STANDARDS AND QUALITY AUDIT
(Empirical Studies at the Inspectorate General of the Ministry of Education and Culture)

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Abstract: This study aims to examine the effect of competence, independence, ethics, and auditor integrity on audit quality. This study develops a theoretical framework as the basis for the hypothesis, to answer research questions consisting of: (1) does auditor competence affects audit quality, (2) does auditor independence affect audit quality, (3) does auditor ethics affect audit quality, and (4) does the integrity of the auditor affect audit quality. The sample of this research is 85 auditors of the Inspectorate General of the Ministry of Education and Culture. This research uses census method. Data are primary data collected through a questionnaire. The data analysis method to test hypotheses used the Statistical Package for the Social Science (SPSS) program version 26. The results of this study indicate that: (1) Auditor competence has a positive effect on Audit Quality, (2) Auditor Independence has no effect on Audit Quality, (3) Auditor Ethics has no effect on Audit Quality, and (4) Auditor Integrity has a positive effect on Audit Quality.

Keywords: Auditor Competence, Auditor Independence, Auditor Ethics, Auditor Integrity, and Audit Quality.

1. Introduction

Auditors in carrying out their professional work are inseparable from ethical issues, because professional behavior is necessary for all professions so that the profession that has been his choice gets the trust of the public. Therefore, an auditor must uphold the established professional ethics so that unhealthy competition situations can be avoided (Nizairudin, 2013). In addition, in carrying out its duties auditors must be supported with high integrity, because integrity is the quality that underlies public trust and is a benchmark for members in testing all their decisions. Integrity requires an auditor to be honest and transparent, courageous, wise and responsible in carrying out audits. Sukriah, et al (2009), stated that integrity can accept unintentional wrongdoing and honest dissent, but cannot accept cheating principles. With high integrity, auditors can improve the quality of their inspection results, (Pusdiklatwas BPKP, 2005).

Related to the quality of audits, Kharismatuti research (2012) showed that competence and independence affect the quality of audits, contrary to Kristinawati research results (2012) which showed that competence and independence have no effect on the quality of audits. Nur’aini research results (2013) stated that auditor ethics affect the quality of audits, contrary to the results of Ashari’s research (2011) that auditor ethics have no effect on the quality of audits. Furthermore, Imansari research, et al (2016) showed that the competence, independence, and ethics of auditors positively affect the quality of audits. Similarly, the results of research conducted by Carolita (2012): Silvia (2015), showed that there is an influence of auditor integrity on the quality of audit results.

Based on the reasons above.

2. Methods

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions (Sugiyono, 2012). The population in this study was as many as 85 auditor's inspectorate general of the Ministry of Education and Culture.

The sampling technique in this study was taken by purposive sampling method. The respondents used in this
study were auditors who had attended training/guidance of functional and certified positions; have attended technical training/guidance in the field of supervision such as auditing, public sector accounting, and finance; have a minimum level of formal education Bachelor or Bachelor's Degree (S1); and auditors who have served more than 5 years.

The data analysis method used in this study is Multiple Regression Analysis. Sugiyono (2012) stated that multiple linear regression analysis is used to analyze the influence of more than one independent variable on dependent variables. Multiple linear regression equations are:

\[ Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon \]  

Information:
\[ Y = \text{Audit Quality} \]
\[ a = \text{constant} \]
\[ \beta = \text{regression coefficient} \]
\[ X_1 = \text{competency variable} \]
\[ X_2 = \text{independent variable} \]
\[ X_3 = \text{auditor's ethical variable} \]
\[ X_4 = \text{auditor experience variable} \]
\[ X_5 = \text{auditor objectivity variable} \]
\[ X_6 = \text{auditor integrity variable} \]
\[ e = \text{error} \]

3. Results

This analysis is used to provide a description of dependent variable research variables and independent variables seen from minimum, maximum, mean, and standard deviation. Here is an explanation of the descriptive analysis of the variables of this research data, using a research sample of 85 auditors inspectorate general of the Ministry of Education.

Table 1 Descriptive Statistical Test.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Quality</td>
<td>85</td>
<td>20</td>
<td>40</td>
<td>34.26</td>
<td>4.58</td>
</tr>
<tr>
<td>Auditor Competency</td>
<td>85</td>
<td>25</td>
<td>40</td>
<td>35.68</td>
<td>4.21</td>
</tr>
<tr>
<td>Independent Auditor</td>
<td>85</td>
<td>16</td>
<td>40</td>
<td>33.14</td>
<td>5.38</td>
</tr>
<tr>
<td>Auditor's Ethics</td>
<td>85</td>
<td>29</td>
<td>40</td>
<td>35.60</td>
<td>4.06</td>
</tr>
<tr>
<td>Auditor Integrity</td>
<td>85</td>
<td>24</td>
<td>40</td>
<td>35.35</td>
<td>4.21</td>
</tr>
</tbody>
</table>

Source: Research results, data processed 2020

From table 1 descriptive statistical tests it was found that the maximum value of competency variables, independence, ethics, and integrity of auditors is 40 with a minimum value of 16. The average value of the auditor's competency variable is 35.68 with a standard deviation of 4.21; the average value for auditor independence variables is 33.14 with a standard deviation of 5.38; the average value for auditors' ethical variables is 35.60 with a standard deviation of 4.06; and the average value for auditor integrity variables is 35.35 with a standard deviation of 4.21. Based on these average values, the average respondent gave a "good and very good" response to the details of the statements submitted in those variables.

After the results of the hypothesis test are statistically implemented and known, then in this section will be explained descriptive discussion. Descriptive discussion explains the results of empirical tests compared to the theories presented in the previous section and comparisons to the results of previous studies.

Effect of Auditor Competency on Audit Quality
The results of statistical tests of regression coefficients in structural models show that auditor competence significantly affects audit quality. This is evidenced by the t-count value obtained greater than 1,990 or 4,011 > 1,990. The direction of influence of auditor competency variables on audit quality is positive which shows that the higher the competence of auditors, the more qualified the audit is produced.

Based on the above test results can be explained that the auditor's competency variables consisting of a dimension of good personal quality indicators, adequate knowledge and special expertise in their fields in this research have been carried out adequately, namely; in carrying out their duties auditors have had a great curiosity, broad-minded and able to handle uncertainty; auditors are able to work together in teams; auditors have the ability to conduct analytical reviews; auditors have knowledge of organizational theory; auditors have auditing knowledge and knowledge of the public sector; auditors have knowledge of accounting that helps in processing numbers and data; auditors have the expertise to conduct interviews as well as the ability to read quickly; and auditors can write and present reports well.

To improve the competence of auditors in order to obtain a quality audit, the Head of ItjenKemendikbud has done the necessary things, among others through his own office training, seminars, workshops, socialization and other general activities. The leadership has also tried to improve the competence of auditors by providing scholarships to continue education to a higher level and provide opportunities to continue education independently. Similarly, through trainings, it has been conducted through technical training subtaski supervision by the Financial and Development Supervisory Agency (BPKP), professional certification training such as Qualified Internal Audit (QIA), Certified Forensic Audit (CFrA), and Certified Risk Management Organization (CMRO), and other similar training.

This is reinforced by the assumptions put forward by Einsenhardt (1989) on assumptions about human assumptions where humans have limited thinking power regarding perception for the future (bounded rationality) and humans always avoid risk (risk averse). Therefore, auditors must be supported with adequate competence, namely having good personal quality, adequate knowledge and special expertise in their fields. The more auditors can improve their competence, the more qualified the audits they produce.

Auditor competence is a qualification required by auditors to carry out audits correctly and in conducting audits an auditor must have good personal quality, adequate knowledge and special expertise in their fields (Sukriah et al., 2009). Based on competence auditors can apply their knowledge in conducting audits so that they can conduct audits carefully, intuitively, and objectively. Therefore, the audit must be conducted by a person who has sufficient technical expertise and training as an auditor. The auditor does not meet the requirements if he does not have adequate education and experience in the field of auditing. In government sector audits auditors are required to have and continuously improve their capabilities and expertise not only technical, managerial, and conceptual capabilities related to audits, but also all matters related to government such as organizations, functions, programs, and government activities. Highly educated auditors will have a broader view of the various things encountered when carrying out audits and have a lot of knowledge about the field they are involved in so that they can know the various problems in more depth. In addition, with a fairly broad science auditors will be easier in keeping up with increasingly complex developments.

The results of this study are in line with the results of Kharismatuti research (2012); Imansari et al (2016) stated that competence positively affects the quality of audits. However, the results of this study are not in line with the results of Krisnawati’s research (2012) which states that competence has no effect on the quality of audits.

Effect of Auditor Independence on Audit Quality

The results of statistical tests of regression coefficients in structural models show that the independence of auditors has no effect on the quality of audits. This is evidenced by the value of the t-count obtained greater than -1,990 or -1,508 > -1,990.

In this study, auditor independence variables are composed of dimensions of indicators of independence of program preparation, independence of work implementation, and independence of reporting, as follows:
1. Independence of Program Preparation, judging by whether the preparation of the audit program has been free from the intervention of the leadership on the procedures chosen by the auditor and whether the preparation of the audit program has been free from the efforts of other parties to determine the subject of audit work.

2. Independence of The Implementation of Work, judging from whether the audit has been free from managerial efforts (object of examination) to determine or appoint the activities examined, whether the audit is conducted in cooperation with the managerial during the audit process, and whether the audit has been free from personal interests or other parties to limit all audit activities.

3. Independence of Reporting, judging by whether reporting is free from the obligation of other parties to influence the facts reported, whether the reporting of audit results is free of language or terms that give rise to multi-interpretation, and whether reporting is free from the efforts of certain parties to influence the consideration of the examiner to the content of the examination report.

Based on the results of descriptive tests in the previous discussion, it is known that there are still quite a lot of respondents who give neutral answers and disagree on the indicators above, which are between 1.20% to 9.40%. This shows that there are still things that need to be improved in an effort to obtain better audit quality, namely still efforts from other parties to determine the subject of audit work; there are still managerial efforts to determine or appoint the activities examined; there are still languages or terms that give rise to multi-interpretation on the audit report and still found the efforts of certain parties who seek to influence the auditor's consideration of the contents of the audit report.

Alim, et al. (2007), stated that when auditors and management do not reach an agreement in terms of performance, then this condition can encourage management to force auditors to take actions that are against standards, including in the provision of opinions. This condition will be very cornered auditors so there is a possibility that the auditor will do what the management wants. In power conflicts, auditing can pressure auditors to fight professional standards and in sound auditing financial conditions can be used as a tool to pressure auditors by changing auditors. This can make auditors unable to withstand such pressures, causing their independence to weaken.

This is not in line with Einsenhardt (1989) through assumptions about information (information assumption) where it is said that information is seen as a commodity item that can be traded so as to affect the quality of information disclosure. Therefore, auditors should be independent in conducting audits, because without independence the public cannot trust the results of the audit.

The independence of auditors is the use of unbiased viewpoints in the implementation of audit tests, evaluation of the results of such tests, and reporting of audit findings, as well as a mental attitude that auditors have to be impartial in conducting audits. An auditor in carrying out auditing duties must be supported by an independent attitude, where he/she should not be influenced and controlled by others. In relation to auditors, independence is important as the main basis for auditors to be trusted by the general public, that the main purpose of the audit at first is to uncover errors objectively and without the influence of others so as to improve the quality of audits produced because auditors can carry out their obligations in accordance with existing rules.

The results of this study are also not in line with Kharismatuti research (2012); Imansari, et al (2016) stated that independence has a significant effect on the quality of audits. However, the results of this study are in line with krisnawati research (2012) which states that independence has no effect on the quality of audits.

**Effect of Auditor Ethics on Audit Quality**

The results of statistical tests of regression coefficients in structural models show that auditors’ ethics have no effect on audit quality. This is evidenced by the t-count value obtained is less than 1,990 or 1,674 < 1,990.
Based on the above test results, it can be explained that auditor's ethical variables are composed of indicators: auditors will not divulge auditee secrets; an auditor conducts audit stages in accordance with established technical standards; the principle of prudence in work is always applied when working; in the work of an auditor must be professional including in making decisions on the results of the audit; when conducting an audit an auditor works in accordance with the established code of conduct; and auditors work as a unit with colleagues. These indicators received excellent criteria responses from respondents in this study, however this could not necessarily significantly affect audit quality variables.

This is not in line with Einsenhardt (1989) through assumptions about human assumptions where it is said that humans are generally selfish (self interest). Therefore, in order to improve the performance of auditors in producing quality audits, auditors are required to maintain ethical standards of conduct. Auditor's ethics are values or rules of conduct that are accepted and used by the auditor's professional organization. The need for ethics must be realized by auditors as a form of responsibility to the community, clients and fellow practitioners which includes praiseworthy behavior, professional proficiency, responsibility and implementation of the code of conduct. The implementation of the professional work of auditors is also inseparable from ethical issues because professional behavior is necessary for all professions so that the profession that has been his choice gets the trust of the public. An auditor is expected to uphold the established professional ethics so that unhealthy competition situations can be avoided (Nizarudin, 2013). Regulation of the Minister of State for the Utilization of State Apparatus Number PER/05/M.PAN/03/2008 also states that the implementation of audits must refer to audit standards and auditors must comply with the code of conduct which is an integral part of audit standards. In order to improve the performance of auditors, auditors are required to maintain ethical standards of conduct to produce quality audits.

The results of this study are also not in line with nur’aini research (2013); Imansari, et al (2016) stated that auditor ethics positively affect the quality of audits. However, this research is in line with Ashari's research (2011) which stated that auditor ethics have no positive effect on the quality of audits.

**Effect of Auditor Integrity on Audit Quality**

Statistical test results of regression coefficients on structural models show that auditor integrity has a significant impact on audit quality. This is evidenced by the t-count value obtained greater than 1,990 or 2,372 > 1,990. The direction of influence of auditor integrity on audit quality is positive which shows the higher the integrity of auditors, the better the quality of audits produced.

Based on the above test results can be explained that the variables of auditor integrity consisting of dimensions of indicators of honesty, courage, wise attitude and responsibility of auditors in this study have been carried out properly, namely: auditors follow the rules both supervised and unsupervised; working according to actual circumstances does not add to or reduce the facts; not accept anything in any form that is not his right; cannot be intimidated by others and cannot submit due to pressure exerted by others to influence their attitudes and opinions; have great confidence in facing various difficulties; always carefully weigh the following problems as a result; behave and behave in accordance with applicable norms; and in drafting recommendations, stick to the prevailing regulations while considering that recommendations can be implemented.

In an effort to improve the competence of auditors in order to obtain a quality audit, the Chairman of itjenKemendikbud has done the necessary things, among others, signed a performance integrity pact made at the beginning of the fiscal year, and signed the Integrity Pact with auditing on each audit task, always reminding auditors about integrity in every socialization of audit implementation, forming integrity shoots, and cooperating with the Corruption Eradication Commission in prevention and strengthen the integrity of auditors.

This is reinforced by the assumptions put forward by Einsenhardt (1989) through assumptions about information (information assumption) where it is said that information is seen as a commodity that can be traded so as to affect the quality of information disclosure. In this case, the more auditors can be honest, courageous, wise and responsible in conducting audits, the more qualified the audit will be.

Integrity is the underlying quality of public trust and is the benchmark for members to test all their decisions. Integrity requires an auditor to be honest and transparent, courageous, wise and responsible in carrying out audits.
Sukriah, et al (2009), stated that integrity can accept unintentional mistakes and honest dissent, but cannot accept cheating's principles. Auditor integrity is measured by indicators of honesty, courage, thoughtfulness, and auditor responsibility. The honesty of the auditor is seen from whether the auditor obeys the prevailing regulations both supervised and unsupervised and does not accept everything in any form that is not his right. The courage of the auditor can be seen from whether the auditor cannot be intimidated by others and not submissive because of the pressures exerted by others to influence his attitudes and opinions, and the auditor must have great confidence in the face of various difficulties. Wise attitude can see from whether the auditor always consider the following problems the consequences carefully. While the indicator of responsibility can be seen from whether the auditor has behaved and behaved in accordance with the prevailing norms and whether in drafting recommendations the auditor has adhered to the applicable regulations while considering whether recommendations can be implemented. So it is expected that with high integrity, auditors can improve the quality of the inspection results. The results of this study are in line with Carolita’s research (2012); Silvia (2015) stated that the integrity of auditors has a positive and significant effect on the quality of audit results.

4. Conclusions

Based on the formulation of the problem, the development of hypotheses based on related theories, as well as the results of the analysis that has been discussed in the previous chapters, the author draws the following conclusions:

1. The competence of auditors positively affects the quality of audit results. The higher the level of competence owned by auditors, the better or the better the quality of audits produced.
2. The independence of the auditor does not affect the quality of the audit results. The level of independence that auditors have does not guarantee the obtaining of quality audit results.
3. Auditor's ethics do not affect on the quality of audit results. The ethical values of auditors do not guarantee the quality of audits they produce.
4. The integrity of the auditor positively affects the quality of the audit results. The higher the level of integrity that the auditor has, the better or the better the quality of the audit it generates.

Good accessibility will easily determine whether or not a location is reachable. In addition, the road lane is one of the things that affect the smooth public service. That experience is very important. The accessibility of the attraction area will affect the increasing number of visitors.

Limitations

This research has been attempted and carried out by scientific procedures, but nevertheless still has the following limitations:

1. There is a difference in respondents’ perceptions of the questions in the questionnaire. This can lead to different responses from respondents in answering the question, so before the questionnaire is disseminated it should be refined carefully through consulting with the supervisor or by conducting questionnaire trials.
2. The seriousness of respondents in answering research questions that may cause the answers given does not indicate the actual circumstances.

References

Pada Inspektorat Provinsi Maluku Utara, Fakultas Ekonomi Universitas Hasanuddin, Makassar.


