

The Effects of Accountability, Objectivity, Integrity, Working Experience, Competence, Independence and Motivation of the Examiner toward the Quality of Inspection Results at the Inspectorate of Lumajang Regency

Siti Maria Wardayati

Faculty of Economics, Jember University, Jalan Kalimantan 37, 68121, Jember, Indonesia

ABSTRACT

This research was conducted to see and assess the extent to which government auditors can consistently maintain the quality of audit services that it provides. Moreover, it also aims to examine and analyse the effects of accountability, objectivity, integrity, working experience, competence, independence and motivation on the quality of examination results with hypothesis testing using multiple regression analysis. This study uses the purposive sampling method to obtain 30 respondents working at the Inspectorate of Lumajang as the research samples. Data used in the study were primary data obtained from the respondents directly through a questionnaire. The results show that accountability, objectivity, integrity, working experience, competence and independence have significant effects on the quality of the examination results, whereas motivation does not significantly affect the quality of the examination results in Inspectorate of Lumajang.

Keywords: Accountability, Competence, Independence, Integrity, Motivation, Objectivity, Quality of Inspection Results, Working Experience

INTRODUCTION

Every public organisation has a purpose in implementing service functions, empowerment and development. To achieve that purpose, an organisation needs to manage management functions, one of which is supervision. Inspectorate has the duty to supervise the district government's affair, the realisation of the guidance on the

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E-mail address:

Sitimariawardayati@gmail.com (Siti Maria Wardayati)

implementation of village government and the implementation of government affairs of the village. In accordance with the main duties and functions as an internal examiner of government in Lumajang regency, Lumajang inspectorate staff should conduct regular inspections of the Village Unit in the district.

The information contained in the Inspectorate Audit Reports should be in high quality to ensure that in implementing the suggestions of inspectorate, the Head of the Regional get great benefits and the decisions taken will be accurate. Thus, the accountability, objectivity, integrity, working experience, competence, independence and motivation of the internal examiners in carrying out their responsibilities need to be considered. Public sector accountability to the establishment of good governance in Indonesia is increasing and competence, as well as independence, is the standard that must be met by the inspectorates as internal auditors. This demand is reasonable because some studies have shown that the economic crisis in Indonesia was caused by poor management and bureaucracy (Sunarsip, 2001).

This study is important because it aims to test and analyse the quality of audit's results to help the inspectorates determine the factors that might influence the quality of the audit results. This research was done to determine and assess the extent to which government auditors can consistently maintain the quality of audit services that they provide. Moreover, it also aims to examine and analyse the effects of

accountability, objectivity, integrity, working experience, competence, independence and motivation on the quality of Inspection results with hypothesis test using multiple regression analysis.

The research of Mardisar and Ria (2006), Riani (2013) and Sibero (2010) showed that accountability significantly affects auditors' quality of work. The higher accountability an auditor has, the better quality of auditors' work will be. Based on these explanations, the hypothesis raised is: H1: Accountability affects the quality of Inspection results. Research of Badjuri (2012) concluded that the objectivity of public sector auditors did not affect the quality of inspection results, while research conducted by Sukriah et al. (2009) and Ayuningtyas and Pamudji (2012) stated that objectivity affected the quality of the Inspection results. In other words, the better the auditor maintains objectivity during the audit process, the better the quality of the audit results will be. Based on these explanations, the hypothesis built is: H2: Objectivity affects the quality of Inspection results.

The research of Sukriah et al. (2009) stated that integrity may receive an unintentional error and an honest difference of opinion but it cannot accept dishonesty of principle. Research of Ayuningtyas and Pamudji (2012) and Badjuri (2012) concluded that integrity has a significant influence on the quality of Inspection results. By having high integrity, the auditor can improve the quality of Inspection results. Based on these explanations, the

hypothesis built is: H3: Integrity affects the quality of Inspection results. Research of Badjuri (2012) and Ayuningtyas and Pamudji (2012) concluded that working experience did not affect the quality of the Inspection results, while the results of Wardayati's (2006) research concluded that working experience influenced internal auditor's work about 8%. The research of Sukriah et al. (2009) demonstrated that working experience affected the quality of the Inspection results. This shows that the more working experience an auditor has, the more quality of inspection results will be. Based on these explanations, the hypothesis is built: H4: Working experience affects the quality of Inspection results.

The research of Sibero (2010) concluded that the competence did not affect the quality of Inspection results, while the research conducted by Alim et al. (2007), Sukriah et al. (2009), Ayuningtyas and Pamudji (2012) and Badjuri (2012) proved that competence significantly affected the quality of Inspection results. This means that the audit quality will be attained if the auditor has a good competence. The better competence the auditors have, the better quality of inspection results will be. Based on these explanations, the hypothesis built is: H5: Competence affects the quality of the Inspection results. Sukriah et al. (2009), Badjuri (2012) and Ayuningtyas (2012) concluded that independence did not significantly influence the quality of Inspection results, while the research of Alim et al. (2007) showed that independence significantly affects the quality of the

Inspection results. In that study, the independent opinion of an auditor is more reliable and is trusted better by the users of financial reports than the dependent opinion, so it can affect the quality of the audit itself. Based on these explanations, the hypothesis built is: H6: Independence affects the quality of Inspection results. Research conducted by Efendy (2010), Rosnidah (2010) and Rinaldi et al. (2012) concluded that the motivation has a significant influence on the quality of Inspection results. With these explanations, the hypothesis built is: H7: motivation affects the quality of Inspection results.

Based on the description above, the problems will be discussed in this study are: (1) Does accountability affect the quality of Inspection results? (2) Does objectivity affect the quality of Inspection results? (3) Does integrity affect the quality of Inspection results? (4) Does working experience affect the quality of Inspection results? (5) Does competence affect the quality of Inspection results? (6) Does independence affect the quality of Inspection results? (7) Does motivation affect the quality of Inspection results? Further, the purpose of this study is to examine and analyse the influence of accountability, objectivity, integrity, working experience, competence, independence and motivation on the quality of Inspection results.

RESEARCH METHODS

Research Design

This study consists of one dependent variable (i.e. the quality of Inspection results) and 7 independent variables (accountability,

objectivity, integrity, working experience, competence, independence and motivation). The variable measurement scale uses 5-point Likert scale with these following score classifications; 1 for Strongly Disagree (SD), 2 for Disagree (DA), 3 for Neutral (N), 4 for Agree (S) and 5 for Strongly Agree (SA).

Types and Sources of Data

The data type of this research is primary data obtained directly from the respondents by distributing questionnaires to Inspectorate staff members of Lumajang. The primary data collected were used to answer the research questions.

Population and Sample

The population in this study include all staff members of the Inspectorate of Lumajang. The sample used is purposive sampling to select 32 Inspectorate members who serve as inspectors at the Inspectorate of Lumajang from the total population of 46 people.

Data Analysis Methods

The first data analysis technique is testing the quality, validity and reliability of the data. In the validity test, an instrument is said to be valid if it is able to measure what should be measured according to the specific situation and goals. In a reliability test, a reliable instrument is an instrument that is consistent in measuring the same symptom. This research uses descriptive statistical techniques, the classical assumption test and hypothesis test. Descriptive statistics was

used to determine the profile of research data and the relationship between the variables used. In order to describe the respondents' age, gender, position, length of work and the description of the study variables characters, the frequency distribution table is used to show the average, median range and deviation standard. After the validity and reliability were determined, the classical assumption test was then performed.

The classical assumption tests used are normality test, multicollinearity test and heteroscedasticity (heterokedastisitas) test. Normality test is done by using the Kolmogorov-Smirnov and by looking at the graph. Multicollinearity test is performed using Variance Inflation Factor (VIF). Heteroscedasticity (Heterokedastisitas) test is detected by looking at whether there is a specific pattern on a scatterplot graph or not. To test the hypotheses, the partial and simultaneous tests are done with simple and multiple regression analysis. The form of systematic multiple regression analysis is as follows:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + e$$

RESEARCH RESULTS

Descriptive statistics

In descriptive statistics with these research variables, accountability, objectivity, integrity, work experience, competence, independence, motivation and the quality of Inspection results are obtained. The results are presented in Table 1 below.

Table 1
Descriptive Statistics Results

Research variable	N	Min	Max	Mean	Std. Deviation
Accountability	30	4	5	4.42	0.34
Objectivity	30	4	5	4.42	0.32
Integrity	30	4	5	4.42	0.32
Work Experience	30	4	5	4.42	0.32
Competency	30	4	5	4.4	0.31
Independency	30	4	5	4.34	0.3
Motivation	30	3	4	3.11	0.39
Quality Inspection Result	30	4	5	4.53	0.35
Valid N (listwise)					

Source: Primary data processed, 2014

Normality Data Test

Based on the results of data normality test using Kolmogorov-Smirnov, it can be inferred that the data have normal distribution. It can be seen by looking at the value of 0.900 of Kolmogorov-Smirnov test

with the significance level of 0.392. If the Kolmogorov-Smirnov significance value is higher than 0.05, it can be asserted that the data possess a normal distribution. This result is also supported by the chart where the data follow the diagonal line.

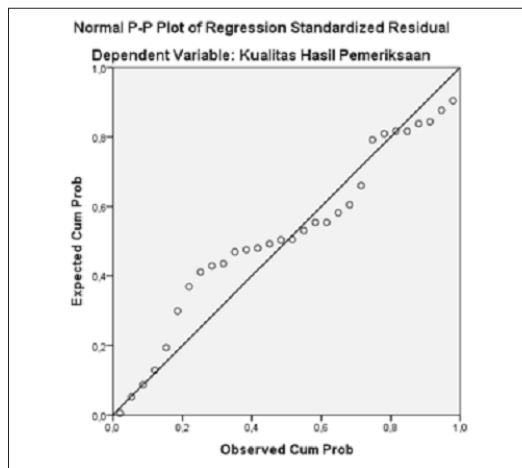


Figure 1. Normality Test Data

Multicollinearity Test

Based on the multicollinearity test performed by looking at VIF, it can be concluded that there is no Multicollinearity because there

is no VIF which is higher than 10 and the Tolerance values are close to 1. A summary of the Multicollinearity Test is given in the following table.

Table 2
Multicolinearity Test

Research Variables	Tolerance	VIF	Interpretation
Accountability	0.75	1.32	Non-Multicolinearity
Objectivity	0.72	1.38	Non-Multicolinearity
Integrity	0.82	1.22	Non-Multicolinearity
Working Experience	0.86	1.17	Non-Multicolinearity
Competence	0.93	1.08	Non-Multicolinearity
Independence	0.94	1.24	Non-Multicolinearity
Motivation	0.51	1.97	Non-Multicolinearity

Source: Primary data processed, 2014

Heterocedasticity (Heterokedastisitas) Test

Heterocedasticity test concluded that the regression model did not consist heterocedasticity. In other words, there is a common variant of residuals from one observation to another observation. This

conclusion was obtained by looking at the spread of dots that spread out randomly which does not form clear specific pattern, and spread out both above and below 0 on the Y-axis. Heterocedasticity test results are illustrated in the following image.

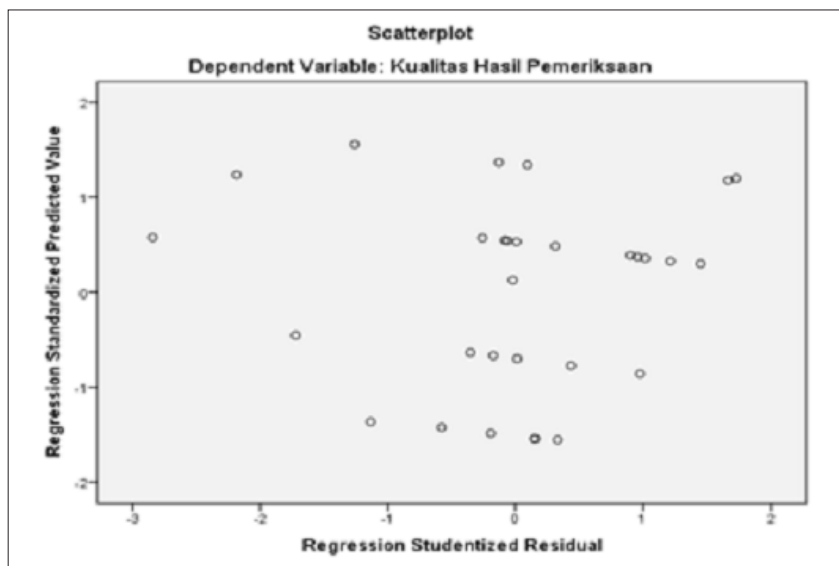


Figure 2. Heterocedasticity (Heterokedastisitasi) Test

Hypothesis Test

Having performed classical assumption and obtained the conclusion that the model had been used to test multiple

regression analysis, the next step is to test the hypothesis. A hypothesis test result is shown in the following table.

Table 3
Hypothesis Test Coefficients

Model	Unstandardised Coefficients	Std. Error	Standardised Coefficient	T	Sig.	Collinearity Statistics	VIF
	B		Beta			Tolerance	
(Constant)	19,945	5,961		3,346	,001		
Accountability	-,335	,115	,287	2,900	,005	,747	1,321
	,435	,130	,338	3,343	,011	,724	1,381
Objectivity	-,546	,249	-,208	-2,189	0,32	,817	1,223
Integrity	,518	,172	-,279	-3,010	,004	,857	1,166
Working							
Experience	,535	,258	,185	2,074	,042	,927	1,078
Competence	-,463	,285	,185	-2,494	,015	,943	1,241
Independency	-,032	,058	-,027	-,555	,585	,507	1,972
Motivation							

Regression equality model which can be written from the results in the form of the regression equation is:

$$Y = 19.945 + 0,335X1 + 0,435X2 - 0,546X3 - 0,518X4 + 0,535X5 - 0,463X6 - 0,032X7 + e$$

DISCUSSION

Based on the results of hypothesis testing, the variables of accountability, objectivity, integrity, working experience, competence and independence were found to partially give significant effects on the quality of Inspection results.

The Influence of Accountability on the Quality of Inspection Results

The finding of the significant effect of accountability on the quality of inspection result shows that the higher an auditor's accountability, the higher the quality resulted from inspection. This agrees with the research done by Riani (2013) which describes accountability significantly affects the quality of auditors' inspection results. There are social psychological research that proves the relationship and the influence of accountability on the quality of work. People with high accountability devote their effort (the intelligence) bigger than those who have low accountability in doing their works (Cloyd, 1997).

The influence of Objectivity on the Quality of Inspection Results

The result of this study demonstrated objectivity variables have significant influence on the quality of Inspection results. This result agrees with the research conducted by Sukriah et al. (2009), Queena and Rohman (2012) and Ayuningtyas and Pamudji (2012), which also proved that objectivity affects significantly on the quality of inspection results.

The Influence of Integrity on the Quality of Inspection Results

The results of the study showed that integrity has a significant influence on the quality of inspection result, and this is in line with the research done by Ayuningtyas and Pamudji (2012), Queena and Rohman (2012) and Badjuri (2012), which proved that integrity has a significant influence on the quality of audit results. The principle of integrity requires auditors to have good personality based on honesty, courage, wisdom and responsibility to build trust as the basics for making reliable decisions (Pusdiklatwas BPKP, 2008). The higher the integrity of an auditor, the better the quality of inspection result produced.

The Working Experience Influence on the Quality of Inspection Results

The results showed that working experience has a significant influence on the quality of the inspection results, which is in line with the research of Sukriah et al. (2009). Their

study revealed that working experience affects the quality of Inspection results. Mulyadi (2002, cited in Badjuri, 2012) stated that a person whose position is a public accountant should first seek for professional experience under the supervision of more experienced senior accountant.

The Influence of Competence on the Quality of Inspection Results

The results proved that competence has a significant impact on the quality of Inspection results. According to the research by Alim et al. (2007) and Efendy (2010), competence has a significant effect on the quality of audit. This means that, the quality of audit will be attained if the auditor has good competence. The higher the competence of the auditor, the better quality of the audit results will be.

The Effect of Independence on the Quality of Inspection Results

The results demonstrated that independence variable has a significant influence on the quality of the Inspection results. According to the study of Alim et al. (2007), independence significantly affects the audit quality, as also highlighted by Mayangsari (2003) who proved that the difference in auditors' opinion are caused by independence. Independent auditor's opinion can be trusted more by users of financial reports than those who are not independent as it will affect the quality of the audit.

The Effect of Motivation on the Quality of Inspection Results

The results of the study described that motivation variable has no significant effect on the quality of the Inspection results. This is in contradiction with the research conducted by Efendy (2010) and Rinaldi et al. (2012) which concluded that motivation has a significant effect on audit quality. Efendy (2010) stated that motivation is the only variable that makes a person to have a fighting spirit to achieve the goals and meet the existing standards. However, as seen in the results of research conducted at Inspectorate of Lumajang, there is no significant effect of motivation variable on the quality of Inspection results. The researchers concluded that the inspectors at the Inspectorate of Lumajang have low motivation, therefore they do not encourage themselves to achieve the goals and meet the existing standards. Besides, the low motivation among the Inspectors does not motivate them to excel, commit to the group and have more initiative and high optimism.

CONCLUSIONS

Based on the results of research on the Effects of Accountability, Objectivity, Integrity, Working Experience, Competence, Independence and motivation on the Quality of Inspection Results, it is concluded that: (1) Accountability affects significantly on the quality of Inspection results, hence the higher accountability the auditor has, the better quality of the Inspection results will be. (2) Objectivity significantly affects the

quality of the Inspection results, so the better the auditor maintains objectivity during auditing, the better quality of the audit results will be. (3) Integrity has a significant effect on the quality of Inspection. An auditor can improve the quality of inspection result by having high integrity. (4) Working experience significantly affects the quality of Inspection result; thus, the more experience the auditor has, the better the results of inspection will be. (5) Competence has a significant effect on the quality of Inspection result; thus, the higher competence of the auditor, the better quality of Inspection result will be. (6) Independence has a significant effect on the quality of Inspection result, so the higher the auditors' independence, the better the quality of Inspection results. (7) Motivation has no significant effect on the quality of Inspection result. Therefore, high motivation has no significant effect on improving the quality of Inspection results.

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