AN ANALYSIS ON THE FACTORS WHICH INFLUENCE AUDITORS’ PERFORMANCE AT THE INSPECTORATE OFFICE OF NORTH SUMATERA PROVINCE WITH THEIR MOTIVATION AS MODERATING VARIABLE

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Abstract: The objective of the research was to examine the factors which influenced auditors’ performance at the Inspectorate Office of North Sumatera Province with their motivation as moderating variable. The research used explanatory research method by using primary data. The population was all functional officials at the Inspectorate Office of North Sumatera Province, and 31 of them were used as the samples. The hypothesis was tested by using multiple linear regression analysis, and moderating variable was tested by using the change in coefficient determination test. The result of the research showed that, simultaneously, the level of education, sustainable education, independence, experience, and knowledge had positive and significant on auditors’ performance. Auditors’ motivation as moderating variable was able to moderate the correlation of the level of education, sustainable education, independence, experience, and knowledge with auditors’ performance.

Keyword: Level of Education, Sustainable Education, Independence, Experience, Knowledge, Auditors’ Performance, Auditors’ Motivation

PRELIMINARY

One of the Government Internal Supervisors in the region is the Provincial Inspectorate. Provincial Inspectorate has a very strategic role and position in achieving the vision and mission as well as local government programs because the Provincial Inspectorate becomes the pillar that serves as the supervisor as well as the guard in the implementation of the programs contained in the Regional Revenue and Expenditure Budget.

As the local Government Internal Supervisory Apparatus, the Provincial Inspectorate working within the local government organization whose main duty is to determine whether the policies and procedures established by the Regional Head have been followed and implemented in accordance with the plan, determining whether or not maintenance of local wealth, determines efficiency and effectiveness procedures and activities of local governments, and equally important is to determine the reliability of information generated by various units / work units as an integral part in the organization of Regional Government. From the above explanation can be said that the Regional Inspectorate as an internal supervisor has specific characteristics, and he has characteristics include:
1. A tool within a Regional Government organization that performs a quality assurance function.
2. The internal supervisory report user is the Regional Head within the relevant Governmental organization.
3. In the execution of duties using clear inspection procedures.
4. Inspection activities are pre-audit or build-in throughout the process of the activity.

Gustati (2011) several factors affecting the performance of the Government Internal Supervisor are the general standards of the Government Internal Supervisory Apparatus, motivation, and organizational commitment. While Slamet (2009) training and experience is one of the factors that can affect the performance of inspectorate apparatus, to the degree to which a person succeeds in his work, participates actively and assumes that performance is important and related to his self-esteem, therefore training and experience are important factors that may affect performance, and Mulyono (2009) factors affecting the performance of inspectorate apparatus are educational background, technical competence, certification of position, education and continuous training.

The performance of the Government Internal Supervisory Apparatus uses the Indonesian Government Internal Audit Standards presented at the AAIPI conference at the Ministry of Finance on 27 August 2013. This Indonesian Government Audit Internal Audit standard regulates internal audit activities that can be performed by the auditor in accordance with the mandate and position, and audit functions with specific objectives, review, evaluation, monitoring (monitoring), and other supervisory activities, as well as the provision of consulting services.

The educational background of the Government Internal Supervisory Officers should be tailored to the main duties and functions undertaken, as required by the Government of Indonesia's Internal Audit Standards dated August 27, 2013, 2011 points on the general standard that the auditor's educational background must have a formal required.

Based on GOI Internal Audit Standards dated August 27, 2013 2013 points on Certification of Position and Education as well as ongoing Training, among others, as auditor must have certification of Auditor Functional Position (JFA) and / or other certificate in internal government supervision, and follow education and continuing professional education. To that end, the government's internal supervisors must follow the education and training of functional auditor functional certification in accordance with the jenjangnya.

Independence is the second general standard of three auditing standards established by the Indonesian Institute of Accountants (IAI) which states that in all matters relating to the assignment, independence in the mental attitude must be maintained by the auditor. This means that the auditor should be in an impartial position because he is doing his work for the public good. Independence can also be interpreted as an honesty in the auditor in considering facts and there is an impartial objective consideration in the auditor in formulating and expressing his opinion (Mulyadi, 2009).

Inspectorate of North Sumatra Province is one part / bureau in North Sumatera Provincial Government which has high potential area. With the existence of Regional Autonomy, the central government gives authority in the management of finances to the local government. Therefore, in the implementation of the Inspectorate of Sumatra Province is expected to
further improve the function of supervision over the implementation of government functions and development in order to be effective and efficient with the orientation on the public interest.

But in fact the performance of the Government Internal Supervisory Apparatus in this case the Inspectorate of North Sumatra Province in conducting inspection and supervision of government agencies in North Sumatra Province is still in the spotlight, because there are still many findings of examination results that are not detected by the inspectorate apparatus, but found by Supreme Audit Agency (BPK).

In 2014 the Audit Board (BPK) representative of North Sumatra recommended that the Provincial Government of North Sumatra (Pemprovsu) fix the performance of the Inspectorate of Pemprovsu by compiling the standard of work facilities and infrastructure to support the performance of internal government supervision (www.medan.bpk.go.id). This was revealed when the submission of financial examination report (LHPK) Pemprovsu by BPK RI representative of North Sumatra, in the hall BPK RI Representative of North Sumatra, Jalan Tengku Daud, Medan. The existence of findings according to the results of auditing that has been done by APIP is the main factor of revamping the performance of this Inspectorate Pemprovsu.

In addition, there are also findings of non-compliance in enforcing regulations against legislation, so the Head of the Supreme Audit Agency (BPK) of North Sumatra Representative, Muktini asked the Provincial Government of North Sumatra through the Inspectorate to further improve its performance in supervising and controlling (www.medanbagus.com). The existence of some of the above findings, shows that the performance of the Government Internal Supervisory Apparatus on the Inspectorate of North Sumatra Province has not been maximized.

Based on that, the researchers are motivated to further study and conduct research with the title "Analysis of factors that affect the performance of auditors at the Inspectorate of North Sumatra Province with auditor motivation as a moderating variable". As for the factors that influence is the influence of education level, continuing education, independence, experience and knowledge allegedly affect the performance of auditors at the Inspectorate of North Sumatra Province.

**Conceptual Framework**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Moderating Variable</th>
<th>Variable Dependent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Education ($X_1$)</td>
<td></td>
<td>Auditors' Performance ($Y$)</td>
</tr>
<tr>
<td>Sustainable Education ($X_2$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence ($X_3$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience ($X_4$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge ($X_5$)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors' Motivation ($Z$)</td>
<td></td>
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</tr>
</tbody>
</table>

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Research hypothesis:

1. The level of education, continuing education, independence, experience and knowledge influence both simultaneously and partially on the performance of auditors at the Inspectorate of North Sumatra Province.
2. The motivation of the auditor can moderate the relationship between education level, continuing education, independence, experience and knowledge with auditor performance at Inspectorate of Sumatera Province.

METHOD

TYPES OF RESEARCH

This research belongs to a kind of causal associative research research, ie identifying causal relationships between the various variables (Erlina, 2011).

Location, time, and schedule of research

This research was conducted at Inspectorate of North Sumatera Province Jl. H. Wahid Hasyim No.8 Medan. The study time is November to complete.

Population and Sample

Population in this research is Functional Auditor Official (PFA) of Inspectorate of North Sumatera Province counted 31 respondents.

Method of collecting data

The type of data used in this study is the primary data. The method of collecting primary data in this research is using questionnaire instrument. Primary data obtained from answers filled by the respondents of the study of the Functional Official Auditor (PFA) Inspectorate of North Sumatra Province. To obtain the required data in this study, the questionnaire was distributed by encountering directly the auditor of the Functional Auditor's (PFA) Inspectorate.

Operational definition and Variable Measurement

The operational definition of each variable is the definition used as the basis for determining the value of each variable both the dependent variable is the performance of the auditor (Y) and the independent variables are education level (X1), continuing education (X2), independence (X3 ), experience (X4), and knowledge (X5) and auditor motivation as moderating variable (Z). The operational definition of this research variable can be described as follows:

4.5.1 Dependent Variables (Y)

Dependent variable is a dependent variable that is a variable that is influenced by other variables. Dependent variable (Y) in this research is auditor performance. Auditor performance is the quality and quantity of a work output (output) of each auditor in the presentation of the audit report. The scale used is the Interval scale.
4.5.2 Independent Variable (X)

Independent variable is independent variable that influence dependent variable, either positive or negative influence (Sugiyono, 2006). The independent variables in this research are education, continuing education, independence, experience, and knowledge.

Educational background of an auditor. The staff education level of the Auditor The Inspectorate must have a formal level of education in accordance with the field. The scale used is the Interval scale.

Continuing Education referred to in this study is a short education program or training - training that has been followed. This means that the more training, the quality of human resources on the staff Auditor Inspectorate will get better. The scale used is the Interval scale.

Independence Auditors are independent and not dependent on something else / not biased in behaving. The expected attitude of an auditor to have no personal interest in performing his duties, which is contrary to the principle of integrity and objectivity. The scale used is the Interval scale.

The experience of an auditor begins with an extended formal education through experiences, subsequently in audit practice. The scale used is the Interval scale.

Audit knowledge is an understanding of a standard as well as a particular skill possessed by an auditor in finding a problem in the audit report. The scale used is the Interval scale.

4.5.3 Moderating Variables (Z)

The moderating variable (Z) is a variable that can strengthen or weaken the direct relationship between the dependent variable and the independent variable. The moderating variable used in this study is the auditor's motivation. The motivation of the auditor is a demand or encouragement towards the fulfillment of individual needs and the demands or encouragement that come from the environment, then implemented in the form of behavior. The scale used is the Interval scale.

Data analysis method

Data analysis method in this research is multiple regression analysis (Multiple Regression Analysis) and residual test for moderating variable.

Results and Discussion

Classic assumption test

Each variable, both independent and dependent, has qualified classical assumption test consisting of normality test, heteroscedasticity test, multicollinearity test, and autocorrelation test.
Test t

T test results can be seen in the following table:

<table>
<thead>
<tr>
<th>Model</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.696</td>
<td>.487</td>
<td>6.31</td>
<td></td>
</tr>
<tr>
<td>TP</td>
<td>3.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB</td>
<td>2.180</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INI</td>
<td>0.775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PNGLMN</td>
<td>0.397</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PNGTHN</td>
<td>0.082</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Partial test results (t test) can be known that the significant value of the independence variable is 0.000, the experience of 0.003 and the knowledge of 0.012 is smaller than 0.05 and the significant variable of education level is 0.443 and the continuing education variable is 0.094 greater than 0.05 that is partially independence, experience and knowledge have a significant influence while the variable level of education and continuing education has no significant effect on auditor performance.

Test F

F test results can be seen in the following table:

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>228.228</td>
<td>5</td>
<td>45.646</td>
<td>23.351</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>48.860</td>
<td>25</td>
<td>1.955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>277.087</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the table can be seen significant value 0.000 <α = 0.05. The result of F statistic test shows that all independent variables (education level, continuing education, independence, experience, and knowledge) simultaneously have a significant effect on the dependent variable (auditor performance).

Coefficient of Determination (R2)

The result of the coefficient of determination is to measure how far the ability of the model in explaining the variation of the dependent variable.
Based on Table value of correlation coefficient (R) has a value of 0.908 which indicates that the degree of correlation (correlation) between independent variables with dependent variable of 90.8%. This means that the coefficient of influence of education level, continuing education, independence, experience, and knowledge have a strong relationship with the auditor's motivation, because the correlation coefficient value obtained is 90.8%.

For the coefficient of determination (Adjusted R²) has a value of 0.788. This means that 78.8% auditor motivation can be explained by the variables of education, continuing education, independence, experience, and knowledge. While the rest of 21.2% is explained by other variables not included in this research model.

**Hypothesis Test II**

**Residual Test**

In this study, used residual test, the reason researchers use residual test in testing moderating variables is to avoid the occurrence of multicollinearity. In this study, moderating variables of auditor motivation use residual test.

The results can be shown in the following table:

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>7.996</td>
<td>4.278</td>
<td>1.869</td>
<td>.072</td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>-0.054</td>
<td>.076</td>
<td>-.130</td>
<td>-.706</td>
<td>.036</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: ABS_RES*

This table illustrates a significant value of 0.036 smaller than $\alpha = 0.05$ with negative parameter coefficient value is 0.054, hence variable can be concluded that variable of auditor's motivation as moderating variable and can moderate relation between education level, continuing education, independence, experience, and knowledge on the performance of auditors at the Inspectorate of North Sumatra Province.

**Conclusion**

Based on the results of data analysis and discussion conducted in the previous chapter, then this research yields some conclusion as follows:

1. Simultaneously the level of education, continuing education, independence, experience, and knowledge together have a positive and significant effect on the auditor's performance. Partially independence, experience, and knowledge have positive and significant influence to auditor performance while education level and continuing education have positive effect which is not significant to auditor performance.

2. Variable motivation of the auditor proved to moderate the relationship between the level of education, continuing education, independence, experience, and knowledge on the performance of auditors at the Inspectorate of North Sumatra Province.
Limitations of Research

Researchers realize there are still limitations of research on this research, among others:

1. This research uses questionnaires instrument whose answer is based on perceptions of respondents' answers, so the possibility of bias or inconsistency with the actual situation and contains the element of subjectivity.
2. Location and object of study only in Inspectorate Office of North Sumatera Province. The population and sample of this study were only 31 auditors.

Suggestion

Based on the conclusions, the improvements suggested by researchers for further research are:

1. Further research is suggested to add the number of population and sample within the scope of the research site.
2. Further research to be done to all Government Office auditors in the Regional Office of North Sumatra I so that the results can be generalized.

DAFTAR PUSTAKA


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