

Research Article

The Effect of Independence, Integrity, and Professionalism on Performance of the Auditors in the Aceh Inspectorate, Province of Aceh, Indonesia

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Abstract: The purpose of this study is to find out the conditions of independence, integrity and professionalism, the effect of independence, integrity and professionalism on auditor performance at the Aceh Inspectorate. The object of this research was carried out at the Aceh provincial Inspectorate agency. The data analysis in this study uses multiple linear regression which aims to test and analyze the simultaneous and partial effect of independence, integrity and professionalism on the auditor's performance on the agency which is processed by using SPSS program version 22. The results showed that independence, integrity and professionalism had a positive effect on performance at the Aceh Provincial Inspectorate.

Keywords: Independence, Integrity, Professionalism, and Auditor Performance.

INTRODUCTION

The role of internal supervision is to achieve good results, transparency, and financial management accountability through the implementation of an internal control system (Gunayanti, 2015). Ensuring good accountability and efficiency and for creating a clean and high-achieving government requires supervision by the Office of Internal Supervision (APIP) Government Decree No. 60 of 2008, concerning the state's internal control system, clarified that regional / city inspections were one of the government's internal supervisory bodies that were directly responsible to the mayor / regent. Inspectorates are internal state auditors tasked with overseeing and monitoring the implementation of regional budgets and regional non-financial activities.

The Aceh Inspectorate has the objective of overseeing the Aceh Government's programs and activities and the oversight of all policies of the Governor of Aceh, increasing accountability and transparency of the Aceh Working Unit (Satker) in implementing programs and activities, improving District / City Governance, and the availability of professional supervision apparatus.

Section 220 PSA in SPAP (2011) states that in all matters relating to engagement, the auditor must maintain independence independently psychologically. This standard requires the auditor to be independent (not easily influenced) because he does his work in the public interest. The auditor must fulfill the obligation to be honest not only to management and the owner of the company, but also to creditors and other parties who trust the audited financial statements. Failure to maintain independence can cause auditors to commit fraud.

The next individual factor is integrity. According to Sukrisno (2012) the notion of integrity of the attitude of a member to, among other things, be honest and forthright without having to sacrifice the secret of the recipient of the service. Integrity to maintain and increase public trust, each auditor must carry out his professional duties with full integrity. Integrity is an element of character that underlies the emergence of professional recognition. Integrity is the quality that underlies public trust and is a guideline for accountants when examining all decisions made. Integrity requires the auditor to be honest without sacrificing the secret of the service recipient. The Integrity Principle requires every practitioner to be

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assertive, honest and fair in their professional and business relationships (Tarigan, 2011). Public services and trust must not be overwhelmed by personal gain. Integrity requires members to adhere to the form and spirit of technical standards and ethics (Khamainy , 2014).

Based on the results of the survey it is known that the lowest integrity is on the indicator of wise attitude This means that prudence has not been fully implemented in integrity at the Aceh Inspectorate. Public services and trust must not be overwhelmed by personal gain. Integrity can receive unwanted errors and honest disagreements, but cannot accept fraud or eliminate principles. According to Annisa (2011), the integrity integrity required by the auditor when conducting an audit is correct. Integrity requires the auditor to be honest and transparent, brave, wise, and responsible for conducting audits. Whereas Sulaiman (2010) said that integrity is the general values of honesty, balance, commitment, dedication, trust, and various problems of commitment to human values in life.

The next individual factor is professionalism. According to the SPKN, the professional auditor's attitude is realized by always being professional skepticism during the inspection process and putting forward professional considerations. Professional skepticism means that the auditor does not assume that the responsible party is dishonest, but does not also assume that the honesty of the responsible party does not need to be questioned. To improve efficiency, the auditor must have a professional approach to audit financial statements. The description of professionalism (Susanto, 2009) is reflected in five things, namely; professional services, social obligations, independence, trust in professional norms and relationships with colleagues. Professional dedication is reflected in professional commitment through the use of knowledge and skills. Such an attitude is an expression of total surrender of work. Work is defined as the purpose of life, and not only as a means to an end. Full surrender is a personal obligation, and the main compensation expected is spiritual satisfaction, and then material satisfaction.

Based on the survey results it is known that the lowest professionalism is in competence. This means that competency has not been fully implemented in the auditor's professionalism at the Aceh Inspectorate. Achieving professional competence will require a high standard of general education, followed by special education, training and professional testing in relevant subjects (assignments) and work experience. Therefore, to realize professionalism, there are a number of ways, including auditor quality control, peer review, continuing professional education, increasing compliance with applicable laws and adhering to professional codes of conduct. Each participant is

responsible for determining their respective competencies or assessing whether their education, experience and knowledge are sufficient to fulfill the tasks they must fulfill.

Research on auditor performance has been carried out by previous researchers, such as the Istiariani study (2018) where the results of the study show that independence has a positive effect on auditor performance and professionalism also has a positive effect on auditor performance. The difference in this study with the Istiariani study (2018) is found on the independent variables used, where in this study add the integrity variable as an independent variable.

LITERATURE REVIEW

Auditor Performance

It refers to as the result of work obtained by individuals when performing their duties based on given responsibilities. A person's performance can be the main assessment in carrying out a task declared good or bad (Rustiarini, 2013). Usually the auditor's poor performance in carrying out the task is influenced by the condition of the auditor who is easily subjected to stress in work. The working atmosphere greatly determines the level of stress caused.

Auditors must fulfill professional ethics principles so that they can influence public trust in auditors who are independent parties in auditing financial statements of an entity (Hanif, 2013). The work of auditors requires high concentration in examining financial statements if there is a relationship from within or outside the organization will affect the performance of the auditor.

According to Loeke in Hartini (2009), employee performance depends on the difference between what is expected. Conversely, if the employee gets lower than what is expected to cause the employee does not have good performance. The results of research from several economists in the field of human resource management, found many human resource factors that affect performance and some of them are individual characteristics, workloads, and work environment.

According to Permenpan No. 46 of 2011 the performance appraisal of the State Civil Apparatus (ASN) consists of 2 elements, namely:

1. SKP, which includes quantity, quality, time and cost.
2. Work behavior, which includes service orientation, integrity, commitment, discipline, cooperation, and leadership.

Independence

It is regulated in the Ethics of the Public Accountants Compartment Rules. Ethics Rules of the Public Accountant Compartment are moral rules which

regulate independence. The regulation states that KAP members must always maintain an independent mental attitude in providing professional services as stipulated in the SPAP stipulated by IAPI. The independent mental attitude must include independence in fact and in appearance.

Independence in auditing means an impartial viewpoint in the conduct of testing, evaluation of audit results, and preparation of audit reports. If the auditor is an audit advisor, a banker or the other, he cannot be said to be independent. Independence must be seen as one of the most important characteristics of auditors. The reason why so many parties rely on the feasibility of financial statements based on auditor reports is because of expectations they are to get an impartial view.

Public trust in the independence of the independent auditor's attitude is very important. Public trust will decrease if there is evidence that the independence of the auditor's attitude is reduced, that public trust can also decrease due to circumstances that are considered to influence the independent attitude. The auditor must be free of any obligations towards the audit and not have an interest in the audit to become an independent person. The public will suspect that the conclusions and steps taken by the independent auditor during the audit are influenced by the presence or absence of relations and interests with the audited party.

According to the SPKN the examiner needs to consider three kinds of disruptions to independence, namely personal, external, and / or organizational disturbances. If one or more of the independence disorders interferes with the ability of the individual examiner to carry out his inspection duties, the examiner must reject the audit assignment. the condition of the examiner who for some reason cannot refuse the audit assignment, the said disturbance must be contained in the scope of the report on the examination results.

Auditor Integrity

According to Sukrisno (2012) the notion of integrity of a member's attitude to, among other things, be honest and forthright without having to sacrifice the recipient's secret of service. Public service and trust must not be defeated by personal gain. Integrity can accept unintentional mistakes and honest dissent, but cannot accept fraud or elimination of principles. According to Rahmatika (2011) that the integrity of qualifications required by auditors in carrying out audits correctly. Integrity requires an auditor to be honest and transparent, brave, wise and responsible in carrying out audits. While Sulaiman (2010) that integrity is about the overall values of honesty, balance, giving back, dedication, credibility and various matters of self-service to values humanitarian values in life.

Understanding integrity from the previous description can be concluded that to maintain and increase public trust, an auditor must fulfill his professional responsibilities with the highest possible integrity, where an auditor must always be honest and forthright, responsible for free from conflict of interest, firm, high dedication and can be trusted and cannot accept fraud or elimination of principles to build trust and provide a basis for quality decision makers.

SPAP Section 110 (2011) listed in the first general standard; the principle of integrity requires every practitioner to be firm, honest and fair in their professional relations and business relationships. According to Sukrisno (2012) the third principle of the IAI Professional Ethics Principle is that integrity requires a member to maintain and increase public trust, each member must fulfill his professional responsibilities with integrity as high as possible. The principle of integrity emphasizes that an auditor must always maintain and increase public trust, must be firm, honest, free from conflicts of interest and may not allow material misstatement he knows or transfer their considerations to other parties in carrying out their work.

Auditor Professionalism

Mulyadi (2014: 58) states that achieving professional competence requires a high standard of general education followed by special education, training and professional testing in relevant subjects (assignments) and work experience. Therefore to realize professionalism, a number of ways are carried out including auditor quality control, peer review, continuing professional education, increasing compliance with applicable laws and adhering to professional codes of conduct. Each member is responsible for determining their respective competencies or assessing whether their education, experience and considerations are adequate for the responsibilities they must fulfill. According to the SPKN, the Examiner must use professional skills carefully and thoroughly throughout the inspection process, this means that the higher the professionalism, the more reasonable and ideal consideration of materiality levels will be formed.

According to Sukrisno (2012) there are 7 principles that must be adhered to by public accountants in the professional code of ethics, namely public interest, commitment, objectivity, competence, confidentiality, professional behavior and technical standards.

Adelia's (2016) and Fietoria (2016) research shows that professionalism has a positive influence on auditor performance. The implementation of the audit with a high professionalism attitude indicated by the auditor will produce quality audit performance.

RESEARCH METHOD

Research Sites

This research was conducted in the Aceh Inspectorate. The object of the research is the independence, integrity and professionalism of auditors.

Data Analytical Tool

The data analytical tool uses this through the SPSS program (Statistical Product and Service Solution) 2.2. The analytical method used is multiple linear regression which aims to test and analyze, both jointly and partially the effect of auditor independence, integrity and professionalism on auditor performance at the Aceh Inspectorate which is processed by the SPSS program (Statistical Package For Social Science) 22.

This study provides an overview of the demographics of respondents, through collecting data from questionnaires and carried out by distributing questionnaires to respondents, namely 49 respondents. The length of time in data collection ranges from up to one month. The average respondent returns it more than three weeks.

The whole questionnaire returned with a return rate of 100% so that the final questionnaire of the study amounted to (N = 49). The questionnaire that was completed was filled out by the respondent, then it was taken back to be tabulated and processed using the SPSS version 22 program.

FINDING AND DISCUSSION

The Effect of auditor independence, integrity and professionalism on the performance

The test results together show the regression coefficient values $\beta_1 = 0,379$, $\beta_2 = 0,304$, dan $\beta_3 = 0,213$ is not zero. The results of the study show that Independence, Integrity, and Professionalism have a joint effect on auditor performance.

The coefficient of determination (R^2) is 0.657. This means that Independence, Integrity, and Professionalism are able to explain variations of the auditor's performance variables by 65.7% while the remaining 34.3% is explained by other variables not included in this research variable.

The Effect of auditor independence on auditor performance

The regression test results for the second hypothesis in this study were conducted to find out whether independence affects auditor performance. The test results show the regression coefficient $\beta_1 = 0.379$ is not equal to zero. The results of the study show that independence affects auditor performance because of the sig value. below 0.05.

The Effects of Auditor Integrity on Auditor Performance

Regression testing results for the third hypothesis in this study was conducted to determine whether Integrity influences auditor performance. The test results show the regression coefficient $\beta_2 = 0.304$ is not equal to zero. The results of the study showed that Integrity had an effect on auditor performance because of the sig value below 0.05.

The Effect of Auditor Professionalism on Auditor Performance

The regression test results for the fourth hypothesis in this study were conducted to determine whether professionalism had an effect on auditor performance. The test results show the regression coefficient $\beta_3 = 0.213$ is not equal to zero. The results of the study show Professionalism influences auditor performance because of the sig value. above 0.05.

CONCLUSION AND RECOMMENDATION

Conclusions

1. Independence, Integrity, and Professionalism jointly influence auditor performance at the Aceh Inspectorate.
2. Independence influences auditor performance
3. Integrity influences auditor performance
4. Professionalism influences auditor performance

Recommendations

1. The lowest indicator of independence in the use of non-audit services. This means that the use of non-audit services has not run well in the independence of the Aceh Inspectorate. This can be a concern for agencies to prioritize the use of non-audit services to auditors.
2. The lowest integrity indicator is wise. This means that prudence has not been fully implemented in integrity. This can be a concern for agencies to train their attitudes towards auditors.
3. The lowest professional indicator of competence. This means that competency has not been fully implemented in the auditor's professionalism. This can be a concern for agencies in order to further increase the competence of auditors.

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