



Good University Governance of PTKIN Public Services Agency in Indonesia

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CITATION:

Hariwibowo, I. & Mulyani, S.D. (2021). Good University Governance of PTKIN Public Services Agency in Indonesia *JIA (Jurnal Ilmiah Akuntansi)*, 6 (2), 516-533.

ARTICLE HISTORY:

Received:

July 3rd, 2021

Revised:

November 28st, 2021

Accepted:

December 21th, 2021

DOI: 10.23887/jia.v6i2.36508

Abstract

This study aims to prove the effect of the role of internal auditors, organizational commitment, on good university governance and its implications for the quality of financial reports at PTKIN-BLU. The independent variables of this study are good university governance and the quality of financial reports, while the dependent variable in this study is the role of internal auditors and organizational commitment. The sample of this study used data from 60 respondents from the Head of Study Programs from the State Islamic University (UIN) in Indonesia. Data collection has been carried out since 2019 using the questionnaire survey method. After the data is collected, data analysis is carried out using SmartPLS software. This study concludes that the role of the internal audit unit, organizational commitment has a positive and significant effect on good university governance. Good University Governance has a positive and significant effect on the quality of BLU financial reports. If the implementation of good university governance is carried out consistently, the quality of financial reports will be better.

Keywords: the role of internal auditors; organizational commitment; good university governance; quality of financial statements.

INTRODUCTION

Reform of state finance mandates a shift in the budgeting system from a traditional system to a performance-based budgeting system, so that the use of government funds becomes an output orientation (Muktiyanto & Hadiwidjaja, 2016). These reforms are

very important because of the increasing need for funds yet very limited government resources. This budgeting pattern is implemented by modern governments in various countries. Enterprising the government is a paradigm to encourage service improvement by the

government (Muktiyanto, Hermawan, & Hadiwidjaja, 2020).

Performance-based budgeting is stipulated in Law Number 17 of 2003 concerning State Finances, while Law Number 1 of 2004 concerning State Treasury Articles 68 and Article 69 provide new directions that government agencies whose main duties and functions are to provide services to the public can apply flexible financial management pattern by prioritizing productivity, effectiveness and efficiency. The main principles contained in the two laws form the basis for government agencies to implement financial management for the Public Service Agency (BLU). Public Service Bodies are expected to be the first step in reforming public sector financial management, in order to improve government services to the public (Hariyati, Tjahjadi, & Soewarno, 2019).

Public Service Agency (BLU) is an agency within the government that is formed to provide services to the community in the form of providing goods and or services that are sold without prioritizing for profit and in carrying out their activities based on the principles of efficiency and productivity (Muktiyanto & Hadiwidjaja, 2016). The Public Service Agency aims to improve services to the community in order to advance public

welfare and the intellectual life of the nation by providing flexibility in financial management based on economic and productivity principles and the application of sound business practices (Muktiyanto & Hadiwidjaja, 2016).

The status change to a Public Service Agency brings new challenges. One of the concepts that is currently becoming mainstream is the concept of Good University Governance (GUG). This concept is actually a derivative of a more general concept of government governance, namely Good Corporate Governance (Hariyati et al., 2019). This has a very important role because of how good the management of the entity is and the entity should be in society, nation and state, public accountability and so on.

Higher Education Institutions as Tridharma Organizing Universities have the autonomy to manage their own institutions, both academic and non-academic, as stated in PP No. 4 of 2014 concerning higher education and university management. Related to the rights granted autonomy in non-academic fields, namely finance, in line with Government Regulation No. 23 of 2005 Jo. Government Regulation No. 74 of 2012 on financial management of the Public Service Agency (BLU). Higher Education as one of the institutions that has a license to apply

the BLU financial management pattern, namely financial management can be made more flexible by prioritizing productivity, efficiency and effectiveness. The Public Service Agency for financial management aims to improve performance in terms of public services based on results, professionalism, accountability and transparency (Muktiyanto et al., 2020). Based on various excellence and advantages in financial management of the Public Service Agency, making institutions including universities change their status to BLU.

Implementing the Public Service Agency in the financial management information system is in accordance with the needs of sound business practices, so that accountability, transparency in financial management and service activities must be able to prepare and present financial reports that meet the requirements according to the qualitative characteristics of financial reports, namely relevant, reliable, comparable and understandable (PP No. 71 of 2010). Completeness of the Financial Report with a letter stating that it is the responsibility of the leader or better known as Absolute Accountability Letter¹, the Public Service Agency contains a declaration that budget

management has been implemented with an adequate internal control system (Erkan et al., 2019). Financial accounting carried out in Indonesia is in accordance with Financial Accounting Standards, and the correctness of financial reports is the responsibility of the head of the Public Service Agency. Assessment of the quality of government financial reports is carried out by the Financial Audit Board that conducts audits annually (Soewarno & Tjahjadi, 2020).

Before the financial statements are submitted to the State, the financial statements are reviewed by the Internal Audit Unit in accordance with Article 11 PMK No. 76 / PMK.05 / 2008 concerning accounting and reporting guidelines for the Public Service Agency. Several reviews conducted by Public Accountant Firm resulted in a number of findings related to the presentation of financial reports, planning, budgeting and asset administration which were partly due to the lack of quality human resources, accounting systems (manuals) and weaknesses in the role of Internal Audit. Various problems related to the financial management of the Public Service Agency include the main problem, SOPs that have not been drafted, implementation of policies that

¹ An absolute liability letter is a letter containing a statement stating, the recipient of the Assistance, is a

person whose income is below the regional minimum wage.

result in loss of potential income, asset management, deviation from regulations regarding income and expenditure. Summary of IHPS II Semester Audit Results 2017 contains a summary of 449 Audit Result Reports (LHP) consisting of 6 (1%) Financial LHP, 239 (53%) Performance LHP, and 204 (46%) LHP with Specific Purposes. Based on the results of the audit, the BPK revealed 4,430 findings containing 5,852 problems, including 1,082 (19%) SPI weaknesses, 1,950 (33%) problems of non-compliance with statutory provisions valued at Rp. 10.56 trillion, and 2,820 (48%) problems of inefficiency, inefficiency, and ineffectiveness of IDR 2.67 trillion.

The role of the internal auditor profession changes from time to time, while the existence of an internal auditor is expected to provide added value to an entity as an independent function to create a professional attitude in every activity, so as to encourage related parties to conduct a study of this profession (Sari, 2012). Internal auditor profession is highly required to have the ability to provide the best services and in accordance with what is required by the highest management of an organization. Increasing internal control within an organization certainly requires the availability of an internal audit that has good competence, expertise and

abilities in order to create a good internal control process as well. Problems that arise related to the role of internal audit are how big the existence of internal audit is in providing added value and contribution to the entity or company (Sari, 2012).

Organizational commitment and psychological conditions that characterize the relationship between employees (members) and the organization characterized by acceptance of members to organizational goals reflect individual strengths and member involvement shows the suitability of the goals and values of the organization shown through activities supporting the organization's efforts and the decision to continue membership in the organization. Organizational commitment is needed, if there is no such thing then it is doubtful that good corporate governance can be achieved properly (Asia, 2011).

Apart from problems in terms of practice, the importance of research on good university governance is also due to inconsistent findings from previous studies on the influence of the role of the internal audit unit, internal control systems and organizational commitment to good university governance.

It can be concluded that studies conducted by (Mihaela & Iulian, 2012; Njanike, Mutengezanwa, & Gombarume, 2011; Sari, 2012; Yudianti, 2015) state that the role of the internal audit unit and organizational commitment positively affect Good University Governance. Meanwhile, research conducted by (Yudianti, 2015) states that there is no influence between the role of the internal audit unit and organizational commitment to Good University Governance. Likewise, the results of previous research related to quality university governance, financial reports show inconsistent results. Research by (Klai & Omri, 2010) states that foreign power, family, and block owners reduce the quality of the report; (Njanike et al., 2011), suggest that good governance affects the quality of financial reporting.

The success of good university governance cannot be achieved without the support of an internal control system, in this case the role of internal auditors and organizational commitment.

In the next section, we will describe the theoretical basis and the development of hypotheses that have been carried out. In addition, we also explain the research method to provide clarity in solving the research problems. This study also describes

the results and findings that will be concluded as an update of the development of science and limitations that can be refined by the next researcher.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

The Cadbury Committee explained that the principles of Good Corporate Governance are the principles that direct and control the company in order to achieve a balance between the power and authority of the company in providing accountability to shareholders in particular and stakeholders in general. Good Corporate Governance is a system that exists in an organization that aims to achieve maximum organizational performance in ways that do not harm the organization's stakeholders (Donaldson & Davis, 1991).

In management theory (Donaldson & Davis, 1991), management considers it as a party that can be trusted to act in the best possible way for the public interest in general and shareholders in particular. Implications of stewardship. The theory in this research is that servants (in this case BLU management) will work their best for the interests of the school principal (minister/head of institution and society). Thus, financial statements will meet the qualitative

characteristics of financial statements that are relevant, reliable, comparable and understandable.

In relation to good university governance, agency theory (Meckling, 1976) explains that information asymmetry and conflicts of interest between agents and actors, make the importance of BLU Internal Audit Unit between institutions. Where there is a trend in the implementation of the management of BLU opportunistic behavior makes BLU funds easy to misuse, so what should be the supervision and control of higher education management is that management is carried out in full compliance with various applicable rules and regulations. The role of the Internal Audit Unit is measured by five

indicators taken from the internal audit professional standards. The five indicators are independence, professional ability, scope of internal audit work, implementation of inspection activities, and management of the internal audit department.

Organizational commitment is built on employees' trust in organizational values. Willingness of employees to help realize organizational goals and loyalty to remain organizational. Organizational commitment consists of three dimensions: affective commitment, continuous commitment and normative commitment (Donaldson & Davis, 1991). Based on the theoretical framework, the research model is as follows:

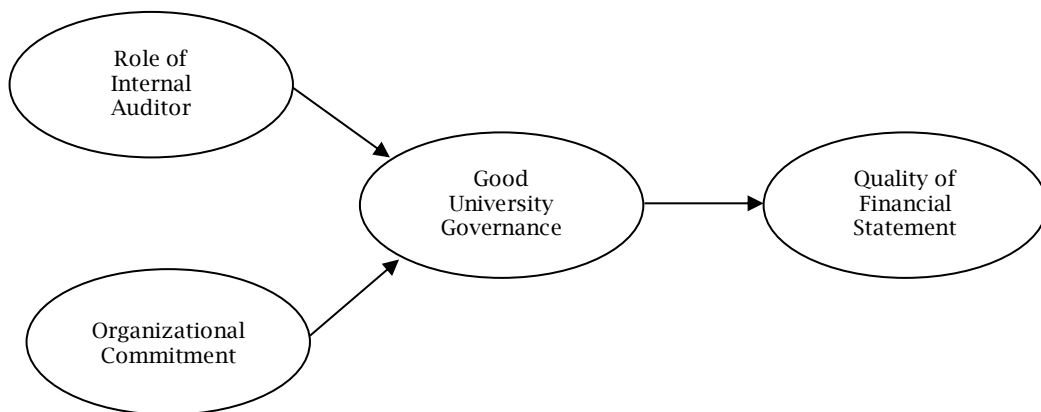


Figure 1. Research Model

The Influence of the Role of Internal Auditors on Good University Governance

Internal Audit is an independent appraisal function within an organization to examine and evaluate the organizational activities carried out. As a BLU work unit, an internal audit unit is required (PP No. 23 of 2005). In accordance with the agency theory which states that in order to solve the agency problem between the principal (Minister/Head of Institution) and the agent (BLU Management) which arises from information asymmetry and conflicts of interest, it will cost the agent, one of which is monitoring costs (Meckling, 1976).

Efforts to implement good university governance, are carried out by BLU state universities with the existence of an Internal Audit Unit in charge of examining and evaluating the accounting system and to assessing the applied management policies. The role of the Internal Audit Unit in achieving good university governance is measured by five indicators taken from the professional internal audit standards. The five indicators are independence, professional ability, scope of work of internal audit, implementation of inspection activities, and internal audit management (Sari, 2012).

Research by (Mihaela & Iulian, 2012; Muktiyanto & Hadiwidjaja, 2016; Muktiyanto et al., 2020; Sari, 2012) concludes that the role of the Internal Investigation Unit has a positive effect in achieving good university governance. This means, the better the role of Internal Audit Unit, the better the achievement of good university governance is. So that it can be synthesized that increasing the role of the Internal Audit Unit will affect the governance of educational institutions.

Using internal audit professional standards in measuring the role of the Internal Audit Unit, the implementation of good university governance is expected to be achieved, so that BLU financial management will be more transparent, accountable, responsible, independent, and fair. Based on theoretical studies and previous research, it can be concluded that the better the role of Internal Audit in carrying out its duties and functions the good university governance will be achieved more quickly. Thus, the hypothesis proposed in this study is:

H₁: The role of internal audit has a positive effect on Good University Governance

The Influence of Organizational Commitment on Good University Governance

Organizational commitment is a condition in which employees like a particular organization and the goals and desires to maintain membership in the organization (Muktiyanto et al., 2020; Soewarno & Tjahjadi, 2020). Commitments can be made to a good organization where every individual in the organization is aware of their rights and responsibilities in the organization regardless of their position and their position is obtained due to the achievement of the collective goals of the organization.

Organizational commitment is built on workers' belief in organizational values. Commitment and high employee loyalty can help the organization realize its predetermined goals. Organizational commitment by (Donaldson & Davis, 1991) consists of three dimensions: affective commitment, continued commitment and normative commitment. Research results by (Wardhani, 2015) who found that organizational commitment significantly affects the implementation of good university governance. Based on theoretical studies and previous research, it can be concluded that the existence of a high organizational commitment of PT will lead to a high sense of

responsibility and awareness based on good governance principles. Thus, the following hypothesis can be proposed:

H₂: Organizational Commitment has a positive effect on Good University Governance

The Influence of Good University Governance on the Quality of BLU's Financial Statement

Good University Governance is the application of the principles of good governance involved in higher education. Good university governance is a step that can support the achievement of university quality. Good university governance can be measured by several indicators, namely transparency, accountability, responsibility, independence and fairness. The BLU financial report is a form of accountability as a BLU work unit. Management of Public Service Bodies as public servants will work best for the interests of the leadership, making decisions wisely, providing maximum service is a very wise choice to achieve organizational goals. Thus the BLU management is expected to produce quality financial statement based on the qualitative characteristics of the financial statements that are relevant, reliable, comparable, and understandable. Research that examines the quality of financial reporting of good university governance against them conducted by

(Klai & Omri, 2010) suggests that corporate governance mechanisms consisting of foreign powers, families and blockholders reduce the quality of financial reporting. Stating that the effective implementation of corporate governance principles affects the quality of financial reporting and makes it more precise and feasible. (Yudianti, 2015) found that good governance and a positive impact on the quality of financial statements. Based on theoretical studies and previous research, it can be concluded that a good university is one that applies it consistently, which is expected to improve the quality of BLU financial statement. Thus, the research hypothesis can be proposed as follows:
H₃: Good University Governance has a positive effect on the quality of BLU's financial statement

METHOD

Data Collection Method

In this study data were collected from primary data derived from questionnaires. In addition, it was also supported by interviews with regulators and academics, such as the head of department study in State Islamic University (UIN). There are 16 PTKINs (State Islamic Religious College) in Indonesia with the status of

Public Service Bodies, namely: UIN Syarif Hidayatullah Jakarta, UIN Sunan Gunung Djati Bandung, UIN Sunan Kalijaga Yogyakarta, UIN Walisonggo Semarang, UIN Sunan Ampel Surabaya, UIN Maulana Malik Ibrahim Malang, UIN North Sumatra Medan, UIN Sultan Syarif Kasim Riau, UIN Alauddin Makassar, UIN Ar-Raniry Banda Aceh, UIN Raden Fatah Palembang, UIN Sultan Maulana Hasanuddin Banten, UIN Raden Intan Lampung, UIN Sultan Thaha Saifuddin Jambi, UIN Mataram, UIN Imam Bonjol Padang.

Analysis Technique

This research used a quantitative research approach in the analysis process. This study employed multiple regression methods. The data used in this study were primary data. Primary data were collected by distributing questionnaires to all respondents. The questionnaire was arranged to compile a structured list of statements.

The data from the questionnaire were processed using the help of the WarpPLS 3.0 application. PLS SEM analysis includes two phases, namely: (1) measurement model (measurement model/outside model), and (2) structural model (structural /inner model) (Ketchen, 2013).

Table 1. Variable Definitions, Measurement, and Dimensions

No.	Variable definitions	Measurement	Dimensions
1.	The role of the Internal Audit Unit (X1) is a function of staff that is assessed independently or impartially within the organization to examine and evaluate all activities and report the results of such work to management as a service fee, and is fully responsible for management.	The measurement of this variable is based on 1. Professional standard audit which includes independence, 2. Professional ability, 3. The scope of work of the internal audit, 4. Inspection and implementation management of the internal audit department.	Likert Scale
2.	Organizational commitment (X2) is a state in which employees like a certain organization and the goals and desires to maintain membership in the organization.	Measurement through 1. Affective commitment, 2. Continuous commitment, and 3. Normative commitment (Donaldson & Davis, 1991).	Likert Scale
3.	Good University Governance (Y1) is a concept that applies the basic principles of good governance such as transparency, accountability, responsibility, independence, and the need for justice to be applied by every university to create a quality university (Bank, 2012).	1. Transparency, 2. Accountability, 3. Responsibility, 4. Independence, and 5. Justice	Likert Scale
4.	The quality of BLU financial statement (Y2) is a normative measure that needs to be embodied in a structured report on financial position and transactions conducted by the BLU.	The indicators used in measuring the quality of financial reports are the qualitative characteristics of financial statements that are relevant, reliable, comparable, and understandable in accordance with Government Regulation no. 71 of 2010.	Likert Scale

RESULTS AND DISCUSSION

Characteristics of Respondents

Secondary data that has been collected by the researcher, was analyzed to determine the characteristics of the respondents based on the location of the respondents. The descriptive results of the respondents' characteristics are shown in the following Figure 1.

Based on Figure 1, it can be seen that the respondent data that we used include UIN Syarif Hidayatullah Jakarta, UIN Sunan Gunung Djati Bandung, UIN Sunan Kalijaga Yogyakarta, UIN Walisongo Semarang, UIN Sunan Ampel Surabaya, UIN Maulana Malik Ibrahim Malang, UIN North Sumatra Medan, UIN Sultan Syarif Kasim Riau, UIN Alauddin Makassar, UIN Ar-Raniry

Banda Aceh, UIN Raden Fatah Palembang, UIN Sultan Maulana Hasanuddin Banten, UIN Raden Intan Lampung, UIN Sultan Thaha Saifuddin Jambi, UIN Mataram, UIN Imam Bonjol Padang. However, the largest number of our respondents was UIN Syarif Hidayatullah Jakarta. The respondents we used were heads of study programs from several state Islamic universities.

Validity and Reliability

Based on Table 3. It shows that all question items have a correlation value (r) greater than 0.3, while the alpha coefficient is greater than 0.6. Thus, it means that all question items for each variable are valid and reliable for further testing.

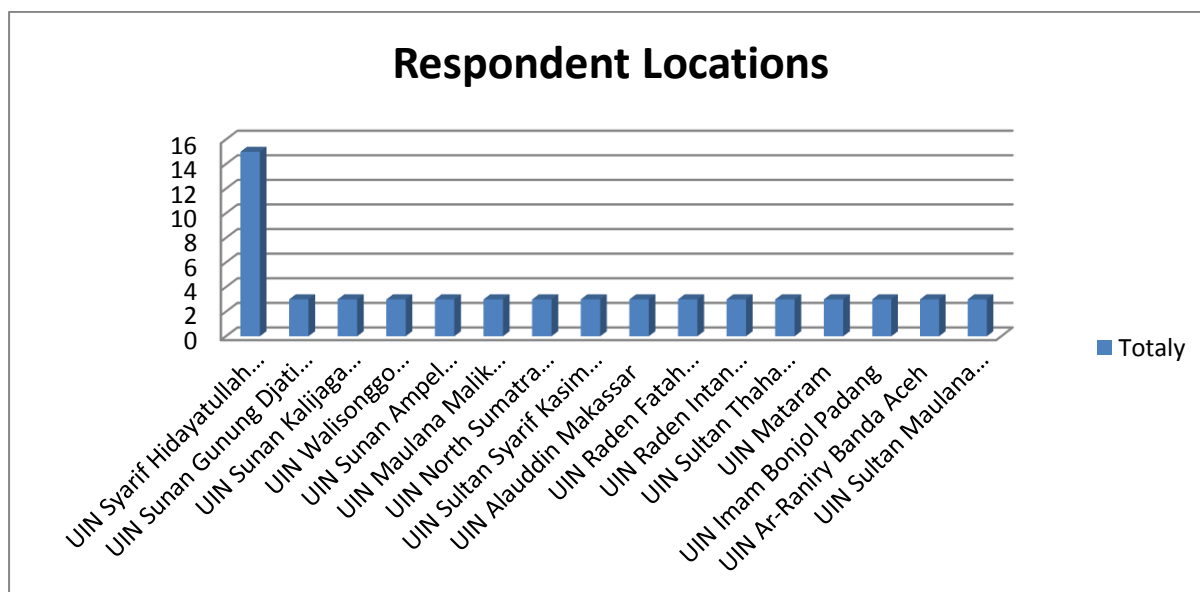


Figure 1. Respondents Locations (University)

Table 1. Validity and Reliability Test Results

Variable	Items	Correlation (r)		Coefficient	
		r	Status	Alpha	Status
The role of the Internal Audit Unit (X ₁)	IA01	0,611	Valid	0,875	reliable
	IA02	0,741	Valid		
	IA03	0,521	Valid		
	IA04	0,693	Valid		
	IA05	0,693	Valid		
	IA06	0,501	Valid		
	IA07	0,674	Valid		
	IA08	0,741	Valid		
	IA09	0,521	Valid		
	IA10	0,693	Valid		
	IA11	0,693	Valid		
	IA12	0,501	Valid		
	IA13	0,674	Valid		
Organizational commitment (X ₂)	KO01	0,696	Valid	0,866	reliable
	KO02	0,738	Valid		
	KO03	0,677	Valid		
	KO04	0,726	Valid		
	KO05	0,625	Valid		
	KO06	0,696	Valid		
	KO07	0,738	Valid		
	KO08	0,654	Valid		
	KO09	0,726	Valid		
Good University Governance (Y ₁)	GUG01	0,693	Valid	0,850	reliable
	GUG02	0,693	Valid		
	GUG03	0,443	Valid		
	GUG04	0,693	Valid		
	GUG05	0,564	Valid		
	GUG06	0,693	Valid		
	GUG07	0,400	Valid		
	GUG08	0,400	Valid		
	GUG09	0,556	Valid		
	GUG10	0,517	Valid		
	GUG11	0,517	Valid		
	GUG12	0,511	Valid		

Variable	Items	Correlation (r)		Coefficient	
		r	Status	Alpha	Status
	GUG13	0,511	Valid		
	GUG14	0,424	Valid		
	GUG15	0,511	Valid		
	GUG16	0,693	Valid		
	GUG17	0,511	Valid		
The quality of BLU financial statement (Y2)	KL01	0,762	Valid	0,856	reliable
	KL02	0,690	Valid		
	KL03	0,790	Valid		
	KL04	0,652	Valid		
	KL05	0,680	Valid		
	KL06	0,762	Valid		
	KL07	0,739	Valid		
	KL08	0,400	Valid		
	KL09	0,739	Valid		

Tabel 4. Composite Reliability Results

Dimensions	Composite Reliability	R-Square
The role of the Internal Audit Unit (X ₁)	0,893	-
Organizational commitment (X ₂)	0,845	-
Good University Governance (Y ₁)	0,847	0,761
The quality of BLU financial statement (Y ₂)	0,893	0,235

SEM Test results

The SEM test phase is carried out by testing the outer model, evaluating the structural model (inner model), and testing the research hypothesis. This outer model test uses Composite reliability indicator block data which measures a construct by evaluating the composite reliability (ρ_c) value. Dimensions are considered reliable if they have a composite reliability value (ρ_c) above 0.7.

Inner structural model is evaluated by using R-Square for the dependent construct. The results of the calculations that have been carried out find that the R-Square value for the variable of good university governance and The quality of BLU financial statement is more than 0.2, so it can be interpreted that the latent predictor has a high enough influence on the structural level. The inner structural model is also evaluated by looking at the Q-Square predictive relevance for

the construct model. The following is the result of the Q-Square calculation.

$$\begin{aligned} Q^2 &= 1 - (0.761)(0.235) \\ &= 1 - 0.178 \\ &= 0,822 \end{aligned}$$

The calculation results show the Q-Square value > 0, so the model has been tested and has a relevant predictive value. The first R square value, which is 0.761, means that the variables The role of the Internal Audit Unit and Organizational commitment are able to explain Good University Governance by 76.1%, while 23.9% is explained by other variables that are not in the model.

The second R square value, which is 0.235, means that the variable The role of the Internal Audit Unit and Organizational commitment through Good University Governance is only able to explain the quality of BLU financial statement by 23.5%, while 76.5% is explained by other variables that do not exist. on that model. The results of the analysis of the level of suitability of the structural model that was built showed the conclusion that the model as a whole was "relevant" and "strong" enough to explain the variables studied and their effects on each variable.

Discussions

The Influence of the Role of Internal Auditors on Good University Governance

The results of the first hypothesis testing indicate that the influence of the role of internal examination of the university governance unit is significant at P = 0.000 (below 0.05). Thus, Hypothesis 1, namely the role of internal audit has a positive influence on good university governance. The results which are consistent with previous research from this study are the results of (Muhsin et al., 2020) study which found that management audits have a direct influence on the application of the principles of good corporate governance.

The existence of the Internal Audit Unit in the BLU-PTKIN work unit has been optimal. This is because the ability of human resources (HR) is adequate, marked by several trainings that were attended by the Internal Auditor (Yudianti, 2015).

The Influence of Organizational Commitment on Good University Governance

The results of the second hypothesis testing indicate that the effect of organizational commitment on good university governance has a P-value = 0.000 (below 0.05). Thus, hypothesis 2 organizational

commitment has a positive effect on good university governance is supported. The results are consistent with previous research conducted by (Wardhani, 2015) which found that organizational commitment significantly affects the implementation of good university governance.

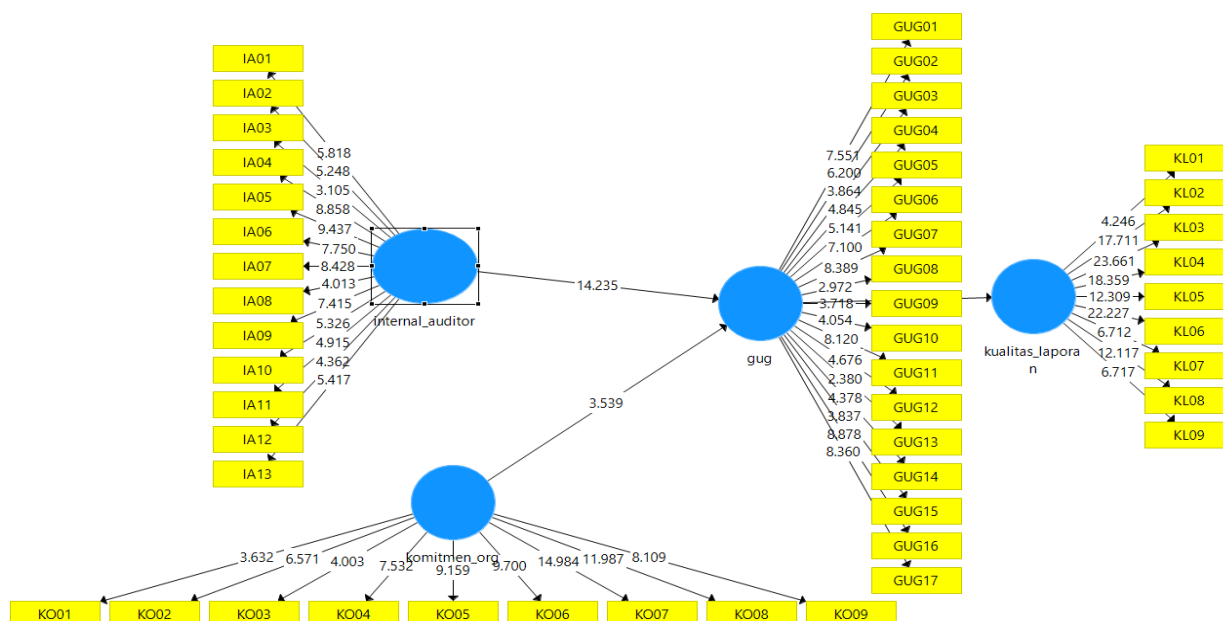
The results also support goal-setting theory which states that a person's behavior is governed by that person's ideas (thoughts) and intentions. If the individual has done a certain goal, then this will affect his actions and consequences. Employees who are committed to the organization will work with dedication for employees who have a high commitment to think that the important thing that must be achieved is the achievement of tasks in the organization. Employees who have a highly committed organization also have a positive outlook and will do their best for the benefit of the organization (Erkan et al., 2019; Muktiyanto & Hadiwidjaja, 2016; Muktiyanto et al., 2020; Soewarno & Tjahjadi, 2020). This makes employees have a desire to give power and responsibility to

support the welfare and success of the organizations they work for.

Good University Governance Influences the Quality of Financial Statement

The results of the third hypothesis testing show that the effect on the quality of the GUG financial statements has a P-value <0.000 (below 0.05). Thus, hypothesis 3 Good University Governance has a positive effect on the quality of financial reporting is supported. This result is consistent with previous research conducted by (Yudianti, 2015; Yudianto, Mulyani, Fahmi, & Winarningsih, 2021) who concluded that Good University Government affects the quality of financial statement.

These findings also support the stewardship theory in which this theory describes a situation in which management is not motivated by individual goals but rather aimed at their goals as primary goals for the benefit of the organization (Donaldson & Davis, 1991). Management is expected to produce quality financial statement as a form of BLU for the activities that have been carried out.



Source: Secondary data (2021).

Figure 2. The structure of the PLS model

CONCLUSION, IMPLICATION & LIMITATION

Based on data analysis and discussion of results, it can be concluded that the role of the internal audit unit, organizational commitment has a positive and significant effect on good university governance at a significant level of 95%. Good University Governance has a positive and significant impact on the quality of BLU financial statement. If the implementation of good university governance is implemented consistently, the quality of financial statement will be better.

This research can be used by auditors who are within the BLU PTKIN to further strengthen the role of the internal audit unit in the framework of improving university governance (Good

University Governance) to further improve independence and professional capabilities, as well as the necessary support from management and all management and the BLU's supervisor board internal audit unit so that it can better play its role as an audit function (Kwon & Banks, 2004; Muktiyanto & Hadiwidjaja, 2016; Muktiyanto et al., 2020; Soewarno & Tjahjadi, 2020; Yudianto et al., 2021). BLU leaders need to create and maintain a control environment that leads to positive behavior and is conducive to the implementation of an internal control system in the workplace. BLU leaders also need to pay more attention to the presence of employees by providing fair rewards and punishments so as to increase organizational commitment to achieve

good university governance so as to improve the quality of financial statement to be more useful as a basis for decision making (Muktiyanto & Hadiwidjaja, 2016).

Some of the limitations of this study: first, the study only examined two variables that influence good university governance. Second, this research is based on management's financial perceptions, the results may be better if it involves all implementation activities in each BLU PTKIN unit.

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