

Role Domination of Service Assurance in Internal Audit Process

Dwi Hariyanti* Made Sudarma, Unti Ludigdo, Ali Djamhuri
Department of Accounting, University of Brawijaya, Malang, Indonesia.
*Email of the corresponding author: dwhariyanti_pdia@yahoo.com

Abstract

The purpose of this study is to reveal dominance of assurance service role in audit internal process. Study was conducted using a critical paradigm with a case study approach. The reason to use a case study approach because problem of internal audit is contextual, so practice reality of internal auditing in each organization has its own characteristics. This study focus is activity that takes place in internal audit process. Data was collected through observation and interviews. Data were analyzed using Habermas's theory of communication action. This study results is indicate that the dominant role of internal audit in PT Ojo Dumeh still occur . It can be traced from the interaction between auditor and auditee. The interaction of two actors stuck in bureaucratic families . This situation occurs because mediated by money and power, this will encourage the emergence of pathology in the practice of internal auditing .

Keywords: Internal Audit, Domination, Assurance service.

I. Introduction

Internal Audit is an assurance and consulting activity that independent and objective that designed to add value and to improve an organization's operations (Arens, Elder and Beasley, 2005). The two internal audit roles create a lot of attention from researchers. This evident come from many research results about both roles. For example, Ibrahim et al. (2002); Casterella et al. (2010); Gold and Pott (2012) and Handan et al. (2006) who explained that in carrying out its role of internal audit, it is more likely to focus on one role, role of assurance and more specifically on financial aspects. This is supported by researchers in Indonesia by Rochman (2005) on one bank "X" where one informant explained that:

"... So far, internal audit role is perceived to lack of outside financial problems, auditor should be able to expand its expertise not only financial problems but also other operational".

Researchers were not only interested in role of assurance for research, but also role of consultative research become interest areas to be investigated. This is like that done by Hery (2009) which describes role of consultant in terms of "trouble shooting", means to shoot accurately on target problem. Consultative role is generally drawn criticism from auditee. This is because, internal auditor in carrying out a consultative role is still not optimal, so not able to be felt directly by auditee. For example, internal auditors in providing the "shooting" or recommendation was limited to meet its obligations or less precise in giving advice on problems faced by auditee and even not innovative. This prompted by emergence of negative charges on performance of auditor by auditee.

Non optimal Consultative is same as finding of De Angelo (1981) and Dies and Groux (1992), auditor should not only match roles according to standards in interest of assignor, but should be more attention to such work, which can be felt consultative roles by auditees directly. The presence of auditor at least a consultative role to represent interests of auditee is rarely touched, and if touched could be solely for the benefit of himself for the sake of legitimacy from ruler and his work.

The lack optimal of internal audit role by internal auditors reaps negative reaction from auditee. Nasrullah (2009) explains that practice of internal audit is got much negative reaction from auditee. One reason is the difference in perception understanding of internal audit process between auditor and auditee. It is also pointed at by Agoes (2012) which states the difference between auditee and auditor's perception of internal audit role in practice. According to this view because emergence of differences in perspective or rationalization built two different actors.

A similar study conducted by Christopher, Sarens and Leung (2009) studied the reaction of auditee about role and function of internal audit within an organization. His research suggests that relationship between internal auditor with auditee's operations or manager become threat to auditee, not all internal auditors maintain independence in carrying out its role and even follows a personal interest. For auditor the internal audit profession is no more as a stepping stone to a higher position on performance obtained.

Controversy in reaction to implementation of internal audit can affect the behavior of auditee and auditor. Auditee and auditor behave in accordance with the rationalization or perception respectively. Controversy perception is termed as a dichotomy or a different perspective. The dichotomy can occur when there is an imbalance in achieving interests of actors, in this context actors involved in internal audit process. Imbalance in internal audit role could encourage dominance of interest.

Phenomena of internal audit portrait illustrates that auditors are more likely to carry out work that is mechanical or technical, ie the evaluation of auditee operations by matching the applicable regulations to look for errors. How to match this is commonly referred to as role of assurance which auditor seeks to convince doubts or suspicions of authority over the data held by auditee. On other hand, consultative role of internal auditors also least able to represent interests of auditee that seemly neglected. And even there was only limitation to meet the obligations of authorities. Internal auditors who tend to run more assurance role have powerful interests that appear in role of assurance, indeed it is not wrong, but that does not mean ignoring interests of others such as auditee. It looks that auditors seemed more obedient to ruler that in language of Weber termed as followers and authorities (Weber, 1947: 224-233). Compliance auditors against the ruling could be the presence of many offers promised as a reward in form of material that would bind his followers. This is like the opinion that explained by Weber as adherence one person to another, because existence of a particular offer is a form of binding.

Imbalance in roles of internal audit which resulted in a tendency have interests of one party can be pushed an imbalance that causes the suppression to helpless, in this context is auditee. Imbalances can push the blockage in communication. It's like the concept of Habermas written by Sri Sumartini (2010: 326) who explains that society is full of inequality or imbalance in communication of society that often distorted and false. This situation can also because other actors lack openness in providing information, in this regard auditee's internal audit process. In this situation Habermas (1974) have called the distortion of communication. Distortion occurs because communication gap that resulted dominance of one actor interests. Gaps occur because it could be caused by a different way to build rationalization.

Auditee and auditor develop the mindset or the rationality of internal audit role using rationality aims, ie having more interests to certain parties and himself. Of course, it will override interests of others. This suggests that phenomenon based upon actors involved in internal audit at reality is still in separate part that has not been shaped objects intact, because the media are capable to steer to makes reality is not intact.

According to Habermas, reality can be viewed completely if language as a medium capable to steer so there is no distortion of communication (Habermas, 1971). Instead, intact rationality will be threatened when the language as a medium to steer is replaced with money and power in looking reality. It is pointed out by Pany and Reckres (1980) who explains that a person, in this case auditor, maintain independence when not affected by anyone in their role, but the meaning would be different if the media steers in form of materiality or "money". This means that auditor is more subjective in their role if there is a steering, media materiality may lead to moral hazard to auditors. For example, auditor hides not convenient fact to auditee (Radcliffe, 2008).

Subjective rationality between auditor and auditee create controversy where auditee become bottleneck in achieving the goals of an organization, because each actor has an internal audit with own viewpoint in achieving organizational goals and also able to lead to ineffective internal audit function within an organization. Research of Paape et al. (2003), Leung et al. (2004); Arena and Azzone (2007) explains that an effective internal audit function depends on expertise perspective (rationalization) of auditor in carrying out its functions.

Therefore, to prevent emergence of rationality that dominates a particular actor or interests, there should be an effort to establish a dialogue or discussion of intersubjective rationality to achieve a harmonious understanding by presenting practical rules that showing of truth, honesty talks, accuracy and appropriateness (Habermas, 1971). This opinion is in line with Abidin (2006) who argued that events and experiences of individual human beings are subjective and require distinctive approaches, and specific human nature is dialogue between people. The breakdown in dialogue or communication between accountants including auditor can adversely affect the performance of an accountant, but it can also lead to harmful consequences and impede the ability of company's accountant to do a job rightly (Rachma, 2000). Thus, internal audit process based on above phenomenon needs to be dismantled over dominant internal audit role that may tend to be more concerned with interests of some parties with exclusion of other interests, which will be able to clog up the lines of communication within organization. Based on description of phenomenon, researchers interested in conducting a study of criticism about how process dominance of internal audit role is happened?.

2. Research Methodology

2.1. Critical Paradigm

This research is a qualitative study, using a critical paradigm. The reason is researcher not only looking at reality of contextual instance procedures or methods of internal audit and others, but researchers more focus on reasons why domination rationalization or internal audit role can occur as well as the steering media other than the language used in internal audit process. This study also emphasizes the exemption and awareness as well as changes in practice of internal audit is not independent because predominance of actors interests within an organization. The end goal is to acquire knowledge of internal audit practices in building good level of consciousness for actors within a business organization. Therefore, this research uses critical paradigm.

In order to scrutinize the phenomenon of internal audit at PT Ojo Dumeh, then it selected a range of subsidiary in Malang, Madiun, and Sukabumi as a site of research of case study setting. A case study researcher

typically looking for something that is both general and specific of a case, but the end result often provide something unique and interesting (Stake, 2009:302). Therefore, this study chose PT. Ojo Dumeh on grounds that there is a dominance of company's internal audit role to service interests of certain parties in company's audit process, because the process is only done by internal audit of breeding (production) department that led by non family members. While other departments there are restrictions to enter its territory. This because the directors of relevant Department held by members of his family. This supposes encourage emergence of dominant internal audit role that can lead to conflicts between actors within an organization.

Other uniqueness is PT Ojo Dumeh business development. In a relatively short time company managed to position itself as a top poultry businesses that highly regarded and respected in Indonesia. Although partially management performance is still very rarely achieve production standards, known as the standard "god" (hard standard at trying to achieve). The development company is not only opening of a subsidiary, but the types of products are also experiencing growth. Resulting product was originally only breeding chicks (Breeding Farm), but developed into a wide variety of products such as meet chickens, laying hens, feed, chicken carcasses and processed meat such as sausages and nuggets.

This study was conducted by reviewing the system of internal auditors. Internal audit process is a series of activities starting from the planning, execution and reporting. So the unit of analysis is the "activity" of auditors and auditees related to audit process.

In accordance with the purpose of critical paradigm to conduct a critique of science development over previous thoughts and views, then this theory does not only critiques of dominant system of injustice, but also to change the system and structure becomes more equitable and emancipatory. Criticism and change systems and structures to become more equitable and emancipatory in an organization will require the data.

2.2. Data Collection

The research in data collection can be done as follows:

- 1). Observation with the interview. In data collection there are a few things to note. They are places, activities and actors. However, the focus in this research is activity of auditor and auditee. Observations in this study generally are done in order to take pictures of all activities of auditors and auditees from planning, execution and reporting, in any part of activity going on and who the perpetrators as well as activity when activity occurred. The technique used is interviews and observations with adjustable field circumstances. Researchers at this stage not only gather information from informants in one direction, but also dialogue with the informant by means of emancipatory spirit to confirm informant.
- 2). Documentation, researchers seek to obtain data in form of company documentation recommendation of internal audit process as a form of communication that built by auditor to auditee, organizational structure and operational standards as well as company's other documentation that supports research. This is consistent with the opinion Moleong (2004) who explains that data needed is secondary and primary data.

The data in this study were obtained from informants who directly involved in internal audit process on object of research, auditor and auditee. Auditors that will become informants are auditors who have been long involved directly in audit process from planning process, implementation and reporting as well as auditors who had never conducted an audit on object unit under study. Meanwhile, auditee who became informants in this research is the corporate manager, head of logistics and finance section chief who has been long involved in internal audit process.

The data is obtained from informants and based on above method. Its validity needs to be tested, namely in form of triangulation. Triangulation in this study can be conducted based on methods, or other equipment in accordance with its needs. The purpose of data triangulation in this research is to avoid the occurrence of errors in interpretation by utilizing diverse perceptions, identify ways different perspective (Miles and Huberman, 1992).

2.3. Data Analysis

Researcher makes data analysis after getting the data. This stage can be done at the time of data collection and retrieval process after all data has been collected. Data analysis techniques usually can be done various stages. Data analysis techniques in this study refers to opinion of Cresswell (2007: 148). He said there are several steps in analyzing the data, namely 1) encoding of data and data reduction. 2) searching relevant themes to research objectives. 3) Presentation of data in form of short narrative. 4) Making conclusion. These stages were analyzed using a framework of Habermas's critical theory of communication action. Habermas's theory of communication action is more emphasis on act of communication that is not distorted and without coercion. Habermas theory is able to analyze the social structure with distorted communication (Ritzer and Goodman, 2010:188). Habermas's theory has the objective to achieve uninterrupted communication society.

Data coding and data reduction is done after the data collection process or can be done at the time of data collection process. This stage aims to summarize the various themes that appears, select and focus on important issues encountered in field. This stage will perform a variety of encoding data and content of activities of internal audit process in which the theory of action implied concept of communication. Data reduction is a form of analysis that sharpens process, select, focus, discard and organize the data in such a way that final conclusions can be drawn and verified (Emzir, 2011:130). The purpose of data reduction in this study actually is to simplify the data so it is more easily analyzed, so that data will be more regular.

Thematization is a further analysis of data encoding. This analysis will create certain patterns in internal audit process, in this study is patterns of dominance internal audit role in audit process. At this stage the data is analyzed based on themes or concepts of Habermas thought namely human actors, rationalization actor, lifeworld and systems, money and power as described previously.

Presentation of data is an analysis activity after thematization activities that shape patterns the dominance of internal audit role. These patterns will be analyzed based on theory of communication action. At this stage the Habermas's theory analysis of communication action is necessary in order to peel dominant internal audit role process which will lead to distortion of communication. Dominance of role is a form of inequality in definition and situation where actors involved in internal audits of communication, so we need a free dialogue without any pressure to reach a common understanding (Abidin, 2006). This corresponds to concept of Habermas's theory of emancipatory communication namely free communication actions to achieve a common understanding and definition in same situation (Habermas, 1992: 134). Therefore, this communication action theory is used in this study.

Fundamental concepts of Habermas's theory of communication actions that can be applied in data analysis is : first, role of human actors within framework of relationship between the subjects to reach an agreement. This stage gives more emphasis on importance of interactions between human actors and why. At this stage researchers looked at the reasons and importance of actors who interact with each other both in planning, reporting process and internal audit activities.

The second concept is rationalization. This concept describes the mechanism of social action. Social action is considered rational if the aim is to coordinate future actions and achieving mutual understanding. At this stage researcher see and observe results of interviews about internal audit processes ranging from the introduction, implementation and reporting process based on what is constructed by realization to achieve a common understanding, or the opposite.

The third concept is a way of looking at social processes. Social processes of Habermas can be seen with two conceptual analysis namely "lifeworld" and "system mechanism". Lifeworld concept is a concept that sees social action coordinated or communicated between actors through harmonious action orientation. It means that process should be free and open communication and no pressure. The system concept of action mechanism is coordinated through the interconnection functions in an existing system in an organization. Therefore, people in an organization will act and behave to conform to the existing social system. At this stage researchers analyzed data on communication between the actors namely auditee and auditor. Audit process will be undertaken in world of organizational life. Based on findings of field survey that communication between actors is using steering media, there seems to be a certain pressure from internal or external (organization), resulting in distortion of communication to create certain patterns namely dichotomy of perception.

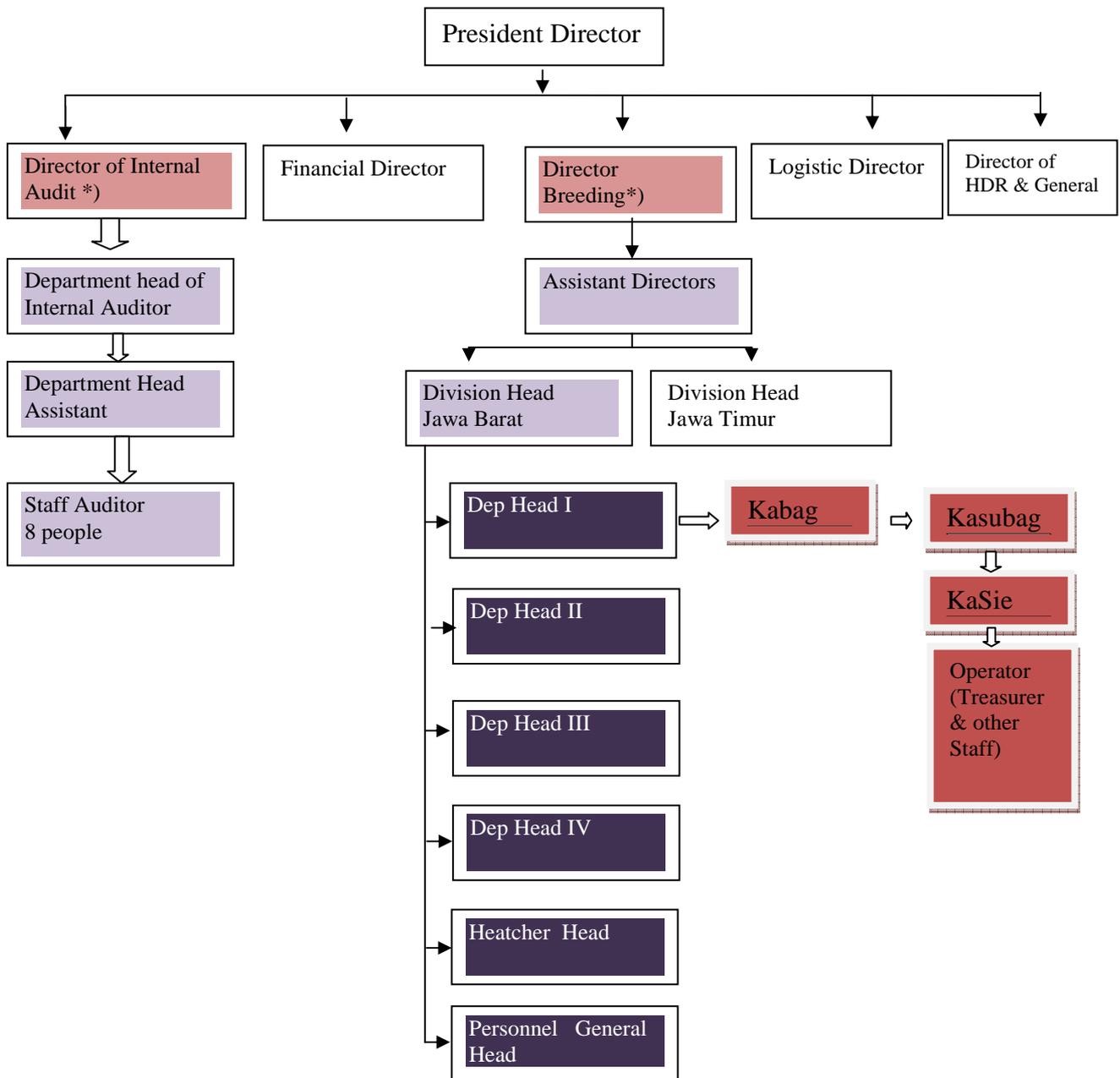
The fourth concept of emancipatory communication theory is steering media, specifically the "money" and "power". This is done by looking at role of "money" and "power" in practice of internal auditing. Through this analysis is unknown how role to steer media (money and power) in internal auditing practice. Steering media is use of language and power of work. Internal audit process will be a threat when the concept to steer media in form of language is replaced by power or authority. In this study, audit process will not be independent in carrying out its role, if the steering media in form of recommendations of language usage findings is replaced with money and power. Recommendations of findings will have differ meaning when there is interference money and power that internalized in decision-making rationalization. Habermas concept to explains dominant internal audit role is shown in table 2 below.

The next stage is the conclusion. Conclusions at this stage also verify the truth, supported by valid evidence. Verification is not only supported by the evidence, but also various reviews in order to develop "intersubjective (agreement between the subject)", which ended with the emancipation to grow awareness of domination forms that internal audit role is not in auditee favor. In other languages, Willis et al. (2007:83) explains that critical theory is used to interpret the data through a review of rationality, enlightenment and liberation.

III. Results and Findings

In these discussions, researcher is explains where audit practice started and how the relationship with management or internal auditors. It can be traced through the following organizational structure:

Figure .2. The organizational structure



Description: *) = the unit under study
 Source: PT Ojo Dumeh

The organizational structure can be used as clues to discover where the initial audit practice started to move. An organizational structure show where responsibility towards members of organization to be able to move. Coordination line appears on organizational structure as a guide for carrying out the responsibilities assumed by the actors. Coordination line shows the relationship between the actor professions.

Internal audit profession has a direct relationship with management (the president). In context of company's internal auditor that investigation the relationship with management is not limited to relationship between superiors and subordinates, but more than that. Internal audit profession have family relations between father and son. Thus the relationship is internal audit profession has been stuck in a bureaucratic relationships in family. This causes internal audit profession is controlled by a bureaucracy that experience paradoxical aspects. Paradoxical aspects such as monopolizing information, crime and tendency of bureaucracy (Weber, 1974), thus

causing internal audit at a low position in a bureaucratic organization. Interview evidence show weak position of internal auditor in organization:

"Yes ... I (Internal Auditor) perform tasks by command of authorities (president) because we (internal auditor) struggling to help convince management aspects that examined not accordance with the standards or procedures, although we (internal auditor) has filed its own work program according to our version during the production period, but it all depends on management. Company management has company ... yes ... we serve what they need, we are there because they (management) (A, auditors).

The phrase ".. all depends management .." indicates helplessness of internal auditor in an organization, so that internal auditor as the man of ruler who always "*sendiko dawuh*" (run command) on ruler. The statement pointed out by a sociologist Weber (1993) who criticized the evaluator relationship with top management. According to relationship between the evaluator (internal auditor) and top management is not like the relationship between superiors and subordinates that support formal organizational system works, but the relationship between the evaluator and ruler or the sociology of professionalism is a relationship that has been shifted into relationship waitress with a ruler (Carr and Wilson, 1933). Power over the ruling led to professional evaluators (internal auditors) as a profession are stuck in bureaucratic machine instead of individual organization (Johnson, 1972). Bureaucratic forms of organization such as the above are very organized rationality. Finally, the bureaucracy into a new form of domination stems from the powers within bureaucracy.

In organizational structure, internal auditor has two roles namely assurance and consultative. The word itself is often used in assurance of external audit, but does not mean internal audit can not use that term. Literally it convincing assurance means "an effort to provide certainty or add confidence to others". The term is too long then referred as assurance. Similarly, internal audit activity goal to convince the person who gave the task is borrow a term assurance (Hass et al., 2006; Chapman and Anderson, 2002, and Bou-Raad, 2000). Activities in order to convince others (assurance) in internal audit activities are divided into: planning, implementation and field behind the desk and reporting.

Internal audit planning activities at PT Ojo Dumeh tend to be less involve auditees. Auditor explains planning as "kitchen" means other people do not need to know, who, what and how the cooking process, but the neighbours may know the time to cook it. Similar with internal audit, auditee did not need to know about who, what and how to be audited. Auditee only know the time of audit. Here's part of interview with auditor:

"... Planning .. it is secret. Yes ma'am plan was not communicated to anyone, including the leadership (if not ask) let alone auditee. If only time was not a problem, but the problem is data to be examined, the problem of who will be interviewed, we wrote that. Unit (auditee) only know about it generally. Why not communicated to auditee ... it is our secret and that people do not know. If people already know will be controlled then it will be ready to cook "goodly" as if "slick", but it's not truth "(Senior Auditor).

This is done by auditor because there are a number of reasons, namely auditor comes a sense of concern and fear of auditees who would attempt to manipulate the data that does not correspond to reality. Situations as these will make auditor is not able to convince the authorities suspicions of data owned by auditee. Auditors like these tend to be more concerned with their personal interests, for the sake of materiality. This situation by Habermas called as a form of interaction monologues that will distort communication between actors. This is not in accordance with the purpose of planning that should be, where the actors planning in an organization should be able to push to improve performance in an organization, not more concern to own performance (Richard, 2006).

In context of an internal audit of PT. Ojo Dumeh internal auditors in practice is seen as a working tool or technology in achieving the goals of organization, because it is assumed as a working tool such as machine operation that depends on owner. So owners will freely use anytime and for anything. In a context like this, as if the owner will not focus on economic terms, but the technology or tools that work is more important, so that economic oppression is replaced in form of field interaction with technology or tool work. Yet if we look at that, more imprisoned auditor means no freedom to innovate because it has been fenced off with various rules that have more powerful interests, namely continuous productivity increases (capitalism). Here's part of interview with auditor imprisonment to SOPs so similar with button machine:

"... Auditors always return to SOP, if we say that we come to SOP, sometimes some things do not "found". They still refused, SOP for them is absolute. (C, Manager).

The owner not only has power, but money also plays an important role. Money can be said to king, that is to legitimize all that unilateral actions such as lifting owner, halt and so forth. This is a forerunner of distorted communication in internal audit process.

Auditor's report which is a form of system integration, communication is result of individuals in organization but even individuals intervene to realize its objectives. Auditor's report should also be an effective medium to determine the performance of operations manager in process of achieving organizational goals (productivity). In addition, audit report is also the language of business that can provide operational managers the opportunity to communicate about the obstacles faced by auditors. But reality is audit that is only the business language or lip service over internal audit process for auditee and audit report became the medium to carve the image of actors (auditors). Auditor can carve the image of its performance through internal audit reports, by reporting the findings in field without selective report, although not material. This is unlike with positive auditee case that are unusual and rarely even raised or reported to top management, It is the psychological effect that results in a distorted auditee communication between actors.

Above description indicates that auditor in carrying out its role more dominated by role of assurance (convince upper management practice from operational deviation), compared consultative. More consultative function is defined as a complement if there are findings of this function will run, but on other hand auditee are expecting not only on level, but more than that which existed consultation at any time, although not face to face, but can be via email, phone call so early known errors than auditee. Consultative function should not just be passive but is more active in providing innovations in auditees, so there is something new and exciting to auditee and auditor's role as a partner instead of more daunting organizational elements.

In research there are various basic rationalization built in audit process. Rationalization of internal auditors in PT Ojo Dumeh is based on money, and principle of power within company. Money is everything as a basis for action to make social change or writers have called materiality is number "one". Materiality is an important part of a company, the materiality of company can continue to live sustainably. However materiality should not be considered the only thing that should be achieved by company. Such practices on PT Ojo Dumeh materiality becomes the sole purpose in all that has been able to circular activity, even become the basis of rationalization of actors in company. So company unknowingly makes "money" materiality in this case as another God to fulfil their rights, and then other party's interests will be met if they support the achievement of company objectives.

Materiality as the basis of rationalization in order to reap maximum profit "money" in interests of company owner is still create thinking especially practitioners who become informants in study. Mindset assumes that internal audit as one strategy to fault auditee and monitoring forms to total production in interest of owner of company. This view is like nothing is wrong, but this view has reduced the significance of internal audit control philosophy that sees control as a means of integrating individuals and corporate objectives to assist employees in achieving organizational goals. It's as pointed out by Sawyer's (2005:69) that good control not only protects the organization, but also the employees.

Habermas (1981) explains that not just "money" and "power" can also affect the "interest" or private organizations, therefore, the power can be positive or negative effect on organization or individual. In context of practice of internal audit, internal auditor can also enjoy the power, but depends on ability of internal auditors in dealing with others in using power. Such as internal auditors PT Ojo Dumeh fact, have a sense of power in a positive or in a negative manner. Power or internal auditors in positive sense is seen for example the position of internal auditor. However, it will be otherwise when internal auditor be the subject of power abuse (Taylor, 1986).

Role of auditor-owned power will give effect to auditee, in form of positive and negative psychological effect. On positive side auditee will be motivated to do the work discipline as required in accordance with established standards. While the negative side, auditee feel depressed and so forth. And principles within company have more powerful interests. The negative symptoms are always maintained by auditee, according to Freud this phenomenon called psychopathological. This effect resistant see auditee is trying to maintain itself in face of auditor.

According to Freud, psychopathological conflicts will end up with a compromise where subject to express openly what they want but not the way he wants based on mutual agreement. In this study researcher also explained that company which further highlight the materiality rationality of "money" as goal only by using power owned and build a culture based on self-interest, pushing company's internal pathology.

The above description that the portrait of the social reality in the context of the internal auditing practices encourage the emergence of strange things in the body of the auditee and the auditor. The strangeness that is what Habermas (1971) have called pathology

4. Conclusion, Contributions And Limitations Research

4.1. Conclusion

The role of internal audit is still on the same path, meaning that the role of internal audit is still dominated by the role of assurance. This is caused by the internal audit process are steering the media in the

form of money and power that resulted in disruption of the life -world charm of internal audit . Internal audit of the living world is continuously rationalized by money and power to encourage the emergence of pathology in the living world . Pathology in the practice of internal auditing needs to be treated so it will not interfere in the internal audit of the living world.

4.2. Contributions Research

These authors contributed theoretically and practically . Theoretical contributions : 1) This research has provided an alternative approach to the study of the internal audit critical and theoretical approaches used are Habermas's Theory of Communication Action . This approach is different from that carried out by Abraham et al . (2002) using a quantitative approach , which is spread quisener . Research Ibrahim et al . examines the internal audit function is focused on the financial and compliance audit of internal control and is not moving towards a new role that has been expanded in the form of consultative and assurance . 2) This study uses the theory of communication action , so there is no pathology in the practice of internal auditing.

4.3. Limitations Of Research

Limitations of this study is the researcher is more likely to see interaction at the level of the auditor and auditee to describe the process of domination , should not only on the interaction of two actors , but also look at the interaction with top management in detail , so as to describe the origin of dominance.

Another limitation of the new research was limited to critiques of the dominant role of the internal audit process that encourages the emergence of pathology . Form of pathology as what researchers have not explained as well as how the solution to the criticism of reality that occurs in the practice of internal auditing .

References

- 1) Abidin, Zainal. 2006. *Filsafat Manusia* (Memahami Manusia Melalui Filsafat), PT Remaja Rosdakarya, Bandung.
- 2) Agoe Sukrisno. 2012. *Auditing petunjuk Praktis Pemeriksaan Akuntan oleh Akuntan Publik*, Penerbit Salemba Empat, Jakarta.
- 3) Arens dan Loebbecke.2007. *Auditing suatu pendekatan terpadu*, Salemba Empat, Jakarta.
- 4) Arens, Elder, dan Beasley. 2005. *Auditing dan Assurance Servies: an Integrated Approach* Prentice Hall, Tenth Edition.
- 5) Bou-Raad, G. 2000. "Internal auditors and a value-added approach: the new business regime"
- 6) Car, Adrian. 2000. Critical Accounting Research: A View From England. *Critical Prerspectives on Accounting* Vol.13 : 443-449
- 7) Casterella, Jeffrey, R., Jere R. Francis, Barry L. Lreis and Paul L. Warker. 2004. *Auditor Industry Specialization, Client Baqrgain Power And Audit Pricing. Journal of Practice and Theory* Vol 23 No. 1 : 123-140.
- 8) Chapman, C. and Anderson, U. 2002. *Implementing the Professional Practices Framework*, The Institute of Internal Auditors, Altamonte Springs, FL.
- 9) Cohen, J.R., L.W. Pant dan D.J Sharp, 1995, "An Exploratory Examination of Internal Differences in Auditors Ethical Perceptions", *Behavioral Research in Accounting*, Vol.7, Hal 37-64
- 10) Cohen, J.R., Pant, L.W. and Sharp, D.J. 1998. The Effect of Gender and Akademik Discipline Diversity on Ethical Evaluation, Ethical Intentions and Ethical Oerientation of Potential Public Accounting Recruits. *Accounting Horizon*. 12 (3) , 250-270.
- 11) Creswell, J.W. 2005. *Educational Research: Planing, Conducting, and Evaluating Quantitative and Qualitative Research* (Second Ed.). Singapore: Pearson Prentice Hall.
- 12) DeAngelo, L.E. 1991. Auditor size and Audit Quality. *Journal of Accounting and Economic*. Vol.3 Desember, pp. 183-199.
- 13) Emzir. 2008. *Metodologi Penelitian Pendidikan Kuantitatif & Kualitatif*. Jakarta: PT RajaGrafindo Perkasa.
- 14) Funnell W. 2003. Enduring fundamentals: constitutional accountability and auditors-general in the reluctant state. *Critical Perspectives on Accounting* 14(1):107-32.
- 15) Funnell, W. and Wade Margaret. 2012. Negotiotating the Credibility of Performance Auditing. *Critical Perspectives on Accounting*. 1709: h.16
- 16) Gendron Y, Cooper D, Townley B. 2007. The construction of auditing expertise in measuring government performance. *Accounting, Organizations and Society*. 32: pp.101-29.
- 17) Gold, Ulferd, G., and Chistiane, Pott. 2012. The ISA 700 Auditors Report and audit Expectation Gap – Do explanations Matter Internasional, *Journal of Auditing*.
- 18) Habermas, J (1971), *Toward a Rational Society*, Heinemann, London.

- 19) Habermas J (1971), *Knowledge and Human Interests*, Boston, Beacon Press.
- 20) Habermas J (1971), *Toward A Rationality Society*, London , Heinemann.
- 21) Habermas, J (1985) *Moral Consciousness and Communication Action*, C Lenhardt & S.W. Nicholseni (Penerjemah) UK Blacwell Publies hers.
- 22) Habermas, J. (1971). *The theory of communicative action: Vol. 1*. Boston: Beacon Press.
- 23) Habermas, J. (1984). *The theory of communicative action: Vol. 2*. Boston: Beacon Press.
- 24) Habermas, J. 2005. *Moral Consciousness and Communicative Action*. Terjemahan Christian Lenhardt & Shierry Weber Nicholseni.
- 25) Habermas, J. (1981) *Teori Tindakan Komunikasi*, Jilid 1: Rasio dan Rasionalisasi Masyarakat, Terjemahan Yogyakarta : Kreasi Wacana
- 26) Habermas, Jürgen. 2009. *Teori Tindakan Komunikatif. Buku 1*. Terjemahan Nurhadi, Yogyakarta, Kreasi Wacana.
- 27) Handan Vicdan, Moyes, Glen D, Ping Lin, Raymond M. Landry. 2006. Internal Auditors Perceptions of The Effectiveness of Red Flags to Detect Fraudulent, Financial Reporting, *Journal of Accounting, ethic and public policy*, volume 6 No1
- 28) Hass, S., Abdolmohammadi, M. and Burnaby, P. (2006), "The American literature review on internal auditing", *Managerial Auditing Journal*, Vol. 21 No. 8, pp. 835-44.
- 29) Hery. 2009. *Potret Profesi Audit Internal*, Penerbit Alfa Beta Bandung.
- 30) Ibrahim El-Sayed Ebaid (2011), Internal audit function: an exploratory study from Egyptian listed firms, *International Journal of Law and Management* Vol. 53 No. 2, 2011
- 31) Johnson, T.J. 1972. *Professions and power*. London: Macmillan.
- 32) Morin D. 2001. Influence of value for money audit on public administrations: looking beyond appearances. *Financial Accountability & Management* 17(2):99-117.
- 33) Morin D. 2003. Controllers or catalysts for change and improvement: would the real value for money auditors please stand up? *Managerial Auditing Journal* 18(1):19-30.
- 34) Moussalli, S. 2005. Accounting for the Journal's First 100 Years: A Timeline From 1905 to 2005, *Journal of Accountancy*, Online Issue, October, available at: <http://www.aicpa.org/pubs/jofa/oct2005/index.htm> .
- 35) Nasrullah Rulli. 2012. *Komunikasi antar Budaya di Era Budaya Silber*, Penerbit Kencana Prenada Media Group, Jakarta
- 36) Pay, K dan M.J. Reckers. 1980. The Effect of Gifts, Discounts, and Client Size on Perceived Auditor Independence. *The Accounting. Review*. Januari:p.50-61
- 37) Rachma, Sonja. N. 2000. *Pengaruh Kultur Organisasi terhadap Komunikasi Penyampain Informasi dalam Tim Audit*. Skripsi, Fakultas Ekonomi UGM, Yogyakarta.
- 38) Radcliffe V. 1998. Efficiency audit: an assembly of rationalities and programmes. *Accounting, Organizations and Society* 23(4):377-410.
- 39) Radcliffe V. 1999. Knowing efficiency: the enactment of efficiency in efficiency auditing. *Accounting, Organizations and Society* 24:333-62.
- 40) Radcliffe V. 2008. What government auditors cannot know: a study of public secrecy in the audit of the Cleveland City schools. *Critical Perspectives on Accounting* 19(1):99-126.
- 41) Ritzer dan Goodman .2008. *Teori Sosiologi dari Teori Sosiologi Kalsik sampai Perkembangan Mutakhir Teori Sosial Posmodern*. Edisi terbaru. Kreasi Wacana, Yogyakarta.
- 42) Ritzer, George and Douglas J. Goodman. 2003. *Teori Sosiologi Modern*. Terjemahan Edisi 6. Fajar Interpramata Offset. Jakarta.
- 43) Ritzer, George. 1981. *Toward an Integrated Sociological Paradigm*. Boston: Allyn and Bacon.
- 44) Robbins P. Stephen dan Timothy A. Judge. 2008. *Organizational Behavior*. Pearson Education, Inc , New Jersey.
- 45) Rochman, H. 2005. *Evaluasi Peran Auditor intern dalam menialai Risiko Bisnis Perbankan di BPR Syariah*, Tesis Universitas Erlangga Surabaya.
- 46) Skaerbaek P. 2009. Public sector auditor identities in making efficiency auditable: the national audit office of Denmark as independent auditor and modernizer. *Accounting, Organizations and Society* 34:971-87.
- 47) Stake, Robert E. 2009. Studi Kasus. Dalam Norman K. Denzin dan Yvona S. Lincoln (ed). *Handbook of Qualitative Research* (Penerjemah: Tim Penerjemah), Yogyakarta : Pustaka Pelajar.
- 48) Steinberg, R.B and Walker, D.E. 1997. The AICPA National Conference on SEC Developments, *The CPA Journal*, Vol. LXVII, May.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

