

## THE EFFECT OF GOVERNMENT INTERNAL AUDIT MATURITY ON IMPROVING PUBLIC ADMINISTRATION PERFORMANCE

**Muhammad Syafral**

Gadjah Mada University, Yogyakarta, Indonesia

**Mardiasmo**

Gadjah Mada University, Yogyakarta, Indonesia

**Ertambang Nahartyo**

Gadjah Mada University, Yogyakarta, Indonesia

**Suyanto**

Gadjah Mada University, Yogyakarta, Indonesia

### ABSTRACT

This study explores the relationship between the maturity of government internal audits and public administration's performance. The research investigates how internal audit maturity affects how complex public administrations perform. The qualitative research method used was matrix analysis, which involved collecting data from relevant documentation. The main finding in the research is that the level of maturity of government internal audits can improve the performance of public administration. High government internal audit maturity can enhance the quality of government agencies' accountability, risk management, and control. As public administration advances, the demand for high-quality services provided by internal government audits also increases. These findings provide valuable information for internal government audits about how to raise service standards and satisfy the needs of a more sophisticated public administration.

**Keywords:** IACM, Public Administration Performance, NPM, NPG, Matrix Analysis

## INTRODUCTION

The quality level of the internal audit organization can be measured by its internal audit maturity. The Institute of Internal Auditors (IIA) has created a competence model specifically designed for public sector internal audits to assist in this matter (Institute of Internal Auditors Research Foundation, 2009). This model has been the subject of numerous studies (Airlangga & Rossieta, 2023; Ayagre, 2015; Barac, 2016; Firmansyah et al., 2022; MacRae & Van Gils, 2010; Rensburg & Coetzee, 2011, 2015, 2016). The research findings from Rensburg & Coetzee (2011, 2015, 2016) suggest that most KPAs in the Internal Audit Capability Model (IA-CM) are relevant in South Africa. However, there are obstacles to implementing some KPAs. According to the research, public sector internal audits are crucial. The study recommended revising legislation and strengthening internal audit functions. The study cited by Barac (2016) examined responses from participants in BRICS nations regarding the 2010 global Common Body of Knowledge (CBOK) survey performed by the Institute of Internal Auditors (IIA). The research results show that coercive, normative, and mimetic pressures affect internal audits in BRICS countries. Coercive pressure is related to internal audit regulation, normative pressure is related to professionalism, and mimetic pressure is related to imitation of best practices.

Ayagre (2015) showed that the effectiveness of internal audits in enhancing governance is constrained by factors such as technical and professional skills, low motivation, insufficient budget, and lack of management support. Another constraining element is the issue of internal auditor autonomy, which directly impacts the impartiality of internal auditors and could indirectly hinder the implementation of planned audits.

Previous studies (Airlangga & Rossieta, 2023; Firmansyah et al., 2022; Manggarani & Yudianto, 2023) examine the application of IACM and the role of internal auditors in Indonesian governmental entities. Airlangga & Rossieta (2023) analysis shows that the self-assessment of internal auditor maturity of one of the government's internal auditor units has reached level 4. The analysis indicates that some internal audit capability model components have reached level 3, but other aspects have not yet satisfied the infrastructure criteria for level 4. Firmansyah et al. (2022) show that district inspectorates still have capabilities at level 1. According to Manggarani & Yudianto (2023), the more influence the government's internal auditor has, the higher the level of involvement in providing assurance and consultancy services.

Postula et al. (2020) confirmed that internal audits positively influenced the fulfilling public service responsibilities at the operational level but did not affect the accomplishment of tasks at the strategic level. Under these conditions, it is uncertain if the government's internal auditors possess the necessary level of maturity to uphold and enhance the standard of excellence in public administration.

Much earlier, the paradigm of public administration also shifted. Research indicates that public administration has experienced a shift in paradigm from traditional public administration to public management and public governance. Emphasises incorporating private sector ideals like collaboration, openness, and involvement while addressing environmental, climate, and governance concerns (Almquist et al., 2013; Bryson et al., 2014; Mattei et al., 2021; O'Flynn, 2007).

In response, this article aims to explain the relationship between internal auditor maturity and the development of public administration. In addition, this paper seeks to see the level of conformity between the maturity of internal auditors and the current state of public administration. From this condition, recommendations will be made according to the level of suitability so that the government's internal auditor institution can take strategic and tactical steps to achieve the required level of balance. Thus, the maturity of government internal auditors is intended to enhance the performance of public administration inside the government.

This study employs a qualitative approach, utilizing matrix analysis to thoroughly examine and explore the interconnections and associations between various constructs or variables (E. Groenland, 2018). Compared to previous research, the novelty of this article is that it looks at the maturity of internal auditors from a public administration perspective in the form of a suitability matrix.

## LITERATURE REVIEW

### Internal Audit Capability Model (IACM)

In 1999, the Institute of Internal Auditors released a maturity model for internal audits in the public sector (Institute of Internal Auditors Research Foundation, 2009). The development of this model adopted the software maturity capability model, a process-level assessment and development training program at Carnegie Mellon University created in 1986. The key objective of the IACM is to provide a self-evaluation and improvement instrument for the internal auditor's maturity in the public sector (Rensburg & Coetzee, 2015).

Capability refers to the aptitude or competence of an individual, system, or organizational unit to accomplish the objectives associated with its purpose (Rensburg & Coetzee, 2016). Internal auditors' primary objectives are to provide value and assist management in meeting its goals by impartially evaluating the effectiveness and efficiency of risk, control, and governance (Institute of Internal Auditors, 2017).

According to research by MacRae & Van Gils (2010), internal audit maturity is mostly at levels 1 and 2 on the scale of five levels at the IACM. According to survey results, the public sector internal audit initiatives in the United States and Canada are more advanced than those in other regions. However, effective internal audits need to focus more on implementing appropriate governance practices, such as creating a public sector audit committee and having the committee select the chief internal auditor.

The internal auditor capability model contains five levels, six evaluation components, and 41 crucial process domains that relate the features and capabilities of the various levels, showing how internal audits may progress from one level of capability to another (Institute of Internal Auditors Research Foundation, 2009; Rensburg & Coetzee, 2015).

The levels of IACM comprise five levels. Level one (initial) denotes the absence of an organized internal audit system, while level two (infrastructure) indicates some degree of established practices within this area. Moving on to level three (integrated), it highlights that internal auditor management, policies, and procedures are congruent with those at the organizational level. Level four (managed) indicates alignment between expectations for critical stakeholders and internal auditor processes and functionalities. Level 5 (optimal) has continual learning and improvement towards attaining supreme excellence from internal audit functions (Institute of Internal Auditors Research Foundation, 2009). The six elements encompass (1) services and roles, which pertain to the nature and extent of services offered by the internal audit function; (2) human capital management, which emphasizes the acquisition and development of internal audit personnel; (3) professional practices, which encompass the essential processes, frameworks, and policies; (4) performance management and accountability, which involve the provision of necessary information to ensure the effective operation of the internal audit function; (5) Organizational relationships and culture pertain to the internal audit function's positioning and connections, both within and outside the organization; (6) Governance structure refers to the functional and administrative reporting framework of the chief audit executive (CAE), as well as the organizational role of the internal audit function within the organization (Rensburg & Coetzee, 2015). An illustration of the maturity level conditions can be seen in Figure 1.



**Figure 1. Internal Audit Capability Model Levels**

Source: IIAF, 2009

The need for higher maturity levels grows with the organization's size, complexity, and operational issues (Institute of Internal Auditors Research Foundation, 2009). This approach seeks to match an organization's internal audit capabilities with the complexity and nature of the organization.

### Public Administration Paradigm Shift

Public administration has evolved with the demand for broader, higher-quality public service needs. After the Second World War, public administration turned to bureaucratic logic, or classical public administration, which used the Weberian model (Mattei et al., 2021; Troupin et al., 2010). According to Weber, top-down control is a monocratic hierarchy in which managers and employees carry out policies established by senior management while answering to and being responsible to one superior (Pfiffner, 2004).

Classical public administration is based on strict normative application, the rule of law, and rationality in budgeting, implementation, and policymaking (Grossi et al., 2023; Osborne, 2006). Classical public administration has principles based on rules, protocols, and strict responsibilities to the government (Meyer et al., 2014), as well as adherence to routines, rules, and procedures (Goodrick & Reay, 2011; Hyndman et al., 2014).

Since the late 1970s, public administration reforms have been undertaken to modernize and improve the efficiency of the public sector, as it has been heavily criticized for inefficiency and poor orientation towards public satisfaction (Iacovino et al., 2017). This paradigm shift is known as new public management (Osborne, 2006). New public management is a range of approaches designed to replace traditional public administration models' excessive bureaucratic, inefficient, and ineffective practices (Almquist et al., 2013)(Pfiffner, 2004).

New public management is a concept that incorporates private sector management concepts and market mechanisms such as competition, competitiveness, and performance by results in public administration, underpinned by efficiency and effectiveness (Almquist et al., 2013; Hyndman et al., 2014; Meyer et al., 2014; Reiter & Klenk, 2019). The main emphasis of this approach is on goals and results, and it recognizes and encourages managerial discretion in reallocating resources to get better results (Meyer et al., 2014). According to Mardiasmo (2018), the new public management focuses not on policy but on management, performance assessment, and efficiency. Furthermore, Pfiffner (2004) outlines that the new public management advocates loosening the restrictions imposed by classical public management. The aim is to encourage innovation, adaptability, better operational effectiveness, and customer satisfaction. Greater autonomy is given to lower-level managers for decision-making. New public management encourages responsibility, risk, and an entrepreneurial mindset (Pfiffner, 2004).

Although new public management aims to improve efficiency and effectiveness in public sector organizations, While New Public Administration aims to improve the effectiveness and efficiency of public service institutions, several criticisms have emerged regarding its implementation in government settings. One criticism is that when new public management focuses on efficiency and effectiveness, it neglects other important values such as equality, social justice, and democratic accountability (Rimington, 2009). Another criticism is that the emphasis on market-style competition and performance-based measurement in NPM can lead to a narrow focus on achieving short-term efficiency, neglecting long-term social goals and the needs of marginalized communities (Jun, 2008). NPM has also been criticized for its reliance on quantifiable metrics and targets, leading to a culture of "gaming the system" and data manipulation rather than voluntary improvements in service delivery (Diefenbach, 2009). Such shortcomings have led to a push towards new and better approaches.

The emergence of the new public governance (NPG) approach in public administration was a response to the deficiencies of the new public management (Almquist et al., 2013; Iacovino et al., 2017; Osborne, 2006; Wiesel & Modell, 2014).

There are two primary reasons that new public governance (NPG) is more comprehended than NPM: (1) NPG prioritizes the pursuit of value inside the public sector compared to the private sector. Furthermore, (2) NPG uses an organizational network perspective rather than individual client-related organizations [12]. The term "governance network" is used to label a more or less stable pattern of public relations (interactions, cognitions, and rules) between interdependent actors (public, semi-public, and private) in complex policy issues or policy programs (Almquist et al., 2013; Koppenjan & Klijn, 2004).

## METHODOLOGY

Matrix analysis is used in this research to thoroughly examine and detail the qualitative method's relationship between the variables or constructs (E. Groenland, 2018). Matrix analysis entails the construction of a table or matrix to systematically arrange and juxtapose data about several categories or themes (E. A. G. Groenland, 2017). Data will be collected through document analysis, including a review of data and information such as government policy documents and other documentation relevant to internal auditor maturity and public administration development.

## DISCUSSION

### Internal Audit Maturity and the Shift in Public Administration

Internal audit is a unit within the organization with a role that continues to grow along with the organization's development. In the realm of government, the development of public administration affects government institutions under the supervision of the internal audit unit. Applying modern and advanced public administration to government institutions leads to increased demands for service quality during internal audits (Postula et al., 2020). Improving the quality of the roles and services provided by internal auditors requires an increase in the level of capability of auditors within the government's internal auditor organization (Institute of Internal Auditors Research Foundation, 2009).

When viewed further, classical public administration relies on standardized rules and procedures with a Weberian bureaucratic model (Meyer et al., 2014). Financial and compliance audits are the dominant internal audits in carrying out their duties, concentrating on input requirements and enhancing public funds utilisation (Mattei et al., 2021). Even under certain conditions, investigative audits are an option for overseeing the implementation of activities that also include budgets and realizations. The focus on implementing and quality internal controls is essential, with standardized systems and procedures being the primary control tools in government organizations. In this classical public administration, level 1 (initiation) and level 2 (infrastructure) maturity levels are still within the scope of appropriate and acceptable capabilities. As supervisors or watchdogs, government internal auditors play a central role in this paradigm (Rahayu et al., 2020).

In public administration, new public management (NPM) is an approach that incorporates managerial and market values into government (Grossi et al., 2023), with performance and accountability approaches being central. The

focus of government operations, from planning, budgeting, implementation, administration, and accountability, is performance-based to the outcome and impact level (Syafra & Akbar, 2018). The Indonesian government has implemented this new public management with integrated performance-based planning and budgeting (Mardiasmo, 2018; Syafra & Akbar, 2018), although it still experiences some challenges. In this condition, internal auditors are required to be able to carry out performance audits (value-for-money audits) even at a higher level, namely, risk-based performance audits (Parker et al., 2021). Performance audits are economic and efficiency audits and effectiveness audits of programs/activities carried out by government institutions (Mardiasmo, 2018). This type of audit requires internal auditors to better master the business processes in the audited unit to map conditions and problems in terms of inputs, processes, outputs, outcomes, and impacts of the existence of audited government activities/programs. The recommendations provided lead to improved performance and accountability of government agencies. When an internal audit can conduct performance audits, its maturity generally reaches level 3 (integration). The ability to offer consulting services to government units under their jurisdiction is another requirement for internal auditors at this level (Institute of Internal Auditors Research Foundation, 2009).

Given the criticisms against new public management, the NPG approach offers an alternate strategy for raising the standard of public administration that involves the community as stakeholders rather than as a product to be developed. The involvement of the community and other stakeholders, such as other government units, non-governmental organizations, and the academic world, in every policy and implementation of government activities/programs, is a fundamental principle of good governance (Graham et al., 2003). The new public governance shifts the government administration's focus to delivering public needs and values. Public value benefits the public or citizens (Grossi et al., 2023; Moore, 1995). Every public manager should create added value for the public so that the public benefits from the existence of the government. In this condition, government internal auditors can play a role as a driver of governance in government agencies so that the process of creating public value can be realized. Levels 4 and 5 of internal audit maturity, namely the "managed" and "optimization" levels, respectively, are designed to align with the principles of new public governance (Institute of Internal Auditors Research Foundation, 2009). These levels prioritize the significance of effective governance processes, including openness, accountability, and ethical conduct. At level 4 (managed), internal auditors ensure that risks are identified and managed effectively.

In contrast, at level 5 (optimization), they work to continuously improve the organization's governance processes and enhance its overall performance. By adhering to these maturity levels, organizations can strengthen their internal controls, minimize risks, and achieve their strategic objectives responsibly and sustainably (Institute of Internal Auditors Research Foundation, 2009). Figure 2 shows the relationship between internal audit maturity and public administration shifts.



Figure 2 Internal Audit Maturity and Public Administration Shift

Source: Grossi, 2023 and IARF, 2009

### Balanced, Deficiency, and Excessiveness of Government Internal Audit Capabilities

The maturity level of the internal audit is an immediate indication of the abilities provided by both the internal audit unit and the auditors performing within the organization. The higher the maturity level, the higher the capability demands internal auditors must meet. With the increasing modernization of public administration, internal auditors must exhibit greater maturity. When the maturity level follows the needs of public administration, the balance between capability needs and the needs of public administration will be achieved. Nevertheless, the situation will vary if the internal audit capability fails to fulfil the requirements of the public administration. In light of this, expediting the capability improvement process has become imperative by enhancing auditors' skills and expertise and augmenting the audit function's organizational capacity (Institute of Internal Auditors Research Foundation, 2009). This action will enable the organization to identify and address potential risks and vulnerabilities better while ensuring that internal audit processes are robust and effective. Organizations need to meet six essential elements and 41 key process areas to achieve a higher level of process maturity. These elements and areas are sufficient for effective process management (Institute of Internal Auditors Research Foundation, 2009). When these conditions are met, organizations can expect to see improvements in their overall efficiency, productivity, and quality of work. It is important to note that each key process area has specific goals and objectives that must be met for successful implementation. Therefore, organizations must thoroughly understand these areas and work towards meeting them to achieve optimal performance.

Further analysis can be done based on self-assessment or assessment from the supervising institution (BPKP for Indonesian government internal audit). The results of the analysis can be used as input to improve the capability of government internal audits. The following is a matrix table of maturity conformity of internal audit with public administration.

Table 1 Matrix Conformity of Internal Audit Maturity Levels with Public Administration

Maturity	Classical Public Administration	New Public Management	New Public Governance
Level 1 Initials	<b>Balanced</b>	Deficiency	Deficiency
Level 2 Infrastructure	<b>Balanced</b>	Deficiency	Deficiency
Level 3 Integration	Excessive	<b>Balanced</b>	Deficiency
Level 4 Managed	Excessive	Excessive	<b>Balanced</b>
Level 5 Optimizing	Excessive	Excessive	<b>Balanced</b>

Source: Matrix Analysis on IACM and Public Administration Shift

In the context of internal audit, different maturity levels define the capabilities and scope of the internal audit setting. Levels 1 and 2 are characterized by a balance of capabilities that enable the internal auditors to carry out assignments in organizations where the government

operates at a classical administrative level, focusing on control. Internal audits in such organizations function as watchdogs for public managers, ensuring compliance with laws and regulations while managing financial resources effectively (Rahayu et al., 2020). This role involves reviewing the organization's financial statements and transactions, assessing its internal controls, and providing recommendations for improvement.

At Level 3 internal audit maturity, government organizations can balance different capabilities to meet the needs of an NPM approach that emphasizes performance and accountability. NPM makes the role of internal audits even more critical, as it ensures the quality of government operations by conducting performance audits that focus on value for money (Parker et al., 2019) and providing consultation on control and problems with risk management. Internal audit teams must comprehensively understand the organization's goals and objectives and the risks and problems it encounters. As a consultant, internal audits must guide the auditee's risk management to be more effective and assist in achieving organizational goals efficiently and effectively (Lenz & Hoos, 2023). Overall, Level 3 internal audit maturity represents a significant step forward for government organizations looking to improve their performance and accountability. By focusing on quality assurance and risk management, these organizations can achieve their goals and deliver value to the public.

At the pinnacle of internal audit maturity, levels 4 and 5, Internal audits play an increasingly important function in government administration. This level is particularly true at the new public governance (NPG) level, which prioritizes creating public value (Grossi et al., 2023). At this level, internal audit is a trusted advisor to government management, ensuring the effectiveness of all controls, risks, and governance processes (Christ, Eulerich, Krane, & Wood, 2021). Moreover, government internal auditors' assurance services focus on non-financial audit forms, such as sustainability and governance (Grossi et al., 2023). These types of audits provide valuable insights into the performance of government programs and activities, empowering government agencies to pinpoint regions needing development and make well-informed choices to increase public value. Internal audits also act as agents of change within government organizations by promoting a culture of continuous improvement (Institute of Internal Auditors Research Foundation, 2009). By providing recommendations for enhancing governance, managing risks, and improving controls, internal audit helps government organizations adapt to changing circumstances and achieve their strategic objectives.

### **CONCLUSION AND RECOMMENDATION**

The study has shed light on a crucial aspect of the public sector: the significance of internal audit maturity. It has been found that the maturity level of government internal audits is an essential indicator of the level of capability achieved. In other words, the more mature the internal audit functions, the higher their capability and effectiveness.

Furthermore, the study has demonstrated how internal audit maturity improves public administration performance. This impact has been observed in various areas, such as control, risk management, governance, and accountability. In other words, when the internal audit function is mature, it positively influences these areas.

The study additionally established a clear connection between the improvement of public administration and the maturity of government internal audits. It means that as the maturity level of internal audits increases, the development of public administration also improves. Therefore, government internal audit institutions must increase their maturity level to keep up with the demands of an ever-evolving public administration.

The government must invest more resources to improve internal audit maturity to achieve this. This investment will ensure the public sector's continued development and the delivery of excellent services to the public.



## REFERENCES

- Airlangga, D. K., & Rossieta, H. (2023). Peningkatan Kapabilitas Internal Audit Instansi Pemerintah. *Owner: Riset & Jurnal Akuntansi*, 7(4), 3028–3040. <https://doi.org/10.33395/owner.v7i4.1661>
- Almquist, R., Grossi, G., van Helden, G. J., & Reichard, C. (2013). Public sector governance and accountability. *Critical Perspectives on Accounting*, 24(7–8), 479–487. <https://doi.org/10.1016/j.cpa.2012.11.005>
- Ayagre, P. (2015). Internal Audit Capacity to Enhance Good Governance of Public Sector Organisations: Developing Countries Perspective The efficiency gains of bank mergers and acquisitions in Africa View project. *Journal of Governance and Development (JGD)*, 11(1), 39–60.
- Barac, K. (2016). Convergence Towards Internal Audit Effectiveness In The BRICS Countries. *Journal of Economic and Financial Sciences*, 9(July), 609–629.
- Bryson, J. M., Crosby, B. C., & Bloomberg, L. (2014). Public value governance: Moving beyond traditional public administration and the new public management. *Public Administration Review*, 74(4), 445–456. <https://doi.org/10.1111/puar.12238>
- Christ, M. H., Eulerich, M., Krane, R., & Wood, D. A. (2021). New Frontiers for Internal Audit Research\*. *Accounting Perspectives*, 20(4), 449–475. <https://doi.org/10.1111/1911-3838.12272>
- Diefenbach, T. (2009). New public management in public sector organizations: The dark sides of managerialistic "enlightenment." *Public Administration*, 87(4), 892–909. <https://doi.org/10.1111/j.1467-9299.2009.01766.x>
- Firmansyah, Purwati, A. S., & Hasanah, U. (2022). Analisis Kapabilitas Apip Dengan Perspektif Internal Audit Capability Model (IA-CM) (Studi Kasus pada Inspektorat Kabupaten Banyumas) Banyumas). *Jurnal Riset Akuntansi Soedirman*, 1(1). <https://doi.org/10.32424/1.jras.2022.1.1.6726>
- Goodrick, E., & Reay, T. (2011). Constellations of institutional logics: Changes in the professional work of pharmacists. In *Work and Occupations* (Vol. 38). <https://doi.org/10.1177/0730888411406824>
- Graham, J., Amos, B., & Plumptre, T. (2003). *Principles for Good Governance in the 21st century* (Vol. 15). Ottawa: Institute on Governance.
- Groenland, E. (2018). Employing the matrix method as a tool for the analysis of qualitative research data in the business domain. *International Journal of Business and Globalisation*, 21(1), 119–134. <https://doi.org/10.1504/IJBG.2018.094106>
- Groenland, E. A. G. (2017). Using the Matrix Method for the Analysis of Deductive, Qualitative Research Data. An Introduction with an Annotated Illustration. *SSRN Electronic Journal*, 1–17. <https://doi.org/10.2139/ssrn.2769834>
- Grossi, G., Hancu-Budui, A., & Zorio-Grima, A. (2023). New development: The shift of public sector auditing under the influence of institutional logics—the case of European Court of Auditors. *Public Money and Management*, 43(4), 378–381. <https://doi.org/10.1080/09540962.2023.2179777>
- Hyndman, N., Liguori, M., Meyer, R. E., Polzer, T., Rota, S., & Seiwald, J. (2014). The translation and sedimentation of accounting reforms. A comparison of the UK, Austrian and Italian experiences. *Critical Perspectives on Accounting*, 25(4–5), 388–408. <https://doi.org/10.1016/j.cpa.2013.05.008>
- Iacovino, N. M., Barsanti, S., & Cinquini, L. (2017). Public Organizations Between Old Public Administration, New Public Management and Public Governance: the Case of the Tuscany Region. *Public Organization Review*, 17(1), 61–82. <https://doi.org/10.1007/s11115-015-0327-x>
- Institute of Internal Auditors. (2017). *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- Institute of Internal Auditors Research Foundation. (2009). *Internal audit capability model for the public sector*.

- Jun, J. S. (2008). The Limits of Post – New Public Management and Beyond. *Public Administration Review*, 69(1), 161–165.
- Koppenjan, J., & Klijn, E. (2004). *Managing Uncertainties in Networks A network approach to problem solving and decision making* (First Editi). London: Routledge.
- Lenz, R., & Hoos, F. (2023). the Future Role of the Internal Audit Function: Assure. Build. Consult. *Edpacs*, 67(3), 39–52. <https://doi.org/10.1080/07366981.2023.2165361>
- MacRae, E., & Van Gils, D. (2010). Internal audit capabilities and performance levels in public sector. In *Florida: The Institute of Internal Auditors Research Foundation* (Vol. 8). Florida: The Institute of Internal Auditors Research Foundation (IIARF).
- Manggarani, Y., & Yudianto, Y. (2023). Menelisik Peran Auditor Internal Pemerintah Saat Ini Berdasarkan Penilaian Internal Audit Capability Model (IACM). *E-Jurnal Akuntansi*, 33(1), 114. <https://doi.org/10.24843/eja.2023.v33.i01.p09>
- Mardiasmo. (2018). *Akuntansi Sektor Publik* (Edisi Terb; Mardiasmo, ed.). Yogyakarta: ANDI.
- Mattei, G., Grossi, G., & Guthrie A.M., J. (2021). Exploring past, present and future trends in public sector auditing research: a literature review. *Meditari Accountancy Research*, 29(7), 94–134. <https://doi.org/10.1108/MEDAR-09-2020-1008>
- Meyer, R. E., Egger-Peitler, I., Höllerer, M. A., & Hammerschmid, G. (2014). Of bureaucrats and passionate public managers: Institutional logics, executive identities, and public service motivation. *Public Administration*, 92(4), 861–885. <https://doi.org/10.1111/j.1467-9299.2012.02105.x>
- Moore, M. H. (1995). *Creating public value: Strategic management in government*. Harvard university press.
- O'Flynn, J. (2007). From new public management to public value: Paradigmatic change and managerial implications. *Australian Journal of Public Administration*, 66(3), 353–366. <https://doi.org/10.1111/j.1467-8500.2007.00545.x>
- Osborne, S. P. (2006). The new public governance? *Public Management Review*, 8(3), 377–387. <https://doi.org/10.1080/14719030600853022>
- Parker, L. D., Jacobs, K., & Schmitz, J. (2019). New public management and the rise of public sector performance audit: Evidence from the Australian case. *Accounting, Auditing and Accountability Journal*, 32(1), 280–306. <https://doi.org/10.1108/AAAJ-06-2017-2964>
- Parker, L. D., Schmitz, J., & Jacobs, K. (2021). Auditor and auditee engagement with public sector performance audit: An institutional logics perspective. *Financial Accountability & Management*, 37(2), 142–162. <https://doi.org/https://doi.org/10.1111/faam.12243>
- Pfiffner, J. P. (2004). Traditional Public Administration versus The New Public Management : Accountability versus Efficiency. In *Institutionenbildung in Regierung und Verwaltung: Festschrift fur Klaus Konig* (A. Benz, H, pp. 443–454). Berlin,Germany: Duncker & Humbolt.
- Postula, M., Irodenko, O., & Dubel, P. (2020). Internal Audit as a Tool to Improve the Efficiency of Public Service. *European Research Studies Journal*, XXIII(Issue 3), 699–715. <https://doi.org/10.35808/ersj/1663>
- Rahayu, S., Yudi, & Rahayu. (2020). Internal auditors role indicators and their support of good governance. *Cogent Business & Management*, 7(1), 1751020. <https://doi.org/10.1080/23311975.2020.1751020>
- Reiter, R., & Klenk, T. (2019). The manifold meanings of 'post-New Public Management' – a systematic literature review. *International Review of Administrative Sciences*, 85(1), 11–27. <https://doi.org/10.1177/0020852318759736>

- Rensburg, J. O. J. van, & Coetzee, P. (2011). Elements of the internal audit capability model addressed by South African public sector legislation and guidance. *Southern African Journal of Accountability and Auditing*, 11, 47–62.
- Rensburg, J. O. J. van, & Coetzee, P. (2015). Can the Internal Audit Capability Model be applied globally A South African case study? *African Journal of Public Affairs*, 8(2), 75–89.
- Rensburg, J. O. J. van, & Coetzee, P. (2016). Internal audit public sector capability: A case study. *Journal of Public Affairs*, 16(2), 181–191. <https://doi.org/10.1002/pa.1574>
- Rimington, J. (2009). Public management and administration: A need for evolution. *Political Quarterly*, 80(4), 562–568. <https://doi.org/10.1111/j.1467-923X.2009.02056.x>
- Syafral, M., & Akbar, R. (2018). Perkembangan Perencanaan dan Penganggaran di Indonesia. *Jurnal Akuntansi & Akuntabilitas Publik*, 1(2), 97–110.
- Troupin, S., Put, V., Wets, K., & Bouckaert, G. (2010). Public audit systems: from trends to choices. *6th Transatlantic Dialogue Conference*, 24–26. Siena.
- Wiesel, F., & Modell, S. (2014). From New Public Management to New Public Governance? Hybridization and Implications for Public Sector Consumerism. *Financial Accountability and Management*, 30(2), 175–205. <https://doi.org/10.1111/faam.12033>

#### ABOUT THE AUTHORS

Muhammad Syafral, email: [muhammad.syafral@mail.ugm.ac.id](mailto:muhammad.syafral@mail.ugm.ac.id)

**Muhammad Syafral** is an Accounting doctoral student In the Economic and Business Faculty at Gadjah Mada University. He is a senior auditor at BPKP.

**Mardiasmo** is a Professor at Gadjah Mada University, Indonesia. Mardiasmo is a professor of public-sector accounting. He is the chairman of the supervisory board of the Institute of Indonesia Chartered Accountants.

**Ertambang Nahartyo, PhD** is a lecturer at the Faculty of Economics and Business at Gadjah Mada University Yogyakarta, Indonesia. He is the head of internal audit at Gadjah Mada University.

**Suyanto, PhD** is a lecturer at the Faculty of Economics and Business at Gadjah Mada University Yogyakarta, Indonesia. He is the deputy dean of the faculty of economics and business at Gadjah Mada University.