

# The Effect of Internal Control by using COSO Framework on Revenue Toward Employee Performance: A Case Study in Public Hospital of South of Tangerang, Indonesia

**SukhmanRaj Singh Dhillon, Alfiandri**

*MBA's student, Graduate Business Studies, Faculty of Management, Vancouver Island University Nanaimo, Canada  
Department of Accounting, Faculty Business and Communication, Swiss German University, Tangerang, Indonesia*

**Abstract:** This study is conducted to investigate the effect of internal control by using COSO Framework on Employee Performance in Accounting & Finance Department in public hospital of South of Tangerang, Indonesia Selatan. There are twenty respondents participated of the study. They are Accounting & Finance staff, cashier, Internal Audit/Control unit and Head of Finance Department. the results shows that control environment have a negative and no significant effect on employee performance, control activities have a positive and significant effect on employee performance, risk assessment have a positive and significant effect on employee performance, information & communication have a negative and no significant effect on employee performance and lastly monitoring have a negative and no significant effect on employee performance.

**Keywords:** Internal Control, COSO Framework and Employee performance, Public hospital

## I. INTRODUCTION

The service sector is the lifeline for the social economic growth of a country. It is today the largest and fastest growing sector globally contributing more to the global output and employing more people than any other sector. The real reason for the growth of the sector is because there is an increase in urbanization, and privatization. In developed economies, the growth in the primary and secondary sectors are directly dependent on the growth of services like health care, banking, insurance, trade and the entertainment (Chillimuntha, 2011). Healthcare is one of service that provide medical services to the patient. It enables a particular country to improve the quality of human health and in returns, lead to increases the productivity of life (Chillimuntha, 2011). Hospital as a part of health care industry is an organization that has complexity activity environment that involve various layer of responsibility center which is responsible for the work to be carried out according to the established procedure (Hani, 2013). According to Indonesian Healthcare Law No. 44, 2009, there are two type of hospital namely, public hospital and private hospital. Public hospital is a type of hospital which is owned and organized by the central, and local government and It is a non-profit organization while, private hospital owned and managed by private institutions. Bastian, (2008) stated that source of public hospitals earns from subsidies from the local government budget, and as well as national budget. In addition, the public hospital earn the income from medical services provided. Although public hospital owned by the government, the hospital management manage privately and sometimes prone to irregularities. The irrelevance that occurs in the delivery is likely to result in the risk of injury or even death occurring. On other hands, the irrelevance that occurs from the financial procedures and assets may be a target of fraud and corruption (Yuliani, 2013). Hospital has the mission to give a high-quality standard of medical service to the patients, and as well as affordable for the people to improve the community health and standard of living. Therefore in order to achieve high quality standard of medical service to the patient it needs an adequate standard of service that is given to patient as well as having good internal control implementation. the implementation of internal controls is important because to protects the institution's assets and lead to business performance. Usually, implementation of internal control refers to COSO framework. Internal control in COSO framework consist of five components namely, control environment, control activities, risk assessment, information and communication, and monitoring (Alvin A. Arens, 2014). Public hospital is a type of hospital which is owned and organized by the central, and local government. In addition, it subsidies by provincial budget and national budget as well as earn the income from

medical services. However, the hospital management manage by the employee who appointed by local public health services department to manage professionally. Practically, managing hospital sometimes prone to irregularities especially implementation financial procedure. In addition, lack of implementation of internal control impact to irrelevance of use hospital's assets and it leads to fraud. It is supported by one of coordinator local public health service department that most of public hospitals have weak internal control implementation lead to misuse of hospital's assets including hospital's human resource. Due to this, the employee work with their own behavior and will cause disruption in the operation of the hospital. South of Tangerang hospital is one of public hospital that located in Tangerang, Indonesia. the hospital does not have automated and integrated control system in the finance especially in the revenue cycle. Furthermore, no such control policies establishment to control and monitor for finance transactions. Lack of capable employee who have accounting background also impact to internal audit department. such of lack of internal control implementation in the public hospital especially in South of Tangerang public hospital trigger to investigate the implementation of internal control by using COSO framework on employee performance specifically in the accounting and finance department. in addition to this it arise to the research questions "Does a Control Environment, Control Activity, Risk Assessment, Information & Communication and Monitoring effect on Employee performance in the Accounting & Finance department in the hospital. Later the research question divided into four research questions which in line with the hypothesis of the study.

## **II. INTERNAL CONTROL IN THE REVENUE CYCLE AND EMPLOYEE PERFORMANCE IN THE HOSPITAL**

According to Ambarriani (2012), there are five internal control which need to be in place for the successful implementation of revenue cycle in the hospital such as, separation of duties, supervision, access control, independent verification, and accounting records. In the hospital, it is important that duties in each departments especially in accounting and finance department be separated. This is because, helps to prevent fraud occurring in the department itself. This can be done by separating the functions of cashiers and the accountants (Musau, 2008). Not only separate duties between the accountants and the cashier but the transaction authorization must also be separated from the transaction processing. In the revenue cycle, the accounts receivable must separate from the whole process and lastly no single person or department doing all the entire process in its entirety (Ambarriani, 2012). Furthermore, it requires the supervision to ensure there is checks and balances. The supervision is important in order to make sure control on a separate system. For example, the employee who documented the transactions in the cash receipt system. Those individuals who are working in opening the document also have permission to obtain the cash and payment receipt documents. Those employees whose dishonest may have the opportunity to steal the cash and destroy the source of documents so that it does not have proof that the transaction is occurred (Ambarriani, 2012). Furthermore, access control prevents and detect unauthorized and illegal access to the hospital's assets. It can be physical and logical access control. In a hospital access controls can be done by ensuring that the cash should be deposited daily to the bank to prevent any misuse of the cash and so that it can easier to verify the cash receipt report and the bank statement. Verification independently need to be implemented. Physical procedures as well as record keeping should be independently reviewed at various points in the system to check for the accuracy and completeness of the transactions. In the hospital, independent verification are done by the receipt treasurer against the cash receipt statements which are provided by the cashier. Furthermore, the accounting department should verify all the documents that were verified by the cashier as well as the treasurer to make sure all the transactions are recorded correctly with correct amounts, date, names, and signature to verify the authenticity of the documents (Ambarriani, 2012). After verification, then the transactions should be recorded. To record the transaction, the accountant should ensure few things such as, documents should be prenumbered, the cash receipt issued by the cashier during the transactions process should be used as the source documents, the accountant should provide special journal for the similar transactions and ledger is being used as a basis for preparing the financial statements. This activities should implement in order to control and monitor revenue cycle activities.

The implementation of internal control in the hospital to ensure that human or employee work according to the plans. In addition, it is a function to measure the employee performance. According to Trianingsih (2007). Employee performance is measured by compare the tasks has been given with the results of the jobs. Furthermore, the responsibility is given by the management in certain period can also be used to measure the employee performance. it is inline with Soedjono (2005) who identify six indicators to measure the employee performance such as, quality of the job, quantity of the job, punctuality, effectiveness, independence and work commitment. Measuring employee performance in the public hospital especially in the accounting and finance department by looking the target that he or she achieve. For example, the employee who have a jobs to clarify documents of S2PD and SIMRAL. Total documents need to clarify

is 720 documents. And he/she needs to clarify that document for twelve month. If he/she does not achieve the target, then he/she considered under-performance.

Every company especially public hospital requires the existence of internal control, this is because internal control is designed to organize the activities of the members of the organization through their leaders so that it achieves the desired output. In order for the employee to perform effectively and efficiently, the company needs to pay attention to the components of the internal control (Commission, 2013). Firstly, control environment. Good control environment will contribute in creating good working atmosphere where it will help the employees to improve its performance. Secondly, control activities. Control activities consist of rules and policies being set up by the organization. By having a good control activities it will motivate and push the employees to obey the regulations made and being set by the company. The third is Information and Communication. Information is data which have been processed and it is helpful for decision making. Whereas communication is the process to pass on the information from upper management to the lower management and vice versa. By having proper channel and proper procedure for the information to be passed on, therefore, it will help in increasing the performance of the employee as they get the right information from the right person through proper channel. Fourth is Risk assessment. Risk assessment helps the management to identify and detect the risk occurs in the company. Proper risk assessment helps the employees to overcome the risks occurred in the company and in return it will increase their performance. Last, is Monitoring. Good and strict monitoring helps the employee to be more disciplined in work and can improve their performance

### **III. METHODOLOGY**

The methodology of the study consists of type of the study, sampling procedure, data collection, questionnaire development, measurement of the variable and data analysis.

#### **3.1. Sampling procedure**

Type of the study is a case study which only observe one public hospital i.e., South Tangerang Hospital that located in Tangerang, Banten province, Indonesia. This is type C hospital which provide basic general and specialist medical services facilities (Ministry of Health, 2014). The population of study is accounting and finance department, cashier and internal audit department which they are knowledgeable respondent who understand the revenue cycle in the hospital. There are twenty respondents from accounting and finance department and cashier and one respondent from internal audit department which is head of internal audit department.

#### **3.2. Data collection**

Data was collected using survey questionnaire self-administered and mailed. Questionnaires were sent to twenty one respondents in the accounting and finance department, cashier and internal audit department. interview conducted to gain more information such as, history of the hospital, vision and mission of the hospital and standard operating procedure. In addition, it also support the finding of the study

#### **3.3. Questionnaire Development**

The questionnaire were initially developed from previous literature and established measurement. Questionnaire's questions is bilingual adopting the English and Indonesian languages in order to avoid misunderstanding on the question, except the background of the respondent that use Indonesian language. The questionnaire is divided into three sections. (1) Profile of respondent, (2) COSO internal control framework and, (3) Employee performance

#### **3.4. Measurement of the variable**

##### **3.4.1. Control environment**

Control environment refers to procedure and policies that apply in the hospital. Control environment is one of part in the COSO framework that measured byDewi, 2012 and Rusthandi, 2010. there are four items to measure control environment in the revenue cycle in the hospital namely,

1. Procedure for accounting receivable
2. The availability job description for account receivable collection
3. Employee understand the procedure and policy of the job
4. Provide internal control policy in medical services.

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.4.2. Control Activities

Control activities refers to separation of duties and verification of the documents. Control activity is one of part in the COSO framework that measured by Dewi, 2012 and Rusthandi, 2010. There are four items to measure control activity in the revenue cycle in the hospital namely,

1. Clear separation of duties
2. The documents provide serial numbers
3. There is management policy to write off uncollectable account
4. Verification of the documents

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.4.3. Risk Assessment

Risk assessment refers to policy of the assessment of the risk for uncollectable receivable. As one of part in the COSO framework, it is measured by Dewi, 2012 and Rusthandi, 2010. There are three items to measure risk assessment in the revenue cycle in the hospital namely,

1. Reserve for loss account receivable
2. Evaluation of revenue cycle
3. Hospital provide clear procedure regarding form and documents for cash management

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.4.4. Information and communication

Information and communication refers to flowchart as guidance the responsibility of the jobs. It is also internal control indicator in COSO framework. It is measured by Dewi, 2012 and Rusthandi, 2010. There two items measure information and communication namely,

1. Flowchart of the jobs
2. Formal guideline that employee should follow for communication between employee and the management

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.4.5. Monitoring

Monitor refers to evaluation of the jobs that based on the plans. It is last indicator in the COSO framework, it is measured by Dewi, 2012 and Rusthandi, 2010. There are two items use in the monitor such as,

1. Evaluation of the jobs
2. Examination the result of the jobs

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.4.6. Employee performance

The dependent variable of the study is employee performance. it refers to the quality and quantity of the jobs, finish the jobs timely. It is measured by Mayangsari, 2013 and Fitriani, 2012. There are four items to measure employee performance namely,

1. Quality of the jobs
2. Quantity of the jobs
3. Double check and analyze of data has recorded
4. Work timely

Respondent were asked to evaluate agree or disagree that vision and mission of university relate to implementation entrepreneurship subject with five Likert scale anchoring from 1 = strongly disagree and 5 = strongly agree

#### 3.5. Data Analysis

Data was analyzed using SPSS 22 as well as the hypothesis. Descriptive analysis was conducted to measure the distribution of respondent in the study. Furthermore, it is cleaning process to ensure the reliability of data entering. Classical assumption are used to ensure that the data free from error

**IV. EMPIRICAL FINDING**

This section discusses overview public hospital south of Tangerang hospital, hospital revenue cycle, descriptive statistic, reliability and validity test and classical assumption.

**4.1 Hospital overview**

South of Tangerang public hospital was established on 7<sup>th</sup> April 2010. It was occupied in the temporary building which is inaugurated by Banten’s governor. It was provided some medical services such as, emergency unit, general and specialist clinic and maternity. In 2012, the hospital moved to permanent building with the capacity 133 beds. After three years provided medical services in the permanent building, South of Tangerang public hospital honored hospital class type C from Indonesia Ministry of Health. In order to maintain medical services to the patients, the hospital made some medical service development. There are fifteen medical services and fifteen supporting medical services provided currently and many of that medical service have been supported by current technology.

**4.2. Hospital revenue cycle**

There are three main sources of revenue South Tangerang Public Hospital such as, outpatient, inpatient, and local and national budget. The staff who are involves in the revenue cycle are, cashier, revenue treasurer, and finance staff. The hospital serve medicals services in two ways i.e., in- patient and out-patient. Both in-patient and outpatient then divided into two subparts namely; general outpatients & inpatients and insurance outpatients & inpatients

Table 1 shows flowchart of outpatient. The flowchart show how the process of outpatient medical services. For the general outpatients who initially go to polyclinic need to report to the registration section. Then next they should go to the cashier for the payment. After going to the polyclinic and if there is a medical treatment, then the patient need to go back to the cashier and paid all the fees regarding their medical treatment. To those outpatient covered by the insurance there is no need to go to the cashier after registration, they just go to the polyclinic directly, where their details will be recorded into the system, and if there is a medical treatment, they go directly to the cashier for verification of the receipt to be given to the nurse. The relevant insurance company will pay all the medical expenses at a future date. To the general outpatients who need diagnosis further in the laboratory, radiology, and pharmacy should pay any amounts owing to the cashier after receiving the treatment. On the other hand, to the patient who covered by the insurance need to go to the cashier, in order to get the stamp by the cashier as it required by the insurance policy.

Table 1 - Outpatient flowchart

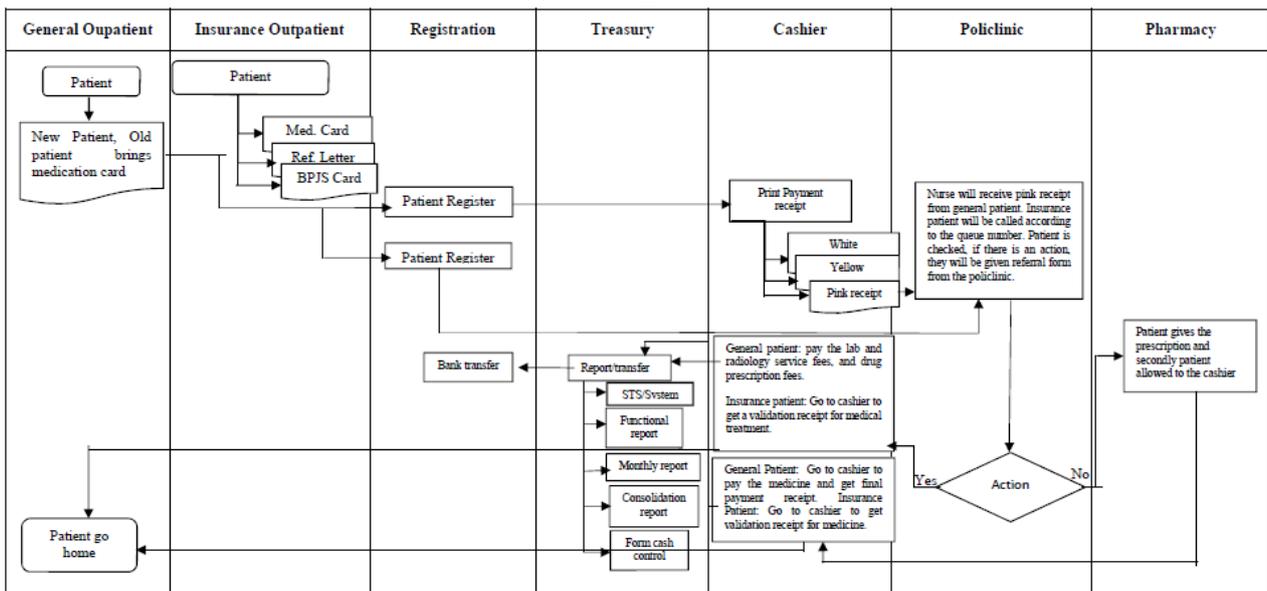
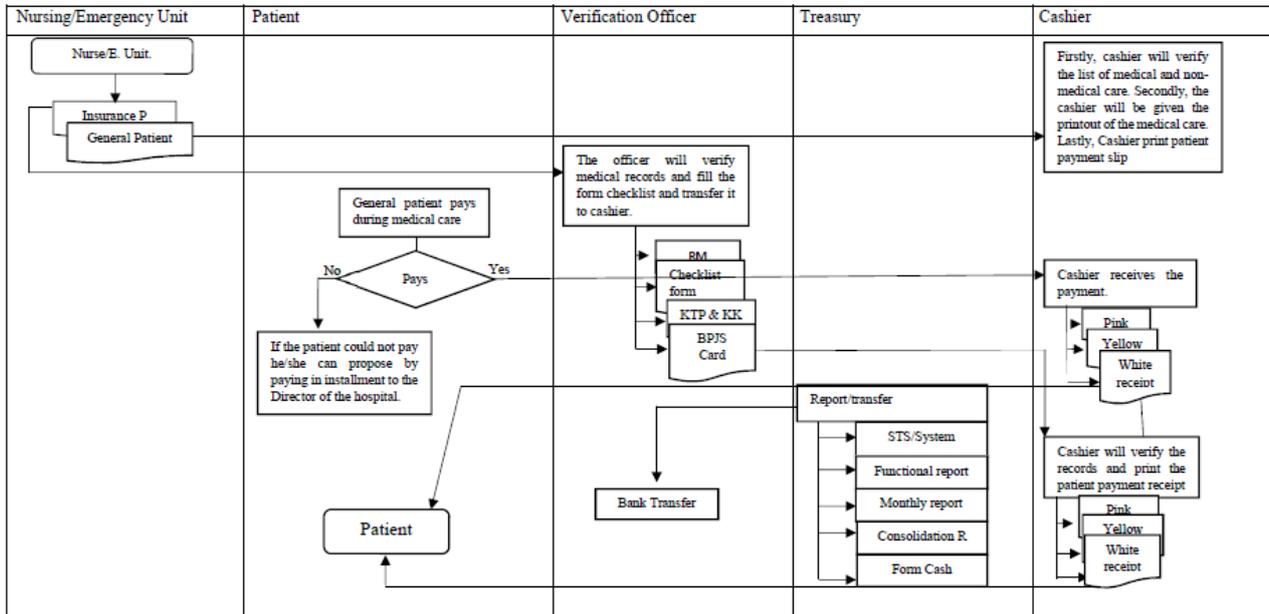


Table 2 shows inpatient flowchart. The flowchart shows how the process inpatient of medical services. the general inpatients go to the cashier directly for payments. After the cashier verify the medical treatment, pharmacy and the from the supporting services actions documents the cashier will make the receipt and give to the patients. Furthermore, for

those insurance covered patients, they simply go to the cashier and confirm to them about the treatment. Then the cashier will verify all the documents regarding the treatment. Lastly, the cashier will print the receipt and give it to the patients and insurance officer. The cashier will record all the daily revenue and makes the report every shift and the report should be given to the next shift

Table 2 In-patient flowchart



4.3. Descriptive statistic

Descriptive statistic explains that total number of respondent is twenty one respondents. Variable X1 the minimum amount is 2,75 and maximum amount is 4,75. Whereas the mean (average) is 3,9405 and the standard deviation is 0,55848. Variable X2 the minimum amount is 2,33 and the maximum amount is 5,00. The mean for variable X2 is 3,9206 and the standard deviation is 0,70636. Variable X3 the minimum amount is 3,00 and the maximum amount is 5,00 whereas the mean will be 4,0714 and the standard deviation is 0,57632. Variable X4, the minimum amount is 3,00 and maximum is 5,00 the mean for X4 is 4,0635 and the standard deviation is 0,40303. Variable X5, the minimum amount is 3,00 and themaximum amount is 5,00. The mean will be 4,000 and the standard deviation is 0,56765. Variable Y, the minimum amount is 2,50, the maximum amount is 5,00. The mean is 4,3095 and the standard deviation is 0,79980.

4.4. Reliability and validity test

All the variables of the study i.e., independent variables and dependent variables indicates reliable which is all of the variable greater than 0.7. in addition, the variables of independent and dependent is valid due to greater than 0.4329.

4.5. Classical Assumption

In the classical assumption consist of normality test, Multiple regression analysis, T-test, R- Square, multicollinearity test, and heteroscedasticity test. Based on the several test, it indicates that data does not diverse and distributed normally and there is no multicollinearity as well as heteroscedasticity. Meanwhile, T-test to measure the relationship between latent variables.

Table 3 show the relationship between independent variable and dependent variable. The effect of the control environment on the performance of accounting & finance department employees has a value t of -1,280 with a significance of 0,220. Because 0,220 is greater than 0,05 it can be concluded that the control environment does not affect the employee performance in accounting & finance department of the hospital in other words control environment has a negative and no significant impact on employee performance. Therefore, hypothesis one is rejected. The effect of control activities on the performance of accounting & finance department employees has a value t of 2,699 with a significance of 0,016. Because 0,016 is smaller than 0,05, hence it can be concluded that controlling activity have an positive and impact effect on employee performance. therefore, hypothesis two is accepted. The effect of risk assessment on the performance of accounting & finance department employees has a value t of 2,189 with a significance of 0,045. Because 0,045 is smaller than 0,05, hence it can be concluded that risk assessment have a positive and impact effect on employee

performance. Therefore Hypothesis three is accepted. The effect of information and communication on employee performance in accounting & finance department has a value t of -2,124 with a significance of 0,51. Because 0,51 is greater than 0,05, therefore it can be concluded that information and communication has a negative and no significant impact on employee performance. Therefore, hypothesis four is rejected. The effect of monitoring on employee performance of accounting & finance department employees has a value t of -0,850 with a significance of 0,409. Because 0,409 is greater than 0,05 therefore it can be concluded that monitoring has a negative and no significant impact on employee performance. Therefore, from the result above it can be concluded that Hypothesis five is rejected

Table 3. Variable relationship

Variable	B	Std. error	beta	t	Sig
Control environment -> Employee performance	-1.325	1.036	-0.308	-1.280	0.220
Control activities -> Employee performance	2.523	0.935	0.557	2.669	0.016
Risk assessment -> Employee performance	5.364	2.451	0.644	2.189	0.045
Information and Communication -> Employee performance	-3.655	1.721	-0.461	-2.124	0.51
Monitoring -> Employee performance	-1.182	1.390	-0.210	-0.850	0.409

**Summary of the hypothesis**

Hypothesis	Assumption	Results
H1: Control Environment have a significant impact on employee performance in the hospital’s Accounting & Finance Department	+	Rejected
H2: Control Activities have a significant impact on employee performance in the hospital’s Accounting & Finance Department	+	Accepted
H3: Risk Assessment has a significant impact on employee performance in the hospital’s Accounting & Finance Department	+	Accepted
H4: Information & Communication have a significant impact on employee performance in the hospital’s Accounting & Finance Department	+	Rejected
H5: Monitoring has a significant impact on employee performance in the hospital’s Accounting & Finance Department.	+	Rejected

**V. DISCUSSION AND CONCLUSION**

Public hospital is a type of hospital which is owned and organized by the central, and local government. In addition, it subsidies by provincial budget and national budget as well as earn the income from medical services provided. In addition to manage the hospital, Government province of healthcare department appointed healthcare service servant to manage the hospital professionally. However, managing hospital sometimes prone to irregularities especially implementation financial procedure. In addition, lack of implementation of internal control impact to irrelevance of use hospital’s assets and it leads to fraud. It is in line with the finding of the study which is only two hypotheses are accepted while the rest of hypotheses are rejected. Hypothesis one discuss the relationship control environment with employee performance in specific department i.e., accounting and finance department. Control environment consists of the actions, policies, and procedures that reflect the overall attitudes of top management, directors, and owners of an entity about internal control and its importance to the entity (Alvin A. Arens, 2014). The employee should be aware of the control environment implementation in the hospital in order to achieve hospital’s objective. Having good control environment in the hospital will effect to employee performance. It is in-line with the respondent point of view that they aware the importance of having control environment in the hospital that lead to employee performance. The result shows that t- value is -1,280 and p-value is significant to 0.220 which is greater than 0.05. in addition, this hypothesis rejected. The hypothesis rejects because of control environment does not really being implemented due to top of management do not give a good example to their subordinates to become honest and showing up the loyalty towards the hospital. Furthermore, the hospital does not have proper segregation of duties for each section and sub section in the department and most of them they concurrent their job position. However, it is contradicted from the interview from the respective respondent in the South of Tangerang Public Hospital. He argued that “the management shows integrity and loyalty to its subordinates and I (officer) as part of the management I usually encourages them to be honest, and loyal to their tasks and to the hospital itself. Not only integrity and honesty we do also segregate the duties between each employees”. Although, empirical evidence provide negative result of the study, observation found that implementation of control environment not strong enough even tough, the management and the employee aware and understand role of control environment in the hospital.

The second hypothesis discuss control activities and employee performance. control activities consists of policies

and procedures, in addition to those included in other four control component that helps to ensure that necessary actions should be taken to address the risks to the achievement of the entity's objectives (Alvin A. Arens, 2014). With the existence of procedures and policies, it encourages employees to comply with the rules and work standards that have been set. Therefore, employees who have complied with the rules that have been set up by the management will help the employees in increasing their performance or their performance will run in harmony (Maharani, 2015). The results shows that control activities has significant effect to employee performance. this is indicated that the employee aware and follow the rules and regulations that has been made by hospital's management. Therefore, rules and regulation is well designed and easy to understand by employee. It is also supported by the manager of accounting and finance department that "all of the employee have followed the rules and regulation given to them. in addition, , it was revealed that they also have separation of duties, adequate documents, and records, and most of the documents relates with the revenue cycle such as cash receipt, reports, and the document used to billed the pending bills to the patients are pre-numbered". Furthermore, the hospital have adequate control activities for its revenue cycle and this makes them more focus and helps their performance to increase.

Risk assessment identifies factors or conditions that threatened the achievement of an entity's objectives and goals. It identifies the risks to the effectiveness and efficiency of operations, compliance with laws and reliability of financial reporting. Changes in personnel, new product lines, are some of the factors that could affect the organization's risks (Oseifuah, 2013). The results shows t-value is 2.189 and p-value is 0.045 which is greater than 0.05. therefore, the hypothesis is accepted. the management of the hospital tries to identify the risks occurs in the company especially in the finance. For example, The risk assessment can be done for different aspects such as from the uncollectible accounts receivable. from the current system that they have to process the transaction for the revenue cycle etc. By identifying the risk the employees mostly have minimize the mistakes and they have increase their performance.

The information is data which have been processed and it is helpful for decision making, whereas, communication is the process to pass on the information from upper management to the lower management and vice versa (Lasso, 2016). By having proper channel and proper procedure for the information to be passed on, therefore, it will help in increasing the performance of the employee as they get the right information from the right person through proper channel. Result of the study shows that t-value is -2.124 and p-value 0.51 which greater than 0.05. the hypotheses is rejected. This is because lack of communication between the staff and the supervisor and also lack of proper channel of communication. The hospital does not also have proper information system, therefore, they do not provide good information to the management. It is also supported by accounting and finance managers that "lack of communication occurred in the department. Usually, lack of communication occurred between middle management and the lower management including staffs. This is because currently we do not have weekly or monthly briefing with lower management including staffs. That's why you will find that every employee have different understanding and opinion regarding the revenue cycle and it's processes."

Monitoring is the last element in the COSO framework which refers to the activities that deal with periodic assessment of the quality control by the management to determine that the control are operation as should be. The information comes from a variety of sources including like internal auditor reports, existing internal control and feedback from operating personnel. Many public companies have internal audit department to monitor the operating business activities (Alvin A. Arens, 2014). The results shows that t-value is -0.850 and p-value is 0.409. in addition, hypothesis five is rejected. The monitoring is being done by the internal supervisor and by external i.e., the government inspectorate which they comes every year to monitors. However, it is not effective since the hospital needs credible and independent employee that could monitors the activities and the transactions regarding the revenue cycle and also provide the recommendations to the top management. It is supported by the manager of human resource that "Although all the activity relates with the revenue cycle is being monitored and checked by their respective supervisors but they are really need someone who act as an independent person and have knowledge in accounting to monitor and check the activity in the accounting and finance department because by having a independent person it can give some recommendation to the management of the hospital what needs to be improved before any inspection done by the government official"

## REFERENCES

- [1] Alvin A. Arens, R. J. (2014). *Auditing and Assurance Services : An Integrated Approach*. Pearson Education Limited.
- [2] Ambarriani, A. S. (2012, July 12). Retrieved from Pusat Kebijakan Manajemen Kesehatan FK UGM-Prosedur Pengendalian Internal. Retrieved from <http://manajemenrumahsakit.net>: <http://manajemenrumahsakit.net/wpcontent/>
- [3] Bastian, I. (2008). *Accounting for Healthcare*. Jakarta: Erlangga.

- [4] Chillimuntha, A. K. (2011). Home care services and development perspective: a study on customer perception and acceptability in the urban parts of India. *Manipal University*.
- [5] Commission, C. o. (2013). *Internal Control- Integrated Framework*.
- [6] Dewi, S. P. (2012). Pengaruh Pengendalian Internal dan Gaya Kepemimpinan terhadap Kinerja Karyawan SPBU Yogyakarta (Studi Kasus pada SPBU Anak Cabang Perusahaan RB. Group). *Jurnal Nominal Vol. 1 No. 1. Universitas Negeri Yogyakarta*.
- [7] Fitriani, L. (2012, 3). Pengaruh Kompensasi Terhadap Kinerja Karyawan Bidang Keuangan pada Rumah Sakit di Kota Tanjungpinang. *Jurnal Bisnis dan Akuntansi*.
- [8] Hani, U. &. (2013). Inventory Management Of Medical Consumables In Public Hospital: A Case Study. *Scientific and Academic Publishing*, 128-133.
- [9] Lasso, A. B. (2016). Pengaruh Pengendalian Intern Terhadap Kinerja Karyawan Bagian Produksi PT. Brother Silver. *Jurnal Ilmu dan Riset Akuntansi*, Vol. 5 No.11, 1-5.
- [10] Maharani, F. L. (2015). Pengaruh Pengendalian Internal Terhadap Kinerja Karyawan Pada Divisi Pelayanan Medis di Rumah Sakit Jember Klinik. *Jurnal Akuntansi Universitas Jember*, Vol. 13, 58-69.
- [11] Mayangsari, L. (2013). Pengaruh Pemberian Insentif Terhadap Kinerja Karyawan. *Journal bisnis dan manajemen. Universitas Sriwijaya*.
- [12] Ministry of Health, I. (2014). *Profile Kesehatan Indonesia*. Retrieved from Department Ministry of Healthcare of Indonesia.
- [13] Musau, S. &. (2008). *Fraud in Hospitals, Anticorruption brief by U4 Anticorruption Resource Centre*. Boston.
- [14] Oseifuah, E. K. (2013). Internal control in small and microenterprises in the vhembe district limpopo province, South Africa. *uropean Scientific*, 241-251.
- [15] Rusthandi, H. F. (2010). Pengaruh pengendalian intern kas terhadap. *Journal Bina Nusantara*.
- [16] Sutton, B. S. (2009). Tuberculosis control among HIV- infected populations in Africa: priorities for economic development. *International Journal of Business Research*.
- [17] Yuliani, Y. &. (2013). Analisis Realisasi Pendapatan Rumah Sakit Umum Daerah Kabupaten/Kota Se-Eks Karesidenan Tasikmalya. 758-782.