ABSTRACT

THE EFFECT OF INTERNAL CONTROL AND INTERNAL AUDIT FUNCTION ONLOCAL GOVERNMENT PERFORMANCE

(Survey on City Government offices in Bandung)

With the regional autonomy, local government is authorized to carry out its own development. In running any programs and activities, the Organization of the Local Government Areas using one of which the Regional Office to discharge the necessary internal controls and conduct internal audit function, so that performance is achieved at an optimal local governments.

The purpose of this study was to determine the description of the internal control variables, internal audit functions and local government performance, as well as determine the effect of internal controls and internal audit functions of local government performance and simultaneously partially.

The method used in this research is descriptive and verifikatif method. Descriptive methods are used to find a picture of each variable studied. While verifikatif with multiple regression analysis used to determine the effect of internal controls and internal audit function on local government performance. Statistical test used is the calculation of correlation, multiple regression, the coefficient of determination, and test hipotess with the help of SPSS 20 for window applications.

Results of research at the city government officie in Bandung showed that internal controls work well and function of the internal audit was going well. Internal control and internal audit function has a positive effect on the local government performance.

Keywords: Internal Control, Internal Audit Function, Local Government Performance