

THE EFFECT OF INTEGRITY, COMPETENCY, TECHNICAL TRAINING AND AUDITORS' PROFESSIONALISM ON THE QUALITY OF AUDIT RESULT AT THE INSPECTORATE AGENCY IN THE DISTRICT OF BENER MERIAH, PROVINCE OF ACEH, INDONESIA

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ABSTRACT

This study aimed to examine the effect of integrity, competency, technical training, and auditor's professionalism of either simultaneously or partially on the quality of the audit results in the Inspectorate agency of the district of Bener Meriah

The study was conducted on all APIP (Government Internal Supervisory Officers) of Inspectorate agency in Bener Meriah of which amounted to 37 officers. The research is done by employing primary data that gathered by distributing questionnaire to respondents. The data data collected are analyzed by using Multiple Linear Regression Analysis Model with a SPSS software application

The outcome of research indicated that the integrity, competency, technical training, and auditor's professionalism either simultaneously or partially affect the quality of audit results in the Inspectorate agency in the district of Bener Meriah, Province of Aceh

Keywords: Integrity, Competency, Technical Training, Professionalism of Auditors, Quality of Audit Results.

INTRODUCTION

Bener Meriah a relatively new district that formed in 2004 by Law No. 7 of 2004 on 07 January 2004. Although it belongs to the newly formed district, but the local government of Bener Meriah is required to provide accountability in the form of financial statements which will be examined by BPK (State Audit Agency) which will eventually giving opinions. Opinion WTP

(unqualified) of the CPC is the desire of every local government, especially government of Bener Meriah district that has been divided for 10 (ten) years from the principal district namely Central Aceh district. Here, the role APIP (Government Internal Supervisory Apparatus) is required to obtain a WTP opinion, namely through the Review, the audit, evaluation, monitoring and other oversight activities regarding the planning, budgeting, implementation of administration and accountability of financial management. The amount of APIP's role in supporting the achievement of WTP opinion demanding APIP members to work more seriously and more professionals to improve the quality of the examination results.

The phenomenon that occurs at this time related to the performance of the Inspectorate examination activities, namely the implementation of the performance of supervision do not meet the standards set (limited personnel, time and number of tasks supervision and other tasks), the results of the performance of oversight has not been taken into consideration from the leadership, and the lack of authority Inspectorate as an internal regulatory authorities, so that the auditee / SKPD / working units are less responsive to the results of monitoring Inspectorate (BPK RI, 2013).

Based on this, the quality of the results of examination by APIP still need improvement, improvement and strengthening of the role of supervisors, inspectors and giving warning of internal control systems and financial governance of local governments that are reliable by increasing the quality of internal audit, then public confidence will be more high, so that the public doubts will slowly eroded and the hope of supervision and financial management more transparent and accountable, ultimately achieving good governance and clean governance, and can maintain the results WTP opinion.

The aim of research is to investigate the effect of integrity, competency, technical training, and professionalism of personnel either together or partially on the quality of the of the audit auditors' results in the Inspectorate agency of the district of Bener Meriah

LITERATURE REVIEW

Quality of Audit Results

According to the GAO (Government Accountability Office) defines quality audit as adherence to standards and a contract for conducting the audit (Lawensohn, et al, p.2007). Audit quality or the quality of test results is also a weakness of internal control reporting and compliance with regulations and legislation in force.

According to Bastian (2014, p.344) quality audit report produced auditor relies heavily on auditing team perform quality audits and reporting the results of quality requires the ability and

expertise of the auditor in charge of carrying out audit procedures established in accordance with SPAP (Public Accountant Professional Standards).

From the context of the above that the quality of the audit results is inseparable from the auditor's audit report APIP in conveying information to users as a decision-making to achieve a goal of government organizations. It is also the need for human resources in accordance with the auditor that level and higher educational qualifications as an auditor both in planning the audit, conducted audits and the ability to better knowledge and preparing the audit report.

Integrity

Integrity is the quality of the underlying public confidence and is a benchmark for members to test all its decisions. Integrity requires an auditor to be honest and transparent, prudent and responsible daring in carrying out the audit. The four elements necessary to build confidence and provide the basis for a reliable decision making (Sukriah, Akram and Inapty, 2009).

Integrity requires a member to be honest and forthright without sacrificing secret service recipients, service and public trust should not be defeated by personal gain. Then, according to Mulyadi (2002), the integrity may receive an innocent mistake and honest differences of opinion, but can not accept fraud or suppression of principle.

Integrity is set in principle IAI Professional Ethics, which states that integrity is an element of character that underlies the emergence of professional recognition, the integrity of the underlying quality of public confidence and is a benchmark for testing all members in its decision.

Competence

Lasmahadi (2002) defines competence as the personal aspects of a worker who allows him achieve superior performance. Personal aspects include the nature, motives, system of values, attitudes, knowledge and skills. Competence will direct behavior, Sedangkan behavior will yield performance.

Susanto (2000, p.139) mentions definition of competence that is often used is the underlying characteristics of individuals to achieve superior performance. Competence is also the knowledge, skills and abilities associated with the job, as well as the skills needed for the jobs of non-routine. The definition of competence in the field of auditing pun often measured by experience (Barry, 2003, p.54).

Research conducted Hapsari (2007) provides empirical evidence that there is a relationship between the experience of working with performance moderated by long experience and the complexity of the task. In addition, research conducted Bonner (1990: 146) shows that

knowledge of the specific tasks can improve the performance of experienced auditors, although only in the determination of risk analysis. This indicates that the opinion of a good auditor will depend on the competence and the audit procedures performed by the auditor (Hogarth, 1991).

Technical Training

Definition of training is a process by which people acquire the capability to help meet the goals of the organization (Mathis and Jackson, 2006, p.103). In auditing standards states that the audit should be carried out by one or more persons who have the skills and technical training are adequate and should have the knowledge of how to implement the Review or quality control which knowledge can be obtained from on-the-job training, education and training, or a combination of both ,

According SKPN (State Financial Inspection Standards) that each examiner conducting the examination or audit must complete at least 80 hours of education every two years to improve the professional qualifications directly. At least 24 hours of the 80 hours of such education should be in matters relating directly to the audit of state financial management and responsibility within the government. In other words, at least 20 hours of the 80 hours must be completed within 1 year of a 2 year period. The purpose of training in general according to Moekijat (1991, P.51) is (1) to develop expertise so that the work can be completed quickly and more effectively, (2) to develop knowledge so that work can be done rationally, and (3) to develop an attitude , giving rise to cooperation with friends of employees and managers.

Auditor's Professionalisme

Professional is a concept to measure how professionals view their profession as reflected by their attitude and behavior as auditor. Professionalism is one of the requirements that must be met and is owned by an auditor where this will affect the attitude and persistence in practicing a profession as an auditor (Yendrawati, 2008, p.76). According to Akmal (2006, p.13) the internal auditor must have professional skills, which means internal audit should use the expertise and rigor in their profession. Professional skills possessed supervisors assist supervisors in detecting symptoms of deviations.

Thus the professionalism of auditors can provide real contribution to job satisfaction. This means better professionalism of auditors will increase job satisfaction. Auditor professionals need the freedom to make the best decision on each audit engagement without pressure or intervention from other parties (Dali and Solimun, 2013)

RESEARCH METHODS

This research included in this type of hypothesis testing, which examines the influence of the independent variable on the dependent variable. While the unit of analysis in the study were all Inspectorate Bener Meriah district who participated in the inspection tasks as many as 39 people.

The data this research is derived from primary sources of which collected by using questionnaire and analyzed by using Multiple Linear Regression Analysis.

Operationalization of Variables

Quality of Audit Result (Y)

The quality of the audit results is a probability that the auditor will find and report violations to the client's accounting system (De Angelo, 1981). The indicators are used to the quality of test results is the accuracy of the findings, the value of recommendations, the clarity of the audit report, the benefits of auditing and follow-up of audit results. Measurement of variables using a Likert scale.

Integrity (X1)

Integrity is the attitude of personality based on the elements of honesty, courage, wisdom and responsibility to build trust in order to provide the basis for a reliable decision making (Pusdiklatwas BPKP, 2008). The indicators used in this study is Honesty apparatus, apparatus courage, prudence and responsibility apparatus. Measurement of variables using a Likert scale.

Competence (X2)

Namely competence qualifications required by the auditors to conduct the audit properly, as measured by indicators of quality of personal, general knowledge and special skills. Measurement of variables using a Likert scale.

Technical Training (X3)

Training is a process by which people acquire the capability to help meet the goals of the organization (Mathis and Jackson, 2006, p.103). The indicator used is a matter of training, training type, frequency and intensity of training, the level of the auditor's understanding of the technical training materials. Measurement of variables using a Likert scale.

Auditor's Professionalism (X4)

Professionalism is an ability that is based on the high level of knowledge and exercises specifically, the power of creative thinking to carry out tasks in accordance with the field expertise and profession (Tangkilisan, 2007).

The indicators used are the mastery of skills, knowledge and characteristics. Variable measurement using a Likert scale.

Analytical Method and Hypothesis Testing Design

Because this study is a census based research, therefore the statistically significant testing is not required. The hypothesis testing in this research is divided into two stages, namely simultaneous and partial testing.

RESULTS AND DISCUSSIONS

RESULTS:

Unit Analysis and Research Area

The unit of analysis in this research is the individual that is the whole APIP (Government Internal Supervisory Apparatus) Inspectorate Bener Meriah.

A total of 39 questionnaires were distributed to the respondents of research and the back and can be processed total of 37 questionnaires (94.87%). The location of this research is done on the environment Bener Meriah.

Research Instruments Testing Results

From the results of testing the validity of the data showed that the correlation coefficient obtained from each item integrity variable (X1), competence (X2), technical training (X3), the professionalism of the apparatus (X4) and the quality of the results of the examination (Y) is above the critical value product moment correlation (correlation coefficient > 0.325) so that the questionnaire used can be declared invalid.

Based on the results of testing the reliability of data known alpha coefficient value for each variable is above 0.5, so it can be concluded that the questionnaire is used as a measuring tool in this research deserves to be used (Reliable).

Classic Assumption Testing Results

Test multikolinieritas produce that value tolerance showed no independent variables that have a value tolerance of less than 10 percent (0,342-0,869), which means there is no correlation between the variables are free. VIF value indicates that there are no independent variables that have a value of more than 10 VIF (1,151-2,925). Under this provision, it can be concluded that this study does not contain any variable problem multikolinieritas.

Based on testing heteroscedasticity, it can be seen that there is no particular pattern in the chart, therefore there is no data heteroskedastisitas. In research normality test used is a graph of the histogram and curves deployment of P-Plot. Based on test results normality, the data of this study regression models with normal distribution

Outcome of Hypothesis Testing

Hypothesis testing is done to test and analyze the formulation of hypotheses based on the model structure. The test of hypothesis is done in order to determine whether is in line with its previously stated. The regression output can be read in the following table 1

Table 1: Outcome of Multiple Linear Regression

Regression Equation:
$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$
$Y = 0,935 + 0,227X_1 + 0,112X_2 + 0,360X_3 + 0,476X_4$
$+ \epsilon$
$R = 0,795$
$R^2 = 0,632$

Source: Data Processing Output, 2016

From the the SPSS outcome, it can be formulated the multiple linear regression equation as follows:

$$Y = 0,935 + 0,227X_1 + 0,112X_2 + 0,360X_3 + 0,476X_4 + \epsilon$$

Simultaneous Testing

The outcome of simultaneous test results indicated that the regression coefficient (β) for integrity is 0.227 (β_1), the correlation coefficient for the variable competence is 0.112 (β_2), the correlation coefficient for technical training is .360 (β_3) and value the correlation coefficient for the professionalism of personnel is 0.476 (β_4).

If $\beta_i \neq 0$ ($i = 1,2,3,4$): H_a accepted, It means that integrity, competence, technical training and professionalism of personnel have a simultaneous influence on the quality of the audit results.

These results support the first hypothesis (H1) that has been formulated: integrity, competence, technical training, and professionalism of personnel have a significant influence on the quality of the audit result in the Inspectorate of Bener Meriah.

Partial Testing

The partial testing outcome revealed that the regression coefficient $\beta_1 = 0.227$, $\beta_2 = 0.112$, $\beta_3 = 0.360$, and $\beta_4 = 0.476$. If β_i ($i = 1,2,3,4$) $\neq 0$: H_{a2} , H_{a3} , H_{a4} , and H_{a5} accepted. It means that integrity, competence, technical training and professionalism of personnel have a partial influence on the quality of the audit results.

These results support the hypothesis of the second, third, fourth, and fifth (H_2 , H_3 , H_4 , and H_5) that has been formulated which affect the integrity of the audit results in the Inspectorate of Bener Meriah. Competency affects the quality of the audit results in the Inspectorate of Bener Meriah. Technical training affects the quality of the audit results in the Inspectorate of Bener Meriah. Auditor's Professionalism affects the quality of the audit results results in the Inspectorate agency of Bener Meriah.

DISCUSSIONS:

▪ *Integrity Has an Influence on the Quality of Audit Results*

The outcome revealed that the integrity on the quality of audit results . The coefficient (β_1) amounting by 0.227 revealed that each the increase of one unit integrity interval scale it will be followed by a rise in the quality of audit results by 22.7 units at interval scale. In brief, there is a positive relationship between integrity and the quality of the audit results . That is an increase integrity by APIP Inspectorate Bener Meriah district will improve the quality of the results of tests carried out.

Integrity is the embodiment of honest auditors in performing their professional assignments. With honesty in expressing the audit findings, the quality of the audit results s will be maintained. For public sector auditors, assignment would bring about legal consequences because the object of the audit is the use of state finances are vulnerable to corruption. In the disclosure of the findings of the corruption cases required their honesty (integrity) auditors so that the disclosure of the case shall be transparent and maintain a sense of justice in society (Badjuri, 2012).

Implications of the implementation of the integrity of the auditor on the organization of the public is, the Inspectorate as public sector auditors should always uphold the principles of integrity that required him to have a personality that is based on the elements of honesty, courage, wisdom and responsibility to build public trust and the basis for a decision which reliably (Badjuri , 2012).

▪ ***Competence Has an Influences on the Quality of Audit Results***

The outcome revealed that the competency has an influence on the quality of audit results. The coefficient (β_2) by 0.112 indicated that each increase of one unit of competency interval scale it will be followed by a rise in the quality of the audit result of 11.2 units of scale interval. It means that the increase of competency by APIP of Inspectorate of Bener Meriah district, it will improve the quality of the audit results.

Theoretically, to improve the quality of the audit, an auditor is depend greatly on the level of competence. If the auditor has a good competence, the auditor will easily perform tasks of audit and vice versa if lower then in carrying out its duties, the auditor will have difficulties so that the quality of audits produced will be low anyway (Wirasuasti, Sulindawati, and Herwati, 2014).

Implications of the application of the competence of auditors in the public organization is, if public sector auditors have a good competence then it will be easy to carry out professional duties audit. Conversely, if the public sector auditor competence is low, then in his duties he would have difficulty in professional audit assignment so it is possible the quality of audit results produced will be low.

▪ ***The Effect of Auditor's Professionalism on the Quality of Financial Report of Bener Meriah District***

The outcome indicated that the profesionalism of auditors has an influence on the quality of financial report. The regression coefficient (β_2) for the profesionalism of 0,299 reveals that any increase in the profesionalism of auditors by 1 unit scale interval will be followed by a rise in the quality of financial reporting by 29.9 units. This means that if the profesionalism of auditors increase, the quality of financial reporting of Benar Meriah district will also increase.

A local auditors who understand and have competence in accounting (financial) was the spearhead of Bener Meriah district government to arrange and produce the financial reports of quality areas. This can be seen in the opinions obtained of district on Local Government Finance Report (LKPD) who received an unqualified opinion (WTP) of the Supreme Audit Agency (BPK).

▪ ***Technical Competency Has an Influence on the Quality of Audit Results***

The coefficient (β_3) by 0.360 revealed that if one unit of technical training goes up, the quality of audit results will relatively increase by 36.0 units. The finding confirms the fact that it is a positive correlation between the quality of technical training and audit results.

Based on the findings of this study, that the technical training conducted by Inspectorate Bener Meriah can lead to increased quality of audit results. From the questionnaire distributed to all auditors responded positively to the technical training they have attended. With the technical training, auditors should acquire knowledge that is always up to date, increasing the knowledge and expertise and that can add knowledge and how to think critically and be able to determine the audit strategy to be applied in the work of the investigation.

Implications of the technical training of auditors in the public organization is that the Inspectorate's auditor should perform the audit assignment given through the technical training of the organization where one worked. Training application will enhance the knowledge, skills and attitude of which in turn will improve the auditor's work quality

Auditor's Professionalism Has an Influence on the Quality of audit Results

The coefficient (β_4) by 0.187 indicated that any increase in auditor's professionalism will be followed by a rise in the quality of audit result by 18.7 units of scale. This means that when auditor's professionalism increase, the quality of audit result also increased.

That is, the better the financial administration of the area carried out by the apparatus will be able to improve the performance of financial management is reflected in the quality of financial reporting areas. That is because the financial administration of the region is an integral part of the process of regional financial management, both according to Government Regulation No. 58 of 2005 as well as by Regulation No. 13 of 2006 on Regional Financial Management Guidelines.

CONCLUSIONS AND RECOMENDATIONS

CONCLUSIONS

The conclusion of this research is that integrity, competence, technical training and auditor's profesionalism have an influence on quality of the audit results in Inspectorate agency of Bener Meriah district either simultaneously or partially

RECOMENDATIONS

1. For further research, it is advised to expand the number of respondents surveyed by expanding research sites so that the expected level of generalization of the analysis will be more accurate.
2. To add other independent variables that might influence the quality of audit result that are untapped in this study, such as accountability, ethics, audit risk.

3. To combine data collecting technique between the distribution of questionnaire and interview as well as Focus Group Discussions (FGD).

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