

Application of the COSO Framework in Internal Control of University Cooperatives: A Comparative Case Study in Indonesia

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Abstract

This study aims to explore the application of COSO framework-based internal control in university cooperatives in Indonesia. This study uses a qualitative approach with a comparative case study strategy in three university cooperatives. Data were collected through in-depth interviews, participatory observation, and document analysis, then analyzed using thematic analysis to identify patterns, compare practices between cooperatives, and interpret internal control dynamics. Validity was strengthened through triangulation of sources and methods, member checking, and audit trails. Findings indicate variations in the implementation of internal controls. The STIE Mandala Cooperative still faces fundamental weaknesses, particularly in risk assessment and control activities, which are more administrative than substantive in nature. In contrast, the Artha STIESIA Employee Cooperative demonstrates good practices with the involvement of professionally competent supervisors, resulting in more substantive risk assessment and monitoring. The Muhammadiyah University Jember Employee Cooperative exhibits more systematic governance through formal document validation, competency-based personnel placement, and performance-based monitoring. This study confirms that effective internal control in university cooperatives requires a combination of a healthy organizational culture, formal document-based governance, expert involvement, and an integrated information system. The practical implication is the need to strengthen cooperative governance through document validation, utilization of competent human resources, and implementation of performance-based monitoring mechanisms to improve transparency and accountability. This study makes an original contribution by examining the application of the COSO framework in the context of university cooperatives in Indonesia, which has been relatively rarely studied. The comparative qualitative approach allows for an in-depth exploration of social and institutional dynamics, thereby broadening theoretical understanding and offering practical recommendations for strengthening member-based cooperative governance.

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1. Introduction

Indonesia's economic development shows increasingly complex dynamics, with various sectors experiencing significant growth. In this context, cooperatives serve as an important instrument that plays a role in strengthening the national economic structure while promoting inclusive and sustainable growth (Fikriman et al., 2021). Based on Law Number 25 of 1992 concerning Cooperatives, cooperatives are positioned as economic drivers capable of facing global challenges. In terms of governance, cooperative accountability is regulated through Minister of Cooperatives and Small and Medium Enterprises Regulation No. 12 of 2015

concerning General Guidelines for Accounting in Real Sector Cooperatives, so that cooperatives are expected to manage their activities professionally and transparently (Chalim et al., 2022).

However, cooperatives in Indonesia still face a number of fundamental problems, particularly related to the quality of financial reports and the effectiveness of internal controls (Henk, 2020). A common problem is the low level of understanding among management regarding the importance of preparing accurate and transparent financial reports (Meiryani et al., 2013; Utami et al., 2021), as well as the weak implementation of internal control procedures in managing financial and operational risks (Putra, 2021; Tambunan et al., 2022; Kanakriyah et al., 2024). This condition can lead to vulnerability to fund misuse, fraud, and a decline in members' trust in cooperatives.

Internal control is an integral part of organizational governance, designed to provide reasonable assurance regarding the achievement of objectives, the reliability of financial reporting, and compliance with regulations (Saputra & Setiyawati, 2023). The COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework provides comprehensive guidelines on how organizations can design, implement, and monitor internal control systems through five key components: control environment, risk assessment, control activities, information and communication, and monitoring (COSO, 2012).

A literature review shows that internal control plays an important role in determining the quality of cooperative financial statements (Ayu et al., 2021). However, previous studies still show differences: some studies find a positive effect of internal control on financial statement quality (Triono & Dewi, 2020; Arfismanda et al., 2021; Wulandari & Abidin, 2022; Boulhaga et al., 2022; Lustrilanang et al., 2023), while other studies state that there is no significant effect (Sumaryati et al., 2020; Aldino & Septiano, 2021; Sabrina et al., 2025). These differing findings have created a research gap that needs to be explored further, particularly with a qualitative approach that is capable of exploring contextual factors and social dynamics in the practice of internal control in cooperatives.

Cooperatives with a university background have distinctive characteristics and high relevance in the context of governance. Operating in an academic environment with members of the academic community, campus cooperatives are expected to have a higher level of financial literacy and governance awareness than general community cooperatives. As emphasized by Chalim et al. (2022), cooperative governance requires professionalism and transparency in order to support institutional accountability. In addition, university cooperatives not only function as economic institutions, but are also related to the missions of education, research, and community service. Thus, the effectiveness of internal control in campus cooperatives has a double impact: maintaining institutional accountability while supporting the reputation of universities as institutions that uphold integrity. The complexity of business activities managed, ranging from savings and loans to commercial units, requires a stronger internal control system so that financial and operational risks can be minimized. As stated by Fikriman et al. (2021), cooperatives play a strategic role in strengthening economic structures while promoting inclusive growth, so that university cooperatives can become models of healthy economic democracy practices. On the other hand, research on the internal control of university cooperatives is still limited, so this study is expected to fill the gap in the literature and make an original contribution to the development of cooperative governance in Indonesia.

Based on the above description, this study aims to explore how COSO framework-based internal control practices are implemented in university cooperatives, with the hope of providing a deeper understanding of the effectiveness of cooperative governance and relevant recommendations for improving accountability and transparency.

Literature Review

University Cooperatives in the Context of Governance

University cooperatives are a unique form of economic institution because they operate in an academic environment, with members who are mostly from the academic community, such as lecturers, students, educational staff, and alumni. The existence of cooperatives in university institutions not only serves as an economic means, but also as a vehicle for practical education on the principles of economic democracy, solidarity, and member participation. This is in line

with the objectives of cooperatives as stipulated in Law Number 25 of 1992 concerning Cooperatives, namely to improve the welfare of members while strengthening the national economic structure.

In the context of governance, university cooperatives are expected to reflect better management practices than cooperatives in general. This is due to the relatively higher level of education of their members, who are expected to have a greater awareness of the importance of transparency, accountability, and institutional sustainability. However, the literature shows that university cooperatives still face challenges similar to other cooperatives, such as weak financial reporting systems, low member participation in annual meetings, and limited managerial capacity of administrators (Utami et al., 2021; Tambunan et al., 2022).

The governance of university cooperatives does not only depend on formal regulations but also on the organizational culture that develops in the academic environment. Values such as integrity, openness, and democratic participation are important factors in forming an effective internal control system. Therefore, studies on university cooperatives need to emphasize social and institutional aspects, not just technical accounting or financial aspects.

Internal Control Concept

Internal control is an integral part of organizational governance designed to provide reasonable assurance regarding the achievement of objectives, the reliability of information, and compliance with regulations (Saputra & Setiyawati, 2023). In the context of cooperatives, internal control serves to ensure that all operational activities are carried out in accordance with cooperative principles, reduce the risk of fund misuse, and increase members' trust in the management.

The COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework is the most widely used international reference in governance research and practice. The COSO framework consists of five main components (COSO, 2012):

Control environment: includes values, ethics, leadership, and organizational structure that form the basis of the control system. In university cooperatives, this relates to the academic community's commitment to integrity and professionalism.

Risk assessment: the process of identifying and analyzing risks that could hinder the achievement of the cooperative's objectives. Common risks in university cooperatives include low member participation, financial uncertainty, and institutional sustainability.

Control activities: policies and procedures implemented to mitigate risks, such as annual member meetings (RAT), internal audits, and transaction approval systems.

Information and communication: a system for delivering relevant and timely information to members. Financial report transparency and information disclosure are crucial aspects of building trust.

Monitoring: continuous evaluation of the effectiveness of internal controls. In university cooperatives, monitoring can be done through benchmarking between cooperatives, independent audits, or participatory evaluation by members.

The COSO framework provides a systematic framework for understanding how internal controls can be implemented in university cooperatives. However, the effectiveness of its implementation is highly dependent on the social context, organizational culture, and level of member participation.

Research Conceptual Framework

The conceptual framework of this study focuses on the application of the COSO framework in the context of university cooperatives. The five components of COSO are adapted to emphasize the social and institutional aspects that are unique to university cooperatives.

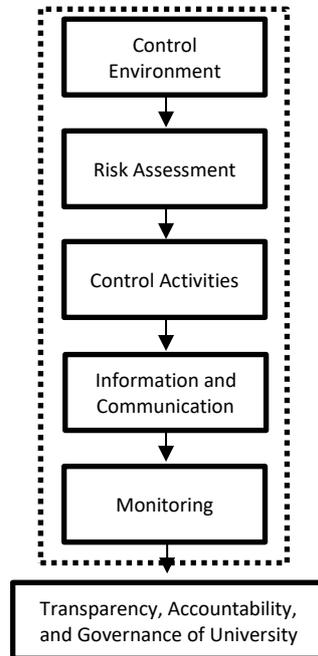
Control environment: academic values, organizational ethics, collective leadership, and commitment of the academic community.

Risk assessment: identification of financial risks, member participation, institutional sustainability, and reputational risks.

Control activities: cooperative operational procedures, RAT mechanisms, internal policies, and participatory monitoring systems.

Information and communication: transparency of reports, openness of information to members, and use of information technology to strengthen communication.
Monitoring: continuous evaluation through benchmarking between university cooperatives, independent audits, and member feedback mechanisms.

Figure 1. Conceptual Framework



This conceptual framework emphasizes that internal control is not merely a technical procedure, but also a social process that involves values, organizational culture, and member participation. Using a qualitative approach, this study seeks to explore how the five components of COSO are implemented in the actual practices of university cooperatives, as well as how benchmarking between cooperatives can provide relevant recommendations for improvement.

2. Methods

This study uses a qualitative approach with a comparative case study strategy to explore the social dynamics, organizational culture, and internal control practices in university cooperatives. According to Yin (2018), comparative case studies enable an understanding of phenomena in real contexts through in-depth analysis of several case units. Therefore, this study examines three cooperatives, namely the STIE Mandala Cooperative, the Artha STIESIA Employee Cooperative, and the Muhammadiyah University of Jember Employee Cooperative, with the aim of conducting inter-institutional benchmarking.

The research focuses on the application of the COSO framework, which defines internal control as a process to provide reasonable assurance regarding the achievement of organizational objectives (COSO, 2012). The five components of COSO—control environment, risk assessment, control activities, information and communication, and monitoring—form the basis of the analysis to understand the implementation, constraints, and influence of organizational culture and member participation on the effectiveness of internal control.

Data were collected through in-depth interviews, participatory observation, and document analysis. Triangulation of sources and methods was used to enhance the validity of the findings (Creswell, 2014), while data analysis was conducted using thematic analysis (Braun & Clarke, 2006), including data reduction, coding, comparative analysis, and interpretation. The validity of the research was strengthened through member checking and audit trails, in accordance with the principles of credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985).

This study also pays attention to ethics by maintaining the confidentiality of informants, obtaining consent for participation, and using data only for academic purposes (Bryman, 2016). With this design, the study seeks to explore in depth the practice of COSO framework-based internal control in university cooperatives, thereby contributing theoretically and practically to strengthening cooperative governance in Indonesia.

3. Results and Discussion

The results of this study indicate that the implementation of internal control in university cooperatives varies significantly. The analysis was conducted using the COSO (2012) framework, which emphasizes that effective internal control can only be achieved when all five components—control environment, risk assessment, control activities, information and communication, and monitoring—work together in an integrated manner. However, findings in the field show differences in the level of implementation between cooperatives, with the STIE Mandala Cooperative showing fundamental weaknesses, while the Artha STIESIA Employee Cooperative and the Muhammadiyah University Jember Employee Cooperative display good practices that can be used as references.

Control Environment

The findings show that the control environment at the STIE Mandala Cooperative is still not optimal. The chairperson of the cooperative explained that decisions are more often made through deliberation, without always following formal procedures: "We are accustomed to making decisions based on deliberation. Formal procedures are often bypassed, so internal controls are not always implemented." This indicates a trust-based organizational culture, which is indeed a characteristic of cooperatives as democratic institutions. However, this culture of trust is not sufficient to ensure the reliability of financial reports if it is not accompanied by consistent formal procedures. A number of studies also confirm that weaknesses in the control environment often stem from the dominance of informal practices and a low commitment to procedural documentation (Saputra & Setiyawati, 2023).

In contrast, the Muhammadiyah University of Jember Employee Cooperative demonstrates stronger internal control practices. The cooperative chairperson emphasized: "Standard rules are contained in the Articles of Association and Bylaws, which have been notarized. If there are new rules, they are temporarily made in the form of separate SOPs." The validation of documents at the notary level and the implementation of clear SOPs reflect a commitment to formal document-based governance. This condition is in line with the COSO principles, which emphasize the importance of organizational structure and written policies as the basis for internal control. Other studies also confirm that formal documentation, such as the AD/ART and SOP, are important instruments for strengthening accountability and reducing the risk of abuse (Triono & Dewi, 2020).

Meanwhile, the Artha STIESIA Employee Cooperative took a different approach by involving cooperative supervisors with academic and professional backgrounds in finance and public accounting. The chairperson of the cooperative said, "Here, all cooperative administrators are educators, while the cooperative supervisors are lecturers who have expertise in finance and auditing at KAP. Therefore, in carrying out our activities, including the preparation of reports, we always actively communicate with the cooperative supervisors." This statement shows that the control environment at Artha STIESIA is built through a combination of a clear organizational structure and the professional competence of supervisors. The presence of supervisors with special expertise strengthens the integrity of the internal control system, because the management does not only rely on a culture of trust, but also on technical and professional support in carrying out governance.

A comparison of the three cooperatives shows variations in establishing a control environment. The STIE Mandala Cooperative still relies on a culture of deliberation based on trust, which, although in line with the principles of cooperative democracy, is not sufficient to ensure consistent internal control. The Muhammadiyah University Jember Employee Cooperative has successfully integrated a participatory culture with formal document-based

governance, resulting in a more robust control environment that supports financial reporting accountability. Meanwhile, the Artha STIESIA Employee Cooperative displays a unique practice by involving experts as supervisors, so that the control environment is not only based on written rules but also reinforced by professional competence.

Conceptually, these findings confirm that the control environment in university cooperatives must be built through a combination of a healthy organizational culture, a formal institutional structure, and the involvement of experts. A culture of trust and deliberation remains important as a characteristic of cooperatives, but it must be complemented by written rules, document validation, and professional support so that internal control can function effectively. Thus, the control environment can serve as a strong foundation for the implementation of COSO framework-based internal control in university cooperatives.

Risk Assessment

This study found that risk assessment at the STIE Mandala Cooperative has not been carried out optimally. One of the cooperative supervisors said that supervision was still limited to document checks and did not cover all aspects of risk mapping: "We do carry out supervision, but it is mostly limited to checking documents. We have not yet assessed whether the risks have been properly mapped." This statement shows that the monitoring function does exist, but it is more administrative than analytical in nature. As a result, financial and operational risks are not adequately identified. This condition is in line with findings in the literature which confirm that weaknesses in risk assessment often arise when organizations only focus on administrative compliance without conducting an in-depth analysis of potential threats (Saputra & Setiyawati, 2023).

In contrast, the Artha STIESIA Employee Cooperative demonstrates better practices. This cooperative involves supervisors who are experienced lecturers in the field of finance and public accounting. The chairperson of the cooperative explained: "We always actively communicate with the cooperative supervisors, including discussing risks and implementing the input provided." The involvement of experts makes the risk assessment process more comprehensive, covering both financial and operational aspects. This strengthens the cooperative's capacity to anticipate potential problems, as emphasized by Triono & Dewi (2020) that the presence of professionals in internal control can improve the quality of risk management.

From the perspective of the Muhammadiyah University of Jember Employee Cooperative, risk assessment is carried out in a more structured manner by utilizing the university's internal resources. The cooperative secretary said, "There are cooperative analysts who also serve as employees in the university's finance department who are tasked with analyzing cooperative credit applications based on financial records in the university's finance department." This shows that risk assessment is not only carried out administratively but is based on valid financial data and integrated with the university system. Thus, credit risk can be minimized because lending decisions are based on objective analysis. In addition, the separation of business units such as cooperative stores managed by managers and special staff with a performance-based allowance system demonstrates a clearer and more measurable operational risk assessment mechanism.

The comparison of the three cooperatives shows variations in the implementation of risk assessment. The STIE Mandala Cooperative still faces fundamental weaknesses because its supervision is more administrative in nature and does not touch on the substance of risk analysis. The Artha STIESIA Employee Cooperative has succeeded in strengthening risk assessment through the involvement of experts who are competent in finance and auditing. Meanwhile, the Pegawai Universitas Muhammadiyah Jember Cooperative displays a more systematic practice by utilizing university financial data and a clear organizational structure to support the risk analysis process.

Conceptually, these findings confirm that risk assessment in university cooperatives must be carried out through a combination of administrative analysis, expert involvement, and the use of valid financial data. Without comprehensive risk assessment, cooperatives will find it difficult to anticipate potential financial and operational problems. Therefore, the application of the COSO framework in risk assessment needs to be strengthened with professional support,

integrated information systems, and institutional commitment to make risk analysis an integral part of cooperative governance.

Control Activities

Research findings indicate that control activities at the STIE Mandala Cooperative are still not effective. The cooperative treasurer revealed the dilemma often faced in daily practice: "As treasurer, I know the importance of neat and proper record keeping. However, members often urge me to disburse funds immediately without waiting for the administrative process to be completed. In the end, I have to choose a middle ground." This statement illustrates that pressure from members and limited resources often compromise authorization, reconciliation, and documentation procedures. This situation is in line with studies that confirm that weaknesses in control activities often arise when organizations face high internal pressure, resulting in formal procedures not being implemented consistently (Saputra & Setiyawati, 2023).

In contrast, the Muhammadiyah University Jember Employee Cooperative demonstrated more robust control practices. The cooperative secretary emphasized: "There are cooperative analysts who also serve as employees in the university's finance department tasked with analyzing cooperative credit applications based on university financial records." The placement of personnel according to their areas of expertise strengthens control activities, as credit decisions are based on objective financial analysis and integrated with the university system. In addition, the separation of business units such as cooperative stores managed by managers and specialized staff with a performance-based allowance system demonstrates a clearer and more measurable operational control mechanism.

From the perspective of the Artha STIESIA Employee Cooperative, control activities are strengthened through the involvement of cooperative supervisors who have professional backgrounds in finance and auditing. The chairperson of the cooperative explained: "We always actively communicate with cooperative supervisors, including discussing risks and implementing the input provided." This shows that control activities are not only carried out by the management, but also supported by competent supervisors. With the active role of supervisors, authorization and documentation procedures are better maintained, as every financial and operational decision is consulted and evaluated professionally. This condition is in line with the findings of Triono & Dewi (2020), which emphasize that the involvement of experts in internal control can strengthen the effectiveness of control activities, especially in participation-based organizations such as cooperatives.

The comparison of the three cooperatives shows variations in the implementation of control activities. The STIE Mandala Cooperative still faces practical dilemmas due to pressure from members and limited resources, so formal procedures are often compromised. The Muhammadiyah University Jember Employee Cooperative has succeeded in strengthening control activities by placing personnel according to their competencies and clearly separating business units. Meanwhile, the Artha STIESIA Employee Cooperative displays unique practices by involving supervisors with professional competencies, resulting in more structured and accountable control activities.

Conceptually, these findings confirm that control activities in university cooperatives must be developed through a combination of consistent formal procedures, placement of personnel according to competency, and the involvement of experts in the supervision process. Without strong control activities, cooperatives will find it difficult to maintain the integrity of their financial reports and operational effectiveness. Therefore, the application of the COSO framework in control activities needs to be strengthened with institutional support, competent human resources, and the commitment of management and supervisors to consistently enforce procedures.

Information and Communication

This study found that information and communication at STIE Mandala Cooperative still contribute limitedly to the quality of financial reports. The limitations of the formal communication system and the dominance of a deliberative culture that often disregards

procedures are the main factors. Deliberation is indeed a characteristic of cooperatives as democratic institutions, but without the support of well-documented communication mechanisms, the information that circulates is often not recorded systematically. As a result, financial reports do not fully reflect the real condition of the cooperative. These findings are in line with studies that emphasize that weaknesses in communication systems can reduce the effectiveness of internal control, because undocumented information has the potential to cause bias and errors (Saputra & Setiyawati, 2023).

In contrast, the Artha STIESIA Employee Cooperative demonstrated more effective communication practices. The chairperson of the cooperative emphasized, "We always actively communicate with the cooperative supervisors, including in the preparation of reports and planning." Intensive interaction with supervisors who have professional backgrounds in finance and auditing makes communication not only administrative but also substantive. This improves the quality of the information produced and strengthens the accountability of financial reports. This practice is in line with the findings of Triono & Dewi (2020), who emphasize that active communication between management and supervisors can strengthen transparency and reduce the risk of errors in reporting.

From the perspective of the Muhammadiyah University of Jember Employee Cooperative, the information and communication system is organized more systematically through the use of formal documents and integration with the university's financial system. The head of the cooperative explained that the standard rules are contained in the articles of association that have been notarized, while additional rules are made in the form of separate SOPs. This shows that internal communication is not only carried out verbally, but also through legally valid written documents. In addition, the utilization of university financial staff as cooperative credit analysts strengthens the information system, as loan decisions are based on valid and integrated financial data. Thus, the information conveyed to members is more accurate and accountable. This practice shows that the integration of the cooperative's information system with the university's system can improve the quality of communication, strengthen transparency, and support institutional accountability.

A comparison of the three cooperatives reveals variations in the implementation of information and communication. The STIE Mandala Cooperative still faces fundamental weaknesses due to the dominance of a culture of deliberation without the support of a formal communication system. The Artha STIESIA Employee Cooperative has succeeded in strengthening communication through intensive interaction with competent supervisors, resulting in more accurate information and more transparent financial reports. Meanwhile, the Pegawai Universitas Muhammadiyah Jember Cooperative displays more systematic practices by utilizing formal documents and integrating university financial data, resulting in more structured internal communication that supports institutional accountability.

Conceptually, these findings confirm that information and communication in university cooperatives must be built through a combination of participatory culture, intensive communication with competent parties, and an information system that is integrated with formal documents. Without a strong communication mechanism, cooperatives will find it difficult to maintain transparency and accountability. Therefore, the application of the COSO framework in the aspects of information and communication needs to be strengthened with the support of information technology, document validation, and the involvement of experts so that the cooperative's financial reports are truly reliable and trustworthy for all members.

Monitoring

This study shows that monitoring at the STIE Mandala Cooperative is still limited to document checks and does not yet touch on substantive evaluation of risks or the effectiveness of controls. This is in line with the statement of the cooperative supervisor who emphasized that supervision is more administrative in nature. This condition shows that the monitoring function has not been carried out comprehensively, so that weaknesses in the internal control system are not well identified. This finding is consistent with the literature, which states that monitoring that focuses only on administrative aspects tends to fail to detect substantive risks, resulting in low internal control effectiveness (Saputra & Setiyawati, 2023).

In contrast, the Artha STIESIA Employee Cooperative demonstrated more effective monitoring practices by involving supervisors with backgrounds as public auditors. The involvement of experts enabled the monitoring process to be carried out substantively, rather than merely administratively. The chair of the cooperative explained that communication with supervisors was intensive, including discussions of risks and follow-up on input provided. This shows that monitoring at Artha STIESIA does not merely serve as a formality, but truly functions as an evaluation tool that supports governance improvement. This practice is in line with the findings of Triono & Dewi (2020), who emphasize that the involvement of professionals in supervision can improve the quality of monitoring because the analysis is carried out systematically and based on accounting and auditing standards.

From the perspective of the Muhammadiyah University of Jember Employee Cooperative, monitoring is strengthened through a clear organizational structure and separation of business units. For example, the cooperative store is managed by managers and specialized staff with a performance-based allowance system. The head of the cooperative emphasized: "We recruit managers and staff to carry out activities at the Cooperative Store. They are also given performance allowances based on sales achievements." This practice shows that performance-based monitoring can improve the effectiveness of internal control, because each business unit has clear targets and evaluations are carried out based on measurable achievements. Thus, monitoring not only functions as a supervisory mechanism, but also as an instrument of motivation to increase productivity and accountability.

A comparison of the three cooperatives shows variations in the implementation of monitoring. The STIE Mandala Cooperative still faces fundamental weaknesses because monitoring is more administrative in nature and does not address the substance of the risks. The Artha STIESIA Employee Cooperative has succeeded in strengthening monitoring through the involvement of competent experts, so that evaluations are carried out professionally and substantively. Meanwhile, the Pegawai Universitas Muhammadiyah Jember Cooperative displays more systematic practices with performance-based monitoring and a clear organizational structure, thereby ensuring greater effectiveness of internal control.

Conceptually, these findings confirm that monitoring of university cooperatives must be carried out through a combination of administrative evaluation, expert involvement, and performance-based mechanisms. Without comprehensive monitoring, cooperatives will find it difficult to maintain consistency in governance and accountability. Therefore, the application of the COSO framework in the monitoring aspect needs to be strengthened with institutional support, professional supervisors, and an achievement-based evaluation system so that internal control is truly effective and sustainable.

4. Conclusion

This study aims to explore how COSO framework-based internal control practices are implemented in university cooperatives, with the research subjects being the STIE Mandala Cooperative, the Artha STIESIA Employee Cooperative, and the Muhammadiyah University of Jember Employee Cooperative. The analysis was conducted based on the five components of COSO, namely control environment, risk assessment, control activities, information and communication, and monitoring.

The results of the study indicate that there are significant variations in the implementation of internal control in the three cooperatives. The STIE Mandala Cooperative still faces fundamental weaknesses, especially in the aspects of risk assessment and control activities. Control environment, information and communication, and monitoring do exist, but their contribution is still limited due to the dominance of a consultative culture and weak formal procedures. This condition confirms that a culture of trust without the support of document-based governance and consistent procedures is not sufficient to ensure the accountability of financial reports.

In contrast, the Artha STIESIA Employee Cooperative demonstrated good practices by involving cooperative supervisors with professional backgrounds in finance and auditing. The involvement of experts strengthened risk assessment, control activities, and monitoring, so that

internal control was not only administrative but also substantive. Intensive communication between management and supervisors was an important factor in supporting transparency and accountability.

Meanwhile, the Muhammadiyah University Jember Employee Cooperative demonstrates more systematic governance through the validation of formal documents, the implementation of SOPs, the placement of personnel according to their competencies, and the separation of business units with a performance-based monitoring system. The integration of university financial data in the credit analysis process strengthens risk assessment, while a clear organizational structure supports the effectiveness of monitoring. These practices demonstrate that governance based on formal documents and integrated information systems can significantly improve the quality of internal control.

Conceptually, this study confirms that the application of COSO framework-based internal control in university cooperatives requires a combination of a healthy organizational culture, formal document-based governance, expert involvement, and an integrated information system. Without this combination, internal control tends to be weak and unable to ensure transparency and accountability in financial reporting.

Thus, this study provides theoretical and practical contributions. Theoretically, this study broadens the understanding of the application of the COSO framework in the context of university cooperatives, which have unique characteristics based on member participation. Practically, this study recommends that university cooperatives need to strengthen governance through document validation, placement of personnel according to competence, involvement of experts, and performance-based monitoring so that internal control can run effectively and sustainably.

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