

THE EFFECT OF COMPETENCE AND INDEPENDENCE OF INTERNAL AUDITORS TOWARD INTERNAL AUDIT PERFORMANCE QUALITY AT HEAD OFFICE OF BJB SYARIAH BANK

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ABSTRACT

With the attempt to create a healthy and good banking industry as the society expects, it is suggested that its practices be monitored by certain people who are independent such as internal auditor. They need to run the audit function professionally. With such an importance of their existence, it requires them to possess competence and independence in order to obtain significant audit performance. This research aims to investigate and analyze the effect of competence and independence have on the quality of internal audit performance in banking sector especially syariah or islamic bank. It employs survey in the form of interview and questionnaire, studies on documents, as well as literary studies. All the data were obtained from the head office of BJB Syariah bank. To analyze the data, the study multiple linear regression analysis. From both simultaneous partial hypothesis test show that competence and independence have a significant impact on the quality of internal audit performance result at the head office of BJB Syariah bank with the coefficient value of R Square as much as 93%. This means that the dependent variable, i.e. internal audit performance result, can be explained by the independent variable of competence and independence as high as 93%. Whereas the remaining 7% is explained by the other independent variables which are absent in this research model.

Keywords: Competence, Independence, and Quality of Internal Audit Performance Result.

1. INTRODUCTION

1.1. Background of Problem.

Banking sector is one of the important elements of financial system in any nation. Bank is a financial institution for government institutions, national or private companies as well as the society as individuals to save and invest their money.

In order to support the creation of healthy banking industry, it also needs supports from all parties, business people in banking industry and other stakeholders. It, thus, needs the existence of independent auditors who monitor their practices in banking sector.

According to Mardiasmo (2005), there are three main aspects of good corporate governance, i.e. monitoring, controlling, and auditing. Auditing is performed by independent and professionally competent people to investigate whether the result of the company performance is appropriate with the predefined standards. One of the units who functions this is internal auditors.

Internal audit is a part of internal control structure which is responsible for all the aspects of auditing and reporting audit result over the implementation of coordinated internal control structure in every level of bank managements.

This internal audit has a very important role in the complexity of banking business atmosphere which continuously develops, especially with the demand of healthy bank management and risk management. With the development of the Bank, the range of control between the President Director, the Board of Commissioners and the operators is wider and more complex, so that the Internal Audit function is expected to be a liaison between the two, especially to assist Boards of Directors in securing operational activities involving funds from the public and for ensuring that the Bank's operations are running effectively, efficiently, safely and profitably.

Internal Audit Function in outline consists of 2 main activities of assurance and consulting activities which are independent and objective to provide added value in improving the company's operational activities. Internal Audit helps the achievement of corporate objectives through a systematic approach to evaluate and improve the effectiveness of risk management, internal control systems and implementation of Good Corporate Governance. Assurance activities include an objective assessment of facts to provide independent opinions or conclusions related to processes, systems or other issues. While consulting activity is basically to provide advice or guidance on a particular thing on special request.

According to Boynton (Rohman, 2007), the function of an internal auditors is to carry out internal audit function which is an independent appraisal function within an organization to test and evaluate organizational activities undertaken. In addition, internal auditors are also expected to contribute more to improving efficiency and effectiveness in order to improve organizational performance. Thus the internal auditor of the company plays a very important role in the process of creating accountability and transparency of financial management in that company. The awareness of the importance of quality audit for

the realization of accountable companies will motivate employees of internal audit to use and improve their competence and independence.

Quality of audit performance according to De Angelo in Alim et al. (2007) is the probability that the auditor will find and report a violation on the company's accounting system. The probability of finding violations depends on the auditor's technical ability and probability of reporting violations depending on the auditor's independence. In other words, competence and independence can affect audit quality.

In the public sector, the Government Accountability Office (GAO) defines audit quality as adherence to standards of professions and contractual ties during audits (Lowenshon, et al, 2005). The same opinion is also raised by the Institute of Indonesia Chartered Accountants (IAI), saying that audits conducted by auditors are said to be qualified if they meet auditing standards and quality control standards (Elfarini, 2005).

The importance of standards for audit implementation is also stated by Pramono (2003). It is said that a qualified audit result can only be generated by an audit process which established standards. Furthermore, it is explained that the audit process can be said to have met quality assurance requirements if the process is in accordance with the standards: standard for professional practice, internal chartered audit, internal audit code of ethics, policy, objectives, audit procedures, and audit work plan.

With these auditing Standards, all audit organizations are responsible for ensuring that each auditing process is conducted by auditors who collectively possess the knowledge, expertise and experience required to carry out the task. Therefore, the auditing should have recruitment, appointment, continuous development, and evaluation procedures for the auditors to assist the auditing unit and to obtain auditors who has sufficient competence.

Audits should be carried out by a person or a group of people who has sufficient technical skills and training as an auditor. They should possess and improve knowledge of audit methods and techniques as well as all matters related to governance such as government organizations, functions, programs and activities (BPKP, 1998). The expertise of auditors, according to Tampubolon (2005), can be obtained from continuous education and training as well as adequate experience in conducting audits.

In addition to audit expertise, an auditor must have independence in conducting an audit in order to provide an opinion or conclusion as it is without any interference from anyone (BPKP, 1998). In all matters relating to auditing work, auditors and auditing organizations should be free both mentally and physically from personal, external, and organizational disturbances that may affect their independence. With this statement of the second general standard, the auditing organization and its auditors are responsible for maintaining their independence in such a way that opinions, conclusions, judgments or recommendations of audit carried out impartially and deemed impartial by any party.

Some studies on the quality of audits came up with different findings on factors that affect audit quality. The results of Lawenson et al. (2006) found that auditor specialization and the amount of fee received by the auditor had an effect on audit quality. On the contrary, in the study of Alim et al. (2007) and Elfarini (2005), it has been found that the auditor's expertise and independence have a positive effect on audit quality. As Goleman (2001) says, only motivation will make a person have a strong desire to achieve goals and meet existing standards. In other words, motivation will encourage a person, including the auditor, to perform, be committed with the group and have high initiative and optimism.

This study aims to determine how much influence the competence and independence of internal auditors at BJB syariah bank have on the quality of their performance results given the fact that the quality of internal auditor performance at head office of BJB syariah bank is currently in the spotlight due to many findings of external audit results which was not previously detected by internal auditors.

There are several things that cause the competence of internal auditors at head office of BJB Syariah less optimal in carrying out the investigation process. One of them is related to education and functional training in the field of audit which have not been implemented regularly and sustainably. This makes one of the factors why only a small proportion of internal auditors have met the requirements to become functional auditors. In addition, the head office's auditor personnel are still limited. To handle 8 branches with 54 supporting branch offices (KCP) there are only 3 general auditors and 1 IT and IT auditor. Other factors that also cause such a problem is work transfer between units where experienced auditors are replaced by inexperienced ones.

Understanding the importance of quality of audit for the realization of accountable companies will motivate employees of auditors to use and improve their competence and independence. Thus, with the above considerations, it is necessary to know the influence of competence and independence of auditors on the quality of audit performance results at Head Office of BJB Syariah bank.

Based on the aforementioned theory and on how it is applicable in a real life, the researchers were attracted to examine how much influence the competence and independence of internal auditors have on the quality of performance results

1.2 . Literary Review

Research on Competence and independence of auditor has been done either in the form of research journal or thesis. Alim et. al. (2007) conducted a study on the quality of audits by auditors at the Public Accounting office in East Java. The research variables cover competence and independence as independent variables, audit quality as a dependent variable, and

auditor's ethics as a mediating variable. From the research it was suggested that the independence and competence of auditors have a significant effect on audit quality

The results of research conducted by Murtanto in Mayangsari (2003) show that the component of competency for auditors in Indonesia consists of:

- a. Knowledge component, which is an essential component of a competency. This includes knowledge of facts, procedures and experiences.
- b. Psychology component such as the ability to communicate, creativity, and the ability to cooperate with others. Gibbin and Larocque also demonstrate that trust, communication, and the ability to work together are important elements of audit competence.

Mayangsari in her article on the Journal of Indonesian Accounting Research, vol 6 pages 1-22 focuses on the relationship between the auditor's independence with the audit opinion. It has been concluded that the independent auditor gives a more precise opinion than the non-independent auditor. While Samelson et. al. (2006) state that auditor's independence is not significant to audit quality. There were 5 KAPs that do not comply with the auditee's request to adjust the audit results even if the auditor paid a higher fee

Supriyono (1988) examines the factors that influence the independence of the public accountant's independence. It is known that the bond of financial interests and business relationships with clients, other services apart from audit services, the length of relationship between public accountant and client, competition between KAP, KAP size and audit fee significantly affect independence of public accountant performance

Murtanto and Gudono (2009) in the Journal of Accounting Research and Auditing argue that auditor's independence is absolutely done by auditors to maintain impartiality in their duties. It is also pointed out by Wooten, TG, (2003) saying that it is impossible to know the number of poor-quality audits that are simply undetected and unpublished.

As for the difference of this research with previous research, this study aims to find out how much influence the competence and independence of internal auditors have on the quality of internal audit results in BJB Syariah by conducting survey with data source from quota sampling on employees of internal auditor division of BJB Syariah auditors placed at branch offices and sub branches. As for the similarities with previous studies it similarly focuses on the quality of the audit results.

1.3. Research Framework

In order to support the existence of a productive banking industry, it needs support from various parties, both banking business actors and other stakeholders. In order for banking business actors to conduct their business in a healthy and correct manner as the society expects, its business implementation needs to be supervised by certain independent parties such as internal auditors.

Internal Auditor is a part of the internal control structure and is responsible for all forms of activities related to the audit and report of audit results which governs coordinated control structures within each level of the bank management.

Transparency and clarity are of paramount importance in the management of the bank so that the policy on Internal Audit relating to its authority and independence level as a basis for work should be stated in a written document of the President Director approved by the Board of Commissioners, called the Audit Charter. The purpose of the Audit Charter is to provide a general understanding of the purpose and scope of Internal Audit duties, as well as to distinguish between responsibilities and authority of Internal Audit with responsibility and authority of management.

Internal Audit function is a very important role in the complexity of the banking business environment that continues to grow, especially with the demand of healthy bank management and risk control. As the Bank grows, the range of control between the President Director, the Board of Commissioners and the operators is wider and more complex, so that the Internal Audit function is expected to be a liaison between the two, especially to assist Boards of directors in securing operational activities involving funds from the public and for ensuring that the Bank's operations are running effectively, efficiently, safely and profitably.

Internal Audit Function comprises 2 main activities, i.e. independent assurance and consulting activities whose objective is to provide added value in improving the company's operational activities. Internal Audit helps the achievement of corporate objectives through a systematic approach to evaluate and improve the effectiveness of risk management, internal control systems and the implementation of Good Corporate Governance. Assurance activities include an objective assessment of facts to provide independent opinions or conclusions related to processes, systems or other issues. While consulting activity is basically to provide advice or guidance on a particular thing on special request.

Understanding the importance of quality audit for the realization of accountable companies will be able to motivate employees of auditors to use and improve their competence and independence. Quality of audit performance according to De Angelo cited in Alim et. al. (2007) is the probability that the auditor will find and report a violation on the company's accounting system. The probability of finding violations depends on the auditor's technical ability and probability of reporting violations depending on the auditor's independence. In other words, competence and independence can affect audit quality.

2. RESEARCH METHOD

Having employed preliminary study, the research, then, connected it with the formulation of the problem to be investigated that is by conducting survey with a bigger scope, but only certain aspects would be discussed. As the objectives explicate, this research is explanatory research as it connects 3 variables, namely the competence of auditors as an independent variable (independent variable, with statistical notation X1) and auditor's independence also as an independent variable (independent variable, with X2 statistical notation), while the quality of internal audit results as a dependent variable (dependent variable, with Y statistical notation).

The research yields qualitative and quantitative data. Qualitative data derive from analysis of preliminary study results and interviews, while quantitative data comes from distribution of close ended questionnaire covering variables of the research. The objects of the study are employees in BJB Syariah bank: 16 people from Internal Audit Division of branches, 9 people from Internal Audit Division of Head Office, and 5 from Human Resource Division which make them 30 in total.

Data Analysis Technique

1. Instrument Analysis

This research employs questionnaire, and the variables are measured by using Likert scale. Likert scale is a type of scale used to measure research variables (specific social phenomena) such as attitudes, opinions and social perceptions of a person or group of people who contain five levels of ordinal type scale answers. It is said to be ordinal because the statement of 'strongly agree' has the highest level of agreement and 'agree' is higher than 'doubt'. So, it has its scale of a sequence which cannot be said equivalent.

2. Validity and Reliability

- a. Validity test is used to see how valid the questionnaire is in this given research.
- b. Reliability test is used to measure sets of questions which represent indicators of the research variables.
- c. Classical assumption test is conducted in order for the regression model to bring forth representative results.

Competence in auditing covers knowledge, expertise, and experience that the auditor needs to be able to audit objectively, carefully, and thoroughly. Auditor's competence is measured by using six statement items that describe the level of the auditor's perceptions of their own competence regarding accounting and auditing standards, their mastery on the organization's governance, as well as skill improvement programs. The instrument used to measure this competency is adapted from Harhinto's research (2004) with some modifications.

Respondents are asked to answer questions. Each item is, then, measured using a 5-point Likert Scale, in which point 1 is given for the answer which shows the lowest competence, and so point 5 is given for the answer which is the highest competence.

Independence in auditing is the use of unbiased views in the process of audit testing evaluation of test results, and report of audit findings. Auditor's independence is measured using eight statement items that describe the level of auditors' perceptions of their independence to audit, and whether they are free from personal or external interference. The instrument used to measure this independence is adapted from Harhinto's research (2004) with some modifications. Their answers are also measured using a 5-point Likert Scale.

Audit quality is the probability that the auditor will find and report violations in the government accounting system based on accounting standards and determined audit standards. Audit quality is measured using eight statement items that describe the level of the auditor's perception on how the quality of the audit process, the quality of the audit results, and the follow-up of audit results should be. The instrument used to measure the quality of this audit was adapted from Harhinto's research (2004) with some modifications. A 5-point Likert Scale is also used to measure this.

3. FINDINGS AND DISCUSSION

3.1. Validity and Reliability of Instruments

3.1.1. Instrument Validity Test

The validity of research data is determined by an accurate measurement process. A measurement instrument is said to be valid if the instrument measures what should be measured. In other words, the instrument can measure the construct as expected by the researcher.

Table 3.1.1. Instrument Validity Test: Internal Auditor's Competence

No	Item	Corrected Item Total Correlation	Result
1	My academic background helps me acquire important knowledge in auditing process	0,565	Valid
2	I understand and know how to conduct an auditing process based on auditing and accounting standards	0,475	Valid

3	I know issues which will be investigated	0,650	Valid
4	The more I work as an auditor the more skillful I am in conducting an audit	0,475	Valid
5	I always attend and participate seriously trainings on accounting and audit which are held by the company	0,655	Valid
6	With my initiative, I attempt to improve mastery on accounting and auditing through literary study	0,715	Valid

Source: Calculated Raw Data, 2018

Table 3.1.1. shows the Correlated Item-Total Correlation value (r score) on each item of question for the development of human resources. Correlated item value-Total Correlation is (r score) > r table value 90.3610 for degree of freedom (df) = 28, and alpha (α) = 5%. Thus, it can be formulated that each item of question of the competence variable is valid.

Table 3.1.2. Instrument Validity Test: Internal Auditor's Independence

No	Item	Corrected Item Total Correlation	Result
1	I don't feel independent if the audit result is influenced by others.	0,565	Valid
2	I would limit the scope of my questions during auditing process if necessary.	0,475	Valid
3	I find some problems from auditee and report them to the head.	0,650	Valid
4	I would tell the head if I get interfered.	0,475	Valid
5	I don't care if I would be transferred having revealed findings as they are.	0,655	Valid
6	During auditing process some people sometimes refuse my consideration in the audit report.	0,715	Valid

Source: Calculated Raw Data, 2018

Table 3.1.2. it shows Correlated Item-Total Correlation value (r score) on each item of question for organizational culture. Correlated Item-Total Correlation is (r count) > r table value (0.361) for degree of Freedom (df) = 28, and alpha (α) = 5%. Thus, it can be concluded that each item of the variable independence of internal auditors is valid.

Table 3.1.3. Instrument Validity Test: Internal Audit Result Quality

No	Item	Corrected Correlation	Item-Total	Result
1	I can ensure that my audit finding is accurate, and I am able to find issues or violations.	0,557		Valid
2	I never manipulate the findings. I always report every little thing.	0,722		Valid
3	I try to be professional in conducting audit under no circumstances in order to obtain a result which fits the procedure	0,628		Valid
4	My recommendations can fix the root cause of the problems/violations	0,650		Valid
5	My audit report can be understood by the auditee	0,575		Valid

6	My audit can eliminate the undergoing problems/violations	0,720	Valid
7	My result can be followed up by the auditee	0,810	Valid
8	I keep monitoring the follow up actions from my audit result	0,575	Valid

Source: Calculated Raw Data, 2018

Table 3.1.3. shows the Correlated Item-Total Correlation value (r score) on each item of question for employee performance. Correlated Item-Total Correlation value is (r score) > r table value for degree of freedom (df) = 28, and alpha (a) = 5%. Thus, it can be concluded that each item question of the audit result quality variable is valid.

3.1.2. Instrument Reliability Test

A questionnaire is said to be reliable or reliable if the answer of the respondent to the question is consistent or stable from time to time. Respondents' answers to questions are said to be reliable if each question is answered consistently. Testing instrument reliability in this study using one shot or one measurement only and for testing the reliability is used statistical test Cronbach Alpha. A construct or variable is said to be reliable if it gives a Cronbach value $Alpha > 0,60$ (Ghozali 2005). The result of Instrument Reliability Test is shown in the following table 3.1.2..

Table 3.1.2. Instrument Reliability Test

Instrument Variabel	Cronbach Alpha Value	Result
Auditor's Competence	0,892	Reliable
Auditor's Independence	0,856	Reliable
Audit Result Quality	0,863	Reliable

Source: Calculated Raw Data, 2018

From Table 3.1.2.. above it is shown that the Cronbach Alpha value of each variable instrument in the study has a value > 0.60. Thus, it can be stated that every instrument of competence, independence, and quality of audit result is reliable.

3.2. Variable Description Analysis

3.2.1. Answers to Variable of Auditor's Competence

Table 3.2.1.. Auditor's Competence

No	Statement	5	4	3	2	1	Sum	Total Score	Ideal Score
1	My academic background helps me acquire important knowledge in auditing process	9	15	6			30	123	150
		30%	50%	20%			100%	82%	
		2	28				30	122	
2	I understand and know how to conduct an auditing process based on auditing and accounting standards	6%	94%					81%	150
3	I know issues which will be investigated	6	24				30	126	150
		20%	80%					84%	
4	The more I work as an auditor the more skillful I am in conducting an audit	5	25				30	125	150
		16%	84%					83%	
5	I always attend and participate seriously trainings on accounting and audit which are held by the company	5	25				30	125	150
		16%	84%					83%	
6	With my initiative, I attempt to improve mastery on accounting and auditing through literary study		29	1			30	119	150
			97%	3%				79%	
Total Score								740	
								82%	

Source: Calculated data, 2018

Table 3.2.1.. shows that the total score for the variable of auditor's competence is 740. The score is then inserted into a Continuum line in which the calculation is measure by the following calculation.

Table 3.2.2. Calculation of a Continuum Line of Competency

Note	Formula	Calculation	Result
Maximum index value	Highest score x number of questions x number of respondents	= 5 x 6 x 30	= 900
Minimum index value	Lowest score x number of questions x number of respondents	= 1 x 6 x 30	= 180
Interval	[max score-min score] : 5	= (900-180):5	= 144
Percentage of score	[(total score) : max score] x 100%	= (740:900) x 100%	= 82%

Source: Calculated data, 2018

Table 3.2.3. Continuum Line of Competency

Very low	Low	Moderate	High	Very high
180	324	468	612	756
			740 (82%)	900

Ideally, the expected score for the respondent's answer to question No. 1 through 6 is 900. From the table calculation, it shows that the value obtained is 740 or 82% out of the ideal score, 900. Therefore, independence is in the high category.

3.2.2. Answer to Variable of Auditor's Independence

Table 3.2.2. Description of Responses on Auditor's Independence

No	Statement	5	4	3	2	1	Total	Skor Total	Skor Ideal
1	I don't feel independent if the audit result is influenced by others.	4 13%	26 87%				30 100%	124 82%	150
2	I would limit the scope of my questions during auditing process if necessary.	1 3%	28 94%	1 3%			30 100%	120 80%	150
3	I find some problems from auditee and report them to the head.	1 3%	27 91%	2 6%			30 100%	119 79%	150
4	I would tell the head if I get interfered.	5 16%	25 84%				30 100%	125 83%	150
5	I don't care if I would be transferred having revealed findings as they are.		29 97%	1 3%			30 100%	119 79%	150
6	During auditing process some people sometimes refuse my consideration in the audit report.	6 20%	24 80%				30 100%	126 84%	150
Total Score								733	81%

Source: Calculated data, 2018

Table 3.2.2. shows that the total score for the variable of auditor's independence is 733. The score is then inserted into a Continuum line in which the calculation is measure by the following calculation.

Table 2.2.3. Calculation of Auditor Independence Line Value of Auditor

Note	Formula	Calculation	Result
Maximum index value	highest score x number of questions x number of respondents	= 5 x 6 x 30	= 900
Minimum index value	Lowest score x number of questions x number of respondents	= 1 x 6 x 30	= 180
Interval	[max score-min score] : 5	= (900-180) :5	= 144
Percentage of score	[(total score) : max score] x 100%	= (733:900) x 100%	= 81%

Source: Calculated data, 2018

Tabel 3.2.4. Continuum Line of Independence

Very low	Low	Moderate	High	Very high
180	324	468	612	756
			733 (81%)	900

deally, the expected score for the respondent's answer to question No. 1 through 6 is 900. From the table calculation, it shows that the value obtained is 733 or 81% out of the ideal score, 900. Therefore, independence is in the high category.

3.2.3. Answer to Variable of Audit Result Quality

Table 3.2.3. Description of Responses on Audit Result Quality

No	Questions	5	4	3	2	1	Sum	Total Score	Ideal Score
1	I can ensure that my audit finding is accurate, and I am able to find issues or violations.		24	6			30	114	150
			80%	20%			100%	76%	
2	I never manipulate the findings. I always report every little thing.	3	27				30	123	150
		10%	90%				100%	82%	
3	I try to be professional in conducting audit under no circumstances in order to obtain a result which fits the procedure	3	25	2			30	121	150
		10%	83%	7%			100%	80%	
4	My recommendations can fix the root cause of the problems/violations	8	21	1			30	127	150
		26%	71%	3%			100%	84%	
5	My audit report can be understood by the auditee	5	25				30	125	150
		16%	84%				100%	83%	
6	My audit can eliminate the undergoing problems/violations	6	22	2			30	124	150
		20%	74%	6%			100%	82%	
7	My result can be followed up by the auditee	1	29				30	121	150
		3%	97%				100%	80%	
8	I keep monitoring the follow up actions from my audit result	2	27	1			30	121	150
		6%	91%	3%			100%	80%	
Total Score								976	81%

Source: Calculated data, 2018

Table 3.2.3. shows that the total score for the variable of audit result quality is 976. The score is then inserted into a Continuum line in which the calculation is measure by the following calculation.

Tabel 3.2.4. Calculation of Line Value of Continuum of Audit Result Quality

Note	Formula	Calculation	Result
Maximum index value	Highest score x number of questions x number of respondents	= 5 x 8 x 30	= 1200
Minimum index value	Lowest score x number of questions x number of respondents	= 1 x 8 x 30	= 240
Interval	[max score-min score] : 5	= (1200-240):5	= 192
Percentage of score	[(total score) : max score] x 100%	= (976:1200) x 100%	= 81%

Source: Calculated data, 2018

Tabel 2.3.3. Continuum Line of Audit Result Quality

Very low	Low	Moderate	High	Very high
240	432	624	816	1008
			976 (81%)	1200

Ideally, the expected score for the respondent's answer to question No. 1 through 6 is 1200. From the table calculation, it shows that the value obtained is 976 or 81% out of the ideal score, 1200. Therefore, independence is in the high category.

3.3. The Partial Impact

3.3.1. The Partial Impact of Competency on a Audit Result Quality

To test the influence of competence and independence partially to the result of internal auditor’s performance at Head Office of BJB Syariah, the research employs T test. If the value of $t_{score} >$ the value of t_{table} , then H_0 is rejected and H_a accepted. In the opposite, if the value of $t_{score} <$ the value of t_{table} , then H_0 is accepted and H_a rejected. The results of partial hypothesis testing can be seen in Table 3.3.1. below.

Tabel 3.3.1. Hypothesis Testing Results Partially

Model		Unstandardized Coefficients		Standardized	T	Sig
		B	Std. Error	Coefficients		
1	Constant	0,666	1,933	Beta	-,345	0,734
	Competency	0,463	0,084	0,534	5,516	0,000
	Independence	0,271	0,074	0,433	3,647	0,002

Dependent variable : Audit Result Quality

Based on the calculation results in table 3.3.1. above, it obtains the form of linear regression equation as follows:

$$\hat{Y} = -0.666 + 0.463X_1 + 0.271X_2$$

From the multiple linear regression equation above, it also obtains the value of constant -0.666. That is, if the audit result quality variable (Y) is not influenced by the two independent variables (competence and independence is zero), then the average quality of the audit result will be -0.666.

The indication of the independent variable regression coefficient shows the direction of the relationship of the variables concerned with the quality of the audit results. The regression coefficient for the independent variable X1 is positive, indicating a direct relationship between competence (X1) and the quality of audit result (Y). The regression coefficient of variable X1 of 0.463 means for every competence increase (X1) of one unit will cause the quality of audit result (Y) as much as 0.463.

When the SPSS software is used to reset the result, the multiple regression analysis can be described as follow.

Table 3.3.2. The Result of Multiple Regression Analysis

Variabel	T _{score}	Df	T _{table}	Sig	Note	Conclusion
X ₁	5.516	20	2.086	0.0000	H ₀ rejected	Significant
X ₂	3.647			0.0000	H ₀ rejected	Significant

Dependent Variable : Y

The result of multiple linear regression equation shows that if there is a change of competence (X1) and independence (X2) towards the change to improve the quality of audit result at Head Office BJB Syariah bank (Y). From Table 3.3.2. above we get the t score of each independent variable in this research. The value of t_{score} from each independent variable will be compared with the value of t_{table} by using level of confidence

interval, 95%, or $\alpha=0,05$ which then obtains t_{table} of 2,086.

The result of partial hypothesis test shos that variable of competency (X1) possesses value of t_{score} (5.516) $>$ the value of t_{table} (2.086). Therefore, H_a is accepted while H_0 rejected.

This means that the variable of auditor’s competence impacts significantly on the quality of audit’s result at Head Office of BJB Syariah bank.

Thus, the result of this study on auditor’s competence which has a positive effect on the quality of audit performance results at Head Office of BJB Syariah supports the theory for example one from Messier FW, VS Glover and FD Fravitt (2005) saying that competence includes:

1. Technical competence: knowledge and expertise to achieve agreed outcomes, ability to think about issues and seek new alternatives.
2. Conceptual competence: the ability to view large images, to test various modalities and perspective modifiers.
3. Competence to live effectively in interdependent abilities with others, including the ability to hear, communicate, get third alternatives, create win-win agreements, and strive toward the third alternative solution, the ability to see and operate effectively within an organization or system intact.

This study is also in line with previous research by Hernandianto (2004) saying that the competence of an auditor is obtained primarily through training and experience. A more experienced auditor will have a better scheme in identifying the errors than a less experienced auditor. Hence, unconventional disclosure of information by experienced auditors is also better than by inexperienced auditors

3.3.2. The Partial impact of Independence on the Quality of Audit Result

Based on table 3.3.2. above, the result of partial hypothesis testing shows that the variable of independence (X2) possesses the value of t_{score} (3. 647) $>$ the value of t_{table} (2.086) which means that H_a is accepted dan H_0 rejected. This shows that auditor’s independence has a significant impact on the quality of audit result at Head Office BJB syariah bank.

When relating between the results of this research partially and variable of independence of internal auditors on the quality of audit results above, it can be concluded that there is significant influence of independence to quality audit results. This research is also in line with the opinion expressed by Supriyono (1988) emphasizing the importance of independence of public accountant as follows:

1. Independence is a very important requirement for the profession of public accountants to begin the fairness of information presented by management to users of information.
2. Independence is required by public accountants to gain trust from clients and public, especially users of financial statements.
3. Independence is obtained in order to increase the credibility of financial statements presented by management
4. If a public accountant is not independent then the opinion he gives has no meaning or no value.
5. Independence is an important dignity of public accountants who continuously need to be maintained

3.3.3. The Simultaneous Impact of Internal Auditor’s Competence and Independence on the Quality of Audit Result

To test the influence of Competence and independence of Internal Audit simultaneously to audit result at Head Office of BJB Syariah bank, the research employs F test. If the value of Fscore > Ftable value, then H0 is rejected and Ha accepted. Conversely, if the value Fscore < value Ftable, then Ho is accepted and Ha rejected. Simultaneous test results can be seen in table 3.3.1 below

Table 3.3.3. The Result of Simultaneous Hypothesis Testing Overall Hypothesis Testing (F test)

F _{score}	Df	F _{table}	Sig	Note	Conclusion
133.341	Df ₁ =21	4.461	0.000	H0 rejected	There is an impact (Significant)

Predictors: (Constant), Competence, Independence

Dependent variable: Quality of Audit results

Source: Research Results, 2018 (Data processed)

From Table 3.3.3. it can be seen that the Fscore is 133,341. Because the value of Fscore is (133.341) > Ftable (4.461), then Ho is rejected at the 0.05 significance level. So, based on the test results with 95% confidence level, it can be concluded that at least one of the competence and independence variables affect the quality of audit performance results simultaneously. The conclusion is Ho is rejected, and Ha is accepted, meaning that simultaneously the competence and independence variable of internal auditor have a significant effect on the quality of audit result of internal auditor at Head Office of BJB Syariah bank.

Table 3.3.4. Determination Coefficient Value

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,964	0,930	0,923	1.48696

Predictors: (Constant), Competence, Independence

Dependent variable: Quality of Audit results

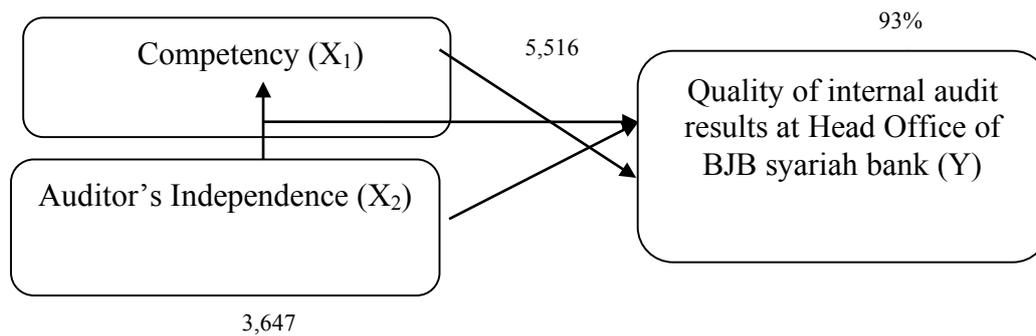
Source: Research Result, 2018 (Data processed)

Table 3.3.4. above shows that the value of determination coefficient (R Square) is 0.930 or 93%, it shows that there is a very strong relationship between the competence and independence of internal auditors and the quality of audit results. The adjusted coefficient of 93% indicates that the competence and independence contribution to the quality of the audit result as much as 93%, while the remaining 7% is the contribution of other variables which are absent in this research.

The result of this research supports the theory put forward by De Angelo in Alim et. Al (2007). saying that audit quality as the probability that the auditor will find and report violations on the auditee accounting system. While Deis and Groux in Alim et. al. explain that the probability of finding violations depends on the auditor's technical ability and probability of reporting violations depending on the independence of the auditor.

This research is also in line with previous research conducted by Harhinto in 2004 investigating the influence of auditor’s expertise and independence on the quality of audit results. The result of his research indicates that the experience and knowledge of auditors are positively related to the quality of audit results.

Illustratively, the relationship can be described in the following framework:



Based on the above research, it can be proven that hypothesis of the influence of competence and independence on the quality of internal audit results at Head Office of BJB Syariah as follows:

The result of partial hypothesis testing shows that the competence variable (X₁) has t score (5.516) > t table (2.086), which means that H_a is accepted and H₀ rejected. This, consequently means that the auditor's competence variable has a significant effect on the quality of audit results.

The result of partial hypothesis testing shows that the independence variable (X₂) has t score (3.647) > t table (2.086), so H_a is also accepted and H₀ rejected. This means that the auditor's independence variable significantly influences the quality of audit results.

The influence of competence and independence on the quality of the internal audit results can be explained through the value obtained from F score of 133.341. Because the value of F score (133.341) > F table (4.461), then H₀ is rejected at the 0.05 significance level. So, based on the test results, with 95% confidence level it can be concluded that at least one of the competence and independence variables affect the quality of audit performance results simultaneously.

H₀ is, then, rejected, and H_a is accepted, meaning that, simultaneously, the competence and independence of internal auditor variables have a significant effect on the quality of audit result of internal auditor at Head Office of BJB Syariah bank. Thus, the significant findings that were not detected by the internal auditor are caused by the quality of the auditor's professional qualities which really ought to be improved.

4. CONCLUSION

After analyzing the hypothesis of the research, it can be drawn some conclusions as follows:

1. The influence of competence variable on the quality of internal audit result in BJB Syariah head office has a significant positive influence. The result of hypothesis testing partially shows that the competence variable (X₁) has t score (5.516) > t table (2.086). H_a is, then, accepted and H₀ rejected.
2. The influence of independence on the quality of internal audit results at BJB Syariah head office has a significant positive influence. The result of partial hypothesis testing shows that the independence variable (X₂) has t score (3.647) > t table (2.086). H_a and H₀ are, then, equally rejected.
3. The influence of competence and independence on the quality of the audit results simultaneously based on the research appeared to have a significant effect, the results were obtained from F score of 133.341, and since the value of F score (133.341) > F table (4.461), then H₀ is rejected at the level of significance 0.05. So, based on the test results with a 95% confidence level it can be concluded that at least one of the competency and independence variable influences the quality of audit performance results simultaneously. H₀ is, thus, rejected, and H_a is accepted meaning that simultaneously the competence and independence variables of internal auditor have a significant effect on the quality of audit result of internal auditor in head office of BJB Syariah.
4. Based on the results of hypothesis testing simultaneously and partially, it is indicated that the competence and independence of internal auditors have a significant effect on the quality of internal audit performance results at Head Office of BJB Syariah bank with the coefficient of determination (R Square) 93%. This means that the dependent variable which is the quality of internal audit performance results can be explained by independent variables of competence and independence of 93%. While the remaining 7% is explained by other independent variables which are not part of this research objective

5. SUGGESTION AND RECOMMENDATION

Based on the result of the research, it is suggested that:

1. further research expand the object of research, not only on the aspects of competence and independence alone but other aspects that can significantly support the quality of the audit results,
2. the remaining 7% of other variables be investigated. The future research is also suggested to study the effect of other variables that have not been included in the regression model in this study.

3. education and training of auditing for internal auditors of Head office of BJB syariah be done regularly and continuously

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