 0,823 + 0,650 X$$

Based on the regression equation above, it shows that the internal control variable has a positive influence on the good corporate governance variable.

Table 4. Hypothesis Testing

Variable	t-Value	P-Value	Results
Internal control	5,266 > 2,032	0,000 < 0,05	H _a Accepted

Source: SPSS Output Results

Based on table 4. above, it shows that the internal control variable has an effect on the good corporate governance variable.

Table 5. Testing the Coefficient of Determination

Description	Value	Percentage
R-squared	0,449	44,9%

Source: SPSS Output Results

Based on table 5. above, it shows that the magnitude of the influence of the internal control variable on the good corporate governance variable is 44.9%.

The Influence of Internal Control on Good Corporate Governance

The results show that internal control has an effect on good corporate governance. Internal control is a process designed, implemented and maintained by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives relating to the reliability of financial statements, operating efficiency and effectiveness, and compliance with laws and regulations (Agoes, 2017:162). The general goals of management in designing an effective internal control system are financial reporting reliability, operating efficiency and effectiveness, and compliance with laws and regulations (Arens et al., 2014:198).

The company's internal control system encourages and helps companies to implement good corporate governance in their business activities. The company's internal control system still needs improvement, this also affects the need for further improvements to the implementation of the principles of good corporate governance as well (Widjaja & Mustamu, 2014). Through the implementation of all elements of internal control, it can contribute to strengthening the principles of good corporate governance (Al-Zwyalif, 2015). The better the internal control, the better the implementation of good corporate governance will be (Anamukti et al., 2015). Effective internal control will encourage the application of good corporate governance principles (Kristiana et al., 2017). The results of this study are supported by research conducted by Rahayu (2014), Anamukti et al. (2015), Kristiana et al., (2017). The results of the study show that internal control has an effect on good corporate governance.

CONCLUSIONS

Based on the results of the study, it can be concluded that the analysis of internal control factors and good corporate governance shown by PT Pos Indonesia (Persero) Bandung City is included in the fairly good category. In addition, the results of the study show that internal control has an effect on good corporate governance.

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