
ANALYZING IACM IMPLEMENTATION IN INDONESIA'S GOVERNMENT INTERNAL AUDIT USING MCKINSEY 7S FRAMEWORK

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ABSTRACT

Despite the widespread adoption of the Internal Audit Capability Model (IACM) to assess Indonesia's government internal audit units (APIP), major corruption cases persist in institutions scoring highly on IACM. This highlights a disconnect between formal capability ratings and actual anti-corruption effectiveness. This study aims to evaluate the adequacy of IACM in capturing all critical elements influencing APIP performance and proposes integrating the McKinsey 7S Framework to address this gap. A qualitative case study method was employed, involving in-depth interviews and document analysis at central, provincial, and local APIP institutions. The findings reveal that organizational elements such as leadership style, shared values, staff competence, and strategic alignment—central to the McKinsey 7S model—are underrepresented in IACM assessments. These factors substantially impact audit quality and institutional integrity. The study concludes that incorporating the McKinsey 7S Framework into APIP capability assessments can enrich IACM, offering a more holistic and context-sensitive evaluation model. This integration has significant implications for policy reform and the development of more robust internal audit institutions in the public sector..

KEYWORDS

APIP, IACM, McKinsey 7S, internal audit capability, corruption prevention, good governance



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INTRODUCTION

Good governance is a prerequisite for effective, efficient, accountable, and transparent implementation worldwide (Brinkerhoff, 2017; Scholar, 2019; Widanti, 2022). International institutions such as the World Bank, the IMF, and the UNDP agreed in the early 1990s that good governance significantly contributes to improving the quality of public services, involving community participation, preventing corruption, increasing investment, and strengthening democracy (Nag, 2018). In Indonesia, realizing good governance is a primary agenda, yet corruption remains a serious challenge (Prabowo & Cooper, 2016; Warren & Visser, 2016).

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Table 1. Indonesia's Corruption Perception Index (CPI)

Year	CPI Score	Country Rank
2019	40	85
2020	37	102
2021	38	96
2022	34	110
2023	34	115
2024	37	99

Source: Processed by researchers from Transparency International data, 2019-2024 (2025)

Table 1 shows Indonesia's CPI score fluctuation based on Transparency International data. The decrease from a score of 40 (2019) to 34 (2022 and 2023) indicates a worsening perception of corruption. The score increase to 37 in 2024 is a positive development, but this score is still far from ideal, placing Indonesia in a concerning rank.

As internal auditors in government institutions, Aparat Pengawasan Intern Pemerintah (APIP) is crucial in realizing good governance and preventing corruption (Kopong et al., 2024; Rahayu et al., 2020; Santoso & Haryanti, 2024). Government Regulation Number 60 of 2008 concerning the Government Internal Control System emphasizes that APIP must provide reasonable assurance regarding the effectiveness, efficiency, economy, and compliance of government agency activities. Therefore, APIP is required to possess adequate capabilities (Pickett, 2010).

To address these demands, the Internal Audit Capability Model (IACM), developed by The Institute of Internal Auditors (IIA), has been widely adopted by APIP in Indonesia, as stipulated in the Peraturan Badan Pengawasan Keuangan dan Pembangunan (BPKP) Nomor 8 Tahun 2021, which designates BPKP as the institution responsible for fostering and assessing APIP capabilities. IACM classifies internal audit capabilities into five levels, from Initial to Optimizing. The 2023 BPKP report data shows that only about 55% of the 623 APIPs in Indonesia have achieved Level 3 (Integrated) capability. Although this figure indicates efforts to improve capabilities, whether this IACM score reflects APIP's effectiveness in preventing and detecting corruption is questionable.

Ideally, APIP with a high capability level based on IACM assessment is expected to reduce corruption risks significantly (Kurniawan et al., 2023; Sari et al., 2019). However, the reality on the ground shows a gap. For example, based on the APIP capability assessment conducted by BPKP, the Inspectorate General of the Ministry of Agriculture has reached Level 3. At Level 3, APIP is deemed capable of performing its functions and roles in assessing and reporting on efficiency, effectiveness, economy, and providing recommendations to management covering governance, risk management, and control. et, a state budget corruption case involving the Minister of Agriculture amounting to IDR 44.5 billion, quoted from online media, demonstrates weak oversight within the Ministry/Institution. This gap between the measured capability level and the real effectiveness of APIP indicates that the APIP capability assessment based on IACM may not be fully comprehensive and needs to be supplemented with other elements that can better capture the factors influencing APIP performance (Zhu et al., 2020).

Previous studies on internal auditor capabilities focus on human resource competencies or internal audit effectiveness (Barac et al., 2016; Drogalas et al., 2017). Research that explicitly examines the completeness of the IACM assessment framework, considering broader contextual factors, is still minimal (Cathy Tinsley, 2002). Therefore, this study proposes using the McKinsey 7S Framework as an analytical framework to evaluate and potentially enhance APIP capability assessment. Gallo et al. (2017) show

that the McKinsey 7S Framework has proven effective in management audits for identifying organizational strengths, weaknesses, and the interrelationships between elements. The framework developed by McKinsey & Company identifies seven interrelated internal organizational elements (Strategy, Structure, Systems, Shared Values, Skills, Style, and Staff). Considering these seven elements, it is hoped that factors potentially not optimally accommodated in the current IACM-based APIP capability assessment can be identified.

This research will use a qualitative case study approach to address the gap between expectations and reality in IACM implementation (Mengistu et al., 2024; Zhang & Pan, 2015). The Inspectorate General of the Ministry of Agriculture was selected to represent central-level APIP and to delve into the corruption case; the Inspectorate of DKI Jakarta Province was chosen due to its status as a Special Capital Region with high complexity; the Inspectorate of Bekasi Regency was selected to represent district/city level APIP with potential resource limitations; and BPKP as the assessor of APIP capabilities throughout Indonesia and the institution formulating IACM as the capability assessment model. This approach was chosen to allow for an in-depth understanding of how the 7S elements interact with IACM implementation in APIP and the contextual factors influencing APIP effectiveness in preventing and detecting corruption across three levels of government. By analyzing the interaction between the 7S elements and IACM implementation, it is hoped that recommendations can be formulated to enhance the APIP capability assessment framework.

The Internal Audit Capability Model (IACM) is a framework developed by the IIA in 2009 to assess and enhance the capability of the internal audit function. This model provides a phased guide for organizations, particularly the public sector, to build an effective internal audit function. IACM identifies six key elements: Services and Role of Internal Auditing, People Management, Professional Practices, Performance Management and Accountability, Organizational Relationships and Culture, and Governance Structures. The model also classifies capabilities into five levels: Initial, Infrastructure, Integrated, Managed, and Optimizing, with specific Key Process Areas (KPAAs) for each level and element.

IACM has been utilized in various studies as an analytical framework and assessment tool. Barac et al. (2016) used IACM elements to analyze the convergence of internal audit practices in BRICS countries, finding variations influenced by contextual factors. Janse van Rensburg, J.O. et al. (2016) also applied IACM in a South African government department case study. They found that although the model could measure capability levels, its application was not always hierarchical (i.e., achieving higher levels did not always require fulfilling all KPAAs at lower levels). Furthermore, Janse van Rensburg identified feasibility constraints in implementing several KPAAs, indicating the need for IACM adaptation to specific contexts.

In Indonesia, a case study by Simanjuntak, G.P., et al. (2023) at the Inspectorate General of the Ministry of Agriculture also revealed limitations in the IACM application. Although the Inspectorate General reached Level 3 (Integrated), the research findings showed that the audit focus was still more on compliance than performance, and integration with risk management and governance was not yet optimal.

Although these studies provide insights into IACM application and effectiveness, none have specifically tested the completeness of the IACM assessment framework, especially in Indonesia's corruption prevention context. These studies use IACM as a ready-made "measuring tool" without questioning whether its elements and KPAAs are

comprehensive enough to capture all factors relevant to APIP performance. This gap motivates this research to propose the McKinsey 7S Framework as a complementary framework to evaluate and potentially enhance APIP capability assessment.

The McKinsey 7S Framework is a management model developed by Tom Peters, Robert Waterman, and Julien Phillips (1980), consultants at McKinsey & Company, in 1980. The 7S Framework is designed as a tool to analyze and improve organizational effectiveness by considering seven interrelated internal elements: Strategy, Structure, Systems (complex elements), Shared Values, Skills, Style, and Staff (soft elements). The 7S elements do not stand alone but are interconnected and mutually influential in achieving organizational effectiveness.

Based on previous research, Gallo P. et al. (2017) used and modified the 7S Framework for management audits in small and medium enterprises in the Czech Republic. The study developed an "Adaptation of the 7S Model" with specific evaluation indicators and parameters for each 7S element. Their findings showed that the 7S Framework can assess management efficiency and effectiveness and identify areas for improvement.

Additionally, the 7S Framework has also been applied in the public sector. Zairi, M. et al. (1999) used a modified 7S Framework to evaluate organizational effectiveness at Allington NHS Trust, a healthcare provider in England. This research developed specific evaluation indicators and parameters for the NHS Trust context, assessing each 7S element based on efficiency and effectiveness. This study demonstrated that the 7S Framework can be adapted for different contexts and used to identify best practices within organizations.

Although these studies demonstrate the relevance and flexibility of the 7S Framework, none have combined IACM and the 7S Framework to assess APIP capability in Indonesia. This study aims to fill this gap by using a qualitative case study approach to evaluate the completeness of the IACM-based APIP capability assessment. Through an in-depth analysis of the interaction between the McKinsey 7S elements and IACM implementation at the Ministry, Provincial, and Regency/City levels of APIP, this research will identify potential enhancements to the capability assessment framework, thereby providing a more holistic view of APIP capability in Indonesia.

Despite the implementation of the Internal Audit Capability Model (IACM) as the primary framework to assess the performance of government internal auditors (APIP) in Indonesia, several major corruption scandals have occurred in ministries rated highly under this model. This indicates a potential mismatch between the formal capability levels assigned through IACM and the actual effectiveness of APIP in combating corruption. Therefore, the study seeks to explore the limitations of IACM and assess whether other organizational factors, not captured by IACM, might better explain the variation in APIP performance.

Indonesia continues to face serious corruption challenges, as evidenced by its fluctuating and relatively low Corruption Perceptions Index (CPI) scores from 2019 to 2024. Although internal audit institutions (APIP) are expected to act as frontline defenders against mismanagement and corruption, the persistence of high-profile cases even in institutions with high IACM scores reveals significant systemic weaknesses. These weaknesses highlight the need for a more holistic approach to evaluating APIP capabilities—one that not only checks formal compliance and processes but also deeply examines organizational culture, leadership, and operational realities.

The existing IACM framework, while comprehensive in structure, primarily focuses on documentation and process assessments. It inadequately addresses soft factors such as leadership style, shared values, and staff motivation, which are critical to ensuring effective audit practices and ethical integrity. Without a more integrative framework that captures these dimensions, IACM assessments risk providing a false sense of security and failing to drive genuine improvements in governance and corruption prevention.

Barac et al. (2016) investigated internal audit convergence across BRICS countries using the IACM and identified contextual limitations affecting its implementation. Their findings suggest that while IACM provides a standardized capability framework, its application often overlooks the nuanced differences between institutional environments, leading to varied effectiveness in similar capability levels.

Janse van Rensburg and Coetzee (2016) conducted a case study in South Africa, revealing that achieving higher IACM levels did not necessarily mean fulfilling all the lower-level requirements. This highlighted the non-linear and at times impractical nature of the model's application, especially in resource-constrained environments where strict adherence to sequential capability building may not be feasible.

Simanjuntak et al. (2023) examined APIP performance in Indonesia's Ministry of Agriculture and found that although the institution reached IACM Level 3, its audit practices remained compliance-focused and lacked integration with governance and risk management. This reinforces the concern that formal capability levels may not equate to practical auditing effectiveness and underscores the limitations of using IACM as the sole assessment framework.

While prior research has extensively utilized IACM to analyze internal audit functions, no study has critically examined the completeness of the IACM framework in capturing all relevant factors influencing APIP performance in Indonesia. Specifically, the gap lies in the underrepresentation of soft organizational elements such as leadership, culture, and staff dynamics, which are crucial to effective auditing but are not thoroughly assessed under IACM.

This study introduces a novel integration of the McKinsey 7S Framework with the IACM to holistically evaluate APIP capabilities. By analyzing organizational elements such as structure, strategy, systems, shared values, skills, style, and staff, the research goes beyond traditional metrics and provides a multidimensional assessment model. This combined approach offers a more accurate representation of internal audit effectiveness, particularly in complex public sector environments like Indonesia.

The main objective of this study is to evaluate the effectiveness of the current IACM framework in assessing APIP capabilities and to propose a complementary assessment model by incorporating the McKinsey 7S Framework. The study aims to identify organizational elements that influence APIP performance but are underrepresented in IACM, thereby suggesting enhancements to improve the credibility and relevance of internal audit capability assessments in the Indonesian government sector.

This research was expected to benefit multiple stakeholders. For policymakers and regulators such as BPKP, it offers practical insights into refining the IACM framework to ensure a more accurate and actionable evaluation of APIP performance. For APIP institutions, the study provides diagnostic tools to internally assess and enhance organizational effectiveness. Ultimately, it contributes to the broader public goal of achieving good governance and reducing corruption by strengthening the internal audit function.

RESEARCH METHODS

This study employed a qualitative approach with a multiple-case study design to explore the factors influencing APIP capabilities in Indonesia, based on the McKinsey 7S framework, and how these factors interact with IACM implementation. The qualitative approach was chosen to gain an in-depth understanding of this phenomenon within the specific context of APIP by exploring the informants' meanings, perceptions, and experiences. According to Merriam S. B. et al. (2016), case studies allow researchers to investigate phenomena holistically, intensively, and contextually.

The object of research is APIP capability, assessed based on Key Process Areas (KPA) in the IACM (IIA, 2009) and measured through secondary data from IACM assessment reports and interviews. Factors influencing capability were analyzed using the McKinsey 7S Framework elements (Strategy, Structure, Systems, Shared Values, Skills, Style, and Staff), operationally defined based on adaptation from the literature (Gallo et al., 2017) and measured through interviews and document analysis. APIP effectiveness (corruption prevention) was measured through informant perceptions and supporting data. This research focuses on the relationship between the 7S elements, APIP capability (IACM), and its effectiveness.

Multiple case studies were conducted at the Inspectorate General of the Ministry of Agriculture (central level), the Inspectorate of DKI Jakarta Province (provincial level), and the Inspectorate of Bekasi Regency (regency/city level). Case selection used purposive sampling, considering the representation of government levels, availability of initial data, corruption cases in relevant institutions, and accessibility. Data from BPKP in 2023 indicated that only 55.38% of 623 APIPs in Indonesia reached Level 3 (Integrated) or higher. Significant variation exists between government levels: 59.26% of Ministry/Agency APIPs, 91.18% of Provincial APIPs, and 52.36% of Regency/City APIPs achieved at least Level 3 (BPKP, 2024). This data provides context regarding APIP capability conditions and supports the selection of diverse cases. The research was conducted at the respective APIP offices and BPKP.

Informants were selected purposively from:

1. APIP (the Inspectorate General of the Ministry of Agriculture, the Inspectorate of DKI Jakarta Province, and the Inspectorate of Bekasi Regency)

The population of internal auditors and related parties. Selection criteria included position (prioritizing Inspector/equivalent, senior auditor/team leader, and team members), involvement in IACM implementation, and understanding of APIP duties, functions, and organizational context, with a minimum of 3 years of work experience. Given time and access constraints, this study focused on interviews with a maximum of three key informants at each institution: one audit team leader (senior auditor) and two audit team members.

2. BPKP

Relevant personnel at BPKP handling APIP development and capability assessment, with criteria including an understanding of IACM, Peraturan BPKP No. 8/2021, and the APIP context in Indonesia, as well as experience in APIP development/capability assessment. The number of informants from BPKP was one, adjusted based on information needs and informant availability.

The researcher acknowledges the limitation of the number of informants and its impact on the depth and diversity of perspectives. Therefore, the researcher will maximize document analysis and employ data triangulation to enhance the validity of the findings. The number of informants will be adjusted based on data saturation. Data were collected

through in-depth interviews using a semi-structured guide (Appendix 1 for APIP, Appendix 2 for BPKP) and document analysis (IACM assessment reports, audit reports, policies, and SOPs). Interviews were recorded (with permission) and transcribed. Interview data were analyzed using thematic analysis involving data familiarization, coding, theme searching, theme reviewing, theme defining and naming, and report writing. Documents were analyzed qualitatively. Data from interviews and documents were triangulated for validity.

RESULTS AND DISCUSSION

This study explored the implementation of the Internal Audit Capability Model (IACM) and its influencing organizational factors, based on the McKinsey 7S framework, at the Inspectorate General of the Ministry of Agriculture, the Inspectorate of DKI Jakarta Province, and the Inspectorate of Bekasi Regency. Findings were derived from in-depth interviews with seven informants from these three APIPs and one key informant from Badan Pengawasan Keuangan dan Pembangunan (BPKP), supported by document analysis.

The gap between Formal IACM Assessment and APIP's Real Effectiveness

Although the three APIPs studied were formally assessed at least at IACM Level 3 ("Integrated"), most APIP informants perceived a gap between this measured capability level and the actual effectiveness of APIP in preventing corruption. This gap was most evident at the Inspectorate General of the Ministry of Agriculture. The BPKP perspective provided nuance, explaining that the relationship between APIP capability (IACM level) and corruption prevention is indirect, influenced by individual willingness (consistent with Fraud Triangle theory). Fraudulent behavior in the workplace (occupational fraud) can be explained by the fraud triangle model developed by Cressey in (1953), which consists of three driving factors: the perception of an unshared financial need, the perceived opportunity to commit fraud, and the perpetrator's rationalization of the act (Cressey, 1953). BPKP also acknowledged the potential for IACM assessment to become merely a matter of document fulfillment despite their validation process. This aligns with critiques in research by Janse van Rensburg & Coetzee (2016), finding that IACM implementation is not always hierarchical and faces feasibility constraints, and findings by Simanjuntak et al. (2023) regarding sub-optimal Level 3 implementation at the Ministry of Agriculture. This gap indicates that the current IACM assessment, possibly focusing too much on formal criteria or documentation as occurred at the Bekasi Regency Inspectorate, does not sufficiently capture the organizational dynamics affecting APIP's substantive performance.

Analysis of Influencing Factors Based on the 7S Framework and IACM Implementation

The 7S framework proved relevant in identifying organizational factors influencing APIP capability and effectiveness, some of which are sub-optimally accommodated within IACM:

- **Strategy:** APIPs possess strategic planning documents, but audit priorities are often not purely risk-based (a requirement for IACM Level 3) but instead influenced by budget availability or management/mandatory requests. This aligns with BPKP's view that implementing risk-based audit planning and developing an Audit Universe are significant challenges for APIPs nationwide. Regional Government APIP strategies are

also heavily influenced by political factors (changes in leadership vision), making alignment of APIP resources difficult and hindering internal strategic coherence.

- **Structure:** The formal APIP structure is generally considered adequate. However, APIP independence in final decision-making or finalization of audit reports is structurally hampered by the leadership approval hierarchy, which is a consistent finding. BPKP confirmed this as a structural paradox for APIPs in Indonesia, being positioned under the management they oversee. The dual reporting structure of Regional Assistant Inspectorates in DKI adds complexity and potential independence challenges. Although this aspect of independence is touched upon in the IACM Governance Structures element, its impact on the audit process does not seem fully captured in assessments. Additionally, issues like the inverted pyramid structure in the Ministry of Agriculture (more senior auditors than junior ones) hinder auditor promotion.
- **Systems:** Formal SOPs do not guarantee effective implementation if socialization is lacking (Ministry of Agriculture). The use of information technology varies and is suboptimal, particularly regarding system integration and the utilization of Audit Management Systems (AMS). Differing views on AMS highlight complex system implementation issues. These system limitations impede bureaucratic efficiency, even if the Professional Practices aspects in IACM might be formally met.
- **Shared Values:** Integrity and professionalism are generally emphasized, but a lack of internalization of specific, strong shared values is evident. The use of jargon without real practice, value inculcation being primarily leader-driven or limited to team building, and potential value conflicts (internal corrupt behavior, dilemma of protecting the institution's reputation) indicate that this central 7S element is not well-managed and could weaken APIP's ethical foundation, even if formal ethical aspects in IACM are met.
- **Skills:** Skill gaps are a universal issue recognized by all informants. This directly limits APIP's ability to conduct complex, value-adding audits. Although auditors formally attend training (as assessed in the IACM People Management element), issues remain regarding the equity, suitability, and effectiveness of such training. Other skill constraints noted include two-way communication, professional skepticism, and formulating sharp recommendations.
- **Style:** Leadership style significantly influences independence, motivation, and work culture, yet it is not explicitly assessed in the current IACM assessment framework. This demonstrates a potential limitation of the IACM model in capturing crucial leadership factors, aligning with the emphasis on soft elements in the 7S Framework. The lack of upward feedback mechanisms is a common problem found among all respondents.
- **Staff:** Issues with quantity and quality of Human Resources (SDM) are the most crucial and consistent obstacles across all APIPs. Shortages in auditor numbers, experience gaps (many new auditors), promotion systems not entirely based on merit, and limited motivation hinder overall APIP capability. Although IACM includes the People Management element, its focus might be more on HR management processes (training, recruitment), and findings indicate that the Staff aspect in 7S covers broader, deeper issues significantly affecting real APIP capability.

Perspectives on IACM Assessment Limitations

APIP informants and BPKP indicated that the IACM assessment is not fully comprehensive. Critiques include the assessment's partial nature, which overlooks

interdependencies between elements (as emphasized by the 7S Framework), and its focus on documentation. Crucial elements like Style (Leadership Style) and real Independence (influenced by Structure and Style) are not explicitly assessed. BPKP also explained the Indonesian adaptation of IACM (partial level assessment) and the need for contextual interpretation of levels, emphasizing that the IACM level is not an end goal and should not be used as a rigid Key Performance Indicator target.

Discussion

The findings of this research consistently demonstrate a gap between the capability level of APIP as formally assessed through IACM and its perceived real effectiveness, particularly in preventing corruption. This gap suggests that the IACM framework adapted in Indonesia, while useful, is not entirely comprehensive. This study answers the main research question by affirming that the McKinsey 7S Framework elements can complement and enhance the assessment of APIP capability, highlighting crucial organizational factors that may be overlooked or inadequately addressed in the current IACM assessment.

Analyzing IACM Limitations through the 7S Lens

BPKP's validation of APIP self-assessments is acknowledged to risk not capturing substantive implementation. APIP findings reinforce this regarding suboptimal audit practices (e.g., budget-influenced planning instead of risk-based), inadequate IT systems, and weak value internalization, even when Level 3 IACM documentation criteria might be met. This aligns with Janse van Rensburg and Coetzee's (2016) findings and Simanjuntak et al. (2023).

Informant critiques regarding the partial nature of IACM assessment, which overlooks interdependencies, become highly relevant when viewed through the core 7S Framework principle of alignment (Waterman et al., 1980). Findings illustrate how issues in one 'S' element cascade to others: unclear or shifting Strategy affects Staff allocation and Skills needs; poor leadership Style impacts Staff motivation and Shared Values culture; weak Systems hinder the implementation of Professional Practices within IACM. The partial IACM assessment fails to capture these interdependent dynamics.

Specifically, the elements of Style (Leadership Style) and Independence (related to Structure and Style) emerge as crucial factors lacking explicit emphasis in the IACM assessment. Although BPKP explains that IACM focuses on APIP's internal capabilities, findings show that these factors fundamentally affect APIP's ability to function effectively. Failure to deeply assess these aspects partly explains the gap between IACM scores and real effectiveness.

Theoretical and Practical Implications

Theoretically, this research provides empirical evidence of the gap between a formal capability model (IACM) and organizational reality in Indonesian APIPs, demonstrating the validity of 7S as a complementary diagnostic tool, highlighting soft factors and alignment. This reinforces the view of internal audit effectiveness as a multidimensional construct influenced by complex interactions between internal capabilities and organizational context.

Practically: (1) BPKP should enhance IACM assessment (integrate 7S, assess interdependencies, validate beyond documents), communicate the contextual meaning of IACM levels, focus development programs (HR, independence, risk-based auditing), and study the feasibility of a National APIP organization. (2) APIP Leaders should use 7S for

internal diagnosis, focus on strengthening critical elements (Shared Values, Skills, Style, Staff), and advocate for independence and resources. (3) The Government should provide political and resource support, guarantee APIP independence, and ensure follow-up on recommendations.

Limitations of the Study

This study has several limitations. First, as a qualitative study with limited cases and informants, the findings cannot be statistically generalized to all APIPs in Indonesia. Second, data on APIP effectiveness relies largely on informant perceptions, which may be subjective. Third, limited access to specific secondary data (e.g., details of corruption-related audit findings) restricts supporting quantitative analysis.

Suggestions for Future Research

Future research could: (1) employ quantitative or mixed methods with larger samples to statistically test the relationships between 7S elements, IACM capabilities, and APIP effectiveness. (2) Conduct longitudinal studies to observe the development of APIP capabilities and effectiveness over time. (3) Explore specific 7S elements (e.g., Shared Values or Style) and their impact on APIP in greater depth. (4) Compare IACM and 7S implementation in APIPs with different backgrounds (e.g., remote vs. large urban areas, different sectors).

CONCLUSION

This research concluded that the assessment of APIP capability in Indonesia based on IACM, while providing a helpful framework, needs to be enriched with a more holistic perspective to capture institutional factors affecting real effectiveness, particularly in corruption prevention. A gap exists between measured capability levels and effectiveness on the ground. Analysis used the McKinsey 7S Framework indicated that Style (Leadership Style), Shared Values, Staff (HR), and Skills, along with issues of structural independence (Structure) and strategic alignment (Strategy), are crucial factors sub-optimally accommodated in the current IACM assessment. The gap between formal assessment and reality demands concrete actions in refining the assessment framework and adopting a more comprehensive and contextual approach to APIP development, thereby strengthening APIP's vital role in realizing good governance and combating corruption in Indonesia.

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