

THE IMPACT OF THE INTRODUCTION OF INTERNAL CONTROL SYSTEMS, GREEN GOVERNANCE, AND ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE, MITIGATED BY TAX ADMINISTRATION SYSTEM REFORMS

AGUS BANDIYONO¹, ETTY MURWANINGSARI² and YVONNE AUGUSTINE³

¹ Doctoral Student in Faculty of Economics and Business Universitas Trisakti, Jakarta, Indonesia, and Lecturer in Politeknik Keuangan Negara STAN, Tangerang Selatan, Indonesia.

Email: agus222021714001@std.trisakti.ac.id

² Professor / Lecturer in Faculty of Economics and Business, Universitas Trisakti, Jakarta, Indonesia.

Corresponding author, Email: etty.murwaningsari@trisakti.ac.id

³ Lecturer in Faculty of Economics and Business Universitas Trisakti, Jakarta, Indonesia.

Email: yvonneags57@gmail.com

Abstract

The purpose of this study is to ascertain how internal control systems, green governance, organizational culture, and changes to the tax administration system relate to performance. The Directorate General of Taxes uses KMK No. for internal control. 322 in 2021. To the internal control system variables of goal setting and governance, researchers have added a new dimension. Design, methodology, and approach - To accomplish the goal of the article, the population of this study includes all KPP (Tax Service Office) employees across Indonesia. Research Findings - According to this study's findings, the Tax Service Office's organizational performance is strongly influenced by the internal control system that has been put in place there. The Tax Service Office has improved organizational performance as a result of implementing green governance. Organizational performance is improved by the application of organizational culture. It has been demonstrated that the internal control system's impact on organizational performance can be strengthened by reforming the tax administration system. It has been demonstrated that the tax administration system reform has strengthened the impact of organizational culture implementation on performance. It has not been demonstrated that changing the tax administration system will increase the impact of adopting green governance on organizational performance. The influence of the internal control system on organizational performance can be increased by the new dimensions of goal-setting and governance, and the influence of organizational culture on performance can also be increased by the new dimensions of organizational culture. Theoretical contribution/Originality: Researchers give the variables of the internal control system—level of religiosity—a new indicator. Consequences in real life: Given that it has been shown to be able to improve organizational performance, the internal control system of the Directorate General of Taxes can now include a new indicator of level of religiosity.

Keywords: Internal Control System, Green Governance, Organizational Culture, Organizational Performance, and Tax Administration System Reform.

I. INTRODUCTION

Taxes are an integral part of state budget revenue. Taxation for the Indonesian state is the most important element in the state budget revenue structure. Based on the 2020 state budget data, the government is aiming for state budget revenue from the tax sector of IDR 1,865.7 trillion, equivalent to 83.54% of total state budget revenue, followed by State budget revenue outside the tax sector is IDR 367.0 trillion and other state revenues such as subsidies. 0.5 trillion IDR

(Kementerian Keuangan, 2020). Huge tax revenues are used to perform several important functions of a state. One of the vital functions of tax collection is the budget function. Taxes collected from public services as an engine of development, used to cover state expenditures, namely development expenditures or other expenditures beneficial to the public interest in a year finance. During the COVID-19 pandemic, the role of tax revenue is crucial in responding to and preventing the spread of the pandemic, as well as providing various tax easing measures in the form of incentives (Media Indonesia, 2020) The General Department of Taxation, as an agency under the Ministry of Finance, has the task of collecting taxes from taxpayers to achieve the set tax goals. This is reflected in the result of regular tax collection being lower than the target set since 2010, as shown in figure I.

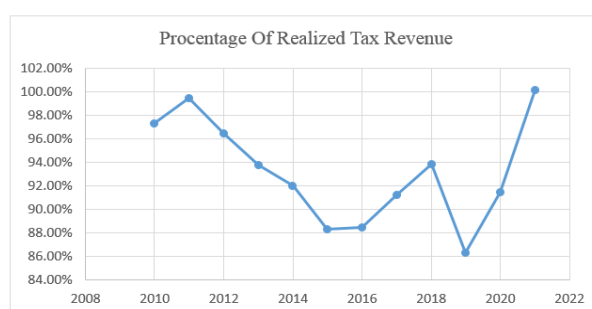


Figure 1: Tax Revenue Realization

Figure 1 shows the percentage of realized tax revenue from year to year. The highest percentage of actual tax revenue achieved was recorded in fiscal year 2021, namely 100.19% compared to the set target. In 2021, the new policy of the General Department of Taxation will help increase tax collection. One of the beginnings of digitalization is helping taxpayers meet their tax obligations. At the same time, 2015 and 2016 were the years when tax collection only reached 83% of the plan. This is due to falling commodity prices in the domestic market, the sluggish pace of the global economy, China's slowing economic growth, and the persistence of the Central Bank of China's monetary policy. The United States is inherently not considered to be market-friendly (Indonesia-investment.com, 2020). The difference between achieving tax revenue and a target is interesting to consider the cause.

One of the reasons for the failure to meet the tax collection target comes from the organization of the General Department of Taxation (General Department of Taxation) as an agency with the task of tax collection is not optimal. The suboptimal performance of the DGT is believed to stem from the internal conditions of the DGT, so a reorganization of the DGT is deemed necessary. The hope of the reorganization is to make the DGT an independent organization with its own authority so that the performance of the DGT can be improved. It is intended that the performance of the DGT in the search for state revenues may be more optimal. The reason for this is that the DGT is an important agency in charge of state budget revenues (Kompas, 2019). The organizational effectiveness of the General Department of Taxation is measured by the implementation of tax revenue. The achievement of tax collection targets is evidence that the General Department of Taxation has the ability to mobilize and control all its resources.

The most important element in an organization is monitoring employee performance and behavior. The Tax Department responsible for monitoring compliance and compliance of employees has established an internal compliance unit. This entity is responsible for implementing internal control within the DGT.

Achieving DGT's organizational goals cannot be separated from the establishment of a good system of internal control. The internal control system in the General Department of Taxation based on the Decree of the Minister of Finance in 2021 still applies the internal control framework COSO 2013. DGT supervises all activities of the organization by establishing a Unit. Internal Compliance. The internal compliance unit is responsible for monitoring the organization's performance in achieving its objectives. The Internal Compliance Department of the General Department of Taxation is the organization's fraud prevention control center, helping the organization to implement transparent, participatory and accountable governance (Laporan Tahunan DJP, 2019). The organizational effectiveness of the General Department of Taxation as an agency for managing state budget revenues from the community, the ability to organize and define the internal control system is also greatly affected by the interdependence. Activities and livelihoods of people and governments. Should regulate or promulgate policies towards environmental governance. Tax revenue in Indonesia comes in part from corporate taxes, so the government must regulate the business continuity of tax paying companies, especially those related to the environment. A sustainable environment and entrepreneurs with good environmental management skills will make a sustainable business. A well-maintained balance of nature gives advantages and benefits to entrepreneurs as nature provides wealth that is readily transformed for human well-being.

Development is carried out, large-scale exploration and exploitation, still must maintain environmental balance. Society's growing concern for the environment and the perception that organizations are major contributors to emissions and hazardous wastes and major consumers of fossil natural resources, has leading to a growing push towards green governance. The results of the study (Nishant et al., 2012) show that there is a positive impact of environmental performance on organizational performance. Organizational performance is also influenced by organizational culture. Culture performed by employees is the hallmark of an organization and greatly determines the success of an organization in achieving its goals and targets. Organizational culture is a habit that is repeated and becomes a habit of the organization. Organizations with exemplary, measurable, and innovative cultures and habits are more likely to develop business performance. Organizational culture is a characteristic of an organization, which is the basis for an organization to be different from other organizations. Organizational culture is used as a behavioral standard and a set of values practiced and understood by employees as the basis for organizational behaviour. A good organizational culture should have 7 (seven) characteristics; stability, innovation, employee rewards, attention to detail, focus on results, dynamism and teamwork (Chatman & Jehn, 1994). This culture has an impact on employee performance so it has a positive impact on organizational performance. The organizational culture of each organization has its own characteristics. Introducing organizational culture characteristics can guide employees/employees to understand their organization's values. Organizational culture has three main characteristics, which are; 1)

organizational culture is transmitted or passed on to new employees through the process of socialization, 2) organizational culture can influence employee behavior in the workplace, and 3) organizational culture in each level is different (Kreitner, Robert, 2009)

Organizational performance is also strongly influenced by habits in the bureaucracy. Organizations that are resilient to change are those that can achieve their goals wherever circumstances or times are constantly changing. The General Department of Taxation, as one of the government agencies dealing directly with taxpayers, needs to make changes. The changes made include changes to the rules and technology used. Tax changes or reforms began in 1983 with a number of changes including improving tax industry policy through amendments to the Income Tax Act (UU PPh), the Value Added Tax and Sales Tax Act. Luxury goods (UU PPN and PPnBM), Land Law and Real Estate Tax Act (UU PBB). Tax sector reform to assure Indonesians of citizens' rights and obligations with respect to laws and regulations in the tax industry to target revenue from the tax sector.

II. LITERATUR REVIEW

2.1 Internal control system

According to (PMK No. 109/PMK.09/, 2021) internal control is an activity that is carried out without any interference by any party and demonstrates honesty in assessment and monitoring. Monitoring to provide added value and achieve effective governance process management, effective risk management and internal control. According to (COSO, 2013), internal control is the influence of all the management of an entity and others on an activity that underlies the achievement of the entity's objectives related to the activity. Action, compliance and reporting. The system of internal control according to (Arens A. Alvin, 2015) is an activity performed as a basis to achieve the objectives of internal control in accordance with the correct process. Pursuant to KMK (KMK. No. 322, 2021) on the internal control system and guidance on supervision of internal control in the Ministry of Finance, the internal control components include 5 parts, namely as follows:

1. Control environment with indicator:

- a. Integrity, moral principles, and moral conduct.
- b. Being aware of the unit leadership.
- c. Dedication to proficiency.
- d. Organizational structure.
- e. HR-related regulations and procedures.
- f. Religion practiced.

2. Measures of risk.

- a. Objectives for the work unit.
- b. Evaluation of the risks.

c. Risk prediction is supported by a mechanism.

3. Controlled Activity.

a. Distinguish the differences between plans and outcomes.

b. Evaluation of goals and progress.

c. The tasks are separated.

d. Limitations on access.

e. An authorization process is in place.

f. Decent documentation.

4. Communication and information.

a. Available information technology.

b. Precise and timely information.

c. A strategic plan-based information system.

d. User control.

e. Recovery strategy.

f. Responsibilities and duties.

g. The means of communication.

h. Response.

5. Monitoring.

a. Mechanism for review.

b. Remedial measures.

c. A process exists to detect internal control system.

The novelty of this study is to add indicators of religiosity to the control environment. The reason for including indicators of religiosity into the control environment is ethics, integrity can be formed from a person's level of religiosity. The results of the study show that religiosity can improve organizational performance indirectly by reducing employees who commit corruption. The results showed that religiosity can improve organizational performance (Alfisyah & Anwar, 2018), (Alfisyah & Anwar, 2018). The results of the study show that religiosity can reduce fraudulent acts in organizations (Alfisyah & Anwar, 2018), and (Alfisyah & Anwar, 2018).

2.2 Green Governance

Good environmental governance, also known as green governance or ecological office (in the Ministry of Finance) is a fundamental element necessary to maintain a balance between environment and development. The application of the concept of green governance is very

helpful in maintaining the sustainability of natural resources and the environment. Green governance according to (Li et al., 2018) is a new concept that seeks to break organizational boundaries of synergistic and governance synergies by maintaining a balance between economic development, sustainability and sustainability. Environment and social order. According to (Corinne Post, Noushi Rahman, 2011) green governance is governance related to long-term economic, social and environmental sustainability. According to (Verschoore, 2013), green governance has 5 components, which are common goals, standards, participation/participation, resources and communication. In this study, the dimensions of research-based green governance variables (Kuis et al., 2017) include; renewable energy, energy efficiency, water efficiency, mobility, industry and innovation.

2.3 Organizational Culture

Organizational culture is described by (Stephen, P. Robbins and Timothy, 2008) as a unit of meaning shared by its followers and capable of bringing out the uniqueness of the organization itself. Organizational culture is the foundation on which the elements of the organization are based and they must implement it in the operational activities of the organization (Sumanto & Herminingsih, 2016). The organizational values that should be practiced in the Ministry of Finance of the Republic of Indonesia are Integrity, Professionalism, Synergy, Service and Excellence. Organizational culture in this study uses aspects of organizational culture (Szumal, 2013) that can be measured by constructive culture, passive/defensive and aggressive/defensive culture player.

2.4 Activities of the Organization

Performance is an achievement in all policies of using resources to achieve the goals that an organization has set in its vision and mission. A public entity such as Direction Générale des Impôts in measuring its organization's performance can use the three pillars of public sector performance as a benchmark. Public sector entities are encouraged to improve their performance as society expects with the same (or even better) level of performance than the private sector. Furthermore, amid falling oil prices (especially in oil economies such as the United Arab Emirates), public sector agencies face budgetary pressures to reduce spending and waste resources without reducing service standards. Furthermore, public sector agencies are under pressure to increase accountability, responsiveness, integrity and transparency by fostering innovation through partnerships with the private sector. and other financial institutions (Alińska Agnieszka, 2018); (Cong, X and Pandya, 2003). The three pillars of public sector performance are innovation, quality and performance (Cong, X and Pandya, 2003). It is important to demonstrate improvement in these three pillars after implementing the knowledge management process; as with other types of investment, determining the return on investment in the knowledge management process is critical to maintaining program funding.

2.5 System Reform for Tax Administration

Tax administration system is a system used to support the implementation of tax administration and management activities in accordance with the law. Tax administration system reform is being carried out in order to improve the effectiveness and efficiency of the tax administration

system. The goals of tax reform are: 1) the goal of increasing annual tax revenue, 2) increasing taxpayer compliance, 3) quantifying the number of Tax Department employees and taxpayers, 4) digital transactions and growth speed of science and technology, and 5) the legal regulations that must follow transactions in the digital age. Tax administration system reform is the adjustment of organizational activities of the General Department of Taxation through building a communication system on the basis of free trade, then creating tax data so that the taxpayers become more controlled, controlled and integrated.

III. DEVELOPING HYPOTHESES

3.1 The effect of the implementation of the internal control system on the performance of the organization

Internal audit in the public sector (Thomas Asare, 2009), when properly structured and given the necessary tasks to perform, improves operational efficiency and is a valuable resource in promoting good governance. It generates insights into the importance and challenges of public sector internal audit. Mahzan & Aishah (2015) tried to measure all the organizational factors affecting the effectiveness of internal audit. His research hypotheses on the impact of organizational factors (adequate resources, staff capacity and report quality) on the effectiveness of internal 5S quality assessment have all shown positive results. In addition, the results also show awareness of an important internal control system that an effective 5S quality internal audit can help to influence the company's performance. Mihret et al. (2010) explain that the effectiveness of internal audit and its positive relationship with business performance is measured by the rate of return on capital employed. There is a positive relationship between compliance with professional practice standards of internal control systems and the achievement of organizational objectives which can be used as a method to evaluate the effectiveness of internal control systems. Internal audit. Additionally, the combined use of the two theories provides additional insights into determining internal audit effectiveness and measurement history. Bello et al (2018) found that the interaction of internal audit competence, internal audit independence, and internal audit measures, supported by top management, has a positive and significantly to the organizational performance of Nigerian universities. These results provide the basis for a new policy initiative to strengthen internal audit and enrich documentation by providing regulatory impact supporting senior management as a performance tool. Organizations. Therefore, the hypothesis in this study is that:

H1: The internal control system has a positive impact on the performance of the organization.

3.2 The influence of Green Governance on organizational performance

Research (Handoyo & Fitriyah, 2019) shows that governance attributes including corruption control, political stability, regulatory quality are positively and significantly correlated with the environmental index. However, the responsibility attribute shows a significant relationship with environmental performance. This implies that national environmental performance is linked to governance attributes that have a direct relationship. Elimination of corruption, political stability and law enforcement are attributes that are believed to have a direct

relationship with the environmental performance index. This study (Siew et al., 2013) shows that construction companies listed on ASX that provide non-financial (environmental) reports perform better than companies that do not provide non-financial reports. Finance. The results of this study indicate that environmental, social and governance aspects have a positive impact on organizational performance and market value. Organizations that care about the environment in the area where they operate, maintain relationships with the surrounding community, and organizations that are managed according to good governance principles will have positive values in the face of challenges. investors (Junius et al., 2020). This study also concludes that environmental governance and social relations affect organizational performance (Koroleva et al., 2020). The formula of this study is that:

H2: Green governance has a positive impact on organizational performance.

3.3 The influence of organizational culture on organizational performance

A high record of business performance influences the high risk faced by the firm (Tjahjadi, 2011). Good governance requires management to manage these risks professionally (COSO, 2004). Risk management is a strategic component of good governance as the person who identifies and manages the various risks that have the potential to affect the achievement of business performance (Reding, Kurt et al., 2007). Sisdianto et al (2021) in their study described organizational culture that has a positive impact on organizational performance, especially in fraud detection. The better the organizational culture, the more fraud that occurs within the organization can be prevented so that organizational performance increases. The research hypothesis is formed that:

H3: Organizational culture has a positive impact on organizational performance.

3.4 Impact of implementing internal control systems on organizational performance with tax administration reform as a moderating variable

Tax reform has affected the implementation of tax collection. Situations like these encourage organizations to enhance the professionalism of their staff, simplify tax regulations, and make information easy for taxpayers to understand on their own about the importance of taxes to the public. interests of the nation and the State (Alvin & Apollo, 2020). The results of this study indicate that according to taxpayers' perception, tax reform can modernize services and service modernization can impact taxpayer compliance (Kwarto & Yunaenah, 2019). Research indicates that tax reform can improve employee performance and tax revenue goals (Indarto & Prabowo, 2018). The research hypothesis is that;

H4: The reform of the tax management system enhances the influence of the internal control system on the performance of the organization.

3.5 The impact of green governance on organizational performance with tax administration reform as a moderating variable

The majority of taxpayers of KPP Pratama Denpasar appreciate and respond positively to the tax reform. This means that with tax reform, organizational performance can be increased (Ketut & Aryani, 2013). The results of this study lead to the same conclusion that tax reform

can have a positive impact on taxpayer compliance, which in turn will have an impact on increasing tax revenue (Monalika & Haninun, 2020). Research results on green and ecological governance increase investor and stakeholder confidence, leading to the conclusion that green and ecological governance reduces the cost of capital and increases shareholder value. Tracking the future direction of environmentally and socially sustainable practices is considered an important aspect of the proposed green governance framework. However, investment in social and ecological safeguards is believed to consume resources, but also contributes to financial performance when taking into account the many endogenous sources involved in the relationship of environmental sustainability. - Social and financial performance. . Accordingly, this study integrates three concepts to develop a comprehensive green governance framework, in order to reduce environmental, social and governance risks, helping to increase financial profitability of enterprises (Shah et al., 2022). The research hypothesis is that;

H5: Reforming the tax management system enhances the influence of green governance on the performance of the organization.

3.6 The influence of organizational culture on organizational performance with tax administration reform as a moderating variable

A successful organization, corporate culture contributes to smooth product marketing, product promotion, socialization of new members, establishment of trust and joint adoption of new work systems to achieve goals. The purpose. Organizational culture supports economic performance and social adaptation in competitive companies. A strong and effective organizational culture can avoid adverse economic or social consequences. Organizational culture plays an important role in supporting growth to achieve goals. Organizational culture is important because individuals act on the basis of organizational values, whose behavior has a significant impact on organizational activities (Valentina & Ileana, 2017). This study concludes that there is an influence of organizational culture on increasing tax revenue through law enforcement. The weak performance shown in this study is due to a number of reasons, including bureaucratic reforms affecting the tax's organizational culture not supported by organizational culture reform in other agencies, making lose the impetus of order and at the same time enact taxes. holiday policy for some industries so that in the short term this policy actually has the effect of reducing tax revenue (Adi Prawira, 2016). The results of this study lead to the same conclusion that tax reform can have a positive impact on taxpayer compliance, which in turn will have an impact on increasing tax revenue (Monalika & Haninun, 2020). The research hypothesis is that:

H6: Reforming the tax management system enhances the influence of organizational culture on organizational performance.

IV. RESEARCH METHODS

This study is a quantitative study by collecting data from the staff of the Main Tax Service Office across Indonesia. Each major KPP is represented by five employees. The collected data is then analyzed to determine the impact of the implementation of internal control systems,

green governance and organizational culture on organizational performance with management system reform. Tax treatment as a moderating variable.

V. RESULT AND DISCUSSION

4.1 Descriptive Statistics

Table 1: Destruction statistics for study variables

No	Statement	Obs	min	max	mean	median	mode	Standard deviation
1	ICS	1484	1	6	4.94	5	5	0.587
2	GG	1484	2	6	5.10	5	6	1.035
3	OC	1484	2	6	4.90	6	6	0.639
4	SRTA	1484	2	6	4.37	4	4	0.617
5	OP	1484	3	6	5.48	6	6	0.457

Note: Exogenous variable : internal control system, green governance; organizational culture

Endogenous variable : Organizational performance

Moderation Variable : System reform of tax administration

Source: primary data will be processed in 2022

Table 2. Frequency distribution of organizational performance variables

No	Research Factor	Score					
		1	2	3	4	5	6
1	ICS	0.02%	0.19%	0.09%	24.29%	56.79%	18.62%
2	GG	0%	4%	7%	13%	30%	47%
3	OC	0%	1%	15%	17%	28%	39%
4	SRTA	0%	0.53%	2.03%	60.78%	32.67%	4%
5	OP	0%	0%	0.01%	13.04%	25.66%	61.29%

Note: ICS: internal control system; GG: green governance; OC: organizational culture

OP: Organizational performance; SRTA: System reform of tax administration

Source: primary data will be processed in 2022

Tables 1 and table 2 show the respondents' responses to the survey variables. The survey variables can generally be explained by the fact that the average responses of the respondents are on points 4 and 5. This indicates that all indicators of these survey variables were implemented by KPP Pratama. The mean of the variable is also greater than the standard deviation, so the data are well distributed.

4.2 Analysis of survey data

a. Outer model

Test criteria were defined to determine the effectiveness and reliability of the equipment. Equipment adequacy level criteria are AVE and external stress values greater than 0.5. In

instrument reliability testing, an instrument is declared reliable if the Cronba alpha and composite values are greater than 0.70.

Table 3: External model test results

Variable		Outer Loading	AVE	Cronbach's Alpha	rho_A	Composite Reliability
ICS	Variabel eksogen	0,620-0,848	0,677	0,930	0,932	0,937
OC	Variabel eksogen	0,658-0,884	0,546	0,923	0,927	0,935
GG	Variabel eksogen	0,594-0,931	0,516	0,914	0,923	0,926
OP	Variabel endogen	0,700-0,930	0,525	0,852	0,940	0,892
SRTA	Variabel moderasi	0,772-0,927	0,652	0,964	0,965	0,968

Source: primary data will be processed in 2022

Using Table 3 above, it can be explained that all measures are declared valid because all measures and dimensions are above 0.50 for all study variables. All measures and dimensions of the study variables were declared reliable, with Cronbach Aplha and Composite Reliability scores greater than 0.70.

b. Hypothetical results

The following table shows the complete results:

Table 4: Sensivity Test

Variables	Predicted	Measurements Old			Measurements New			Decisions
		O	T Statistics	P Values*	O	T Statistics	P Values*	
ICS -> OP	+	0.159	4,216	0.000	0.250	7,149	0.000	Accepted
GG-> OP	+	0.085	3,580	0.000	0.125	4,319	0.000	Accepted
OC > OP	+	0.237	9.255	0.000	0.245	12.142	0.000	Accepted
SRTA*ICS -> OP	+	0.045	2.465	0.012	0.186	4.571	0.000	Strengthened
SRTA*GG -> OP	+	-0.032	1.108	0.215	-0.045	1.370	0.248	Does not strengthened
SRTA*OC -> OP	+	0.130	5.925	0.000	0.155	6,858	0.000	Strengthened
R Square		0.450			0.668			
Sig: 0.05								

Source: primary data will be processed in 2022

According to Table 5, the regression equation is:

$$OP = \beta_0 + 0.250ICS + 0.125GG + 0.245OC + 0.186SRTA*ICS - 0.045SRTA*GG + 0.155SRTA*OC + \epsilon$$

The length of the internal control system has a positive impact on organizational performance of 0.159, so H1: accepted; green governance has a positive impact of 0.085 on organizational performance so H2: accepted; organizational culture has a positive impact on organizational performance of 0.237 so H3: accepted; and tax administration system reform strengthens the influence of the control system on organizational performance of 0.045 in the old measurement so H4: accepted. However, tax administration system reform is unable to strengthen the influence of the green governance so H5: rejected and tax administration system reform strengthens the influence of the organizational culture on organizational performance of 0.130 in the old measurement so H6: accepted. In the new measurement, internal control systems

have a positive impact on organizational performance of 0.250, so H1: accepted; green governance systems have a positive impact on organizational performance of 0.125 so H2: accepted; organizational culture has a positive impact on organizational performance of 0.245 so H3: accepted, and tax administration system reform strengthens the influence of the control system on organizational performance of 0.186 in the new measurement so H4: accepted. However, tax administration system reform is unable to strengthen the influence of the green governance so H5: rejected and tax administration system reform strengthens the influence of the organizational culture on organizational performance of 0.155 in the new measurement so H6: accepted. A new indicator of the degree of religiosity can enhance organizational performance, according to the sensitivity test results. Performance will be impacted and the company's culture will change as a result of religiously committed workers. High-religion workers will try to work as much as they can and avoid doing things that could harm the company.

c. Examining the findings of the hypothesis.

According to the hypothesis's findings, not all research hypotheses are confirmed. These are the causal factors: situations and conditions. This has been verified based on actual practice circumstances and is backed up by data and actual events.

1. The impact of internal control system implementation on organizational performance.

Based on the value of the internal control system on the path coefficient, a value of 0.250 is obtained, and a significance value of <0.05 means that the internal control system has a positive and significant influence on organizational performance. This study is in line with research (Mihret et al., 2010) which states that the internal control system has a positive relationship with the achievement of organizational goals. The study (Mahzan & Aishah, 2015) produced an argument that the quality of the internal control system affects the operational performance of the organization. The same results were also obtained from research (Thomas Asare, 2009) which stated that the internal control system is closely related to the performance of the organization's human resources. The organizational performance of the Directorate General of Taxes is influenced by the quality of supervision carried out by the internal organization. The higher the quality of supervision, the higher the quality of organizational performance. The Directorate General of Taxes certainly does not forget about the officials/employees within the Directorate General of Taxes who have abused their authority to enrich themselves and harm the state from tax revenues. This proves that quality Good internal control will reduce fraud and increase the organizational performance of the Directorate General of Taxes. The cause of the abuse of authority is the implementation of an internal control system that is not good. As stated by the vice chairman of the Corruption Eradication Commission, corruption in the tax environment occurs due to a lack of supervision (Syarif, 2018). The phenomenon of fraud in the tax environment is proven to be caused by weak internal controls.

2. The impact of green governance on organizational performance.

Green governance has a positive and significant impact on organizational performance, according to the value of the green governance coefficient on the path coefficient, which is

obtained as 0.125 with a significance value of 0.05. The study's findings are consistent with research (KPMG International, 2021) that claims that environmental governance benefits businesses in the eyes of society, the government, and investors. An additional study by ((Li et al., 2018), businesses with a green governance strategy have a competitive advantage over those without one. Minister of Finance Circular No. 6 of 2019 lays out the foundation for implementing green governance within the Directorate General of Taxes.

3. The impact of organizational culture on organizational performance

Based on the value of the organizational culture coefficient on the path coefficient of 0.245 is obtained from the organizational culture coefficient on the path coefficient, and a significance value of 0.05 indicates that organizational culture has a positive and significant impact on organizational performance. The findings of this investigation are consistent with research (Sisdianto et al., 2021), which state that organizational culture has a beneficial effect on organizational performance, particularly in identifying fraud. The more fraud that occurs within the organization can be stopped, the better the organizational culture, and the better the performance of the organization as a whole. According to studies (Setyo, 2019), organizations that are able to apply cultural values to all aspects of the organization will be able to improve organizational performance. In accordance with a different study ((Singh & Atwal, 2019), businesses that go through a digital transformation add value to their operations compared to businesses that don't. The Directorate General of Taxes' employees' adoption of organizational culture has an impact on the department's overall performance. The quality of organizational performance increases with the quality of organizational culture implementation. Employees and taxpayers will always adhere to an organizational culture that continuously monitors technological advancements and takes into account feedback from both internal (employees) and external (taxpayers) sources.

4. Internal control system implementation's impact on organizational performance with the reform of the tax administration system as a moderating factor.

The impact of implementing the internal control system on organizational performance with the reform of the tax administration system as a moderating variable is 0.091 (9.1%) in this study, or the moderating variable of the tax administration system can strengthen the effect of implementing the internal control system on organizational performance by 9.1%, in other words reform the tax administration system can improve organizational performance through. The findings of this study are consistent with previous studies (Alvin & Apollo, 2020). Field observations' findings indicate that the Directorate General of Taxes' employees' tax administration system needs to be changed. The efficiency and effectiveness of the organization can be improved through tax reform. The internal control system must be improved, and changes to the tax administration system must be made, if the Directorate General is to increase organizational performance. If the internal control system is correctly implemented and supported by reform of the tax administration system, tax revenues will be realized.

5. The Impact of Green Governance on Organizational Performance with Tax Administration System Reform as a Moderating Variable.

In this study, the implementation of green governance had a negative (-0.045) impact on organizational performance. The moderating effect of the tax administration system was ineffective in enhancing the impact of green governance. Based on Presidential Regulation No., the third stage of the reform of the tax administration system was carried out. 40 of 2018 and goes into effect in 2019. As a result of the COVID 19 pandemic that hit Indonesia in 2020, KPP Pratama's socialization and coordination, which had spread across the country, were disrupted. Based on the 2019 Minister of Finance Circular, the Republic of Indonesia's Ministry of Finance practices green governance. The coordination and socialization of the idea of green governance were disrupted at the start of the implementation of green governance in 2020 because some KPP Pratama employees worked from home. It is because of this that efforts to reform the tax administration system have not been successful in amplifying the positive effects of green governance on organizational performance.

6. Tax administration system reform as a moderating variable in the organizational culture and performance relationship.

In this study, the relationship between organizational culture and organizational performance is 0.155, or 15.5%, or the moderating variable of tax administration system reform can increase the relationship between organizational culture and organizational performance by 16 percent. The findings of this study are consistent with research (Singh & Atwal, 2019), which asserts that organizations that undergo a digital transformation add value to their operations in comparison to those that do not.

VI. CONCLUSION

The analysis and discussion of the research findings led to the following conclusions, which were then supported by the conceptual framework:

1. The effectiveness of the organization is positively and significantly impacted by the implementation of the internal control system. In order to execute internal controls, the Directorate General of Taxes has a compliance unit that reports directly to the leadership. Employee performance is significantly impacted by the internal compliance unit, which directly enhances organizational performance. The Directorate General of Taxes must take employee religiosity into account when conducting internal controls because a higher employee reliability value is typically accompanied by performance and culture that can enhance organizational performance.
2. Employees desire a pleasant, spotless workplace where they can always maintain a healthy relationship with nature, so the implementation of green governance has a positive and significant impact on organizational performance. For the concept of green governance to be implemented in the workplace, employee awareness is required.

3. Organizational performance benefits significantly and positively from the application of organizational culture. The Directorate General of Taxes has a well-established organizational culture.
4. Implementing an internal control system has a positive and significant impact on organizational performance, which is strengthened by the tax administration system reform variable. Implementing a system of internal controls can help improve organizational performance and support the implementation of tax reform.
5. It has been demonstrated that the tax administration system reform variable does not enhance the impact of green governance on organizational performance. Because green governance is still a relatively new idea, it needs to be socialized in order to be understood.
6. The tax administration system reform variable significantly and positively strengthens the effect of organizational culture on performance. When tax officials are able to carry out system reforms for the tax administration, the Directorate General of Taxes will have a better organizational culture than it currently has.

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