



**THE IMPACT OF INTERNAL CONTROL SYSTEM ON FINANCIAL
PERFORMANCE, PERFORMANCE MEASUREMENT AS AN
INTERVENING VARIABLE
(EMPIRICAL STUDY IN NON GOVERNMENTAL ORGANIZATIONS)**

THESIS

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As one of the Requirements to Obtain a Master is Degree in Accounting
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ABSTRACT

Internal Control Systems play an important role in every organization as it assist in realization of their financial performance goals. The main objective of the study was to determine the effect of internal control systems and financial performance of nongovernmental organizations. Specifically the study was guided by the following objectives; to analyze the effect of internal control system on financial performance of nongovernmental organizations. Most NGOs have registered declining performance in recent years due weakened internal control systems. Researches done relating to internal control systems and financial performance. Multiple regression models were used to test whether internal control environment, internal audit function, risk assessment, internal control activity and information and communication have any influence on financial performance. It was found that internal control systems had a significant relationship with financial performance. Based on the research findings it can be concluded that internal control system is a positive significant predictor of financial performance.

ABSTRAK

Sistem Pengendalian Internal memainkan peran penting dalam setiap organisasi Karena membantu pencapaian tujuan kinerja keuangan mereka. Tujuan utama penelitian ini adalah untuk mengetahui pengaruh system pengendalian internal dan kinerja keuangan lembaga swadaya masyarakat. Secara khusus studi ini dipandu oleh tujuan berikut; untuk menganalisis pengaruh system pengendalian internal terhadap kinerja keuangan lembaga swadaya masyarakat. Sebagian besar LSM telah mencatat kinerja yang menurun dalam beberapa tahun terakhir karena melemahnya system pengendalian internal. Penelitian yang dilakukan berkaitan dengan system pengendalian internal dan kinerja keuangan. Model regresi berganda digunakan untuk menguji apakah lingkungan pengendalian internal, fungsi audit internal, penilaian risiko, aktivitas pengendalian internal dan informasi dan komunikasi memiliki pengaruh terhadap kinerja keuangan. Ditemukan bahwa system pengendalian internal memiliki hubungan yang signifikan dengan kinerja keuangan. Berdasarkan hasil penelitian dapat disimpulkan bahwa system pengendalian internal merupakan predictor signifikan positif terhadap kinerja keuangan.



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