



## The Effect of Internal Control on Hospital Operational Performance (Case Study of Bone District Hospital)

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**ABSTRACT:** This study aims to examine whether internal control affects hospital operational performance either partially or simultaneously. The Sampling technique used proportionate stratified random sampling. The data used are primary data taken from questionnaires distributed and filled out by 194 hospital employees as respondents. The data analysis technique used in this research is multiple linear regression analysis. The test results show the influence of the control environment which has a positive and significant effect on operational performance, risk assessment which has a positive and significant effect on operational performance, control activities that have a positive and significant effect on operational performance, information and communication have a positive and significant effect on operational performance, monitoring has a positive and significant effect on operational performance, and internal control simultaneously has a positive and significant effect on operational performance. This condition indicates that the research model deserves to be continued in the next analysis. This result is reinforced by the acquisition of a correlation coefficient of 87.6%, indicating that the correlation or the relationship between variables simultaneously on the operational performance of the hospital has a close relationship.

**KEYWORDS:** Internal Control, Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring and Operational Performance

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### I. INTRODUCTION

The role of the hospital is one of the most significant health facilities to improve the health of citizens in Indonesia. So that in supporting the smooth operation of the hospital, it is necessary to have administrative services related to medical services and the administration of medical records which are required to provide services based on procedures to produce patient satisfaction.

Hospital activities that provide health services in all fields and types of disease so that in supporting the implementation of these activities are strongly supported by organizational performance. Given the importance of performance in an organization, in this study, the starting point is the operational performance of the hospital. The reason for choosing operational performance is due to fluctuations in hospital operating conditions for the last 3 years from 2019 to 2021 where income has decreased significantly while spending needs have increased. The work environment and culture of employees during that period also changed with the regulation to work from home or work from home work from home (WFH) as part of the impact of the covid-19 pandemic so that it affects coordination and cooperation between related units in the context of carrying out tasks.

According to COSO in Agoes (2014:79) that internal control consists of 5 components, namely: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring. The theory proposed by COSO in Agoes (2007) can be said that the five components of the internal control system affect operational performance. Several researchers have researched this matter, namely the effect of internal control on performance, but the difference between this study and previous research is that this study focuses on the effect of internal control over hospital operational performance by making the entire hospital community respondents and the operational information data used is data that occurred before the covid-19 pandemic, namely 2019 until during the covid-19 pandemic, namely 2020 and 2021 where the period describes significant operational fluctuations.

This study focused on the Bone District Hospital which an institution is owned by the local government of Bone District with the status of a Regional Public Service Agency (BLUD) that provides comprehensive

health services. the services provided do not only focus on curative and rehabilitative efforts but do not forget the promotive and preventive aspects. Then the vision is to become a quality and independent teaching hospital to realize complete health services for a healthy Bone community. The hospital operational reports that occurred in 2019-2021, show that the amount of income and income during the covid-19 pandemic has decreased.

## **II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

The theory of change attitude explains how attitude a person is formed and how that attitude can change through the process of communication and how that attitude can affect an action or a person's behavior. Theory change attitude this, among other things, states that a person will experience discomfort in him when he is faced with information new or information that contradicts his beliefs so it takes time to analyze so that he arrives at a belief to take or it is not by his character. This theory provides an explanation of how a person's attitude is formed and how a person's attitude can change through the communication process and how that attitude can affect a person's attitudes and behavior (Carl Hovland).

Attribution theory views the individual as an amateur psychologist who tries to understand the causes that occur in the events he encounters. Attribution theory tries to discover what causes what, or what drives who does what. According to Robbins (2015:172), attribution theory is a person's behavior caused by internal factors or external factors. Internal factors are triggers that are under the individual's control, while external factors are seen as the result of external causes, namely the individual is seen as forced to behave in this way because of the situation. Attribution theory will explain how to determine the cause or motive for a person's behavior. Ikhsan and Isaac (2010: 55) explain that attribution theory studies how a person interprets an event, reason, or cause of his behavior. Is the behavior caused by dispositional factors (internal/external factors), or is it caused by external circumstances (Luthans, 2011:154)

The behavioristic theory is a theory that studies human behavior. The behavioral perspective focuses on the role of learning in explaining human behavior and occurs through stimuli based on that give rise to reactive behavioral relationships (responses) by mechanistic laws. The basic assumption about behavior according to this theory is that behavior is completely determined by rules, can be predicted, and can be determined. According to this theory, people engage in certain behaviors because they have learned them through previous experiences, linking these behaviors to rewards. A person stops a behavior, perhaps because the behavior has not been rewarded or has been punished. For all conduct that is either beneficial or harmful,

Internal control according to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a process influenced by an entity's board of directors, management, and other personnel designed to provide reasonable assurance about the achievement of objectives in the categories of operating effectiveness and efficiency, reliability of financial reporting, compliance with applicable laws and regulations, and safeguarding assets against acquisitions. unauthorized use or disposition.

Internal control consists of several components that are very interrelated according to Agoes (2014: 100) which consists of:

1. The control environment determines the nature of an organization and affects the control consciousness of its people.
2. Risk assessment is the identification of the entity and analysis of relevant risks to achieving its objectives, forming a basis for determining how risks should be managed.
3. Control activities are policies and procedures that help ensure that management directives are carried out.
4. Information and communication are the identification, capture, and exchange of information in a form and timeframe that enables people to carry out their responsibilities.
5. Monitoring is a process that determines the quality of internal control performance over time.

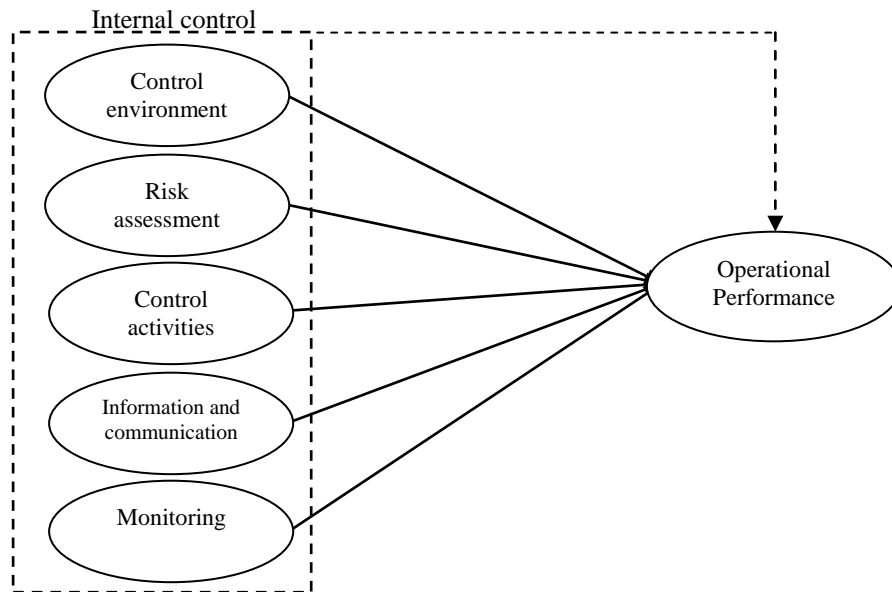


Diagram: Conceptual Framework

By the formulation of the problem, research objectives, and conceptual framework that has been formulated, the proposed hypothesis is as follows:

- H-1 Control environment have a significant effect on the hospital's operational performance.
- H-2 Risk assessment have a significant effect on hospital's operational performance.
- H-3 Control activities have a significant effect on hospital's operational performance.
- H-4 Information and communication have a significant effect on hospital's operational performance.
- H-5 Monitoring have a significant effect on hospital's operational performance.
- H-6 The five components of internal control simultaneously have a significant effect on the performance of Hospital operations

### III. RESEARCH METHODOLOGY

This research is comparative causal research with a quantitative approach. Comparative causal research is a research class with problem characteristics in the form of a causal relationship between two or more variables (Sugiyono, 2016). The independent variable in this study is internal control and the dependent variable is the operational performance of the hospital. The purpose of this study was to examine the effect of the control environment, risk assessment, control activities, information and communication, and monitoring of operational performance at hospitals in Bone district and the simultaneous effect of the five components of internal control on hospital operational performance in Bone district. To achieve the objectives of this study, data were collected using a saturated sampling technique with research instruments, namely management staff, doctors, nurses, and hospital support staff as many as 194 respondents.

### IV. RESULT & DISCUSSION

#### 1. Descriptive Statistical Analysis

Table 1  
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Control environment	194	3.32	7.42	6.6625	.45477
Risk assessment	194	2.83	6.32	5.5972	.42703
Control activity	194	2.65	5.92	5.2591	.36929
Information and communication	194	1.73	3.87	3.4329	.24969
Monitoring	194	1.73	3.87	3.4291	.26438
Operational Performance	194	4.58	10.25	9.1735	.60038
Valid N (listwise)	194				

Source: SPSS 25 Output Results (2022)

Based on the table above, shows the descriptive statistical form of the variables used in this study in the form of a Likert scale :

1. The Control Environment Variable (X1) shows an average total answer of 6.66 from all respondents. The control environment has a minimum answer of 3.32 respondents and a maximum of 7.42 while the standard deviation of the control environment is 0.45, thus the control environment limit is 0.45%.
2. The risk assessment variable (X2) shows an average total answer of 5.59 from all respondents, the risk assessment has a minimum respondent answer of 2.83 and a maximum of 6.32 with a standard deviation of 0.42 thus the risk assessment limit owned is 0.42%.
3. The control activity variable (X3) shows an average total answer of 5.25 from all respondents, the control activity has a minimum respondent answer of 2.65 and a maximum of 5.92 with a standard deviation of 0.36 thus the limit of control activity owned is 0.36%.
4. The information and communication variable (X4) shows an average total answer of 3.43 from all respondents, information and communication have a minimum answer of 1.73 respondents and a maximum of 3.87 with a standard deviation of 0.24 thus the limit information and communication owned is 0.24%.
5. The monitoring variable (X5) shows an average total answer of 3.42 from all respondents, monitoring has a minimum answer of 1.73 respondents and a maximum of 3.87 with a standard deviation of 0.26, thus the control limit owned is 0.26%.
6. The operational performance variable (Y) shows an average total answer of 9.17 from all respondents, operational performance has a minimum answer of 4.58 respondents and a maximum of 10.25 with a standard deviation of 0.60 thus the operational performance limit owned is 0.60%.

## 2. Uji Asumsi Klasik

### Normality test

Tabel 2  
Normality test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Predicted Value		
N		194
Normal Parameters <sup>b</sup>	Mean	9,1714658
	Std. Deviation	,52572776
Most Extreme Differences	Absolute	,199
	Positive	,168
	Negative	-,199
Test Statistic		,199
Asymp. Sig. (2-tailed)		,210 <sup>c</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS 25 Output Results (2022)

Table 2 is the results of the normality test using *one sample Kolmogorov Smirnov test* then the obtained value of  $\text{sig} = 0.210 > 0.05$  means that it can be concluded that the data to be used in regression testing has a normal distribution, the reason being that it has a sig value greater than 0.05.

### Multicollinearity Test

Table 3  
Multicollinearity Test

Model	Coefficients <sup>a</sup>					Collinearity Statistics	
	Unstandardized Coefficients	Std. Error	Standardized Coefficients	T	Sig.	Tolerance	VIF
1 (Constant)	1,152	,355		3,240	,001		
Control Environment	,074	,067	,056	1,115	,026	,488	2,048
Risk Assessment	,106	,085	,076	1,255	,011	,341	2,933
Control Activities	,623	,118	,383	5,287	,000	,236	4,236
Information and Communication	,474	,155	,198	3,052	,003	,296	3,384

Monitoring	,590	,149	,260	3,971	,000	,288	3,473
a. Dependent Variable: Operational Performance							

Source: SPSS 25 Output Results (2022)

Based on Table 3, the results of the multicollinearity test show the column collinearity statistics. Column tolerance and VIF. Score tolerance for all variables of the control environment, risk assessment, control activities, information and communication, monitoring, and operational performance is greater (>) than 0.10, as well as the VIF value is smaller (<) than 10, it can be concluded that there is no multicollinearity problem. on the regression model.

**Autocorrelation Test**

**Table 4**  
**Autocorrelation Test**

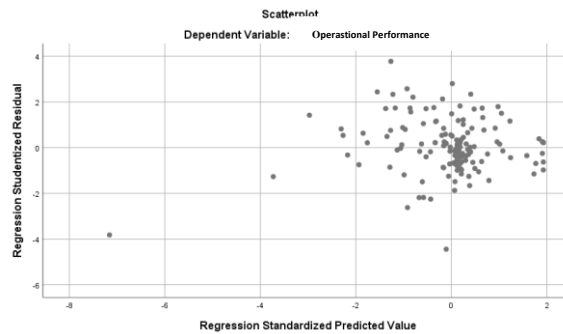
Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,876 <sup>a</sup>	,767	,761	,29350	1,857
a. Predictors: (Constant), Monitoring, Control Environment, Risk Assessment, Information, and Communication, Control Activities					
b. Dependent Variable: Operational Performance					

Source: SPSS 25 Output Results (2022)

From the results of the autocorrelation test in table 5.15 it is known that the value of d is 1.857, while from Durbin Watson's table with n = 194 and k = 5, it is known that the value of dL = 1.7124, the value of dU = 1.8181, the value of 4-dL = 2.2876 and 4-dU = 2.1819, it can be concluded that there is no autocorrelation to the hypothesis that has been tested because of the value of d = 1.857 lies between the values of dU and 4-dU.

**Uji Heterokedastisitas**

**Tabel 5**  
**Uji Heterokedastisitas**



Source: SPSS 25 Output Results (2022)

Based on the picture above, it can be seen that the dots spread randomly and do not form a certain clear pattern, and are spread both above and below the number 0 on the axis. Regression Studentized Residual (Y). This means that there is no heteroscedasticity in the regression model, so the regression model is feasible to predict operational performance based on the input of independent variables (control environment, risk assessment, control activities, information and communication, and monitoring).

**Linearity Test**

**Table 6**  
**Linearity Test**

Variable	Nilai sig.	Keputusan
Control environment	0,026	Linearity
Risk assessment	0,011	Linearity
Control activity	0,000	Linearity
Information and Communication	0,003	Linearity
Monitoring	0,000	Linearity

Source: SPSS 25 Output Results (2022)

Based on the results of the linearity test, it is obtained that all internal control variables namely the control environment, risk assessment, control activities, information and communication, and monitoring have a significance value of less than (<) 0.05 so it can be said that the five variables have linearity or a relationship to performance. hospital operations.

### 3. Multiple Linear Regression Test

Table 7  
Multiple Linear Regression Test

Model	Coefficients					Collinearity Statistics	
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1,152	,355		3,240	,001		
Control environment	,074	,067	,056	1,115	,026	,488	2,048
Risk assessment	,106	,085	,076	1,255	,011	,341	2,933
Control activity	,623	,118	,383	5,287	,000	,236	4,236
Information and Communication	,474	,155	,198	3,052	,003	,296	3,384
Monitoring	,590	,149	,260	3,971	,000	,288	3,473

a. Dependent Variable: Operational Performance

Source: SPSS 25 Output Results (2022)

The results of the processed regression data and multiple regression equations can be made as follows :

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

$$Y = 1,152 + 0,074X_1 + 0,106X_2 + 0,623X_3 + 0,474X_4 + 0,590X_5$$

The processed results of the regression equation data have the following meanings or explanations:

1. Constant (bo) which means that with the control environment, risk assessment, control activities, information and communication, and monitoring, the hospital's operational performance will increase by 1.15%.
2. The control environment regression coefficient (X1) is 0.074, this means that if the control environment is improved, the hospital's operational performance will increase by 0.07%.
3. The risk assessment regression coefficient (X2) has a value of 0.106, this means that if the risk assessment is increased it will affect the increase in hospital operational performance by 0.11%.
4. The control activity regression coefficient (X3) is 0.623, this indicates that the better the control activities, the hospital's operational performance will increase by 0.62%.
5. The information and communication regression coefficient (X4) has a value of 0.474, this means that if the application of information and communication is improved, the operational performance of the hospital will increase by 0.47%.
6. The monitoring regression coefficient (X5) is 0.590, this means that if the respondent's response to monitoring increases, the hospital's operational performance will increase by 0.59%.

### 4. Hypothesis Test

#### Coefficient of Determination Test

Table 8  
Coefficient of Determination Test

Model	Model Summary <sup>b</sup>				
	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,876 <sup>a</sup>	,767	,761	,29350	1,857

a. Predictors: (Constant), Monitoring, Control Environment, Risk Assessment, Information, and Communication, Control Activities  
b. Dependent Variable: Operational Performance

Source: SPSS 25 Output Results (2022)

From the table above, it is known that the value of R = 0.876, which means that the control environment, risk assessment, control activities, information and communication, and monitoring have a strong relationship to hospital operational performance. Then the number Adjusted RSquare of 0.767. This shows that



the independent variables studied, namely the influence of the control environment, risk assessment, control activities, information and communication, and monitoring explained as much as 76.7% of the dependent variable, namely hospital operational performance, while the remaining 23.3% explained by other variables outside of this research model.

**t Test (Partial)**

Based on the results of regression testing which can be seen in table 7, it can be described as follows :

1. The control environment on operational performance.  
From the results of the processed regression data, a significant value of  $0.026 < 0.05$  was obtained, it can be concluded that the control environment has a significant effect on hospital operational performance.
2. Risk assessment on operational performance.  
The results of the processed regression equation data obtained a significant value of  $0.011 < 0.05$ , it can be concluded that risk assessment has a significant effect on hospital operational performance.
3. Control activities on operational performance.  
Based on the results of the regression equation, a significant value is obtained  $0.000 < 0.05$ , it can be concluded that control activities have a significant effect on hospital operational performance.
4. Information and Communication on operational performance.  
From the results of the processed regression data obtained a significant value of  $0.003 < 0.05$ , it can be concluded that information and communication have a significant effect on hospital operational performance.
5. Monitoring on operational performance.  
Based on the results of the processed regression data, a significant value of  $0.000 < 0.05$  is obtained, and it can be concluded that monitoring has a significant effect on hospital operational performance.

Based on the results of regression testing, it is obtained that all internal control variables, namely the control environment, risk assessment, control activities, information and communication, and monitoring affect the operational performance of the hospital.

**F Test (Simultaneous)**

Table 9  
F Test

Model		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53,343	5	10,669	123,852	,000 <sup>b</sup>
	Residual	16,194	188	,086		
	Total	69,538	193			
a. Dependent Variable: Operational Performance						
b. Predictors: (Constant), Monitoring, Control Environment, Risk Assessment, Information, and Communication, Control Activities						

Source: SPSS 25 Output Results (2022)

The table above can be seen that conducting a test with a 95% confidence level ( $\alpha = 0.05$ ) obtained a significant value of  $0.000 < 0.05$  (standard value). This means that the control environment, risk assessment, control activities, information and communication, and monitoring simultaneously or jointly affect the operational performance of the hospital.

**V. DISCUSSION**

**Effect of control environment on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 1 is accepted. Thus, empirically the control environment has a positive and significant influence on the operational performance of the hospital. This is to the theory put forward by COSO in Agoes (2007) that the five components of internal control affect employee performance. Agoes (2014:79) suggests that the control environment is to determine the style of an organization, influencing the control awareness of its people. The control environment is the basis for all components of internal control, providing discipline and structure. Based on the results of distributing questionnaires to hospital operations, it was found that most of the employees gave agreed answers regarding the control environment, and standard operating procedures (SOP) that must be obeyed by hospital employees, this is important because it is for carrying out hospital operations both in terms of management and service. The hospital also has a clear organizational structure that is separated according to the duties and functions of each section. Then the internal auditor supervises every hospital management activity, this shows that the auditor monitors every employee's work activity in the hospital, related to the

management of hospital receipts and expenses. This research is in line with Behavioristic Theory which teaches three determinants of behavior in organizations including individuals, groups, and structures, this is reflected in the control environment that includes integrity and ethical values, commitment to competence, leadership participation, organizational structure, granting authority, and human resource policies.

#### **Effect of risk assessment on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 2 is accepted. Thus, research stating that risk assessment has a positive and significant effect on hospital operational performance can be empirically proven. This is to the theory put forward by Agoes (2014: 79) that risk assessment is the identification of entities and analysis of relevant risks to achieving goals, providing a basis for determining how risks must be resolved. Based on the results of distributing questionnaires, it was found that most of the employees gave agreed answers regarding risk assessment, where the findings are that the hospital is still evaluating changes in the operational environment that affect Internal Control, then the hospital has a risk assessment procedure that affects the objectives of internal control. hospitals implement accounting information systems in presenting accurate financial information, and hospitals in financial records already use computer-based technology so that hospitals determine clear organizational goals so that risk assessments can be carried out appropriately. This is to the attribution theory proposed by Robbins (2015: 172) that often a person behaves caused by internal factors or other factors then the hospital has a risk assessment procedure that affects the objectives of internal control. hospitals implement accounting information systems in presenting accurate financial information, and hospitals in financial records already use computer-based technology so that hospitals determine clear organizational goals so that risk assessments can be carried out appropriately. This is to the attribution theory proposed by Robbins (2015: 172) that often a person behaves caused by internal factors or other factors then the hospital has a risk assessment procedure that affects the objectives of internal control. hospitals implement accounting information systems in presenting accurate financial information, and hospitals in financial records already use computer-based technology so that hospitals determine clear organizational goals so that risk assessments can be carried out appropriately. This is to the attribution theory proposed by Robbins (2015: 172) that often a person's behaves caused by internal factors or other factors and hospitals in financial records already use computerized-based technology so that hospitals determine clear organizational goals so that risk assessments can be carried out appropriately. This is to the attribution theory proposed by Robbins (2015: 172) that often a person's behaves caused by internal factors or other factors and hospitals in financial records already use computerized-based technology so that hospitals determine clear organizational goals so that risk assessments can be carried out appropriately. This is to the attribution theory proposed by Robbins (2015: 172) that often a person's behaves caused by internal factors or other factors external. Internal factors are triggers that are under the individual's control, while external factors are seen as the result of external causes, namely the individual is seen as forced to behave in this way because of the situation.

#### **Effect of control activities on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 3 is accepted. Thus, research stating that control activities have a positive and significant effect on hospital operational performance can be empirically proven. This is to the theory put forward by (Agoes, 2014:79) that control activities are policies and procedures that help ensure that management directives are carried out, where control activities affect the operational performance of the hospital's finance department. The results of the research conducted that control activities have been going well, where obtained findings that there is already a separation of duties by the responsibilities of each section, The hospital already has control activities related to efforts to reduce risk in achieving goals. Then the hospital processed information related to financial management clearly and accurately, and the hospital reviewed activities to assess the operational performance of the finance department. This finding is in line with attribution theory according to (Ikhsan and Ishak, 2010:55) that attribution theory will explain how to determine the causes or motives of a person's behavior. In addition, attribution theory studies how a person interprets an event, reason, or cause of his behavior. Is the behavior caused by dispositional factors (internal/internal factors), or is it caused by external circumstances. This explains that hospitals always carry out control activities to improve operational performance at the hospital.

#### **Effect of information and communication on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 4 is accepted. Thus the research states that information and communication have a positive and significant influence on hospital operational performance can be empirically proven. This is to the theory put forward by (Agoes, 2014:81) that information systems relevant to financial reporting objectives which include accounting systems consist of methods and records built to record, process, summarize and report entity transactions and to maintain accountability for assets, debt and equity concerned and related to financial reporting so that it can affect the



operational performance of the hospital. The results of the research carried out obtained empirical findings related to information and communication, that the hospital had identified the financial statements, the hospital always carried out ongoing evaluations to ensure that internal control had been managed efficiently and effectively, as well as that the hospital communicated internally. regarding internal control that supports hospital management. Then every employee managing the hospital's finances must be guided by the SOP that has been determined, and the hospital always gets relevant information to support internal control. This finding is in line with Theory The hospital always carries out ongoing evaluations to ensure that internal control has been managed efficiently and effectively, as well as that the hospital communicates internally about internal controls that support hospital management. Then every employee managing the hospital's finances must be guided by the SOP that has been determined, and the hospital always gets relevant information to support internal control. This finding is in line with Theory The hospital always carries out ongoing evaluations to ensure that internal control has been managed efficiently and effectively, as well as that the hospital communicates internally about internal controls that support hospital management. Then every employee managing the hospital's finances must be guided by the SOP that has been determined, and the hospital always gets relevant information to support internal control. This finding is in line with Theory and hospitals always get relevant information to support internal control. This finding is in line with attitude change theory proposed by (Carl Hovland, 1950) which states that it provides an explanation of how a person's attitude is formed and how that attitude can change through the communication process, and how that attitude can affect a person's actions or behavior. This shows that hospital employees have high work performance due to employee external factors such as the existence of SOP guidelines, identifying, obtaining relevant information, and conducting ongoing evaluations. So the information and communication will affect the operational performance of the hospital.

#### **Effect of monitoring on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 5 is accepted. Thus, empirical monitoring has a positive and significant impact on hospital operational performance. This is to the theory put forward by (Agoes, 2014:81) that monitoring is the process of determining the quality of internal control performance over time. This monitoring includes determining the design and operation of controls on time and taking corrective actions, thereby affecting the improvement of the hospital's operational performance. The results of distributing the questionnaires obtained empirical findings that the hospital always supervises so that if an error occurs, corrective action can be taken, then the hospital has provided a formal document system for the monitoring process, and the hospital already has an effective supervisory work procedure in carrying out the hospital's internal control implementation. In this study, the researcher uses attribution theory because this theory can explain the importance of monitoring carried out through work procedures, available document systems, and routine monitoring so that if an error occurs, corrective action can be taken.

#### **The five components of internal control simultaneously have a significant effect on hospital operational performance**

Based on the results of the analysis that has been done, the findings in this study are hypothesis 6 accepted. Thus the hypothesis states that the control environment, risk assessment, control activities, information and communication, and monitoring simultaneously have a significant effect on hospital operational performance. This is in line with the theory put forward by (Henry, 2016: 87) that the internal control process is a process in which several aspects of a system are modified, to achieve the desired changes in system performance. The purpose of the control process is to make the system have the correct performance to achieve company goals. Control is not the end of a process, but control is an improvement/improvement of the operating system. Internal control aims to reduce or even eliminate the risk of deviations related to the actions taken within an organization to help regulate and direct the activities of the organization. The existence of internal control can require all employees to carry out their responsibilities effectively. Based on the results of the analysis using simple regression, it can be concluded that there is a significant effect of the internal control system on the operational performance of the hospital. This is based on the test results using the f-test which gives a significant result of 0.00. The better the internal control system implemented in the company, the better the operational performance of the hospital.

## **VI. LIMITATION & FUTURE RESEARCH DIRECTION**

This research was carried out regardless of the limitations contained in the quality of the research data, namely (1) the researcher only used a questionnaire so there were still possible weaknesses that were encountered such as inaccurate answers, respondents who answered original and dishonestly, and incomplete or incomplete statements. less understood by respondents. So (2) The questionnaire was distributed online through the hospital's main chat group so it could not target respondents who were the main target of this study. (3) The

sample used was only limited to some hospital employees without involving stakeholders, the supervisory board, and independent auditors so that the results This study is not a general picture of all hospital activities.

## VII. CONCLUSION & SUGGESTION

Based on the results of hypothesis testing and discussion, several conclusions can be drawn. Namely (1) the control environment has a positive and significant effect on operational performance, (2) risk assessment has a positive and significant effect on operational performance, (3) control activities have a positive and significant effect on operational performance, (4) information and communication have a positive and significant effect on operational performance, (5) monitoring has a positive and significant effect on operational performance, and (6) Simultaneously internal control which consists of 5 components, namely the control environment, risk assessment, control activities, information and communication, and monitoring has a positive and significant influence on operational performance.

Based on the conclusions described above, some suggestions for further research are recommended, namely (1) Further researchers can choose a wider research sample including several hospitals that can be used as comparison materials so that they can better describe the influence of internal control on operational performance, (2) Future research it is recommended to use methods other than questionnaires, such as interviews to establish good communication with respondents in research to get honesty and truth from respondents' answers, (3) In this study, the control environment is the variable that has the least effect on operational performance even though the control environment itself is the main foundation in internal control so that further researchers are expected to be able to research this matter and conduct research that is more focused on the influence of the wider control environment.

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