



**JOURNAL**

**ANALYSIS OF INTERNAL CONTROL BASED ON THE COSO  
FRAMEWORK FOR THE MANAGEMENT OF SCHOOL OPERATIONAL  
ASSISTANCE (BOS) FUNDS AT SDIT MASYITHAH BUKITTINGGI**

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**Abstract:**

This study aims to analyze the implementation of internal control in the management of School Operational Assistance (BOS) funds at SDIT Masyithah Bukittinggi based on the COSO framework, as well as to identify the challenges faced by the school in its application. The research employs a qualitative approach using a case study method. Data were collected through in-depth interviews and documentation, then analyzed using the five main components of COSO: control environment, risk assessment, control activities, information and communication, and monitoring. The results show that the principles of internal control have been applied in practice, although the school has not formally implemented the COSO framework comprehensively. The internal control practices largely rely on the initiative of the principal and the BOS treasurer. However, the existing system remains informal and lacks specific standard operating procedures (SOPs) and proper documentation. The main challenges in implementing internal control include limited human resources, unclear task distribution, and the absence of regular evaluations. Additionally, although the school uses the ARKAS application for reporting, the system does not fully support comprehensive internal control. This study concludes that strengthening the internal control system based on the COSO framework is necessary to ensure that BOS fund management is more efficient, transparent, and accountable. The findings are expected to serve as a practical reference for other schools and as a consideration for policymakers in improving financial governance in the education sector.

**Keywords:**

Internal Control, COSO, BOS Funds, Integrated Islamic Elementary School.

**BACKGROUND**

Transparent and accountable management of public funds is a key principle in the governance of educational institutions, especially in primary and secondary education units. In the Indonesian context, the government has allocated the School Operational Assistance Fund



(BOS) as an effort to support the implementation of equitable and quality basic education services. BOS funds are a significant form of fiscal intervention in improving access to and quality of education, and have been used as the main source of funding for school operational activities, both public and private. Therefore, the management of BOS funds must be carried out effectively, efficiently, transparently, and accountably, in line with the principles of good governance in the public sector.

However, in practice, the management of BOS funds in various education units has not fully met these principles. A number of audit results and supervisory reports showed that there were still irregularities, administrative errors, and the use of funds that were not in accordance with their allocation. Among the factors that contributed to these problems was the weak internal control owned by schools. This is the fundamental reason for the importance of conducting research that specifically analyzes the extent to which the internal control system has been implemented in the management of BOS funds, especially by using a structured framework such as COSO (Committee of Sponsoring Organizations of the Treadway Commission).

This research focuses on SDIT Masyithah Bukittinggi as the object of study. This school is one of the integrated Islamic-based private elementary schools under the auspices of the foundation and has received BOS funds since 2005. The selection of this school as the object of research was based on its unique characteristics, namely as a private religious-based educational institution that manages public funds. This poses its own challenges in terms of governance, because the school has to maintain financial professionalism and accountability without the support of a formal supervisory system as in public schools. The scope of this study covers the receipt, recording, use, and reporting of BOS funds at SDIT Masyithah, as well as how the five components of internal control according to the COSO framework are applied in practice.

In the academic realm, internal control over the management of BOS funds has been the focus of a number of previous studies. A study conducted by Badriah(2024) at the Riau Provincial Education Office found that the cash disbursement procedures for BOS funds had followed the stipulated technical guidelines, but the supervisory component of internal control was still not running optimally. A similar study by Putri et al.(2024) at SD Al-Muttaqien Medan also showed that COSO-based internal control plays an important role in improving accountability, although there are still obstacles in the aspect of division of tasks and lack of stakeholder involvement in the management process.

In addition, research by Gaol and Atmini(2021) in a public high school environment revealed that although internal controls have been implemented, schools often have difficulty determining the priority scale for the use of funds, which causes inefficiency in the use of the budget. Alabdullah and Maryanti(2021) in their conceptual study highlighted that internal control is not only related to systems and procedures, but also involves management integrity and transparency as basic values. These studies show that although the COSO concept has been introduced in the educational environment, its implementation is still partial and has not touched all components thoroughly.

The strength of these publications lies in their contribution in opening a space for academic discussion on the importance of internal control in the management of BOS funds. They have also used the COSO framework as a relevant theoretical reference. However, most of the previous studies still have limitations, both in terms of the methodological approach that is



more quantitative and descriptive in nature, as well as the location context that is generally focused on public schools. In addition, there are not many studies that explore the contextual dynamics in private foundation-based schools, including the religious values and organizational culture that influence financial management practices.

In this context, this research offers a more in-depth approach using a qualitative case study method to comprehensively examine the implementation of internal control based on the COSO framework at SDIT Masyithah Bukittinggi. The COSO framework consists of five main components, namely: control environment, risk assessment, control activities, information and communication, and monitoring. These five components form an interrelated internal control system designed to help the organization achieve its objectives by providing reasonable assurance of operational effectiveness, reporting reliability, and regulatory compliance (COSO, 2013 ).

The state of the art of this research is the use of the COSO framework in the context of BOS fund management in private foundation-based schools, which has not been widely studied. In many previous studies, COSO was used in companies or government institutions, but its application in private educational institutions with religious characteristics is still limited. Therefore, this study provides a new perspective that internal control principles developed for the corporate sector can also be adapted to school financial management that has non-material values such as integrity and trustworthiness as an ethical foundation.

The purpose of this study is to analyze the implementation of internal control over the receipt and management of BOS funds at SDIT Masyithah Bukittinggi based on the COSO framework, as well as to identify the obstacles and constraints faced in its implementation. Through the results of this study, it is hoped that concrete areas of improvement can be found to improve the governance of BOS funds at the school, as well as provide recommendations that are applicable to similar schools.

The novelty of this research lies in two main things. First, the object of research that has not been widely addressed in previous studies is private schools based on religious foundations. This object has distinctive characteristics that distinguish it from public and private schools, especially in terms of organizational structure, leadership patterns, and work culture. Second, the use of a qualitative approach with an in-depth analysis of the five components of COSO allows a more complete understanding of the real conditions in the field, including interactions between actors, administrative barriers, and the influence of internal values on the control process.

Thus, this study is expected to make a significant contribution both theoretically in the development of public sector accounting science and practically in improving the accountability and transparency of BOS fund management in private schools. In addition, the findings of this study can serve as a reference for the government and foundations in formulating policies that are more responsive to the needs of schools in building a strong and sustainable internal control system.



## **THEORETICAL FRAMEWORK**

### **Internal Control**

Internal control is a system or process designed and run by management and all personnel in the organization to ensure that operational activities run effectively, financial reports are reliable, and the organization complies with laws and regulations (Nababan & Muktiadji, 2022). According to COSO (COSO, 2013), internal control is a comprehensive process, not just written procedures or policies, but also involves organizational culture, leadership attitudes, and the behavior of all staff. Good internal control is able to prevent irregularities, fraud, and operational inefficiencies (Lusiana & Arfamaini, 2022).

According to Putri (2024), internal control is very important in public sector organizations such as schools because the funds managed come from the state and must be accounted for transparently. This system includes a clear division of tasks, authorization of transactions, documentation, supervision, and periodic evaluation of financial processes. Without effective internal control, schools are at risk of leakage of funds, misuse of budget, and public doubts about the accountability of the institution.

In other words, internal control is a tool that assists school management in ensuring the entire process is fit for purpose, free from fraud, and accountable. Therefore, this research focuses on seeing how this system is actually implemented in the management of BOS funds in foundation-based private schools such as SDIT Masyithah Bukittinggi.

### **COSO Framework**

The COSO framework is a structured approach to designing, implementing, and evaluating internal control systems. COSO stands for the *Committee of Sponsoring Organizations of the Treadway Commission* which first introduced this model in 1992 and was updated in 2013. According to COSO (2013), this framework consists of five integrated components, namely the control environment, risk assessment, control activities, information and communication, and monitoring.

The control environment reflects ethical values, integrity, and management's commitment to control. Risk assessment emphasizes the organization's ability to identify, analyze, and respond to risks that interfere with achieving objectives. Control activities are concrete actions such as procedures, approvals, verification, and segregation of duties. Information and communication plays a role in ensuring that all parties receive the required information in a timely and accurate manner. Meanwhile, monitoring refers to the periodic evaluation of the effectiveness of controls and their corrective actions.

According to Alabdullah and Maryanti (Alabdullah & Maryanti, 2021), COSO is a flexible framework and can be applied not only in the business world, but also in non-profit organizations such as schools. By using this approach, schools can build a control system that



is strong, systematic, and can be evaluated continuously. Therefore, this study uses COSO as the main analytical tool in assessing the management of BOS funds.

### **Management of School Operational Assistance Funds (BOS)**

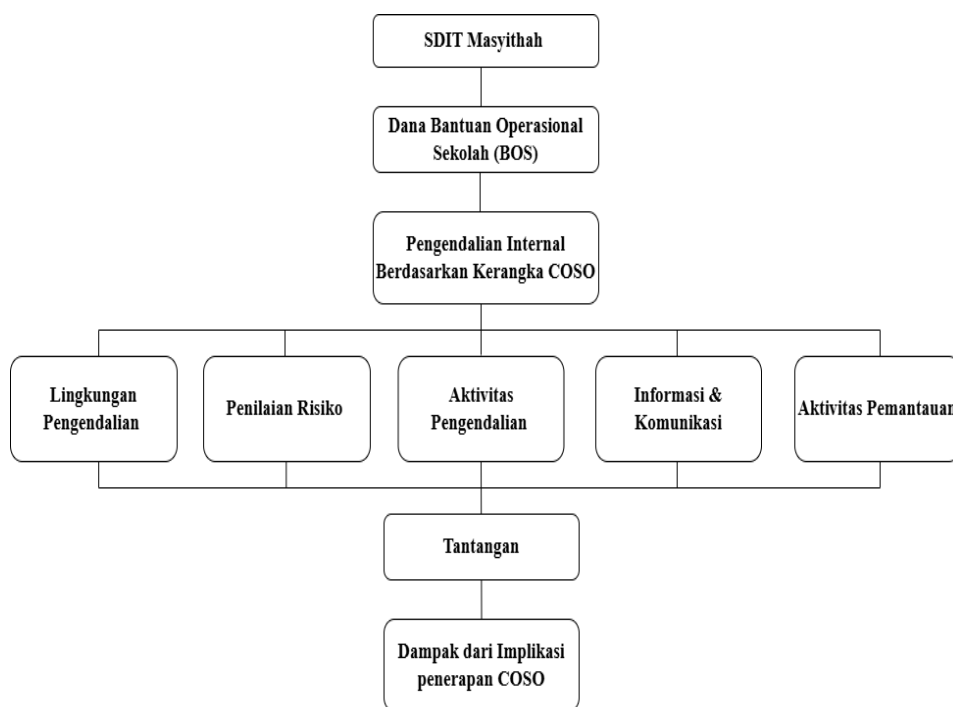
The School Operational Assistance Fund (BOS) is an Indonesian government program that aims to support the operations of primary and secondary schools so that all students can get affordable and quality education. BOS funds are given directly to school accounts and used to finance activities such as the purchase of books, stationery, teacher training, facility maintenance and other learning activities. According to Permendikbud No. 63 of 2022, BOS funds must be managed in an accountable, transparent, and appropriate manner (Regulation of the Minister of Education, Culture, Research, and Technology of the Republic of Indonesia Number 63 of 2022 on Technical Guidelines for the Management of Education Unit Operational Assistance Funds, 2022) .

According to Rahmadhani and Suparno(2020) , the management of BOS funds includes planning, implementation, recording, reporting, and evaluation. Schools are required to prepare a School Activity and Budget Plan (RKAS) which is the basis for the use of BOS funds. The recording process must be in accordance with accounting principles and all expenditures must be accompanied by valid evidence. In addition, reports on the use of funds must be submitted periodically to the Education Office and the community as a form of public transparency.

However, in practice, there are still many schools that experience difficulties in managing BOS funds optimally due to weak internal controls, lack of human resource training, and system limitations. Therefore, the existence of a COSO-based internal control system is needed to ensure that BOS funds are used efficiently and in accordance with regulations. This study will examine the extent to which the ideal concept of BOS fund management can be applied at SDIT Masyithah Bukittinggi.

Based on this explanation, the researcher can provide a framework of thinking as follows:

Figure 1. Thinking Framework



Source: Data Processed by Researchers (2025)

## METHOD

This research method uses a qualitative approach with a case study model, which aims to explore in depth the application of internal control based on the COSO framework for the management of the School Operational Assistance Fund (BOS) at SDIT Masyithah Bukittinggi. The qualitative approach was chosen because it is considered capable of providing a complete contextual understanding of complex phenomena and cannot be measured numerically (Sugiyono, 2020). Case studies are used to focus on one object intensively, in order to capture the actual practices that occur in the field as a whole (Assyakurrohim et al., 2015). 2023).

Data collection techniques were conducted through in-depth interviews, direct observation, and documentation studies. Interviews were conducted with key informants, namely school principals, BOS treasurers, and administrative staff who were directly involved in the management of BOS funds. Observations were made of school financial management activities to see the conformity between written procedures and actual practices. Meanwhile, documentation was conducted by reviewing documents such as RKAS, budget realization reports, proof of expenditure, and SOPs (if available), to support data triangulation (Sutrisno et al., 2021).

This research was conducted at SDIT Masyithah Bukittinggi, West Sumatra, during the period March to July 2025. The selection of this location was based on the consideration that the school was a private institution that received BOS funds with a typical foundation-based organizational structure. According to Miles and Huberman in Sugiyono (Sugiyono, 2020), the data collected were then analyzed using an interactive analysis method consisting of data reduction, data presentation, and conclusion drawing. The analysis was carried out with





reference to the five components of the COSO framework, namely the control environment, risk assessment, control activities, information and communication, and monitoring. With this method, researchers can identify the extent to which the application of COSO principles affects the effectiveness of BOS fund management in the school.

## RESULT

SDIT Masyithah Bukittinggi is an integrated Islamic-based private primary school in Bukittinggi City that has received BOS funds since 2005. These funds are used to support school operations, ranging from the procurement of facilities, learning activities, to facility maintenance. Over the past five years, the number of students and BOS funds received by the school has varied, as shown in the following table:

**Table 1. Student Data and BOS Funds SDIT Masyithah Bukittinggi**

Budget Year	Number of Students	BOS Funds Received
Year 2021	311	279.900.000
Year 2022	311	279.900.000
Year 2023	298	268.200.000
Year 2024	296	269.360.000
Year 2025	271	246.610.000

Source: Processed by researchers (2025)

From the data, it can be seen that the amount of BOS funds follows the number of students. The decrease in the number of students from 2023 to 2025 had an impact on the decrease in the amount of funds received.

Data collection was conducted through interviews with school principals and BOS treasurers as well as documentation in the form of RKAS, SPJ, Budget Realization Reports (LRA), General Cash Books (BKU), and other supervisory documents. The school principal acts as the Budget User Authority (KPA), while the treasurer is responsible for recording, disbursing, and reporting BOS funds. In practice, SDIT Masyithah has used the ARKAS application as a digital reporting tool set by the government.

The control environment at the school showed a high commitment to honesty, transparency and accountability. The principal checks and signs every financial report prepared by the treasurer. The division of tasks in the management of funds is done clearly, starting from recording, managing and monitoring. Although there is no specific SOP for BOS funds, the implementation process refers to the general school SOP and the BOS technical guidelines from the government.

In the risk assessment component, evaluations were conducted regularly every month to review the match between expenditure and the RKAS. The school also revises the ARKAS if there are sudden needs. The risk of misuse of funds is prevented through strict authorization procedures and systematic recording of transaction evidence. In control activities, every expenditure must be approved by the principal and based on the approved budget plan. All documents, such as SPJ, receipts, purchase notes and activity attendance lists, are archived in full. The separation



of duties between the treasurer, principal and committee also helps minimize the risk of irregularities.

Information and communication are managed openly. Financial reports are submitted to the office, the foundation and the school committee. Reporting is also done periodically and informal communication is done through internal school groups. Monitoring is conducted by the principal and treasurer on a regular basis, although not yet in the form of a formal audit. Evaluation of management results is used as a reference in designing the RKAS for the following year. External parties such as foundations and agencies also monitor the submitted reports.

## **DISCUSSION**

This discussion examines in depth the five main components of internal control based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, namely: control environment, risk assessment, control activities, information and communication, and monitoring. The five components are a unity that cannot be separated in creating an effective and efficient internal control system. The main focus of this study is how the five COSO elements are applied in the practice of managing the School Operational Assistance Fund (BOS) at SDIT Masyithah Bukittinggi, a foundation-based integrated Islamic school that receives BOS funds from the government.

### **1. Control Environment**

The control environment is the initial foundation in the internal control structure. This component underscores the importance of an organizational culture that upholds the values of integrity, ethics, and management's commitment to accountable governance. At SDIT Masyithah, the control environment shows positive indicators.

The principal, who acts as the Budget User Authority (KPA), actively verifies, checks and approves each financial report before it is submitted to the education office. This shows that the values of honesty and accountability have been instilled in the daily managerial process. However, it was found that schools did not yet have a specific Standard Operating Procedure (SOP) that regulates the management of BOS funds in writing. Nevertheless, the principals and treasurers consistently used the BOS Technical Guidelines (Juknis) issued by the government as the main reference. This shows that although the documentation is not yet complete, substantively the values and principles of the control environment have been applied.

The structure of the BOS team was regulated through a decree from the office, but it did not explain in detail the flow of reporting, the division of technical tasks, and coordination among team members. This could become an obstacle if there were personnel changes or if problems occurred that required collective responsibility. In addition, the school shows commitment to human resource development, although there has been no formal training. The treasurer actively briefs new staff and encourages them to self-learn about reporting and financial processes.





## 2. Risk Assessment

This component refers to the organization's ability to recognize and manage risks that may hinder the achievement of objectives. SDIT Masyithah has identified several important risks, such as delays in the disbursement of BOS funds, data input errors in the Dapodik application, discrepancies between expenditures and RKAS, and delays in reporting that can have an impact on subsequent disbursements. Risk identification is conducted informally through monthly evaluation meetings. However, the school does not yet have a formal document in the form of a standardized *risk register* or risk map. Nevertheless, the principal and treasurer's supervision of the potential risk of fraud is quite strict through cross-verification of proof of expenditure. The awareness of potential risks is a positive value of this process, but the lack of formal documentation may limit a more systematic risk mitigation process.

## 3. Control Activities

Control activities are concrete actions to ensure that policies and procedures work as intended. SDIT Masyithah has implemented several relevant control mechanisms such as segregation of duties, authorization of expenditure, and the use of an electronic reporting system (ARKAS) for the management of BOS funds. Every expenditure is made through a layered authorization process, where the principal gives approval after the treasurer verifies the supporting documents. Proof of transactions such as receipts and notes are stored in the SPJ and the General Cash Book (BKU). This is in accordance with the COSO principles of *authorization*, *documentation*, and *segregation of duties*. However, the absence of a *checklist* or standard verification format means that the quality of control is highly dependent on individual accuracy. If there is a change of treasurer or finance personnel, the control process can be disrupted because there is no written standard to refer to.

## 4. Information and Communication

Information and communication is the main bridge in the internal control system. SDIT Masyithah has managed an open communication system, both internally and externally. Internal communication is carried out through work meetings, WhatsApp groups, and regular briefings from the treasurer to staff. Important information related to the use of BOS funds is also socialized openly to student guardians and the foundation. Reports such as SPJ, BKU, and LRA were submitted to external parties as a form of accountability. Although most of the communication was done informally, this system showed a good level of openness and was in accordance with the COSO principles that encourage effective two-way communication. However, the communication system, which has not been documented in a regular form or SOP, remains a challenge in the event of personnel changes, as it will make the adaptation process difficult for new parties.

## 5. Monitoring

The last component of the COSO framework is monitoring. SDIT Masyithah carries out the monitoring process on an ongoing basis through administrative checks by the principal and treasurer. Internal evaluations are carried out every month and the



results are used for the revision of the following year's RKAS. The main weakness in this aspect is the absence of an independent internal audit. Supervision from the office and the foundation is also more administrative (document verification) and does not involve field checks. As a result, the ability to detect overall system weaknesses is limited. The following table summarizes the application of the five COSO components at SDIT Masyithah Bukittinggi:

**Table 2. Summary of Internal Control According to COSO Based on Interview Results**

<b>COSO Components</b>	<b>Conditions at SDIT Masyithah Bukittinggi</b>	<b>Supporting Documents</b>
Control Environment	There is no specific SOP, but it complies with the BOS Juknis and the general SOP of the school	BOS Guidelines, Minutes Technical Meeting
Risk Assessment	Risk identification is done informally, there is no <i>risk register</i> yet	RKAS, Minutes of Evaluation
Control Activities	There is already layered authorization and verification, no procedural checklist yet.	SPJ, BKU, ARKAS
Information and Communication	Two-way communication is active informally through groups and meetings	SPJ, LRA, Student Guardian Communication
Monitoring	Routine checks conducted by the principal and treasurer, not yet formalized.	Minutes of Evaluation, RKAS

Source: Processed from interviews and field documentation (2025)

Overall, the implementation of COSO-based internal control at SDIT Masyithah Bukittinggi runs quite well in terms of daily implementation, but there are still weaknesses in terms of formal documentation and organizational structure. The commitment of the principal and treasurer is the main key to success, but dependence on individuals can also be a risk if not accompanied by a written system that can be passed on to successors. Complete documentation, HR training and independent audits would go a long way to strengthening the implementation of sustainable and professional internal control in this school.

## CONCLUSION

This study aims to analyze internal control over the management of School Operational Assistance Funds (BOS) at SDIT Masyithah Bukittinggi using the COSO framework which consists of five main components, namely: control environment, risk assessment, control activities, information and communication, and monitoring. Based on data obtained through interviews, observations, and documentation, it can be concluded that internal control in this school has been implemented functionally, although it still has some limitations in the aspects of formality and documentation.



The control environment in the school shows a strong commitment from the principal and treasurer in carrying out their duties with integrity and accountability. Although there was no specific SOP for BOS funds, the implementation still referred to the technical guidelines and the general SOP of the school. Risk assessments are conducted informally through monthly evaluations, but have not yet been documented in a *risk register*. Control activities have been carried out through authorization mechanisms, document verification, and separation of functions, although there is no standard procedural checklist. Internal and external communication has run quite well through formal and informal media. Monitoring is carried out by the principal and treasurer, but there is no formal internal audit system in place on a regular basis. Overall, although not yet fully documented and standardized, the application of COSO principles is already running in practice. This shows that SDIT Masyithah Bukittinggi has a strong internal control foundation and has the potential to be developed into a more systematic, structured and sustainable system to support more transparent and accountable school financial governance.

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