

The Influence of Internal Audit on the Implementation of Good Corporate Governance (A Survey on Three BUMN in Bandung City)

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ABSTRACT

This study aims to determine the effect of internal audit on the implementation of good corporate governance (GCG). Methods and analysis of quantitative data analysis using the SPSS approach. So, the sample size must meet the minimum sample size with the IBM SPSS version 25 software. In this study using the maximum likelihood estimation method. The sample in this study was 77 respondents. The results showed that F_{count} is greater than F_{table} ($33.669 > 2.34$) and a significance value of 0.000, 0.05, so H_0 is rejected and H_1 is accepted, which means that simultaneously independence and objectivity, accuracy and professional skills, assurance program and quality improvement, monitoring of progress, and code of ethics have a significant effect on GCG.

Keywords

Independence and objectivity; assurance program and improving the quality of progress monitoring; internal audit code of ethics; application of the principles of good corporate governance

Introduction

The government has begun to introduce the concept of GCG in SOEs with the Decree of the Minister of BUMN No. Kep-117 / M-MBU / 2002 dated 1 August 2002 concerning the Implementation of Good Corporate Governance Practices in State-Owned Enterprises, emphasizes the obligation for SOEs to implement GCG consistently and / or make GCG principles as their operational basis.

The weak implementation of GCG in companies is alleged to have resulted in the growth of practices such as corruption, collusion, nepotism, so that the company cannot achieve its goals of maximum profit, is unable to develop the company in business competition and cannot fulfill the various interests of stakeholders.

In the case of PT. Jiwasraya Insurance (Jiwasraya) and PT. The Republic of Indonesia Armed Forces Social Insurance (Asabri) has problems judged because of poor implementation of corporate governance or GCG. The Research Director of the Center of Reforms on Economics (CORE), Jiwasraya and Asabri management should closely monitor investment placements. In the Jiwasraya and Asabri cases, the impression was that there was an omission of the purchase of asset values

that fell to a very low value (republika.co.id, 2020).

In addition, in the case of smuggling of Harley Davidson motorbikes and 2 Brompton bikes by Garuda Indonesia, there were violations of GCG. BUMN observer Toto Pranoto said that the former President Director of PT Garuda Indonesia I Gusti Ngurah Ashkara Danadiputra or Ari Askhara did not carry out good GCG rules by not carrying out the rules of procedure for luggage on aircraft properly (klikpositif.com, 2019).

Based on the information above, it can be concluded that the GCG guidelines have not been properly implemented by BUMN companies. The rampant corruption cases in BUMN have not shown the implementation of the GCG pillars in realizing clean SOEs, including in the case of corruption. There are basic principles that develop a code of ethics and other principles to prevent crimes that are against the law, namely the principle of transparency, the principle of accountability, the principle of responsibility, the principle of independence, and the principle of fairness. If applied, these GCG principles will be able to prevent acts of corruption because the principles are not only developing a code of ethics and principles to avoid crimes that are against the law, but also concerning transparency, non-

discrimination, clear responsibility, and public control media. (Ivo & Elizabeth, 2017).

To realize GCG in BUMN companies, the role of internal auditors is needed to encourage the realization of a clean and transparent company business management. An effective internal audit function is a very important and positive contribution to improving corporate governance processes.

Vita Novrita (2012) explains that the relationship between internal audit and GCG can be seen from the definition of internal audit, implied by the purpose of internal audit, which is to help all management members carry out their responsibilities effectively, by providing analysis, assessment, recommendations, suggestions and information from operations or activities of the companies that he inspects. There are four main activities of internal audit, namely compliance, operational, verification, and evaluation.

Literature Review

Theory Basis

Independence and objectivity

Organizational independence can be fulfilled when the leadership of the internal auditor has submitted a report on the organization's independence to the supervisory board, at least once a year and the submitted report is in the form of auditee management approval regarding the internal audit program, audit planning, budget and internal audit resources and others.

Zamzami, Faiz et al. (2015) stated that independence is freedom from threats to carry out one's responsibilities in an impartial manner. International Professional Practices Framework (IPPF) (2016) explains that independence and objectivity are as follows: "The head of internal audit must be accountable to a level within the organization. The chief audit executive must report the organization's independence on internal audit activities to the board, at least annually".

Professional skills and accuracy

Collectively, the internal audit activity must have the knowledge, skills and other competencies needed to carry out its responsibilities.

Febriyanti (2014) due professional care is due diligence and thoroughness in the use of professional skills. An auditor must have the level of skills generally possessed by auditors and must use these skills with due care and due care. For this reason, the auditor is required to have sufficient confidence in evaluating audit evidence. IPPF (2016) explains that professional skills and accuracy are assignments that must be carried out using professional expertise / skills and accuracy.

Quality assurance and improvement program

The quality assurance and improvement program is a program designed to evaluate the application of the code of ethics and internal audit activities against its standards and this program serves as an assessment tool and the effectiveness of internal audit so as to determine opportunities for improvement.

Monitoring progress

Monitoring and evaluation is an activity to evaluate and monitor as well as recommend operational aspects of the development of internal control activities in work units. Development monitoring can be carried out by both external and internal auditors.

Monitoring activities are related to the continuous or periodic assessment of the quality of internal controls by management to determine if these controls are operating as expected, and have been modified according to changing conditions. Monitoring is carried out to ascertain whether internal control has been implemented adequately or not. From the results of the monitoring, it can be seen that the weaknesses in control can be proposed so that better control can be proposed (Kompasiana.com, 2015).

Internal audit code of conduct

Valery G. Kumaat (2011) The Internal Audit Code of Ethics is the principles of personality and

professional ethics that must be known and bind every Internal Auditor.

The internal audit code of ethics is a guideline for all internal auditors, which states that the internal auditors must:

1. Must be honest, objective, and serious in carrying out the profession.
2. Must be loyal to the organization or to the party served.
3. Must be able to refrain from activities that may conflict with the interests of the organization, or activities that can give rise to prejudice, which doubt his ability to carry out his duties and fulfill his professional responsibilities.
4. Must not accept anything in any form from employees, clients, customers, suppliers, or business partners of their organization, which can reasonably be suspected to affect their professional judgment.

These principles include, for example, personal integrity, independence, compliance with the audit charter, maintaining company confidentiality, the obligation to develop competencies in accordance with business dynamics and so on.

Good corporate governance

GCG is an important part of the company to manage existing activities, because this system is transparent, so it can help the company achieve the expected goals and ultimately increase the company's value.

Muh. Arief Effendi (2016) GCG is a system designed for professional company management with the principles of transparency, accountability, responsibility, independence, fairness and equality.

Regulation of the Minister of State for SOEs Number: PER-01 / MBU / 2011 concerning the implementation of Good Corporate Governance in State-Owned Enterprises, which emphasizes the obligation for BUMN to implement GCG consistently and / or make GCG principles as their operational basis.

Framework of Thought

Internal audit is an activity that is free, honest, independent and objective so that it can provide objective assurance of confidence and to help add value to the organization's operations. Internal audit activities through examinations will help the organization to achieve its objectives, namely in a systematic, disciplined way to evaluate and improve the effectiveness of risk management, organizational control. The purpose of Internal Audit itself is to assist members of management in carrying out their responsibilities effectively, an internal audit must be able to provide an analysis, assessment, recommendations, suggestions and information from the company's operations.

Based on the activities, objectives, scope and responsibilities of an internal audit, it can support the realization of a GCG system. Internal auditors have a very important role in helping to create a healthy and transparent organizational management.

The influence of independence and objectivity on good corporate governance

Internal auditors must be independent apart from the various activities being examined. Internal auditors are considered independent if they can carry out their work freely and objectively, so that they can play their maximum role in realizing GCG.

Independence is an important principle in implementing GCG.

Trimanto (2010) said the role of an independent internal auditor will be very important in implementing GCG in a company, where members of the internal auditors have no relationship with the directors, commissioners and major shareholders of the company.

The influence of skills and accuracy on good corporate governance

The role of internal audit in GCG is expected to work with good professional skills, who have knowledge and skills so as to maintain the trust of stakeholders. Furthermore, Leung and Ruud (in

Kiky Amelia Elsa, 2018) also stated that in carrying out their duties to improve effective governance, the internal audit function requires knowledge, skills and abilities".

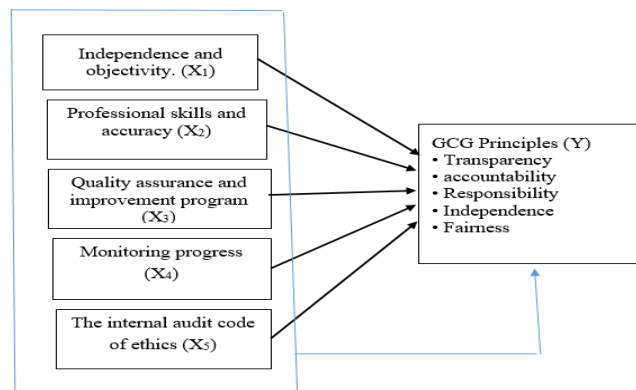
The influence of the assurance program and quality improvement on good corporate governance

The quality assurance and improvement program is regulated in the internal audit professional standard which is intended to ensure that the internal auditor unit has complied with the internal audit code of ethics. This program also assesses whether the internal audit activities have been carried out effectively and efficiently and identifies opportunities for improvement. This program can be done with an internal assessment approach and an external assessment. Thus, the assurance and quality improvement program acts as a means of controlling the quality of all aspects of the internal audit unit which in turn will increase the capability of the internal audit.

The influence of the internal audit code of ethics on good corporate governance

There are similarities between the code of ethics of the internal audit profession and the principles of GCG. So, if an internal auditor in his audit is inseparable from his professional code of ethics, it means that he also implements the principles of GCG. Therefore, the implementation of the internal audit professional code of ethics greatly supports the implementation of good GCG in the company.

The relationship between the code of ethics and the implementation of good corporate governance for the internal audit profession is that the code of ethics is very important and necessary in carrying out professional duties, especially regarding risk management, control and governance processes (Chartered Institute of Internal Auditors for the Professional Practice of Internal Auditing from January 1, 2013).



Based on the theoretical basis that comes from the framework described earlier in this study, the hypothesis is:

H1: Independence and objectivity affect good corporate governance.

H2: Professional skills and accuracy affect the implementation of GCG principles.

H3: The quality assurance and improvement program affects the implementation of GCG principles.

H4: Monitoring progress has an effect on the implementation of GCG principles.

H5: The internal auditor's code of ethics affects the implementation of GCG principles.

H6: Silmutan independence and objectivity (X_1), professional proficiency and accuracy (X_2), quality assurance and improvement program (X_3), development monitoring (X_4), and internal audit code of ethics (X_5) affect the implementation of GCG principles.

Methodology

Research Methods

The method in this study is a quantitative data analysis method with the SPSS approach. With it will be known the relationship between the variables studied so that conclusions will clarify the picture of the object under study.

Operational Research Variables

The independent variables in the study are independence and objectivity (X_1), the assurance program (X_2) and development monitoring (X_3), the internal audit code of ethics (X_4). The dependent variable is Good Corporate Governance, namely as variable Y.

Table 1. Variable operationalization

Dimension	Indicators	Size	Scale	Item
Independence and objectivity (X ₁) Independence and objectivity means that the head of internal audit must be responsible to a level within the organization and report the organization's independence on internal audit activities to the Board, at least once a year. Source: (IPPF, 2016).	Organizational independence	a) The leadership of the internal auditor is responsible to a level (Board) in the organization.	Ordinal	IO1.1.2
	Independence within	b) The leadership of the internal auditor reports the organization's independence on	Ordinal	IO2.1.2 .3.4
		The internal audit activity is free from the influence of the intervention and the impact of the reported information.		
	Individual objectivity	Internal auditors have an impartial attitude and are without prejudice, and avoid conflicts of interest that may arise	Ordinal	OI3.1
Professional Skills and Accuracy (X ₅) Assignments must be carried out using due professional care. Source: (IPPF, 2016)	Proficiency	a) Always improve other competencies needed in carrying out their duties.	Ordinal	KDKP1 .1.2.3.4
	Due Professional Care	b) Internal audit staff must obtain competent advice and assistance if they lack adequate competence.	Ordinal	KPP.2. 1.2.3.
		a) Careful and expert in carrying out internal audit activities.		
		b) Must consider the use of technology-based audit techniques.		
Assurance program (X ₃)	Confidentiality	c) Be aware of significant risks.	Ordinal	KPP.1. 1
		d) In carrying out consulting engagements, the client's needs and expectations must be considered.		
		Sharing of information is strictly prohibited unless there is a legal requirement that the auditor disclose the information.		

Assurance program (X ₃) A program with the aim of assessing whether the internal audit activities have been carried out effectively and efficiently and identifying opportunities for improvement. This program can be done with an internal assessment approach and an external assessment. Source: (IPPF, 2016)	Internal assessment	a) Continuous monitoring of the performance of the internal audit activity. b) Periodic self-assessment or by other parties in the organization who have adequate knowledge of internal audit standards and practices.	Ordinal	PA1.1.2
	External assessment	The chief audit executive must discuss the qualifications and independence of the external assessment (team), including possible conflicts of interest.	Ordinal	PA2.1.2
Development monitoring (X ₄) Development monitoring (X ₃) Apart from evaluating and monitoring activities, it also recommends operational aspects of the development of internal control activities. Source: (IPPF, 2016)	Disclosure of quality assurance and improvement program	Scope: assessors' conclusions and corrective action plan	Ordinal	PA3.1.2.3.4
	Follow-up monitoring.	a) Internal audit carries out continuous monitoring b) Internal audit must follow up on internal audit recommendations by monitoring and ensuring management has followed up on improvements effectively.	Ordinal	PP1.1.2.3
Internal audit code of ethics (X ₅) Internal audit code of ethics (X ₅)	Integrity	a) Internal auditors must carry out their work with honesty, accuracy, responsibility and diligence.	Ordinal	KE1.1.2.3.4

The rule of conduct assists internal auditors in interpreting principles and aims to direct ethical behavior. Source: (IIA, 2013)	Objectivity	b) Internal auditors must obey the law and make disclosures in accordance with the laws and professional rules	Ordinal	KE.2.1.2.3
		c) Internal auditors are prohibited from engaging in illegal activities or actions that discredit the profession of internal auditors or organizations		
	Competence	a) Internal auditors must not accept anything that may reduce their professional judgment	Ordinal	KE4.1.2.3
		b) Internal auditors can disclose all known material facts.		
Good Corporate Governance (Y) Good Corporate Governance (Y) Source: Financial and Development Supervisory Agency (BPKP), 2006	Transparency	The company must provide material and relevant information in a way that is easily accessible and understood by stakeholders regarding the structure and operations of the corporation.	Ordinal	GCGT.1.2.3.4
	Accountability	Clarity of functions, implementation and responsibilities of organs so that company management is carried out effectively.	Ordinal	GCGA.1.2.
	Responsibility	The responsibility of the company is not only given to shareholders as well as to stakeholders but also to other interested parties.	Ordinal	GCGP.1.2
	Independency	Each company organ does not dominate each other and cannot be intervened by other parties.	Ordinal	GCGI.1.
	Fairness	Companies must always pay attention to the interests of shareholders and other stakeholders based on the principles of equality and fairness.	Ordinal	GCGF.1

Research Objects

The survey research objects are independence and objectivity (X_1), Quality assurance and improvement program (X_2), Development monitoring (X_3), Internal audit code of ethics (X_4), Professional skills and accuracy (X_5) and Implementation of good corporate governance (Y) in Three state-owned companies (PT.Pindad,

PT.Dirgantara Indonesia, PT.LEN) in Bandung City.

Results and Discussion

Description of Research Results

Results of research instruments testing

Testing the validity and reliability, the author uses the IBM SPSS version 25 software tool.

The results of the independence and objectivity validity test

The value of the validity coefficient (r count) of each statement item on the independence and objectivity variables is greater than (rtable), namely 0.2242. The results of this validity test indicate that all statement items for the independence and objectivity variables are valid and can be used in further analysis.

Test results of the validity of the quality assurance and improvement program

The value of the validity coefficient (r count) of each statement item on the professional proficiency and accuracy variable is greater than (rtable) which is 0.2242. The results of this validity test indicate that all statement items for the professional proficiency and accuracy variables are valid.

The results of the validity test of progress monitoring

The validity coefficient (r count) of each statement item on the development monitoring variable is greater than (rtable), namely 0.2242 (valid).

The results of the code of ethics validity test

The value of the validity coefficient (r count) of each statement item on the code of ethics variable is greater than (rtable), namely 0.2242 (valid).

Good corporate government validity test results

The value of the validity coefficient (r count) of each statement item on the GCG variable is greater than (rtable), namely 0.2242 (valid).

The results of the independence and objectivity reliability test

Distribution of respondents' responses to the independence and objectivity variables as measured by 11 statement items and the 4 average

score was 4.27 (lowest) while the 11 score was 4.64 (highest). Of the 11 items given to 77 respondents, the total score obtained was 3790 with an average score of 4.47. Respondents' responses to independence and objectivity were very good.

The results of professional skill and accuracy reliability test results

Distribution of respondents' responses to the professional skill and accuracy variable as measured by 10 statement items and the average score of 5 is 3.78 (lowest) while the scores 1 and 2 are 4.70 on average (highest). Of the 10 statement items given to 77 respondents, the total score obtained was 3386 with an average score of 4.40. Respondents' responses to professional skills and accuracy were very good.

The results of the reliability test of the quality assurance and improvement program

Distribution of respondents' responses to the variable of the assurance program and quality improvement as measured by 4 statement items and the 4 average score was 4.32 (lowest) while the 1st score was 4.42 (highest) on average. 4 statement items were given to 77 respondents, the total score obtained was 1343 with an average score of 4.36. Respondents' response to the quality assurance and improvement program was very good.

The results of the development monitoring reliability test

Distribution of respondents' responses to the development monitoring variable as measured by 3 statement items and the 2 average score of r is 4.29 (lowest) while the 1st score is 4.34 (highest). Of the 3 statement items given to 77 respondents, the total score obtained was 996 with an average score of 4.31. Respondents' response to development monitoring was very good.

The results of the code of ethics reliability test

The distribution of respondents' responses to the code of ethics variable is measured by 12 statement items and the 10th average score is 4.22

(lowest) while the 1st score is 4.74 (highest) on average. Of the 12 statement items given to 77 respondents, the total score obtained was 4193 with an average score of 4.54. The respondent's response to the code is classified as very good.

Reliability test results for good corporate government

Distribution of respondents' responses to the code of ethics variable as measured by 8 statement items and the lowest average score is obtained in the 6th and 7th statements of 4.23. Of the 8 statement items given to 77 respondents, the total score obtained was 2705 with an average score of 4.39. Respondents' responses to good corporate government (GCG) at PT Pindad, PT LEN Industri, and PT INTI have been classified as very good.

Test classical assumptions

This assumption test consists of three tests, namely the normality test, heteroscedasticity test and multicollinearity test.

Normality test

Asymp. significance value. sig. (2-tailed) 0.085 > 0.05. So it can be concluded that the data is normally distributed, the regression model has been met.

Heteroscedasticity test

The output of the SPSS Scatterplots above, it is known that the distribution of the dots is random and does not form a pattern so that it can be concluded that there is no heteroscedicity problem, until a good and ideal regression model can be fulfilled.

Multicollinearity test

The five independent variables have a tolerance value greater than 0.10 and a VIF value less than 10. It can be concluded that there are no symptoms of multicollinearity in the regression model.

Multiple linear regression equations

The regression equation to be formed in this study is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Table 1. Multiple regression coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	.764	2.863			.267	.790
	Total_X1	.232	.097	.287		2.383	.020
	Total_X2	.171	.127	.192		1.348	.182
	Total_X3	.460	.240	.241		1.914	.060
	Total_X4	.373	.298	.155		1.252	.215
	Total_X5	.048	.082	.064		.581	.563

a. Dependent Variable: Total Y

Correlation coefficient analysis (R)

Correlation coefficient value with the help of IBM SPSS version 25 software.

Table 2. Multiple correlation coefficient (R)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.703	.682	1.993

a. Predictors: (Constant), Total_X5, Total_X4, Total_X1, Total_X3, Total_X2

The R number is 0.839. This shows that there is a very strong relationship between independence and objectivity (X₁), professional skills and

accuracy (X₂), quality assurance and improvement programs (X₃), development monitoring (X₄), and

code of ethics (X₅) on good corporate governance. (Y).

The output produced with the help of the IBM SPSS version 25 software is:

Analysis of the coefficient of determination (R-square)

Table 3. Coefficient of determination (R-square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.703	.682	1.993

a. Predictors: (Constant), Total_X₅, Total_X₄, Total_X₁, Total_X₃, Total_X₂

R-square figure is 0.703 or 70.3%. the influence of the independent variable on the dependent variable is 70.3%.

Simultaneous hypothesis testing (Test F)

The following output is obtained:

Table 4. Simultaneous test (test F)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	668.685	5	133.737	33.669	.000 ^b
	Residual	282.016	71	3.972		
	Total	950.701	76			

a. Dependent Variable: Total Y

b. Predictors: (Constant), Total_X₅, Total_X₄, Total_X₁, Total_X₃, Total_X₂

The output above, it is known that the Fcount value is 33.669 and the sig value. 0,000. With $\alpha = 0.05$, $df_1 = 5$, and $df_2 = (n-k-1) = 71$, then the Ftable is 2.34. Because Fcount is greater than Ftable ($33.669 > 2.34$) and a significance value of 0.000, 0.05, then H₀ is rejected and H₁ is accepted which means that simultaneously

independence and objectivity, accuracy and professional skills, quality assurance and improvement programs, monitoring of progress, and code of ethics has a significant effect on GCG.

Partial hypothesis testing (t test)

Table 5. Partial test (t test)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.764	2.863		.267	.790
	Total_X1	.232	.097	.287	2.383	.020
	Total_X2	.171	.127	.192	1.348	.182
	Total_X3	.460	.240	.241	1.914	.060
	Total_X4	.373	.298	.155	1.252	.215
	Total_X5	.048	.082	.064	.581	.563

a. Dependent Variable: Total Y

Discussion of Research Results

The influence of independence and objectivity on good corporate government

Obtained the t-value for the independence and objectivity variables for good corporate

government (GCG) of 2.383 and the p-value (sig.) Of 0.020. Due to the significance value of $0.020 < 0.05$, meaning that partially the independence and objectivity have a significant positive effect on GCG. Auditors are supposed to be independent, meaning that they are not easily influenced by others. A sufficient understanding

of independence in an internal auditor will be able to lead the auditor to improve control that has not been maximal in an organization without an element of partiality to one party in the organization, in other words all activities will focus on the success of the organization in general.

The influence of professional skills and accuracy on good corporate government

Obtained the t-value for the professional skill and accuracy variable on GCG was 1.348 and the p-value (sig.) was 0.182. Due to the significance value of $0.182 > 0.05$, meaning that partially professional skills and accuracy have no significant positive effect on GCG. Auditors should have professional skills and accuracy, meaning that auditors must have experience and theoretical learning so that they can make an auditor have adequate competence, can help the control process in a company that is less relevant. Competence in a job is very important, in implementing GCG, the competence of internal auditors contributes an influence of 18.2%.

The influence of the assurance program and quality improvement on good corporate government

Obtained t-value for the variable professional skills and accuracy on good corporate government (GCG) of 1.914 and a p-value (sig.) Of 0.060. Due to the significance value of $0.060 > 0.05$, meaning that partially the assurance program and quality improvement do not have a significant positive effect on GCG.

The influence of development monitoring on good corporate government

Obtained t-value for the variable professional skills and accuracy on good corporate government (GCG) of 1.252 and the p-value (sig.) Of 0.215. Due to the significance value of $0.215 > 0.05$, meaning that partially development monitoring does not have a significant positive effect on good corporate government (GCG). Internal audit plays an important role in conducting effective monitoring of the operational performance of internal control, so that monitoring developments

can help the corporate governance process in accordance with its principles, namely transparency, accountability, responsibility, independence and fairness.

The influence of code of ethics on good corporate government

Obtained t-value for the variable professional skills and accuracy on good corporate government (GCG) of 0.581 and a p-value (sig.) Of 0.563. Due to the significance value of $0.563 > 0.05$. Every profession in the world of work that has services certainly has a rule or code of ethics that binds it in carrying out its professional responsibilities. code of ethics is a guideline that describes professional values to regulate members of a profession. Including the profession of internal auditors, have an obligation to comply with the established professional code of ethics. To achieve good governance, internal auditors are expected to fully implement the internal audit code of ethics. Good governance is an effort to increase company value and build a healthy company. Internal auditors who carry out the professional code of ethics properly will be able to direct, control and manage business in corporate activities towards increasing business growth and corporate accountability.

The influence of independence and objectivity, assurance program and improvement in the quality of development monitoring, internal audit code of ethics on the application of the principles of good corporate governance.

Obtained a table of 2.34, because Fcount is greater than Ftable ($33.669 > 2.34$) and the value is 0.000, 0.05. This means that simultaneously independence and objectivity, accuracy and professional skills, quality assurance and improvement programs, development monitoring, and code of ethics have a significant effect on GCG.

Conclusion

Conclusion

Based on the results of research and discussion of the three BUMNs studied, the following conclusions can be drawn:

1. Independence and objectivity affect good corporate governance.
2. Professional skills and accuracy have no effect on good corporate governance.
3. The assurance program and quality improvement have no effect on good corporate governance.
4. Monitoring of development has no effect on good corporate government.
5. Code of ethics has no effect on good corporate governance.
6. Simultaneously independence and objectivity, accuracy and professional skills, quality assurance and improvement programs, development monitoring, and code of ethics affect good corporate governance.

Suggestions

1. Members of the internal auditors should always improve their competence adequately, so as to help the control process in a company that is less relevant.
2. Members of the internal auditor should always bind them properly in carrying out their professional responsibilities. code of ethics is a guideline that describes professional values to regulate members of a profession.

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