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Public service performance model from an internal auditor's perspective

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Abstract

This research investigates the performance model of public services from the perspective of internal auditors. Employing a quantitative approach using Structural Equation Modeling–Partial Least Squares (SEM-PLS), the study utilizes primary data collected through questionnaires distributed to 390 internal auditors and Regional Government Affairs Supervisory Officers (PPUPD) across the Jambi Provincial Inspectorate. The findings reveal that internal auditor competence, governance, the Government Internal Control System (SPIP), and risk management directly and significantly affect the performance of local government public services. Furthermore, the competence of internal auditors indirectly influences service performance through governance, internal control systems, and risk management as mediating variables. The results support the development of an integrative model where internal auditor capabilities enhance transparency, accountability, and service delivery efficiency. Practical implications include the need for local governments to invest in training and certification programs for auditors, strengthen SPIP implementation, and embed risk management into strategic planning. These improvements are vital for fostering responsive and high-quality public services.

Keywords: Governance, Government internal control system (SPIP) and Risk management, Internal auditor competence, Public service performance of local government.

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1. Introduction

Regional government is the implementation of government affairs by the Regional Government and the DPRD, based on the principles of autonomy and assistance tasks within the framework of the Unitary State of the Republic of Indonesia [1]. The main objective is to accelerate public welfare through improving services, empowerment, and community participation. However, the performance of public services in Indonesia is still under scrutiny due to the low quality of service, responsiveness, and transparency, as well as the rampant practices of corruption, collusion, and nepotism [2].

Evaluation of public service performance is carried out based on six aspects: service policies, HR professionalism, facilities and infrastructure, information systems, consultation and complaints, and innovation [3]. The results of the evaluation in Jambi Province (2020–2023) showed a decline in service quality, with several local governments categorized as poor and very poor, such as Sarolangun and Kerinci Regencies.

A key factor influencing public service performance is good governance. Effective governance contributes to improved organizational performance [4], including applying accountability, transparency, and participation principles. Accountability also impacts the quality of financial reports and budget management, as shown by the BPK's opinion on local government financial reports [5]. In addition, the government's internal control system (SPIP) and risk management play a significant role in supporting public service performance [6]. However, achieving the SPIP maturity level and the Risk Management Index (MRI) in Jambi from 2020 to 2023 is still far from the set target (BPKP, 2020–2023). Sound risk management helps anticipate risks and mitigate their impacts [7].

The capacity of the Government Internal Supervisory Apparatus (APIP) also plays an important role in internal supervision. Based on the Internal Audit Capability (IA-CM) model, the level of APIP capability in Jambi increased from 2021 to 2023. However, 25% of local governments are at level 2, indicating that supervisory activities have not fully met the standards (BPKP, 2020–2023).

This research aims to build a public service performance model from the perspective of internal auditors with intervening variables in governance, risk management, and internal control [8]. This model adopts API Capability and integrity indicators based on PSA 210.1 SPAP and takes a more comprehensive quantitative approach than previous studies.

2. Literature Review

2.1. Stewardship Theory

The Grand Theory that forms the basis of this research is stewardship theory. Stewardship theory describes a situation where managers are not motivated by individual goals but rather aim at the organization's primary objectives. This theory has a psychological and sociological foundation designed for executives as stewards motivated to act as desired by the principal; additionally, steward behavior will not leave the organization because the steward strives to achieve the organization's goals. Stewardship theory is intended for researchers to test situations where agents in the company, as servants, can be motivated to act in the best interests of their principals [9].

For instance, Torfing & Bentzen explore how Stewardship Theory can offer an alternative to control-based governance in public administration, highlighting its potential to foster trust-based governance structures that enhance organizational effectiveness [10]. Similarly, Dicke and Ott [11] investigate the application of Stewardship Theory in contracted human services, arguing that it can improve service delivery by promoting trust and collaboration among stakeholders Dicke and Ott [11]. Murtaza, et al. [12] propose that Stewardship Theory can be used to understand the relationship between corporate social responsibility (CSR) and employees' pro-environmental behavior, suggesting its applicability in sustainability initiatives where long-term organizational health is prioritized over short-term gains Murtaza, et al. [12]. Schillemans and Bjurstrøm [13] also emphasizes the importance of Stewardship Theory in public administration, advocating for trust and collaboration between central government departments and public agencies to enhance service delivery and governance [13]. Additionally, Bacq and Eddleston [14] examine how stewardship culture benefits the scale of social impact in social entrepreneurship, suggesting that organizations guided by stewardship principles can achieve broader societal outcomes [14].

These recent studies illustrate the evolving application of Stewardship Theory beyond traditional business contexts. They demonstrate its broad utility in enhancing governance, organizational performance, and accountability in various sectors, including public administration, social entrepreneurship, and CSR initiatives. By incorporating these perspectives, this study aims to further develop a framework that considers how internal auditor competence, governance, and accountability systems interact to influence the performance of local government public services.

2.2. Attribution Theory

Attribution theory is a theory that explains how people interpret the occurrence of certain events and the reasons for their actions. According to Heider [15], attribution theory is a theory that explains human behavior. Attribution theory explains the process of determining the causes and motives of a person's actions [15]. This theory refers to how people explain the causes of other people's actions and their actions. These causes can be determined internally, such as character, personality, and attitudes, or externally, such as certain situations or environmental pressures. Influence on individual behavior [16]. Recent studies have expanded its application across various organizational contexts. For instance, a systematic review by Safira et al. [17] explores how attribution theory can be used to improve corporate leadership practices, specifically in avoiding harmful attributional biases [17]. Additionally, Yogev [18] investigates how causal explanations influence perceptions of dangerousness and racial classification, highlighting the impact of attribution on legal decision-making [18]. Furthermore, Von Sikorski and Merz [19] examine how attribution theory can be applied to understand victim blaming in the context of anti-Semitic attacks, emphasizing its relevance in social psychology [19]. These studies underscore the evolving application of Attribution Theory beyond traditional settings, demonstrating its utility in enhancing organizational performance, accountability, and sustainability. Integrating these perspectives into the analysis of internal auditors' roles can provide valuable insights into governance and service delivery in public administration. This research uses attribution theory as a middle-range theory because of the following:

Competence. Auditors need competence to carry out audit activities. This competence is influenced by various factors within the auditor and the environment in which the auditor works. Attribution theory will be related to how people assess the auditor's competence, which can be seen based on the knowledge and expertise possessed by the auditor.

The auditor's ability to carry out its functions includes governance, risk management, and internal control. Among these, the functions carried out in this test are auditor competence.

2.3. Service Performance of Local Government

Public services encompass all forms of service, whether public goods or public services, that are primarily the responsibility of and implemented by government agencies at the central, regional, and local levels, including State-Owned Enterprises or Regional-Owned Enterprises, in accordance with laws and regulations.

The measurement of public service delivery performance as outlined in the Guidelines of the Ministry of State Apparatus Empowerment and Bureaucratic Reform Number 1 of 2022 covers six main aspects: 1) service policy, 2) human resource professionalism, 3) facilities and infrastructure, 4) public service information system (SIPP), 5) consultation and complaints, and 6) innovation. These six factors are then linked to the basic principles of assessment outlined in the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 29 of 2022 concerning Monitoring and Evaluation of Public Service Performance [20]. Expanding the elements and principles will produce more focused question indicators on the community's circumstances. This assessment aims to obtain an accurate Public Service Index (IPP) score from service providers that represents their performance.

2.4. Governance

Governance is defined by The Institute of Internal Auditors (IIA) [21]. An organization's top management establishes a combination of structures and processes to authorize, direct, and oversee management to achieve the organization's objectives. Governance can be defined as a procedural framework. The topic of interest is decision-making and the implementation or non-implementation of those decisions. Governance can be applied in various circumstances, including corporate Governance, international Governance, national Governance, and location governance [22].

The researchers in this study utilized the concept of Good Governance: participation, rule of law, transparency, efficiency and effectiveness, and accountability. These principles are strongly related to the responsibilities of internal auditors. Internal auditors are essential for a transparent and corruption-free government [23].

2.5. Internal Control System (ISC)

The Committee of Sponsoring Organization (COSO) includes the American Institute of Certified Public Accountants (AICPA), the American Accounting Association (AAA), the Institute of Internal Auditors (IIA), the Institute of Management Accountants (IMA), and the Financial Executives Institute (FEI) in 1992 [24] and was refined in May 1994, providing an understanding of internal control. Internal control is a comprehensive process influenced by various company components, such as the board of commissioners, board of directors, company management, and other personnel [25]. The goal is to provide reasonable assurance in achieving objectives in three main categories: operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.

2.6. Risk Management

McPhee [26] quoted Atkinson and Webb [27] stating that risk is uncertainty in efforts to achieve organizational goals [26]. Meanwhile, Comcover defines risk as "the possibility of an event or activity impacting adversely on an organization, preventing it from achieving organizational outcomes"[28]. Meanwhile, the definition of risk management (Enterprise Risk Management), according to COSO, is a process influenced by the Board of Directors, management, and other personnel in an entity applied to strategy formation and applied throughout the company [29].

Recent advancements in risk management emphasize the integration of technology and data analytics to enhance decision-making processes. A comprehensive literature review by Damayanti provides an overview of risk management practices across various industries, highlighting the importance of strategic planning and risk-based decision-making [30]. The study underscores the need for organizations to adopt a proactive approach in identifying and mitigating risks to ensure long-term sustainability.

Furthermore, the 2023 State of Risk Oversight Report by North Carolina State University offers insights into the evolving landscape of enterprise risk management (ERM). The report identifies key trends such as the increasing role of technology in risk assessment, the importance of aligning risk management with organizational objectives, and the need for continuous monitoring and adaptation to emerging risks.

These studies collectively highlight the dynamic nature of risk management and the necessity for organizations to remain agile and informed in their risk management strategies.

2.7. Internal Auditor Competence

According to Seol, et al. [31] competence is the ability auditors need to perform specific tasks. The competency indicators that internal auditors must possess are basic, personal, technical, and tool competencies [31]. Bailey further stated that an internal auditor's essential competencies can be developed by continuing education and attending training in the surrounding area.

Recent studies underscore the critical role of internal auditor competence in enhancing audit quality and organizational performance. A 2024 literature review by Bakri [32] highlights that auditor competence, professionalism, and integrity significantly influence internal audit quality, emphasizing the need for auditors to possess a combination of technical skills, ethical behavior, and professional judgment. Furthermore, a 2023 study by Julian et al. [33] developed a measurement scale for internal auditors' information technology competency, acknowledging the increasing importance of IT skills in the audit

process. These findings align with the Institute of Internal Auditors' (IIA) competency framework, which outlines the necessary knowledge and skills for auditors at various career levels. Collectively, these studies highlight the evolving expectations for internal auditors to possess a diverse skill set, encompassing both traditional auditing competencies and modern technological proficiency, to effectively contribute to organizational governance and performance.

3. Method

This research employs a descriptive approach with a survey method to collect factual and current data on the influence of internal auditor competence on the performance of local government public services. The study was designed cross-sectionally, involving auditors with the functional positions of Auditor (JFA) and Regional Government Affairs Supervisory Officer (PPUPD) within the Jambi Provincial Inspectorate, which covers nine districts and two cities and has a population of 390 people.

3.1. Data collection

Data collection was conducted using a saturated sampling technique to ensure accurate generalization. This technique involves all members of the population who meet the criteria as respondents. Data were collected through a structured questionnaire with closed-ended answer choices, supplemented by interviews to explore qualitative information. The research instrument has been tested for validity and reliability to ensure suitability in measuring research variables.

3.2. Analysis Framework

The analysis employed Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. This method was selected due to its flexibility in managing small sample sizes and data with reflective and formative indicators. SEM-PLS also does not necessitate the assumption of normality, making it appropriate for this research. The stages of analysis include:

1) Outer Model Analysis: To evaluate the validity and reliability of the measurement instrument. Convergent and discriminant validity tests ensure that the indicators accurately represent their respective latent constructs.
2) Inner Model Analysis: Used to test structural relationships between latent variables and test hypotheses regarding causal influences between variables.

3.3. Variables and Measurement

This research examines five main variables:

1) Internal Auditor Competence: Measured using seven indicators adapted from the Internal Audit Capability Model (IA-CM).
2) Governance: Evaluated through five principles of good governance, namely participation, supremacy of law, transparency, efficiency and effectiveness, and accountability.
3) Internal Control System: Assessed through five internal control components regulated by government standards.
4) Implementing Risk Management: Evaluated with ten indicators by BPKP Regulation Number 5 of 2021.
5) Public Service Performance: Measured through service policies, HR professionalism, facilities and infrastructure, public service information systems, consultation and complaints, and service innovation.

3.4. Respondents and Characteristics

The research had a response rate of 78.71%, with 307 respondents. Most respondents (58.95%) had more than 15 years of work experience, indicating high expertise. Educational backgrounds were dominated by bachelor's degrees (68.40%), indicating opportunities for further development in advanced training and academic qualifications.

3.5. Data Analysis

The PLS-SEM framework includes the following evaluations:

1) Model Suitability: Assessed through indicators such as Standardized Root Mean Square Residual (SRMR), which produces a value below the threshold and indicates a good model.
2) Hypothesis Testing: Using bootstrapping to evaluate the significance and strength of direct and indirect influences between variables.

3.6. Reasons for Choosing the Methodology

1) Selection of SEM-PLS: Chosen because it can handle complex models and is suitable for exploratory research with assumptions of data distribution that cannot be guaranteed.
2) Survey Method: Chosen to obtain a comprehensive picture of the internal audit process and its impact on public service performance.
3) Cross-Sectional Design: Ensures that data reflects current conditions related to public service performance and its determinants.

3.7. Challenges and Solutions

This research anticipated challenges in achieving high response rates and minimizing self-reported data bias. To address these challenges, active follow-up and anonymity were ensured to encourage respondent openness.

This methodology ensures that the research is replicable and that practices in studies related to public service performance and internal audit practices are accepted by outlining each data collection, analysis, and validation stage.

4. Result

This research involved 307 internal auditors from the Jambi Provincial Inspectorate, nine districts, and two cities, with a response rate of 78.71%. Data were collected through a questionnaire using a Google Form link and direct distribution, lasting three weeks. Most respondents were aged 45–50 years (24.75%), with the majority being male (50.81%). Based on the length of service, 58.95% of respondents had more than 15 years of work experience, indicating the expected professionalism in answering the questionnaire. Most respondents held a bachelor's degree (68.40%), highlighting the need to improve competence to higher levels of education to support audit quality.

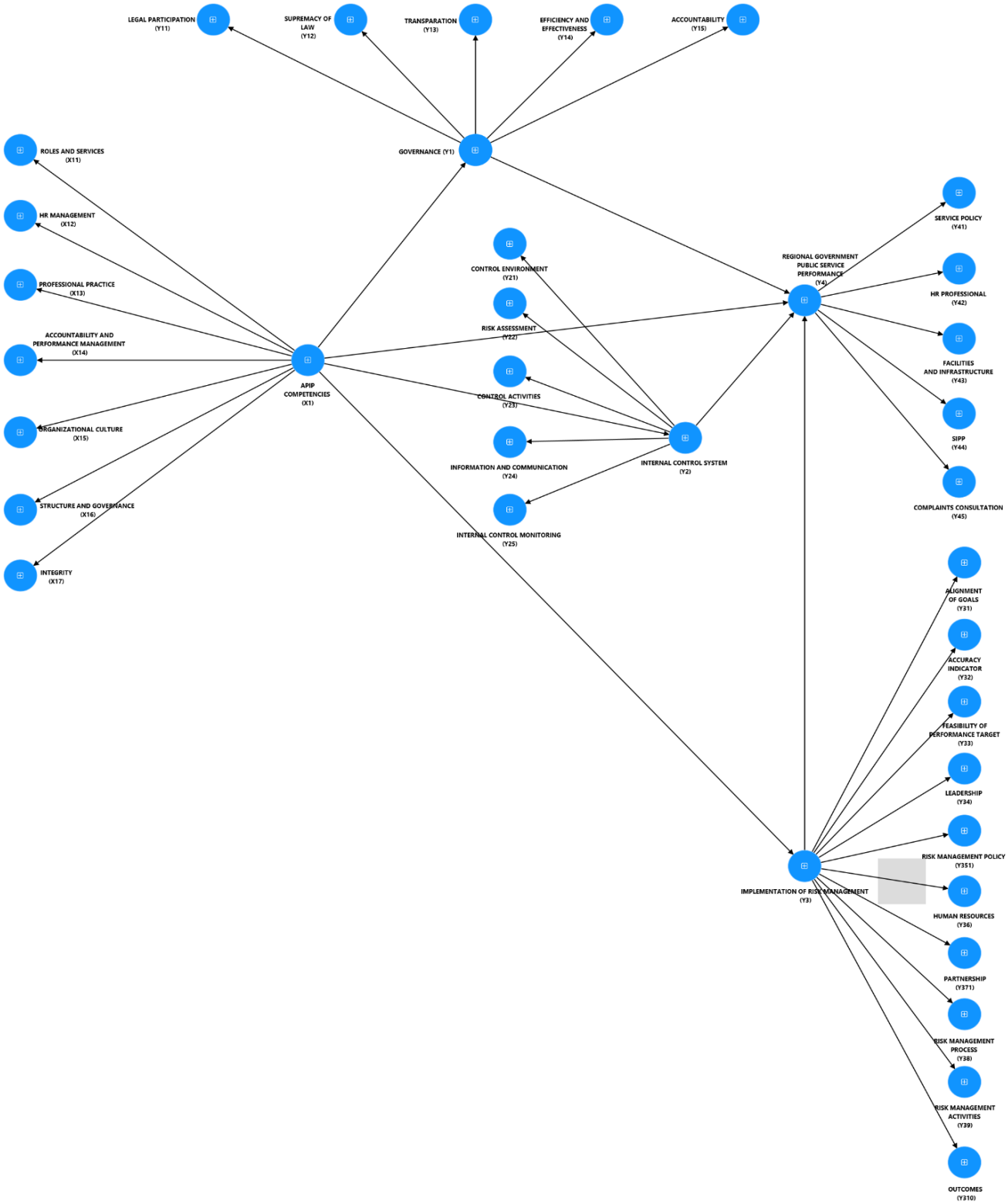

Figure 1.
Outer Model Testing

4.1. Outer Model

4.1.1. Validity Test

Validity testing in this research ensured that the measurement indicators reflected the intended construct. In Convergent Validity, the Loading Factor and Average Variance Extracted (AVE) values evaluate the relationship between indicators and the variables represented. A high Loading Factor, with a value of ≥ 0.7, indicates that the indicator strongly correlates with its variables.

The analysis results show that all indicators have a Loading Factor > 0.7. This indicates that each indicator significantly explains the related variables. For example, indicators for APIP competency, governance, internal control system, implementation of risk management, and performance of local government public services all show good relationship strength with their respective constructs. No indicators need to be removed from the research because all meet the criteria for convergent validity. Thus, the validity of the research instrument can be ensured, and all indicators are used in the subsequent analysis process to provide reliable results.

Average Variance Extracted (AVE) is a statistical measure that evaluates how much of the indicator's Variance can be explained by the measured construct. A high AVE value (>0.5) indicates that the indicators effectively reflect the latent variables, so the construct validity is considered strong. Conversely, a low AVE value indicates that the indicators may be less effective in describing the latent variables, so the construct validity needs to be reviewed further. Therefore, an AVE that exceeds 0.5 indicates a construct that is feasible and valid for research. The Average Variance Extracted (AVE) in this research is shown in Table 1:

Table 1.
Average Variance Extracted Test Results.

Variables	Average variance extracted (AVE)
APIP Competence (X_1)	0.604
Good Governance ($_{Y1}$)	0.701
Internal Control System (Y2)	0.683
Risk Management (Y_3)	0.660
Public Service Performance of Local Government (Y_4)	0.661

Based on the Table 1 shows that each existing variable has an Average Variance Extracted value that exceeds 0.5. Therefore, each variable used in this research can reflect the latent variables they represent. Thus, all indicators can be included in the research and do not need to be excluded from the research process.

Discriminant validity is conducted to determine whether each concept of each latent variable is distinct from other variables. Discriminant validity can be assessed using the Fornell-Larcker Criterion, Heterotrait-Monotrait (HTMT), and cross-loading values. Ensuring discriminant validity confirms that each latent variable is different from the others. Testing methods include the Fornell-Larcker Criterion and Heterotrait-Monotrait (HTMT).

In the Fornell-Larcker Criterion test, the AVE value of each variable is greater than the correlation between that variable and other variables, indicating that discriminant validity is met.

For HTMT, the ratio between variables and the correlation within variables is below the limit of 0.90. The results show that each variable meets the HTMT criteria, so discriminant validity can be ensured.

4.1.2. Reliability Test

A reliability test evaluates the consistency of indicators representing the measured construct. Reliable indicators produce consistent measurement results when repeated in the same population. This research conducted the reliability test using Cronbach's Alpha and Composite Reliability [33].

Cronbach's Alpha measures the extent to which indicators are uniform in measuring constructs. All variables in this research showed values above 0.7, with the highest value for APIP Competence (0.990) indicating an excellent level of reliability.

Composite Reliability evaluates the relationship between indicators when measuring the construct. All variables have Composite Reliability values (rho_a and rho_c) above 0.7, indicating high reliability. For example, the Composite Reliability value for APIP Competency is 0.990, indicating that the indicators are highly related to measuring the construct. These results confirm that all indicators have adequate consistency and relatedness so that they can be used in research without exception.

4.2. Structural Model or Inner Model

The inner model concerns the relationship between constructs in the research model. It helps test hypotheses about the relationships between latent variables and analyzes the extent to which these relationships are significant. In this research, the inner model uses the R Square test, T-statistics or hypothesis testing, and Q Square.

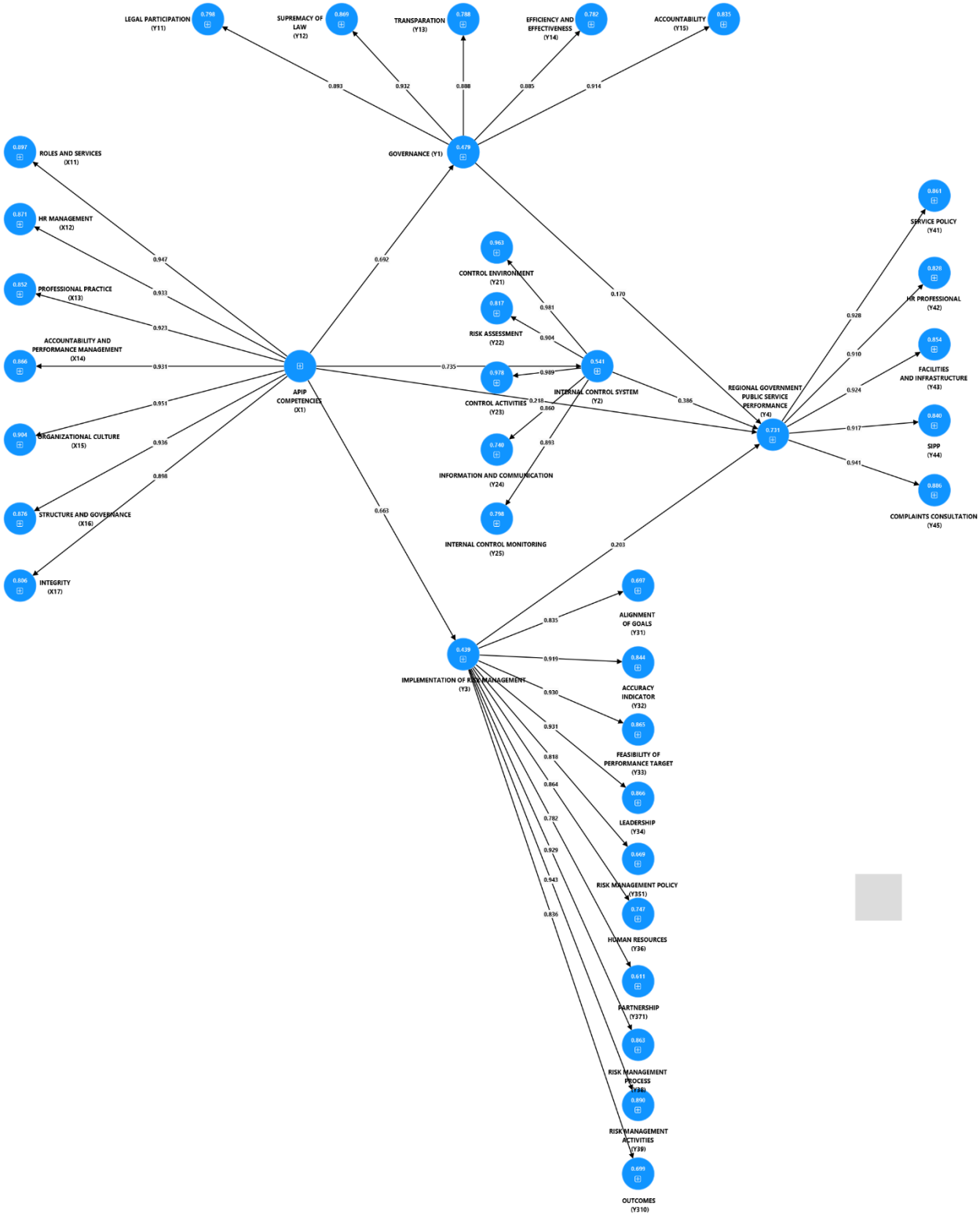

Figure 2.
Inner Model Test Model.

4.2.1. R Square

R Square measures the extent to which variations in the dependent variable can be explained by the independent variables in a research model [33]. The range of R Square values is between 0 and 1, where 1 indicates that the independent variable can predict the dependent variable perfectly. Table 2 summarizes the R Square values for each dependent variable in this research:

Table 2.
R Square Test Results.

Variables	R Square	R Square Adjusted
Good Governance (Y_1)	0.479	0.477
Internal Control System (Y_2)	0.541	0.539
Risk Management (Y_3)	0.439	0.438
Public Service Performance of Local Government (Y_4)	0.731	0.728

Based on the results of the R Square test above, it can be concluded that:
1. Its independent variables influence the Good Governance variable by 0.479 or 47.9%. Meanwhile, the remaining 52.1% is influenced by other factors not included in this research's scope.
2. The Internal Control System variable is influenced by its independent variable by 0.54 1 or 54.1 %. Meanwhile, the remaining 45.9 % is influenced by other factors not included in this research's scope.
3. The Risk Management variable is influenced by its independent variables by 0.439 or 43.9%. Meanwhile, the remaining 56.1% is influenced by other factors not included in this research's scope.
4. The regional government's public service performance variable is influenced by its independent variable of 0.731, or 73.1%. Meanwhile, the remaining 26.9% is influenced by other factors not included in the scope of this research.

4.2.2. Q Square

Q Square refers to a statistical test used in multivariate statistical analysis. The Q Square test is employed in Structural Equation Modeling (SEM) or Partial Least Squares (PLS) to measure the significance of the difference between the measurement and structural models. This test helps researchers determine whether there is a significant difference between the measurement and structural parameters in the model. The requirement for the Q Square test is that the Q Square value is > 0. The following are the results of the Q Square test:

Table 3.
Q Square Results.

Variables	Q Square
Good Governance (Y_1)	0.474
Internal Control System (Y_2)	0.536
Risk Management (Y_3)	0.436
Public Service Performance of Local Government (Y_4)	0.564

Good governance has a Q Square value of 0.474; because the value is > 0, it can be concluded that the independent variable can explain the Good Governance variable well. The Internal Control System has a Q Square value of 0.536; because the value is > 0, it can be concluded that the independent variable can explain the Internal Control System variable well. Risk Management has a Q Square value of 0.436; because the value is > 0, it can be concluded that the independent variable can explain the Risk Management variable well. The Performance of Local Government Public Services has a Q Square value of 0.564; because the value is > 0, it can be concluded that the independent variable can explain the performance of the Local Government Public Services variable well.

4.2.3. Fit Model

The fit model used in this research employs the SRMR value; SRMR measures the suitability between the resulting path model and the observed data. SRMR assesses how well the resulting model reflects the relationship between observed variables in actual data. SRMR has a range of values from 0 to infinity, and the closer to zero, the better. An SRMR value below 0.100 is optimal and indicates that the model is suitable for the observed data [34]. The following are the results of the Model fit test:

Table 4.
Model Fit Output.

Indicator	Saturated Model	Estimated Model
SUMMER	0.063	0.078
d_ULS	163,740	252,045
d_G	n/a	n/a
Chi-Square	Infinite	Infinite
NFI	n/a	n/a

From Table 4, it can be seen that the SRMR value in the saturated model is 0.063 < 0.100, and the estimated model is 0.078 < 0.100; then, the model formed is declared to meet the feasibility of the model. In addition, the d_ULS value for the saturated model is 163,740, while for the estimated model, it reaches 252,045. Although the d_ULS value for the estimated model is higher, this does not reduce the overall suitability of the model. The Chi-square value displayed is infinite for both models, indicating that the models have no significant mismatch. Thus, these results indicate that the models produced in this research are a good fit with the observational data, providing confidence in the models' validity.

4.3. Research Hypothesis Testing

Hypothesis testing in SmartPLS is conducted through path coefficient bootstrapping, which is used to determine the magnitude and direction of the influence of independent variables on dependent variables. The following are the results of the path coefficient bootstrapping test:

Table 5.
Results of the Direct Effect Hypothesis Test.

Construct	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Hypothesis	Information
APIP Competence -> Regional Government Public Service Performance	0.218	3.737	0.000	Significant	Accepted
Good governance -> Public Service Performance of Local Government	0.170	3.123	0.002	Significant	Accepted
Internal Control System -> Public Service Performance of Local Government	0.386	3.984	0.000	Significant	Accepted
Risk Management -> Local Government Public Service Performance	0.203	3.890	0.000	Significant	Accepted

Table 6.
Results of Indirect Effect Hypothesis Testing.

Construct	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Hypothesis	Information
APIP Competence -> Good Governance -> Regional Government Public Service Performance	0.118	3.227	0.001	Significant	Accepted
APIP Competence -> Internal Control System -> Regional Government Public Service Performance	0.284	3.602	0.000	Significant	Accepted
APIP Competence -> Risk Management -> Regional Government Public Service Performance	0.135	3.802	0.000	Significant	Accepted

Based on the parameters obtained, a structural equation model can be formed as follows:

Public Service Performance of Local Government = 0.170 Governance + 0.386 SPI + 0.203 Risk Management + 0.218 Auditor Competence + 0.118 interaction of auditor competence and governance + 0.284 interaction of auditor competence and internal control system + 0.135 interaction of auditor competence and risk management +ε

Based on the equation above, it can be explained that the overall performance of local government public services ($Y4_{)}$) is significantly influenced by the auditor competency variable ($X1_{)}$) of 0.218, the governance variable ($Y1_{)}$) of 0.170, the Internal Control System variable ($Y2_{)}$) of 0.386, the risk management variable of 0.203, the interaction of the auditor competency variable ($X1_{)}$) and the governance variable ($Y1_{)}$) of 0.118, the interaction of the auditor competency variable ($X1_{)}$) and the Internal Control System variable ($Y2_{)}$) of 0.284, and the interaction of the auditor competency variable ($X1_{)}$) and the risk management variable of 0.135.

1. Hypothesis Testing 1: APIP Competence Influences the Performance of Local Government Public Services

Table 5 shows the original sample coefficient of internal auditor competency on local government public service performance of 0.218, with an R_a value of 0.000, which is smaller than 0.05, and a t-statistic of 3.737, which is greater than 1.96. This indicates that the null hypothesis (H_0) is rejected. This means that the internal auditor competency variable (X_1) significantly and directly affects the performance of local government public services (Y_4). An increase in variable X_1 by 1 unit will increase variable Y_4 by 0.218, assuming other variables are constant.

2. Hypothesis Testing 2: Governance influences the performance of local government public services

Table 5 shows the original sample coefficient of governance on the performance of local government public services as 0.170, with an R-value of 0.002, which is smaller than 0.05, and a t-statistic of 3.123, greater than 1.96. This indicates that the null hypothesis (H0) is rejected. This means that the governance variable (Y1) significantly directly affects the performance of local government public services (Y4). An increase in variable $Y1_{by}$ 1 unit will increase variable $Y4_{by}$ 0.170, assuming other variables are constant.

3. Hypothesis Testing 3: Internal control systems affect the performance of local government public services.

Based on Table 5, the original sample coefficient of the internal control system on the performance of local government public services is 0.386, with a Ra value of 0.000, which is smaller than 0.05, and a t-statistic of 3.984, greater than 1.96. This indicates that the Null hypothesis ($H0_{)}$ is rejected. This means that the Internal Control System variable ($Y2_{)}$ significantly and directly affects the performance of local government public services ($Y4_{)}$. An increase in the Y2 variable by 1 unit will increase the Y4 variable by 0.386, assuming other variables are constant.

4. Hypothesis Testing 4: Implementing risk management impacts the performance of local government public services.

Based on Table 5, the original sample coefficient of the risk management implementation system on the performance of local government public services is 0.203, with an Ra value of 0.000, which is smaller than 0.05, and a t-statistic of 3.890, greater than 1.96. This indicates that the null hypothesis (H0) is rejected. This means that the risk management implementation variable (Y3) significantly and directly affects the performance of local government public services (Y4). An increase in variable Y2 by 1 unit will increase variable Y4 by 0.203, assuming other variables are constant.

5. Hypothesis Testing 5: Internal auditor competence influences the performance of local government public services through governance.

Based on Table 6, the original sample coefficient is 0.118, with an Ra value of 0.001, which is smaller than 0.05, and a t-statistic of 3.227, greater than 1.96. This indicates that the null hypothesis (H0) is rejected. This means that the internal auditor competency variable (X1) significantly has a direct effect on the performance of local government public services (Y4) through governance (Y1). An increase in variable X1 by 1 unit will increase variable Y4 by 0.118 through variable Y1, assuming other variables are constant.

6. Hypothesis Testing 6: Internal auditor competence on local government public service performance through internal control systems

Table 6 shows the original sample coefficient of 0.284, a value of 0.000 smaller than 0.05, and a t-statistic of 3.602 greater than 1.96, which explains that the null hypothesis (H0) is rejected. This means that the internal auditor competency variable (X1) significantly has a direct effect on the performance of local government public services (Y4) through the internal control system (Y2). An increase in variable X1 by 1 unit will increase variable Y4 by 0.284 through variable Y2, assuming other variables are constant.

7. Hypothesis Testing 7: Internal auditor competence on local government public service performance through the implementation of risk management

Based on Table 6, the original sample coefficient is 0.135, with an Ra value of 0.000, which is smaller than 0.05, and a t-statistic of 3.802, greater than 1.96. This indicates that the null hypothesis (H0) is rejected. This suggests that the internal auditor competency variable (X1) significantly has a direct effect on the performance of local government public services (Y4) through the implementation of risk management (Y3). An increase in variable X1 by 1 unit will increase variable Y4 by 0.135 through variable Y3, assuming other variables are constant.

5. Discussion

5.1. The Influence of Internal Auditor Competence on the Performance of Local Government Public Services

Internal auditor competence significantly affects the performance of local government public services. This competence involves seven indicators based on the Internal Audit Capability Model (IA-CM): roles and services, HR management, professional practices, accountability and performance management, organizational culture and relationships, governance structure, and integrity. This research shows that organizational culture and relationships are the most dominant indicators. Competent APIPs provide added value through compliance audits, consultations, and risk mitigation, which support efficiency and transparency in public services. This finding is consistent with previous studies highlighting the positive relationship between auditor competence and public service performance.

5.2. The Influence of Governance on the Performance of Local Government Public Services

Good governance has improved public service performance with key indicators such as participation, rule of law, transparency, efficiency, effectiveness, and accountability. The rule of law is the most significant indicator, followed by accountability. The Jambi Provincial Government has involved the community in planning, monitoring, and evaluating public policies, providing open information, and implementing digital-based services. Good governance creates public trust, transparency, and accountability, all of which are essential for improving the quality of public services.

5.3. The Influence of Internal Control Systems on the Performance of Local Government Public Services

The implementation of the Government Internal Control System (SPIP) effectively contributes to improving public service performance. The five elements of SPIP, namely the control environment, risk assessment, control activities, information and communication, and monitoring, have a significant influence, with control activities being the most dominant element. APIP in Jambi has implemented risk-based supervision, performance monitoring, and good communication with related parties. A well-implemented SPIP improves efficiency, accountability, and transparency in public services.

5.4. The Influence of Risk Management Implementation on the Performance of Local Government Public Services

Implementing risk management covering ten indicators, such as goal alignment, indicator accuracy, performance target feasibility, leadership, and risk management activities, has significantly improved public service performance. Risk management activities are the most dominant indicator. The Jambi Provincial Government has integrated risk management into the strategic process and identified and mitigated risks to ensure efficient and responsive public services.

5.5. The Influence of Internal Auditor Competence on the Performance of Local Government Public Services through Governance

Internal auditor competence directly and through governance affects public service performance. Governance is a partial mediator, where auditor competence remains significant without governance variables. This research highlights the

importance of governance principles such as participation, transparency, and accountability applied by auditors in supporting better public services.

5.6. The Influence of Internal Auditor Competence on the Performance of Local Government Public Services through the Internal Control System

Internal control systems partially mediate the relationship between internal auditor competence and public service performance. Competent auditors can utilize SPIP to improve public service accountability, transparency, and efficiency. Effective implementation of SPIP mitigates risks and supports the optimal management of government resources.

5.7. The Influence of Internal Auditor Competence on the Performance of Local Government Public Services through the Implementation of Risk Management

Risk management partially mediates the relationship between internal auditor competence and public service performance. Competent auditors ensure that strategic, operational, and financial risks are well managed. Proper risk management improves the quality of public services and public trust in local government.

5.8. Policy Implications

This research recommends improving the competence of internal auditors through training, certification, and the adoption of international audit standards. Governance needs to be strengthened by integrating auditor recommendations into government strategic documents. SPIP must be implemented across regional apparatus organizations to ensure risk-based control. In addition, risk management must be included in strategic and operational plans, with an emphasis on risk maps and technology-based mitigation. These efforts will improve transparency, accountability, and the quality of local government public services.

6. Conclusion and Implications

This research concludes that internal auditor competence, governance, internal control systems, and risk management significantly affect the performance of local government public services. Internal auditor competence is a key factor affecting public service performance, and governance, internal control systems, and risk management are mediating variables. This shows that increasing internal auditor competence can improve the quality of governance, internal control, and risk management, collectively supporting increased efficiency, transparency, accountability, and responsiveness of local government public services.

As a practical implication, local governments must develop specific training and certification programs for internal auditors, especially in governance, internal control, and risk management. Adequate budget allocation for ongoing training is essential to ensure that internal auditors can follow international standards. Internal auditors should also be involved in the formulation of governance policies, with a focus on transparency, accountability, and community participation. Their recommendations must be integrated into strategic documents, such as the Regional Medium-Term Development Plan (RPJMD) or the Regional Apparatus Strategic Plan.

Local governments are also advised to strengthen internal control system policies by implementing risk-based controls, as per Government Regulation Number 60 of 2008, concerning the Government Internal Control System. In addition, preparing standardized internal control implementation guidelines that focus on risk mitigation is very important to ensure the effectiveness of policy implementation. In risk management, local governments must create a risk map that includes strategic, operational, and financial risks. This process can be supported by risk analysis tools such as SWOT or Failure Mode and Effect Analysis (FMEA) and ISO 31000-based training to strengthen internal auditor capabilities.

This research has limitations. Specifically, the questionnaire remains general and does not include questions that address particular cases. This limitation presents an opportunity for more in-depth future research, which could incorporate specific case studies within the context of local government public service performance.

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