

Evaluation of the Internal Auditor Roles in Environmental, Social, Governance Activities

Rifqi Dhia Ramadhan* and Lufti Julian

Faculty of Economic and Business, University of Indonesia, Jakarta, 10430, Indonesia

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✉ Corresponding Author:

*Name: Rifqi Dhia Ramadhan

Tel./Fax. No.

E-mail:Rifqidhia@yahoo.com

Abstract

The purpose of this study is to describe the role and competence adequacy of internal auditors in ESG activities and evaluate these activities with Standards, Practical Guidance, Laws, Regulations, and Best Practices. The research method is a descriptive case study with a qualitative approach. The results and conclusions of this study are that the implementation of the internal auditor function for ESG activities has not been fully implemented and it needs to be an increase. Nonetheless, almost all respondent are optimistic that the role of internal auditors regarding ESG activities at XYZ Bank will be needed in the future.

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1. Introduction

The demand for overcoming the existence challenges faced by the business community in the world is getting higher and more difficult to solve (Winston, 2022). Extreme weather caused by climate change, causing several disasters such as increasing heat waves in Europe, India, and the poles of the earth, widespread fires in the United States, shocking summer floods in Pakistan.

This situation has urged the society to move and to be able to carry out the transformation into a more sustainable development, which has the goal of zero pollution and green economy (Baldi & Pandimiglio, 2022). Based on these matters, in 2015 the Paris Agreement was formed by the UNFCCC (United Nations Framework Convention on Climate Change) which contains a global agreement to deal with climate change (Kemeterian Lingkungan Hidup dan Kehutanan, 2016). Indonesia itself has signed the agreement in 2016.

Indonesia in 2007 made the Public Company Law Number 40. In verse 66 paragraph 2 from this regulation, it mentions that companies should submit a Report on the Implementation of Social and Environmental Responsibility. This was reaffirmed in the Financial Services Authority Regulation

(POJK) Number 51 of 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions. Sustainable Finance itself based on European Commission is a process of considering Environmental, Social, and Governance (ESG) when making investment decisions in the financial services sector, which leads to more long-term investment in activities and projects. sustainable economy.

However, due to regulatory demands and the increasing demand for ESG reporting in recent years (Feng & Wu, 2021; Park & Jang, 2021; Xu et al., 2021) there are indications of mistakes in ESG reporting and the impression of "exaggeration" to get more support from consumers, investors, employees, and others (Atkins, 2022). This is called Green Washing. According to the Cambridge Dictionary, greenwashing is behavior or activity that makes people believe that companies are protecting the environment rather than their actual practice.

Thus, it is necessary to evaluate and monitor ESG activities in a company. Based on attachment 1 of POJK number 51, it is stated that there are determining factors that form the basis for setting goals and priorities for the Sustainable Finance Action Plan, including Monitoring, Evaluation and Mitigation activities. The monitoring and evalua-

tion function here is one of the functions of the Internal Auditor. The monitoring and evaluation function is one of the duties of the internal auditor, which is also explained in the International Professional Practice Framework 2100 that issued by the Institute of Internal Audit (IIA). The Standard explains that the Nature of Work of the Internal Auditor's activities is to evaluate and contribute to improving the processes of governance, risk management and organizational control (IIA, 2017).

The research related to Internal Audit Function in ESG activities are still limited (Soh & Martinov-Bennie, 2015; Bonrath et al., 2022; DeSimone et al., 2021). Previous research found that the environment is considered a core element of sustainability that bears the highest risk, thus causing the need for assurance (Bonrath et al., 2022), and increasing the skills and expertise of the internal auditor function (Soh & Martinov-Bennie, 2015). Furthermore, the findings of DeSimone et al., (2021) indicate that the internal audit function has a key role in ESG assurance activities. Based on the results of research conducted by Soh & Martinov-Bennie, (2015) it was found that assurance and consultative activities carried out by 100 audit heads still prioritize and focus on corporate governance and social activities, when compared to environmental activities.

Therefore, since there is still limited research that focus on the Internal Audit function in respect of ESG Activities, this research aims to minimize the gap as well as giving an additional picture on the role of Internal Audit at ESG activities in one of the Bank in Indonesia (XYZ Bank). This research aim is also giving a picture of the competency adequacy that are held by the internal auditors from the Bank. The finding of this research is that there is still limitation in terms of competency as well as the Internal Audit function to the organization. The reason is mainly because there are still lack of sanction from the regulator, guidance, and there is no obligation from the management to conduct the audit in ESG activities.

2. Literatur Review

Internal Auditor's Role in ESG

Until this research was carried out, there was no government agency that officially examined ESG reporting. It is feared that this will increase indications of Greenwashing activity or other risks in relation with ESG reporting and activities within

a company. Based on Appendix 1 of OJK Regulation Number 51/POJK.03/2017 letter IV, it is stated that there are 7 determining factors that form the basis for setting goals and priorities for the Sustainable Finance Action Plan. One of which is the Monitoring, Evaluation and Mitigation System. The Monitoring and Evaluation System is to include Employees, officials, and/or work units responsible for monitoring and evaluation.

The monitoring and evaluation function, according to the author, is one of the duties to the internal auditors. As what explained in the International Professional Practice Framework standard number 2100 in 2017 that has been published by Institute of Internal Audit (IIA). The standard states that the activity of the internal auditor is to evaluate and contribute to the improvement of the organization's governance, risk management and control processes. The same thing is also contained in the control framework created by the Committee of Sponsoring Organizations of The Treadway Commission (COSO) in 2010. It is stated that internal auditors play an important function in monitoring or supervising (Scherer, 2020).

Furthermore, IIA in 2021 and 2022 has published 2 (two) articles related to the role of internal auditors in ESG activities. IIA (2021) stated that Internal Auditors can Review and view reporting metrics for relevance, accuracy, timeliness, and consistency. The Internal Auditor can also review consistency with formal and standardized disclosures. ESG reporting provides non-financial data, any information that is contrary to predetermined reporting standards will raise a red flag for regulators and investors. Internal audit can conduct a materiality or risk assessment of ESG reporting. This area is a potential problem because organizations sometimes have difficulty understanding and reporting what constitutes "material". And Internal Auditor also can incorporate ESG into the audit plan. According to data from the North American Pulse of internal audit for 2021, inspections of ESG activities and sustainability-related engagements currently account for only about 1% of internal audit plans.

In addition, in 2022 through the IIA article entitled Perspectives and Global Views of the ESG Risk Landscape, it is stated that Internal Auditors can evaluate how the Organization determines the ESG strategy, how sustainability is considered in the business model, whether there are clear roles and responsibilities, whether proper reporting has been established to the Board, and whether the in-

formation contained in the sustainability report is in accordance with existing practice.

In terms of consultative activities, Internal Auditor can do the advocacy activities, whereas Internal auditors can direct the Organization to take an ESG approach that is in accordance with the character and industry of the organization. Internal auditors must advocate for their role on the path to assurance. Secondly, the Internal auditors should be able to follow ESG-related discussions with the organization's Boards. Internal auditors may advise or evaluate other teams or departments, establishing departments or functions within the organization focused on ESG strategies such as reporting, disclosure and risk management that are in line with and consistent with the organization's strategy and objectives. And lastly Internal auditors can build their own capacity.

Internal auditors can also identify things that are lacking related to ESG activities to manage risks and identify ESG opportunities within the organization. In terms of capacity building, internal auditors can also work together internally or externally with ESG specialists to build their capacity.

Internal audit is ideally positioned as the primary assurance provider in the ESG reporting process and non-financial reports. Internal auditors have in-depth knowledge of the company and as mandated have conducted assessments of culture, ethics, governance frameworks and processes, internal reporting, combined assurance, internal control, control environment, and compliance.

Competency Adequacy

Research conducted by (Soh & Martinov-Bennie, 2015), found that internal auditors still do not have sufficient expertise and competence for the environment and focus more on Social and Governance. However, according to the Standards issued by IIA 2022, it is known that one of the Internal Auditor's competency frameworks is the Environment. Environment is the Competency required to identify and address risks specific to the industry and environment in which the organization operates. For the environment, there are several areas that must be mastered by internal auditors, such as Organizational Strategic Planning and Management (Structure, Performance Measures, and Organizational Behavior & Leadership), Common Business Processes, Social responsibility and sustainability, Information technology (Data analysis, Security and Privacy, and Information Technology control framework), and Accounting and Finance

Competence adequacy is certainly crucial for an Internal Auditor, because if the competence of an internal auditor does not exist, then the assurance activities carried out are ineffective and will not provide a competitive advantage for the organization (Barney, 2018) and cannot achieve organizational goals (Badara, 2013).

3. Data and Methods

Types of Research and Data Collection Technique

The research strategy used in this study is a case study by analyzing objects, events, activities, or other phenomena using one or several methods. The methods that taken by this research is a qualitative method with the aim of exploring and understanding meaning by several individuals or groups originating from social or humanitarian problems (Creswell & Poth, 2018). There are 2 main data to that used by this research. The primary data and secondary data. Primary data were obtained by researchers from semi structure interviews from several picked respondent, whilst the secondary data were obtained by various articles, regulations, legislation on Sustainability Reports, as well as other reliable and relevant references in this research.

The respondent in this study are individuals who already have an experience, knowledge, and awareness related to the object of research. The selected respondent included the Head of Internal Auditor function from XYZ Bank (1 person) along with all of the Heads Unit of the Internal Auditors from XYZ Bank (4 person), the XYZ Bank Audit Committee (1 person), and the Governor of IIA Indonesia (1 person).

Due to the COVID-19 pandemic, there were interviews that were conducted online and offline. Online interviews were conducted with 2 (two) respondents, namely one of the governances of IIA Indonesia and the Audit Committee of Bank XYZ, while for the Head of Internal Auditor of Bank XYZ and the entire Head Unit of Internal Auditor of Bank XYZ, was conducted offline. The duration of the interviews for each informant ranged from 25 (twenty-five) minutes to 90 (ninety) minutes. The first interview was conducted with one of the governamce from IIA Indonesia on March 11, 2023. And due to the internal auditor's busy schedule in March, the interview could only be conducted again in April 2023. Interview with the head of internal auditors was conducted on April 12, 2023, and interviews with team leaders were conducted in various date, starting April 12 and April 17, 2023. And the final stage, interviews were conducted

with XYZ Bank Audit Committee on April 18, 2023. Please see attachment 1 to see identity and code of each respondent.

Data Analysis Technique

The results of processing data and information are processed with NVivo 12 Plus. Information processing with NVivo 12 Plus will produce information and references that can be used as a basis for measurement in a quantitative approach (such as from text searching and word frequency). This research analysis technique are using content analysis, thematic analysis, and constant comparative approaches.

This research firstly, will select and reduce the data in which was carried out to find whether the data obtained from the results of the interview process could be processed or not. While data reduction is done to summarize, choose the main things, and focus on the things that are important. Furthermore, in this study the data that has been collected will be summarized into concepts, categories, and will be themes or called Thematic Analysis.

In this analysis, the researcher will read the entire content and/or transcript of the interview and pay attention to it so that it can provide meaning from the internal auditor's activity to ESG activity as well as their competency. Researchers will pay attention to patterns or ideas that are repeatedly conveyed by respondents. In the data reduction process, the researcher will also carry out a constant comparative technique, namely a comparative procedure to examine whether the data are integrated with the concepts of accountability that have been developed.

Secondly, the research will do the presentation data analysis. Presentation data analysis the grouping of data according to the problems studied in the form of text or descriptions. Presentation of data is done so that the resulting data is arranged so that it is easy to understand. Data from respondents who have been obtained in the field are entered into a text. Presentation of data can include various types of text, graphs, tables, and charts by writing them in the form of text. In this study, data will be presented in accordance with the results of the internal auditor's activities in ESG area.

Lastly draw conclusion. This is done carefully so that the final conclusions obtained are correct and in accordance with the data and evidence available. The initial conclusions put forward are

still temporary and will change if strong evidence is not found to support the next data collection stage.

4. Result

From the overall responses submitted by respondents, it can be concluded that the audit function related to ESG activities at Bank XYZ has not yet been implemented. This is because XYZ Bank has not fully implemented the ESG concept in the company's operations. The absence of demands from the parent company made XYZ Bank only conduct internal audits on the aspects needed and required by the regulators.

There are not many activities related to the ESG activities at Bank XYZ, these activities only limited to to general matters such as efficient use of electricity, paper, and implementation of CSR, although not too many.

"For now, due to several considerations, ESG activities are still limited, XYZ Bank activities in relation with ESG only efficiency of using electricity, paper, etc. and there are not too many CSR implementations), perhaps the ESG area is not yet a priority. However, as time goes by, where ESG is more demanded by regulations and the scope of ESG implementation in banks is more broad, ESG will certainly have a higher risk, so that it can be prioritized for audit by IA. If there are no specific regulations that require it, then maybe in the next 3-5 years ESG can become a priority for auditing based on its risk rating." (R1)

Priority or focus areas of internal audit are more emphasized on areas of concern to regulators, management and shareholders. Based on the presentation of several respondents, Management does not yet engage the internal auditors to carry out audit activities in the realm of ESG.

"However, because the scope of audits at the Bank is quite a lot (because many audits are based on regulatory requirements) and risk-based audits will be prioritized in areas of concern to regulators, management and shareholders, the ESG, which is still just running, will probably become less priority or lower risk compared to other areas. So that in this case, an audit can be carried out which is preceded by a self-assessment of the Bank's compliance checklist with regulations, which is filled in first by the first line or second line, and IA validates the

results." (R1).

"As far as I know, there has been no direct demand from Management for IA to conduct an audit in the ESG area." (R1)

"Until now there has been no demand to conduct an examination related to ESG activity." (R4)

"There has been no demand from Management. Because as long as I see the Internal Audit audit plan up to 2023, there is no scope related to ESG." (R6).

Apart from the absence of demands from the top management of Bank XYZ, the sanctions for not applying ESG activities to banks are only administrative sanctions.

"During my time at XYZ Bank, I have never seen any implementation of ESG. Because there has been no directive from the head office in China. For government banks in Indonesia, there is already an implementation, if you look at their reporting. So even though the POJK has been implemented, because the sanctions are still relatively small (administrative) and there is no directive from the head office, Bank XYZ has not fully implemented the POJK." (R6)

Clearer and more detailed guidelines regarding what aspects must be fulfilled by internal auditors are a separate problem for the implementation of internal audits for ESG activities.

"In my opinion, there is no standard set up to detail, but more in general." (R5).

"The OJK Taxonomy has not yet been completed, so I think OJK findings like this are also very normative and still too general and not specific for banks. Because no standards have been given yet, only a type of best practice guidance has been given." (R5)

Besides that, in the context of XYZ Bank competence, the Internal Auditors do not fully understand ESG practices within the company. The knowledge of Internal Auditors at XYZ Bank is still limited to basic auditing competencies such as basic auditing, analytics, communication skills, risk prevention concepts, and the like. Meanwhile, understanding and skills regarding auditing ESG practices still need to be honed

"Specific ESG knowledge must be obtained." (R1)

"Socialization needs to be carried out regarding the application of ESG in the audit process and this needs to be honed continuously to raise awareness among auditors." (R2)

"Currently there are not enough competencies and for this reason it is necessary to develop self-development of the capabilities possessed by auditors either by participating in training, workshops, benchmarking or looking for existing references." (R3)

"Currently, internal auditors still need to receive training to develop knowledge and competence regarding ESG activities and in the audit process." (R4)

But even so, positive sentiment has been given by almost all respondents. They believe that in the future, ESG practices will receive higher attention from stakeholders, especially regulators.

"However, as time goes by, where ESG is more demanded by regulations and the scope of ESG implementation in banks is more broad, ESG will certainly have a higher risk, so that it can be prioritized for audit by IA. If there are no specific regulations that require it, then maybe in the next 3-5 years ESG can become a priority for auditing based on its risk rating." (R1)

"It is important and can be done, because ESG will indeed receive more and more attention from regulators in the future." (R2)

"In the medium and long term, this needs to be considered and covered in carrying out an examination because it supports the established regulatory programs as well as government programs on a national and world scale." (R3)

What's more, Bank XYZ received an evaluation from the OJK for their 2023-2024 Bank Business Plan (RBB). One of the points of the evaluation reads:

"Strengthening the Bank's infrastructure to support the success of environmental, social, and governance (ESG)-based business and financing strategies, including the preparation of an ESG implementation roadmap that is in line with the Phase II Sustainable Finance Roadmap (2021-2025), the development of sustainable financial products that are aligned with green OJK taxonomy (Taxonomy Hijau), and improvement of audit methods for sustainable financial products." (OJK Evaluation of RBB Bank XYZ, 2023)

Therefore, Bank XYZ must start preparing a set of systems related to ESG activities at Bank XYZ, at least the roadmap for implementing ESG. Bank XYZ is aligned with the roadmap for Sustainable Finance II (2021-2025) that has been prepared by the OJK. XYZ Bank was also asked to improve the audit method for sustainable financial products. This urgency has also been noticed by a member of the XYZ Bank Audit Committee.

"Because POJK already exists. ESG implementation is very important to see especially because of the existence of an evaluation letter from the OJK to Bank XYZ which was received by the Bank in March 2023 yesterday. Letter from OJK regarding the evaluation of bank XYZ's RBB, one of which is the development of an Audit Method. So my hope is to ensure that the audit method has really been developed by IA to complete the evaluation results from the OJK." (R6)

5. Discussion

Sustainability is becoming important for organizations to stay relevant and competitive in today's world. Just like digital transformation, driving sustainability requires organizations to change operations in each of their business divisions. Sustainability for organizations includes three aspects namely Environmental, Social, and Governance or more familiarly known as the ESG acronym. Today, sustainability must be an integral part of developing corporate strategy. In addition, stakeholders are increasingly encouraging companies to carry out ESG-based operations (Simpson et al., 2022).

Based on agency theory, companies can reduce information asymmetry with stakeholders by demonstrating their interest and involvement through disclosure of ESG information. Furthermore, assurance through independent verification is necessary to increase the credibility of such ESG disclosures thereby helping to lower agency costs and provide greater reliability in terms of increasing user confidence in the accuracy and validity of the information provided. One of the important elements whose role is to provide independent assurance is the Internal Auditor (Soh & Martinov-Bennie, 2015).

According to several previous studies, there is concern that ESG activities within companies are only used to create a 'good impression' for their

stakeholders (Mendes de Oliveira et al., 2022 & Simpson et al., 2022). Therefore, a mechanism is needed that can guarantee that ESG practices within the company can be carried out in accordance with the expectations of stakeholders. One of these mechanisms is an internal audit of ESG activities (Simpson et al., 2022). In practice, this concern was also felt by the respondents in this study.

"I feel that the driving is only for the fulfillment of regulations and instructions and not for value added points. Only as fulfillment of obligations only. For example in 2019, at that time Management had to make an ESG implementation roadmap, one of the implementations was that all staff at Bank XYZ understood the basic concepts of sustainable finance, so in 2019 all bank staff had to take part in the training." (R5)

ESG practices in most countries are still voluntary (Deegan et al., 2006; Simpson et al., 2022). This makes it difficult to manage the guarantee activities for these ESG activities within the company (Deegan et al., 2006). As an Internal Auditor, they will only carry out an internal audit of the ESG if they receive orders from management.

The internal audit function is considered to have made a significant contribution to important areas within the organization such as governance (Soh & Martinov-Bennie, 2015). Another role of the Internal Auditor is from assuring data integrity, reviewing the main risks and opportunities of the organization, evaluating the adequacy of governance controls, to monitoring internal processes (Engelbrecht et al., 2018). Currently, there is a growing interest in the use of internal auditors for non-financial issues such as environmental and social issues (Simpson et al., 2022; Soh & Martinov-Bennie, 2015). Therefore, the role of the Internal Auditor is very important to ensure that the implementation of ESG in Bank XYZ is carried out efficiently and effectively. Internal auditors are tasked with planning and checking (plan and check).

Based on the results of the interview, it was found that there are 3 main functions that XYZ Bank's internal auditors can perform on ESG activities, these activities are assurance, consultancy and evaluation functions. However, from all the responses submitted by respondents, it can be concluded that the assurance, consulting, and evaluation functions have not yet been implemented at Bank XYZ. This is because XYZ Bank has not fully

implemented the ESG concept in the company's operations. The absence of demands from the parent company made XYZ Bank only conduct internal audits on the aspects needed and required by the regulators.

However, many positive sentiments have been given from respondents regarding audit activities in the ESG realm. The international community is also starting to realize the importance of social-environmental responsibility to be implemented by all parties including companies (Soh & Martinov-Bennie, 2015). Existing data also states that investors are increasingly interested in investing in companies that implement ESG in their operations. Investment in companies implementing ESG grew 42% from 2018 to 2020.

Currently, one out of every three dollars in assets managed and invested in an ESG strategy. In fact, this ESG investment is predicted to reach 1 trillion USD by 2030 (Lizzy, 2021). Therefore, the management of XYZ Bank also needs to prepare strategies related to ESG so that they can also enjoy the benefits of this phenomenon. One of these strategies is to improve the company's Internal Auditor skills related to ESG practices. Because several respondents mentioned that they were waiting for direction from management to be able to carry out an internal audit of ESG activities.

So even though the internal audit function on ESG at Bank XYZ has not yet been implemented, support from management is urgently needed to improve realizing this and for internal audit to be effective. Shuwaili et al. (2023) stated that management support is one of the most significant resources for increasing the effectiveness of internal audit. This support includes budget issues, required system tools, provision of manpower, supporting internal auditors' decisions, and appreciating internal auditors for their efforts to improve ESG practices within the company.

XYZ bank's internal auditor competence was also found to still need to be improved. ESG issues are not homogeneous across countries, so a holistic and comprehensive understanding is needed for all stakeholders involved (Simpson et al., 2022), including an Internal Auditor who will provide assurance and consulting services to companies. Shuwaili et al. (2023) in their research also emphasizes that according to resource-based theory, the competence of internal auditors can affect the efficiency of internal audit. Effective internal audit aims to achieve the desired objectives which are closely related to the professional competence of internal auditors, independence, required regulatory fra-

mework, senior management support, quality reports, and so on (Deegan et al., 2006; Shuwaili et al., 2023). This was confirmed by respondents in this study.

"The duties and responsibilities of internal audit for both assurance and consultative functions, must develop competency in ESG. Because how can their role be carried out if the Internal Auditor is not competent?" (R6)

In the banking sector, where the main product is financing (credit), Internal Auditors must understand the type of business and operations of customers who are given credit. To ensure that companies implement ESG effectively, financing should only be provided to debtors who have environmentally friendly businesses (Akomea-Frimpong et al., 2022).

"...So apart from having to understand the process of granting credit, Internal Auditors must also understand the published ESG pillars related to the process of granting credit itself. For example, one of the sustainable financing is financing for environmentally friendly transportation, then IA must know what is the definition of environmentally friendly transportation. What are the types? Knowledge of the definition related to environmentally friendly transportation that must also be considered. (R5)

"....For example in granting credit, internal auditor must deepen the ESG-based credit. Including financial sustainability, because the risk management is different.. The auditor must have competence on critical matters in the object to be examined." (R6)

One of the strategies agreed upon by the respondents was that the company could provide related training on ESG knowledge and practices to all of its employees, especially for Internal Auditors at Bank XYZ. But on the other hand, Internal Auditors must also be pro-active to improve their capabilities by learning independently from the many sources available on the internet. Internal auditors should adopt a more pro-active approach in that they become partners with management (Bou-Raad, 2000).

"Specifically, there is no training regarding the function of IA. But in terms of code of ethics, IA must improve the competence of each individual. So here IA can at least learn on his own, for example starting with learning about SDGs in Indonesia which has 17 action plans,

then regulations, for example regarding presidential regulation 59 of 2017 concerning sustainable development goals. If it's related to training, maybe you can also go through the GRI Standard training, or later when IFRS S1 on Sustainable reporting is released, we can take part in the training. So IA is more towards its content on the function of the Internal Auditor. But I am sure that in the future, there will probably be more specific training related to the Internal Audit and Risk Management functions related to ESG." (R7).

6. Conclusion and Suggestion

Conclusion

It can be concluded that the function of Internal Auditor is very important in the implementation of ESG activities in the company. These roles include an assurance role and a consultative role. In addition to these two roles, the Internal Auditor is also considered to have a role in evaluating the ESG implementation system. However, in the context of XYZ Bank, the implementation of the internal audit function for the ESG activities has not been fully implemented. This is because the parent company of Bank XYZ has not yet implemented ESG-based activities, so there are no instructions from the Bank XYZ headquarter to integrate the ESG concept into Bank XYZ's operations or activities. In addition, there are no best practice standards and guidelines for internal auditing of ESG issued by regulators and companies, and the sanctions given are only administrative. This also has an impact on the competency of the XYZ Bank Internal Auditor which is still very low. However, most of the respondent are optimistic that in the future there will be an audit activity at the ESG activities. Therefore, the XYZ Bank management should be prepare several strategies, including improving and engage the internal auditor department to do ask their opinion in respect of ESG activities.

Suggestion

This research has several limitations. First, this research was only conducted at one bank. Therefore, the results can only be utilized by the bank and reduce the generalizability of the findings. Second, a small number of respondents will make the research results biased and less objective.

It is suggested in the next research to examine the types of businesses other than banks. Fur-

thermore, future research can also use more banks as research objects. Finally, this research is a qualitative research, future researchers can use quantitative research to gain a different perspective.

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Attachment 1

Jabatan	Inisial	Kode
Auditor Internal Bank XYZ	AMW	R1
Auditor Internal Bank XYZ	HMT	R2
Auditor Internal Bank XYZ	AN	R3
Auditor Internal Bank XYZ	DNY	R4
Kepala Audit Internal Bank XYZ	-	R5
Komite Audit Bank XYZ	-	R5
Governor of IIA Indonesia	-	R7