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Analysis of The Internal Control System and The Role of The Internal Auditor in Optimizing Hospital Performance

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ABSTRACT

Hospital performance is an important factor in measuring its success rate. Hospitals need an internal control system and internal auditors that are able to optimize hospital performance. This study aims to determine the effect of the internal control system and the role of internal auditors in optimizing hospital performance. This study is a mix methods study between qualitative and quantitative research. The research data uses primary and secondary data types which are collected through two techniques, namely field research and library research. The population of the study was all hospital employees. The research sample includes 110 employeesthe medical department, the paramedic section, the medical support section, and the general department in the hospital. The data analysis method uses the product moment correlation analysis technique. The results show that the internal control system has a positive and significant impact on hospital performance. This shows that the better Internal Control, the better the Hospital Performance. Meanwhile, the role of internal auditors has a positive and significant impact on hospital performance. This means that the increasing quality of the Internal Auditor owned by an auditor greatly influences the Hospital's performance, it will increase public confidence regarding the financial statements that will be audited by an independent auditor.

Keywords: Internal control system, role of internal auditor, hospital performance

Introduction

The hospital as a non-profit organization has a role in providing professional and quality health services that are affordable to all levels of society, and providing basic health services and advanced health services according to hospital classes and established standards. Thus, the existence of a hospital is the spearhead of public health development. However, many complaints have been directed at the quality of hospital performance, which is still considered low. This is due to limited resources, both financial and non-financial resources.

Hospital performance is an important factor that must be considered in dealing with the demands of this environment. Performance in a certain period can be used as a reference to measure the level of success of the organization. Therefore, a performance system that is suitable and suitable for the organization is needed so that an organization is able to compete and develop.

Organizational performance can be found through measuring organizational performance. Performance measurement is a process of assessing the progress of work against predetermined goals and objectives, including information on the efficient use of resources in producing goods and services, the quality of goods and services (how well goods and services are delivered to customers and to what extent customers are satisfied), the results of activities are compared with the desired intentions and the effectiveness of actions in achieving goals (Gollwitzer & Sheeren, 2006). Meanwhile, Idowu (2017) defines performance measurement / appraisal as the process of recording and measuring the achievement of activities in the direction of mission accomplishment through the results displayed in the form of a product, service or a process.

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Performance is a description of the level of achievement of the implementation of an activity / program / policy in realizing the goals, objectives, mission and vision of the organization as stated in the strategic planning of an organization. The word performance is often used as an indicator of success. Performance can be assessed if the organization has formulated success criteria. The success criteria are in the form of a statement of the organization's vision and mission which is translated into the goals, objectives and programs that are expected to be achieved economically, efficiently and effectively. Without a vision and mission, the organization's performance will not be known because there are no benchmarks.

Bart et al. (2001), there are three criteria for the success of RSU that can be used as a benchmark, (1) being able to survive (survival), namely the ability of the organization to find alternatives to pioneering professional forms of health services; (2) growth, namely the organization's ability to develop its business to survive competition and improve service quality; (3) profitability, namely the ability of the organization's business to support the improvement of employee welfare.

Hospital performance can run well or not depending on the internal control system in the hospital. Internal Control System (SPI) is a tool that functions to oversee the course of company activities. The internal control system based on Government Regulation Number 60 of 2008 is an integral process in activities carried out continuously by leaders and all employees to provide adequate confidence in the achievement of organizational goals. The purpose of the internal control system according to the Committee of Sponsoring Organizations (COSO) enables an organization to develop and maintain an effective and efficient internal control system which can then increase the likelihood of achieving the entity's goals (Janvrin et al, 2012). Therefore, Good control can ensure that operations run well and provide optimal performance in accordance with the objectives of the entity. As for the components of internal control, starting from the control environment, risk assessment, control activities, information and communication and supervision (Coso, 2013)

The internal control system within an organization is usually carried out by an independent party within the organization. The independent party is the internal auditor. Internal auditors have an important role in supporting the company's management as a controlling function that ensures the company runs according to plan and leads to its goals. Internal auditors must understand the nature and extent of the implementation of activities at each level of the organization.

According to Agoes (2004) internal audit (internal audit) is an examination carried out by the company's internal audit department, both on the company's financial statements and accounting records, as well as adherence to predetermined top management policies and compliance with government regulations and provisions of the applicable professional ties. Internal audit according to the IIA (Institute of Internal auditor) quoted by (Boyton, 2006), namely: "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes".

Based on the above background, the researchers formulated the problem in this study, as follows:

1. Is the internal control system influential in optimizing hospital performance?
2. Does the role of the internal auditor have an effect in optimizing hospital performance?
3. What is the role of the internal auditor in optimizing hospital performance?

The objectives of this study include several things, namely:

1. To determine the effect of the internal control system in optimizing hospital performance.
2. To determine the effect of the role of the internal auditor in optimizing hospital performance.
3. This is to determine the extent of the role of the internal auditor in ensuring the optimization of hospital performance.

Literature Review

Internal control system

Mulyadi (2016) states that the internal control system includes organizational structure, methods, measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, encourage efficiency and encourage compliance with management policies. The definition of the internal control system emphasizes the goals to be achieved, and not on the elements that make up the system. Thus, the definition of control applies to all companies, both companies that process information manually, with bookkeeping machines, or by computers.

Based on this opinion, the objectives of the internal control system are:

1. Maintain organizational wealth.
2. Check the accuracy and reliability of accounting data.
3. Boost efficiency.
4. Encourage compliance with management policies.

The main elements of the control system according to Mulyadi (2016) are:

1. An organizational structure that clearly separates functional responsibilities.
    a. Operations and storage functions should be separated from accounting functions.
    b. A function may not be given full responsibility for carrying out all stages of a transaction. So, the responsibility must be divided into each function according to the duties of that function.
2. A system of authority and record keeping procedures thatprovide adequate protection for assets, debts, income and expenses.
    a. Each transaction occurs only on the basis of authorization from the competent authority to approve the transaction.
    b. The media used to record the use of authority to authorize transactionsin the organization in the form of forms.
3. Healthy practices in carrying out the duties and functions of each organizational unit.
    a. The use of printed serial numbered forms which must be accounted for by the authorities.
    b. Surprise checks.
    c. Every transaction may not be carried out from start to finish by one person or an organizational unit, without interference from a person or an organizational unit, without interference from other people or organizational units.
    d. Rotation of positions.
    e. Requirement of taking leave for eligible employees.
    f. Periodically, physical assets are matched against the records.
    g. Establishment of an organizational unit whose task is to check the effectiveness of other elements of the internal control system.
4. Employees whose quality is in accordance with their responsibilities.
    a. Selection of prospective employees based on the requirements demanded by the job.
    b. Development of employee education while being company employees, in accordance with the demands of job development.

Role of the internalauditor

The role of internal auditors in hospitals is very much needed and important in optimizing hospital performance, because the role of internal auditors has an effect on improving internal control and hospital performance in providing services to people who are trying to cure their ill-nesses. The role of the internal auditor as a consultant is more to preventive or preventive efforts, that is, if problems are found, the internal auditors provide recommendations for improvements. Internal auditors must assist the organization in maintaining effective controls by evaluating ef-fectiveness and efficiency and by increasing continuous improvement. Based on the results of risk assessment, the internal audit activity must evaluate the adequacy and effectiveness of in-ternal controls which include corporate governance, operations, and information systems. Inter-nal auditors can help management by evaluating the internal control system and showing weak-nesses in internal control. Internal auditors can only help management

and not act as manage-ment. In addition, internal auditors can also act as management consultants on the internal con-trol system. Internal auditors can provide recommendations for the necessary improvements to management to increase the effectiveness of internal control. The role of internal auditors in in-ternal control has become increasingly important after the issuance of Internal Auditing's Role in Sections 302 and 404 of the Sarbanes-Oxley Act published by The Institute of Internal Auditors (IIA, 2004). Section 302 which requires management to report quarterly and annually financial statements and reports on financial control. Meanwhile, section 404 requires management to as-sess the effectiveness of the design and implementation of internal controls in Internal Control over Financial Reporting (ICoFR). Although it is management's responsibility to comply with both sections, internal auditors can greatly assist management in complying with these responsi-bilities.

Hospital performance

Based on the measurement standards for national health services (MOH, 2005), hospital per-formance is assessed from:

1. BOR (Bed Occupancy Rate)
   BOR according to Muhith et al. (2013) is "the ratio of patient service days to inpatient bed count days in a period of under consideration". Meanwhile, according to the Indonesian Ministry of Health (2005), BOR is the percentage of the use of a bed in a certain time unit. This indicator provides an overview of the high and low level of hospital bed utilization. The ideal BOR parame-ter value is between 60-85% (Depkes RI, 2005).
2. BTO (Bed Turn Over Rate)
   Shows the ratio of the number of discharged patients to the average ready-made bed. Ideally, in one year, one bed is used on average 40-50 times.
3. TOI (Turn Over Interval)
   TOI according to the Indonesian Ministry of Health (2005) is the average day where the bed is not occupied from being filled to the next time it is filled. This indicator provides an overview of the level of efficiency of using a bed. Ideally the empty bed is not filled in the 1-3 days range.
4. ALOS (Average Length of Stay)
   ALOS according to the Indonesian Ministry of Health (2005) is the average length of stay for a patient. This indicator in addition to providing an overview of the level of efficiency, can also provide an overview of the quality of service, if applied to certain diagnoses it can be used as things that need further observation. In general, the ideal ALOS value is between 6 -9 days.
5. GDR (Gross Death rate)
   Used to determine the mortality rate for each 1000 patients discharged.
6. NDR (Net Death Rate)
   Used to determine the mean mortality rate> 48 hours after admission for every 1000 patients discharged.

Hyphothesis

Based on the flow of thought described above, the researcher puts forward a partial hypothe-sis as follows:

1. The internal control system has an effect in optimizing hospital performance.
2. The role of internal auditors has an effect in optimizing hospital performance.

Material and Methods

Research strategy

This research is a mix methods research, which is a research step by combining two approaches in research, namely qualitative and quantitative. According to Sugiyono (2006) mix method is a research method by combining two research methods at once, qualitative and quantitative in a research activity, so that more comprehensive, valid, reliable, and objective data will be obtained.

Measurement

Quantitative methods are used to answer the first and second problem formulations, while qualitative methods are used to answer the third problem formulation. So that it is expected to provide more in-depth and more objective analysis results.

Population and sample

According to Sugiono (2006), population is a generalization area consisting of objects or sub-jects that have certain qualities and characteristics that are determined by researchers to be stud-ied and then draw conclusions. The population in this study were all hospital employees. Samples taken from the population include the medical department, the paramedic department, the med-ical support department, and the general department in the hospital.

Sampling method

The sampling technique used was cluster random sampling. Cluster sampling is a sampling technique where selection refers to groups rather than individuals.

Population groups are grouped into smaller sections, then determine samples taken random-ly from several sections, namely the medical department, the paramedic department, the medi-cal support department, and the general department in the hospital.

Research object

Hospitals in South Sumatra.

Data Collection

In obtaining the data needed in this study, researchers conducted two techniques, namely field research and library research. First, in field research, researchers conducted observations in the hospital by directly observing matters related to internal control and also the role of internal auditors. Field research was carried out using several data collection techniques, namely:

1. Direct observation (observation), which is based on direct observation to the hospital by looking at activities that have to do with the object of research.
2. Questionnaires, namely distributing questionnaires directly to the population in this study, namely all hospital employees. The questionnaire was created using a Likert scale.
3. Documentation, which is done by taking or collecting data from previously processed re-ports. The report is in the form of an audit report, as well as the history and organization-al structure of the hospital.

Second, library research, which is a study conducted by collecting data based on books and literature in libraries and documents related to important issues in order to complement the re-search results.

Research instrument

Analytical descriptive method is a method that examines the status of human groups, objects, a set of conditions, a system of thought, or a class of events in the present with the aim of making a systematic, factual and accurate description, description or painting of facts, nature, as well as the relationship between the phenomena under investigation (Nazir, 2000).

Data analysis

Technique of data analysis method used in this research is product moment correlation anal-ysis technique. Product moment correlation is used to test the hypothesis of the relationship be-tween one independent variable and one dependent.

Before conducting the Pearson test, the data feasibility test is conducted first, namely:

Data classification and analysis, at this stage the data are in the form of questionnaire results which are proven by validity and reliability tests.

After the validity and reliability tests, the questionnaires distributed to several sources were processed and analyzed using the classical assumption test. The classical assumption test accord-ing to (Gujarati, 2003) generally consists of (a) Normality, to detect whether the residual value of each regression model is normally distributed using the Kolmogorov-Smirnov test where the Z value is not significant; (b) Heteroscedasticity, to detect the presence or absence of heteroscedas-ticity using a scatter plot between the predictive value of the dependent variable (ZPRED) and its residual (SRESID). If the scatter plot does not form certain regular patterns or the points spread evenly, then heteroscedasticity is not expected. And (c) linearity test, is a linear relationship be-tween variable, which means that any changes that occur in one variable will be followed by changes with equal amounts in other variables. Furthermore, the data will be analyzed by testing the hypothesis using the Pearson test. In this study, the independent variable is the performance of the hospital organization, while the dependent variable is the internal control system and the role of the internal auditor. The following is the Pearson product moment test formula as follows:

$$r_{xy} = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{\{n\sum X^2 - (\sum X)^2\}\{n\sum Y^2 - (\sum Y)^2\}}}$$

Where:
Rxy : the pearson r correlation coefficient
n : number of samples / observations
x : internal control system
y : hospital performance

Results and Discussion

Respondents profile

This research was conducted by distributing to 110 respondents from several medical departments, paramedics, medical support and general departments in the hospital. The number of samples used in this study were 110 respondents who were all hospital employees. The sampling technique in this study used a non-probability sample technique with a cluster sampling method which aims to ensure that there is a representative sample in each division of the hospital. Researchers spread 110 questionnaires to a sample that has been classified based on the group of respondents. Furthermore, 110 samples have been distributed back to the researchers and all of them can be processed, so that no questionnaire is damaged or cannot be processed.

Table 1. Results of returning the questionnaire

Information	amount	Percentage
Number of questionnaires distributed	110 questionnaires	100%
Number of returned questionnaires	110 questionnaires	100%
Number of questionnaires that can be processed	110 questionnaires	100%

Source: Primary data processed, 2020

This research resulted from the calculation of a questionnaire in relation to the variables studied in this study. These variables include: Internal Control System (X1), Role of Internal Auditor (X2), and Hospital Performance (Y).

Descriptive statistical analysis

Descriptive statistics means a picture that will be interpreted according to the points determined, for example the average value *(mean),* standard deviation, variant, maximum, minimum, *sum, range, kurtosis, and skewness* that will determine (Ghozali, 2005).

Table 2. Descriptive statistical analysis

Results

Descriptive Statistics

	Mean	Std. Deviation	N
PERFORMANCE_RS	4.02	.358	110
SPI	3.92	.275	110
AUDITOR_INTER-NAL	3.31	.464	110

Source: SPSS output, 2020

The table of the results of the descriptive statistical analysis above shows that:

1. Hospital Performance: From the results of the SPSS output, the number of respondents (N) is 110, out of 110 the average value (mean) of respondents' answers regarding the hospital performance indicators is 4.02. From this average value, it shows that the varia-ble Y, namely Hospital Performance has been good and the benefits are felt. The standard deviation of the Hospital Performance indicator is 0.358 which shows that the respond-ents' answers vary.
2. Internal Control System: From the results of the SPSS output shows the number of respondents (N) 110, out of 110 the average value (mean) of respondents' answers regarding the Internal Control System indicator is 3.92From this average value, it shows that the X1 variable of the Internal Control System has been good and its benefits are felt. The standard deviation of the professional responsibility indicator is 0.275 which indicates that the respondents' answers vary.
3. The Role of Internal Auditors: From the results of the SPSS output shows the number of respondents (N) is 110, out of 110 respondents the average (mean) value of respondents' answers regarding the Role of Internal Auditors is 3.31. From this average value, it shows that the respondent already knows the function of the Internal Auditor's role in the hospital. Standard

Deviation on the Internal Auditor Role indicator is 0.464, which indicates that the respond-ents' answers vary.

Research instrument test

Validity test

The validity test is used when there will be a process of measuring whether a questionnaire is valid or not, which includes question instruments. The questionnaire is considered valid if the questionnaire is able to answer the problems in the research. The validity test required is to use bivariate correlation which has an indicator score of the total construct score. If the indicator is said to be valid, the relationship can determine a significant result.

Table 3. Validity test results

Correlations

			SPI	AUDITOR_IN-TERNAL	PERFOR-MANCE_RS
SPI	Pearson Correlation		1	.056	.201 *
	Sig. (2-tailed)			.560	.335
	N		110	110	110
AUDITOR_IN-TERNAL	Pearson Cor-relation	.560		1	-.089
	Sig. (2-tailed)	.560			.353
	N	110		110	110
PERFOR-MANCE_RS	Pearson Cor-relation	.201 *		-.089	1
	Sig. (2-tailed)	.435		.353	
	N	110		110	110

*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output, 2020

Based on the above output, the results of the validity test with the number of respondents are 110 and the number of questions is as many as 75 items with the composition of questions on the Hospital Performance variable (Y) as many as 16 items, 33 items for the Internal Control System (X1) and the Internal Auditor Role variable (X2) 26 items, in this study it is known that r count on the hospital performance variable (Y) against SPI (X1) is 0.335, so the statement is valid, r count on the Hospital Performance variable (Y) on the role of the Internal Auditor (X2)is 0.560 then the statement is valid.

Reliability Test

In this reliability test, it is made to measure the questionnaire in this case it has indicators that represent variables. in the questionnaire it is declared reliable if the respondent's answer to the question for each variable is consistent or constant. The statistical formula needed to assess reliability with the Cronbach Alpha (α) statistical test. A variable is declared reliable if the Cronbach Alpha value is> 0.60 (Nunnally, 1967) as quoted by Ghozali (2006). The conclusions in this reliability test are seen in the following table:

Table 4. Case processing summary

		N	%
Cases	Valid	110	100.0
	Excludeda	0	.0
	Total	110	100.0

a. Listwise deletion based on all variables in the procedure.

Source:SPSS output, 2020

Table 5. Reliability test results

Reliability Statistics	
Cronbach's Alpha	N of Items
.782	3

Source: SPSS output, 2020

Based on the table above, the Cronbach's Alpha value is 0.782. In accordance with the existing provisions, all questions can be said to be reliable if the Cronbach's Alpha value is> 0.60. So it can be concluded that all statements are stable and consistent and reliable.

a. Shapiro-Wilk test

Table 6. Normality test results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		110
Normal Parametersa, b	Mean	.0000000
	Std. Deviation	.34872294
Most Extreme Differences	Absolute	.381
	Positive	.366
	Negative	-381
Statistical Test		.381
Asymp. Sig. (2-tailed)		.000c

Test distribution is Normal.
Calculated from data.
Lilliefors Significance Correction.
Source: SPSS output, 2020

a. The Kolmogorov-Smirnov test
b. Liliefors Test
c. Skweness and Kurtosis Test

Basis for Decision Making in the Shapiro-Wilk Normality Test

a. If the sig value is> 0.05, it has a normal distribution
b. If the sig value <0.05, the distribution is not normal

The conclusion from the results of the normality test with *One-Sample Kolmogorov-Smirnov Test*, it can be seen if the data in the research are normally distributed, with values Asymp. Sig. (2-Tailed)> 0.05, which is 0.142. So, it can be concluded that the data distribution is normal.

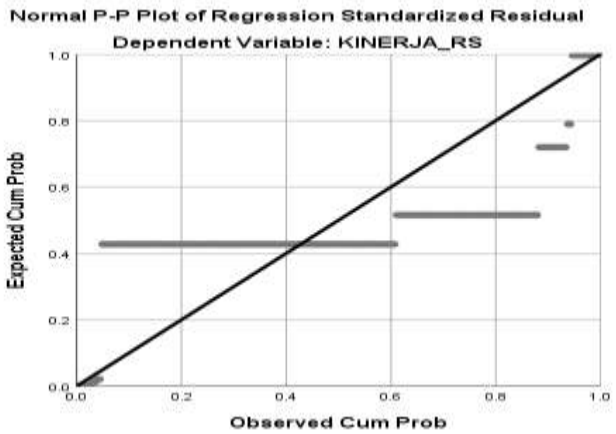

Figure 1. Normal PP plot of regression standardized residual graph (Source: SPSS output, 2020)

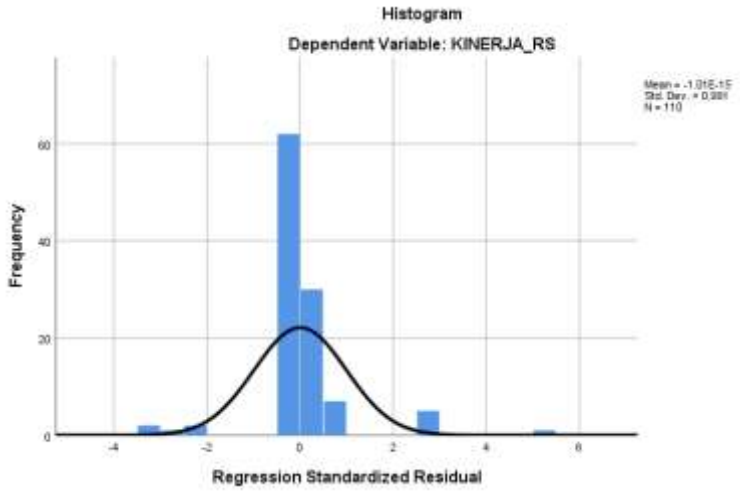

Figure 2. Histogram graph (Source: SPSS output, 2020)

Based on Figure 2, it can be seen that the location of the distribution of points spreads out and coincides around the diagonal line. This shows that the residual value is normally distributed. Furthermore, in Figure 4.3 it is also illustrated that if the residual size is normally distributed, it is shown because of the perpendicular line pattern.

Multicolinearity test

The multicollinearity test is obtained because of the large tolerance value and variance infla-tion factor (VIF). If the tolerance value is <0.10 = VIF value> 10, therefore there is a multicolline-arity problem, on the other hand, the quantity indicates the absence of multicollinearity in the regression model if the tolerance value is> 0.10 or the same as the VIF value <10 (Ghozali, 2013).

Table 7. Multicollinearity test results

Coefficientsa

Model		Un-stand-ardized Coeffi-cients	Stand-ardized Coeffi-cients			Correlations		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Zero-order	Par-tial	Part	Tol-er-ance	VIF
1	(Con-stant)	3,221	.526		6,121	.041					
	SPI	.269	.123	.207	2,195	.030	.201	.208	.207	.997	1,003
	AUDI-TOR_IN-TER-NAL	.178	.173	.101	1,070	.027	.089	.103	.101	.997	1,003

a. Dependent Variable: KINERJA_RS

Source: SPSS output, 2020

Based on the table, the value of the tolerance indicates that 2 independent variables have a tolerance> 0.10 and the VIF (Variance Inflation Factor) value <10.Thus, it is concluded that the regression model in this research does not have multicollinearity or there is no relationship be-tween variables. independent on this research.

Heteroscedasticity Test

In this heteroscedasticity test to test whether there is an inequality or variance in one observation with another (Ghozali, 2013). The heteroscedasticity is a condition where there is an inequality of variants of the residuals in the regression model. It can be seen in the scatter plot that the points spread without clumping and forming a pattern, it can be concluded that the data is not exposed to heteroscedasticity.

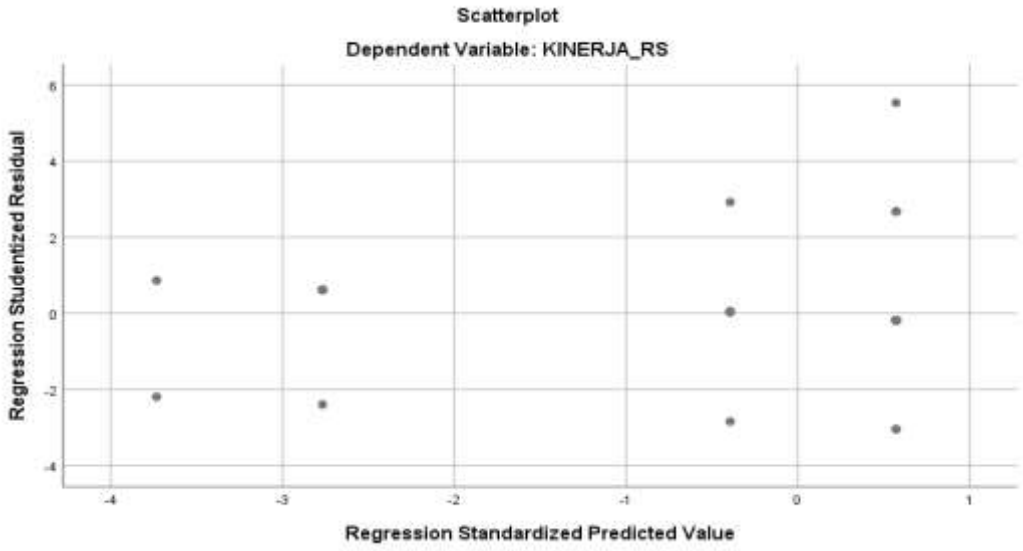

Figure 3. Scatter Plot Graph (Source: SPSS output, 2020)

Based on the Scatter Plot Graph above, it can be seen when the distribution of the dots is in an evenly distributed position which can be seen that the distribution is around the number 0 on the Y axis and the distribution of the points does not make a clear pattern. Therefore, in this research it is stated that there is no heteroscedasticity in the data for each variable, then the conclusion in this test can be accepted for further investigation as well as internal control system variables, and the role of internal auditors as independent variables on hospital performance as the dependent variable.

Hypothesis testing

In regression testing aims to determine and analyze the magnitude of the relationship be-tween the independent variables and the dependent variable. The ultimate goal of regression analysis is to determine the coefficient on each independent variable. In this case, the coefficient can be seen and taken by making predictions on the dependent variable in a formula. In this study, used Y as the dependent variable and variables X1, X2 as independent variables. The results of multiple linear regression analysis are presented in the following table:

Table 8. Multiple linear regression analysis test results

Coefficientsa

Model		Un-stand-ardized Coeffi-cients		Stand-ardized Coeffi-cients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Zero-order	Par-tial	Part	Tol-er-ance	VIF
1	(Con-stant)	3,221	.526		6,121	.041					
	SPI	.269	.123	.207	2,195	.030	.201	.208	.207	.997	1,003
	AUDI-TOR_IN-TER-NAL	.178	.173	.101	1,070	.027	.089	.103	.101	.997	1,003

Source: SPSS output, 2020

Based on the table above, the regression equation models that can be formed are as follows:

$$Y = 3,221 + 0,269X1 + 0,178X2$$

Furthermore, based on the table above, it can be seen that:

a. Internal Control System variables are significant on Hospital Performance. This can be seen from the value of the variable coefficient, which is 0.269 which is positive, which means that the Internal Control System has a positive effect and the Sig. of this variable is 0.030 below 0.05, meaning that this variable has a significant effect
b. The role of the Internal Auditor variable has a significant positive effect on auditor quali-ty. This can be determined by looking at the coefficient on the variable, namely 0.178, which is positive, which means that the level of the role of the internal auditor has a posi-tive effect and the significance of this variable is 0.027, in which case the amount is less than 0.05, which means that the role of the internal auditor has a significant effect on per-formance. Hospital.

Determination Coefficient Test (R2)

The small coefficient of determination (R2) indicates that the independent variable is limited in explaining the dependent variable. If there is an adjusted R2 with a negative value, it is consid-ered to be worth 0 (zero), while the adjusted R2 value which is close to 1 indicates that the inde-pendent variable provides almost all the information needed to predict and explain the dependent variable**.**

Table 9. Determination coefficient test results

Model Summary b

Model	R	R Square	Ad-justed R Square	Std. Error of the Esti-mate	Change Statistics					Dur-bin-Wat-son
					R Squar e Chang e	F Chang e	df1	df2	Sig. F Chang e	
1	.625a	.751	.633	.352	.118	2,859	2	107	.062	1,727

a. Predictors: (Constant), AUDITOR_INTERNAL, SPI

b. Dependent Variable: KINERJA_RS

Source: SPSS output, 2020

From the output display of the SPSS model summary presented above, the adjusted R2 value is 0.633. This shows that the ability of both Internal Control System variables, and the role of the Internal Auditor in explaining the variance of the dependent variable, namely Hospital Perfor-mance, is 63.3%. Meanwhile, the remaining 36.7% of the variance of the dependent variable can-not be explained by the independent variables in this research model. This is due to the existence of other influencing factors which were not examined in this study.

T-test (partial)

In t statistical testing, it is intended to determine the size of each independent variable with the dependent variable individually. By looking at the amount of the t value in the research re-sults whether it is significant or not. It is considered significant if the t value <significant level (0.05) in this case the independent variable has an influence on the dependent variable, then on the other hand if the significant value t > the significant level (0.05) in other words, the independ-ent variable has no influence on the dependent variable in the model equation. The value of the test conclusion can be seen from:

Table 10. Hypothesis testing results with the T-test

Coefficients[a]

Model		Un-stand-ardized Coeffi-cients	Stand-ardized Coeffi-cients				Correlations		Collinearity Statistics		
		B	Std. Er-ror	Beta	t	Sig.	Zero-order	Par-tial	Part	Tol-er-ance	VIF
1	(Con-stant)	3,221	.526		0,000	.041					
	SPI	.269	.123	.207	0,000	.030	.201	.208	.207	.997	1,003
	AUDI-TOR_IN-TER-NAL	.178	.173	.101	0,000	.027	.089	.103	.101	.997	1,003

a. Dependent Variable: KINERJA_RS

Source: SPSS output, 2020

Based on the results of the t test conclusions obtained with the significant value obtained, it means:

1. The Internal Control System variable has a regression coefficient of 0.269 with a probability of a significant value of 0.000 which is smaller than the expected significant value limit, which is 0.05. So, the first hypothesis, namely the Internal Control System has a positive effect on Hos-pital Performance is "accepted". This means that partially the Internal Control System has a significant effect on hospital performance, so that H1 is accepted because the significant value is 0.000, which is smaller than 0.05.
2. The role of the Internal Auditor variable has a regression coefficient of 0.178 with a probability of a significant value of 0.027 where the value is less than the expected significant value limit, namely 0.05. So, the second hypothesis, namely the role of internal auditors has a positive effect on hospital performance is "accepted". This means that partially the role of the Internal Auditor has a significant effect on hospital performance, so that H2 is accepted because the significant value is 0.026, which is smaller than 0.05.

F test (Simultaneous)

To find out whether a regression model is feasible or not, it is necessary to test the model's feasibility through statistical testing. If the F value is significant at the profitability level of 5%, it is stated that the regression model is feasible to use. The results of the F statistical test are presented in the following table.

Table 11. Hypothesis testing results with the F-test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.708	2	.354	2,859	.042b
	Residual	13,255	107	.124		
	Total	13,964	109			

a. Dependent Variable: KINERJA_RS

Source: SPSS output, 2020

From the ANOVA test or F test obtained a significant value (Sig.) Of 0.000. Because the significant value obtained is less than 0.05, the regression model can be used to predict Hospital Per-formance or it can be said that the Internal Control System and the Role of the Internal Auditor have an effect.to Simultaneous Hospital Performance.

Discussion of research results

Effect of Internal Control Systems on Hospital Performance

The results of this study support the first hypothesis which states that the Internal Control System has a positive and significant effect on hospital performance. Therefore, these results can be assessed from the value of the t test, which is equal to 0.000, which means that the amount is smaller than the significant value threshold that has been determined, which is 0.05. The amount shows that the Internal Control System has a positive influence on Hospital Performance. So, the results of research by (Hayadin, 2019) show that the internal control system for the cash dis-bursement cycle on the five components is ineffective, so the company has not supported the objectives of the internal control system in cash disbursement activities.

Hospital performance is the standard for measuring national health services. There are sever-al types of hospital performance measures, namely BOR (Bed Occupancy Rate), BTO (Bed Turn Over Rate), TOI (Turn Over Interval), ALOS (Average Length of Stay), GDR (Gross Death rate), and NDR (Net Death). Rate).

From this research, the internal control system within an organization is usually carried out by an independent party within the organization. The independent party is the internal auditor. Internal auditors have an important role in supporting the company's management as a control-ling function which ensures that the company runs according to plan and leads to its goals. Inter-nal auditors must understand the nature and extent of the implementation of activities at each level of the organization.

The influence of the role of internal auditors on hospital performance

In this study, the conclusion is that the role of the Internal Auditor variable has a positive and significant effect on hospital performance. From the test using the t test partially, it can be seen that the significance is 0.027. This significant value is less than 0.05 (0.027 <0.05). Therefore, the role of the Internal Auditor variable has a positive and significant effect on hospital performance, so the second provisional assumption is accepted.

Research by (Elisabeth, 2019), based on the analyzed research data, it can be concluded that the internal auditor at one of the BUMNs in Medan city checks all aspects related to the compa-ny's operational activities. Because the examination is carried out extensively, the internal audi-tor can find various weaknesses that may occur in management policies regarding company management.

Based on the answers from the respondents regarding the indicators of the role of the Inter-nal Auditor, the amount obtained is that 30% of the answerers gave an answer (S) agreed, 46.2% gave the answer strongly agreed, 70%.

The role of internal auditors in hospitals is very much needed and important in optimizing hospital performance, because the role of internal auditors has an effect on improving internal control and hospital performance in providing services to people who are trying to cure their ill-nesses. Based on the results of risk assessment, the internal audit activity must evaluate the ade-quacy and effectiveness of internal controls which include corporate governance, operations and information systems. Internal auditors can help management by evaluating the internal control system and showing weaknesses in internal control.

Conclusion

Based on the results of the data analysis that has been done, there are several conclusions that can be drawn, namely:

1. The Internal Control System has a positive and significant impact on Hospital Perfor-mance. This shows that the better Internal Control, the better the Hospital Performance.
2. The role of the Internal Auditor has a positive and significant impact on Hospital Performance. This means that the increasing quality of the Internal Auditor owned by an audi-tor greatly influences the Hospital's performance, it will increase public confidence re-garding the financial statements that will be audited by an independent auditor.

Research Limitations

This study has limitations that may affect the results of this study, namely because this study takes primary data with a questionnaire technique, there is a difference in views between individuals. The difference in perception that makes the weaknesses encountered, such as the results received by the researcher, biased and incorrect data information filled by the respondents is likely to occur, greatly influences the reliability and validity of the data. So the next researcher should consider this problem.

Suggestion

Some suggestions that can be given in connection with the research results are as follows:

1. For Hospital:

a. The Internal Control System and Internal Auditor in the hospital are of good quality, however this needs to be improved again so that the desired goal, namely improving the quality of internal auditors, can be realized.

b. The Board of Directors at the hospital provides good competency for its auditors to improve the quality of internal audits in order to improve hospital performance.

2. For further research:

a. It is suggested to add other independent variables in order to know more deeply what factors can affect hospital performance.

b. Further researchers are advised to explain in advance about each item of the question in the questionnaire in order to avoid differences in

3. perceptions between researchers and respondents.

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