

**EFFECT OF EXPERTISE INDEPENDENCE AND PROFESSIONAL SKEPTICISM ABOUT THE ABILITY OF INTERNAL AUDITORS TO DETECT FRAUD  
(EXAMINE EMPIRICALLY ON INSPECTORATE OF BIMA REGENCY AND BIMA CITY WEST NUSA TENGGARA PROVINCE)**

**Fakhruddin**  
*Mataram University*  
faha\_din@yahoo.co.id

**Rr. Titiek Herwanty**  
*Mataram University*

**Ahmad Rifa'i**  
*Mataram University*

**Abstract**

Effects of expertise auditor independence and professional skepticism of government internal auditor's ability to detect fraud. This study aims to empirically examine the influence of individual characteristics that affect the ability of the government's internal auditor in detecting fraud. individual characteristics, including expertise, independence and professional skepticism. The object of research is the auditor Inspectorate in Bima and Bima City because both these regions are still cases of fraud. This research was conducted by distributing questionnaires or questionnaire to the auditor of the Regional Inspectorate in Bima regency and city bima. a number of 66 questionnaires and can be analyzed as many as 64 questionnaires with multiple linear regression calculation using SPSS. The results showed that individual characteristics which include independence and professional skepticism affect the auditor's ability to detect the fraud while membership auditor does not significantly affect the auditor's ability to detect fraud.

**Keywords:** auditor individual characteristics, expertise, independence, professional skepticism, the auditor's ability to detect fraud.

## 1. Introduction

The governance Financial conducted by the Central and Local Government is inseparable from the risk of fraud. Cases of have been fraud occurring such as corruption, manipulation of financial statements, and embezzlement of assets not only occurred in the private sector but also on governance environment as in the Central Government as well as Local Government.

Government district and city of Bima which is an autonomous region in the implementation of government can not be separated from acts of fraud in the governance financial management area. It showed in the results of the inspection done by the external auditors of Audit Board (BPK) and some cases of corruption handled by law enforcement authorities both in the City and district of Bima such as land procurement deal in 2013 in the City of Bima, and some cases occurred in Bima district such as the alleged the alleged corruption case of fiberglass, procurement of mutual cooperation moon, activity case corruption in the civil service police unit, and onion seed case in the Department of Agriculture. All cases being handled by law enforcement officials, such in police of Bima City, Raba Bima State Prosecutor's Office, bima district police and territory police of West Nusa Tenggara (Koran stability January 22, 2017).

Results of inspection of Audit Agency (BPK) on the implementation of Bima catry and regency government in the Year 2011 to 2015 shows there are still many findings that must be considered and acted upon by the Regional Head. Based on the findings of the BPK and the number of cases handled by law enforcement authorities, shows that the detection carried out by The government's internal regulatory authorities (APIP's) the inspectorate of Bima regency and Bima City government is not optimal yet because these problem can not be detected by APIP but an external auditorlike Supreme Audit Agency (BPK) does, it shows that the detection of fraud committed by the Inspectorate as APIP still inadequate.

Increasing of APIP capability in detection of fraud continuously improved together with the demands in implementing internal control of the government. Besides, the availability of APIP's of human resources is very low both quantity and quality, so it caused individual APIPs service become overloaded and the results of audits conducted by APIP in detecting fraud not optimal.

In the detection of fraud, expertise or competence of an auditor is required. An auditor required to be creative and intuitive in responding to fraud, as well as looking for and uncover the fraud action (Vona, 2008). Thus, the demands of expertise of the auditor is required to produce a quality decision (Judgment) in an inspection, by that increasing of the APIPs expertise will encourage a good governance, internal controls according to the rules so can assess the efficiency, effectiveness, economic and able to detect the onset of fraud.

This study tries to examine the factors of the auditors individual characteristic to detect fraud like expertise, independence and professional skepticism. This study is the combination of variables from previous research by eliminating some variables in order to obtain three variables: the expertise, independence and professional skepticism that is required by an auditors according to the State Financial Management Standards (SPKN).

According SPKN, an investigator should have the ability or skill requirements, independence, use of professional skills of careful and thorough, and has a quality control system. Regional inspectorate as an Internal auditor performing the inspection, supervision and coaching to the financial management are required to provide reasonable assurance to the public regarding the financial management area. Public expectations towards the Inspectorate is high enough related to the number of corruption cases which cause losses to the state.

Based on these arguments, the formulation of the problem in this research are:

1. Is expertise have the positive effect to the Auditor's ability to detect fraud?
2. Is independence have the positive effect to the Auditor's ability to detect fraud?
3. Is professional skepticism have the positive effect on the ability of auditors to detect fraud?

Based on these research problems the purpose of this study is to know the effect of auditor's expertise, independence and professional skepticism against the auditor's ability to detect fraud.

## **2. Theoretical Framework and hypothesis Development**

### *Attribution Theory*

According to Kelley (1973) describes the theory attributed as follows "" Attribution theory is a theory about how people make causal explanations, about how they answer questions beginning with

“why?” It deals with the information they use in making causal inferences, and with what they do with this information to answer causal questions.” Attribution is an attempt by someone to make inferences about the cause of the event or surrounding events including on the behavior of others (Gazzaniaga et al.2012).

Attribution theory put forward by Fritz Heider (1958). According to Heider, every individual is essentially someone scientist apparent (pseudo scientist) who tries to understand the behavior of others by collecting and combining pieces of information until get a plausible explanation of the causes of other people particular behavior. In other words, someone is always trying to find a reason why a person acts such certain ways .

According to the attribution model proposed by Fritz Heider (in Gazzaniga, 2012), the conclusion someone about something is very influenced by personal factors and situational. The internal factors are the strength that comes from the individual, while external factors derived from the outside of the individual themselves. In attribution theory, these factors called the attribution of personal and situational attribution. Attribution theory in the context of the audit, many researchers use to explain the assessment (judgment) of auditors, performance assessment, and decision-making by the auditor. Attribution theory relating to the assessment and explain how an auditor behave.

Kaplan and Reckers (1985) found that the attribution assessment (judgment) made by the auditors at the level of partners and managers to underneath auditor’s strongly influenced by employee work history and client history. The evaluation of the performance of auditors include decisions regarding the subordinate's behavior can be done by implementing the attribution theory. The auditor's ability to detect fraud is largely determined by internal attribution, which many factors that determine the ability comes from auditors more than situation or environmental conditions. Ability can be established through individual efforts such as by seeking knowledge, independence maintaining and improve the attitude of professional skepticism. Seeking knowledge can be done by adding the knowledge of the expertise components, training and continuing education, skills certification and so on. Where as the independence and professional skepticism can be trained and improved through experience and sensitivity auditors dealing with various situations. The evaluation of the performance

of auditors include decisions regarding the subordinate's behavior can be done by implementing the attribution theory.

The auditor's ability to detect fraud is largely determined by internal attribution, where in the factors that determine the ability of a lot more from auditors compared to the situation or environmental conditions. Ability can be established through individual efforts such as by the quest for knowledge, maintain independence and improve the attitude of professional skepticism. Searches can be done by adding the knowledge of the components of expertise, training and continuing education, skills certification and so on. Whereas the independence and professional skepticism can be trained and improved through experience and sensitivity auditors dealing with various situations.

Kelly (1973) states that the attribution theory could answer questions about social perception and also at the same time dealing with the self perception. when auditors dealing with red flags at the time of the audit, will try to find the cause and make conclusions on the red flags.

Self-perception of an auditor plays an important role in concluding whether red flags lead to symptoms of fraud or just a mistake (error) Self-perception of an auditor plays an important role in concluding whether red flags lead to symptoms of fraud or just a mistake (error) .

For example, a sudden change lifestyle from clients manager who live in luxury and extravagance. The auditor will assess whether lifestyle changes that lead to fraud symptoms or not. Auditors who do not have much knowledge of the fraud audit will probably ignore the signs of cheating going on around it. However, the auditor who has had much experience conducting audits will not ignore the red flags going on in the surrounding.

### *Fraud Theory*

The Institute of Internal Auditors (IIA) states that fraud as "An array of irregularities and illegal acts Characterized by intentional deception", translated as "A set of actions that are not permitted and unlawful characterized by an element of fraud intentionally". G. Jack Bologna, Robert J.Lindquist and Joseph T.Wells (1993: 3) in Suroso (2011) defines "Fraud is a criminal deception intended to financially benefit the Deceiver" . Translated "fraud crime cheating meant to give a financial benefit to a cheater (crime means seriously mistaken action done with bad intention).

Jatiningtyas and Kiswara (2011) defines fraud as a series of irregularities in respect of an illegal act, which is done intentionally for a specific purpose, such as giving a Mislead on the other hand, done by the people in side or outsideof the organization, to get benefit both individuals and groups and harmful to others directly and indirectly.

### *Red Flags of Fraud*

Red flags are unusual circumstances and different from normal activity in general. Red flags can be a signal that something is happening out of the ordinary and may need a further investigation. Despite the red flags do not necessarily indicate an error, but sometimes red flags give warning signs of the possibility of fraud (Di Napoli, 2011). Singleton (2010) simply states the definition of red flags y as fingerprints of cheating. At the time of cheating happened, there are traces of the crime and the crime left in place the crime scene, or in the lives of perpetrators of fraud, as well as a fingerprint left at the scene. Red flags have a variety of properties, including the occurrence of accounting anomalies, events or transactions that can not be explained, the elements of unusual transactions, changes in behavior or characteristic of the person, and other common characteristics related to fraud that has been known.

#### 2.1 effect expertise Against ability Auditor is detecting fraud

Auditors assigned to the audit work should have appropriate expertise in the field and the object to be examined. This is so that the auditor can carry out their duties effectively. Auditors who worked in the government must have sufficient technical expertise to carry out audits efficiently and effectively. Expertise is an element that must be owned by the auditors, as an element of skill is closely related to the credibility of the examination results. The examination made by the auditors with sufficient expertise is certainly more have higher credibility compared with the results of the examination made by the auditor does not have the expertise. Tests carried out by auditors who are less expert credibility of the examination results is doubtful, so less reliably when used as a basis for decision making.

Expertise relating to the special experience and training that create knowledge, and knowledge combined with the auditor's ability to perform specific audit tasks (Bonner and Lewis, 1990). Fullerton and Durtschi (2004) found that auditors have a high degree of skepticism has certified expertise and experience to cheating throughout his career.

Praditaningrum and Januarti (2012) who found that the expertise have of the positive effect on audit judgment. The research results indicate that the higher the audit expertise possessed by an auditor then judgment is made will be good and proper. Similarly, Lopez (2009) found empirically that the auditor expertise significantly affect audit quality. Widyastuti and Pamudji (2009) proved that competence affect the auditor's ability to detect fraud.

Auditors competence take along knowledge, so the more the better the competency of the auditor's ability to detect fraud. Based on attribution theory, expertise is part of internal attribution the whose existence is determined by factors from within the individual includes the ability and effort. Individuals who are trying with all his ability to improve his skills will have better knowledge so that in answering the surrounding social perception will also be better. Auditors who have more expertise will be getting better understand the signs of cheating (red flags) going on around it. Based on these descriptions, the hypothesis proposed unity:

**H1: expertise have positive effect on the auditor's ability to detect fraud.**

## *2.2 Effect of Independence Against ability Auditor is detecting fraud*

In the statement of general standards second of the Financial Management System of State (SPKN), stated that in all matters related to inspection work, the examiner organization and the examiner must be free in mental attitude and appearance of interference personal, external, and organizations that can affect its independence. For that, in carrying out his duties as government auditors are required to be independent of any party.

American Institute of Certified Public Accountants (AICPA) (in Mayasari 2003) states that independence is the ability to act on the integrity and objectivity. Integrity relates to intellectual honesty auditor, are honest, forthright, and put forward the facts as they really are, while objectivity associated with the neutral attitude of auditors in carrying out inspection tasks and prepare reports audited, such as fairness, impartiality, honest intellectually, not prejudiced or bias, and free from any conflict of interest or be under the influence of other parties (Mulyadi, 2002).

The attitude of the auditor's independence will make auditors continue to seek out, find, and express symptoms of suspected fraud. Independence is an important factor that must be owned by an

auditor. If the auditor does not maintain an attitude of independence, the audit reports produced have the possibility not correspond to reality or not objective.

While the independent auditor is auditors who provide the actual assessment of the object being examined without having the burden of any party (Singgih and Bawono, 2010). Thus, if an auditor has a high commitment to maintain the attitude of independence, the independence of attitude can improve the ability of auditors to detect fraud. Thus the second hypothesis:

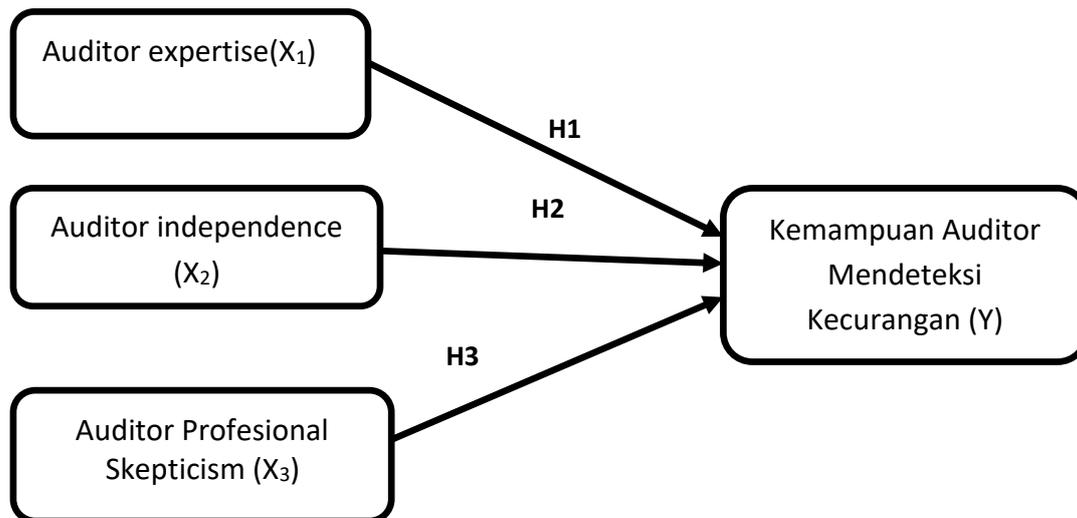
**H2: Independence have positive effect on the auditor's ability to detect fraud.**

### *2.3 Effect of Professional Skepticism Against ability Auditor in Detecting Fraud*

Fullerton and Durtschi (2004) explains that internal auditors who have a high level of professional skepticism would have a high desire to seek information if there is any cheating. The more information gathered auditor then the auditor is considered more capable of proving the existence of fraud symptoms. Professional skepticism is an attitude that is formed from the individual.

Hurt, Eining, and Plumlee (2008) describe the professional skepticism into five components including the questioning mind, delay decisions, the search for knowledge, understanding, confidence. The skepticism of an auditor can be trained and improved with increasing experience of dealing with a wide variety of clients and audit situation. In attribution theory internal skepticism comes from individuals who are highly influenced by the ability and can be operated through a series of effort. An auditor who has the ability to detect fraud will be more skeptical when confronted with signs of cheating going on around it. Auditors were skeptical it would be better to recognize that there is a series of red flags. This means that the higher the skepticism that the auditor will become more sensitive to red flags, so the ability to detect fraud is also getting better. Based on these descriptions, the third hypothesis in this study was formulated as follows:

**H3: Professional Skepticism have positive effect on the auditor's ability to detect fraud.**



**Figure 1. Research model**

### **3. Research Method**

#### *3.1 Population and Sample Research*

The population in this study were all civil servants who are competent in the decision making audit at Inspectorate the bima regency and Bima city. The sample in this research is the civil servants performing the examination and the direct supervision of the Inspectorate at Bima regency and Bima City is PFA (Functional Officer Auditor) and P2UPD (officials of Local Government Affairs).

#### *3.2 Data collection techniques*

Sampling technique in this study conducted by nonprobability Sampling (Sampling purposive) that sampling technique with a certain consideration (Sugiyono, 2014: 85), so that the regulatory authorities which will be used as a sample in this study is PFA (Functional Officer Auditor) and P2UPD (officials of Local Government Affairs) in the Inspectorate of Bima and Bima City. Selection of the sampling technique for this study was based on the consideration that not all civil servants who carry out checks on the Inspectorate has a functional position of auditor and functional P2UPD Inspectorate at bima regency and Bima city.

The population in this study were all civil servants in the Inspectorate at Bima regency and Bima city a amounted to 119 respondents. The sample in this study are civil servants in Inspectorate

at Bima regency and Bima city who have positions P2UPD PFA so the total sample to be used as the respondent amounted to 66 respondents.

### *3.3 Variable Operational Definition Konseptualdan*

#### *Expertise Auditor*

SPKN on common standards first statement mentions -Pemeriksa collectively should have sufficient professional skills to carry out inspection tasks. "SPKN mention the requirement of ability / expertise include two things: the continuing education requirements and the requirements of ability / expertise examiner. Continuing education requirements tend to be technical examiner expertise, while the terms of ability / expertise more emphasis on the non- technical expertise.

Furthermore, SPKN explain education continuing professional can cover topics such as recent developments in the methodology and inspection standards, accounting principles, assessment of internal control, the principle of management or supervision, examination of information systems, sampling inspection, financial statement analysis, financial management, statistics , the evaluation design and data analysis. Education can also include topics on inspection work in the field, such as public administration, structure and government policies, industrial engineering, finance, economics, social sciences, and information technology. The requirement / expertise examiner by SPKN include: 1) knowledge of inspection standards, 2) general knowledge of environmental entities, programs, and activities of the audited entity, 3) the skills to communicate clearly and effectively both orally and in writing, 4) skills adequate for the examinations conducted. Investigator assigned to carry out the financial audit should have expertise in accounting and auditing, as well as understand the generally accepted accounting principles related to the object of inspection. Besides audit also requires expertise in the certification generally acceptable. As for the person in charge must have a recognized certification of professional expertise.

#### *The independence*

The auditor's independence is an attitude that is free of distractions either from personal, external, and organizational dikawatirkan auditor will affect decisions related to the results of the examination. American Institute of Certified Public Accountant (AICPA) and Kell et al. (1989) in Barry 2003) states

that independence is the ability to act on the integrity and objectivity. Integrity relates to intellectual honesty auditor, are honest, forthright, convey the actual facts, while objectivity associated with the neutral attitude of auditors in carrying out inspection tasks and prepare reports audited, such as fairness, impartiality, honest intellectually, not prejudiced or bias, and free from any conflict of interest or be under the influence of others.

Regulation of the Minister of State for Administrative Reform No. PER / 05 / M.PAN / 03/2008 concerning the audit Standards Government Internal Supervisory Apparatus. For variable independence is measured by three (3) criteria, namely the independence of programming, the independence of the verification and independence of reporting, of three (3) criteria are described in 10 (ten) indicators that is free of managerial intervention on the audit program, free from any intervention on audit procedures, free of any requirements for audits in addition to that is hinted to an audit process, free to access all records relevant to audits conducted, free from any managerial effort that seeks to limit the activity being examined or limit the acquisition of evidence, free of personal interests that impede verification audit, free from feeling obliged to modify the impact or significance of the facts reported, free from the pressure to not report on things that are significant in the audit report, avoid using words that mislead either intentionally or not deliberately data m reported facts, opinions and recommendations in the interpretation of the auditors, free from any attempt to diminish the auditor's judgment regarding the facts or opinions in the internal audit report.

#### Professional skepticism

Webster's Dictionary defines skepticism as "an attitude of doubt or a tendency to distrust either in general or toward a particular object" (Charron and Lowe, 2008). Auditing Standard (SA) defines professional skepticism as "an attitude that includes a questioning mind always, be alert to conditions that may indicate the possibility of misstatements, whether caused by fraud or error" (IAPI, 2014).

Skepticism includes a mind that is always questioned and be alert to conditions that indicate the possibility of a material misstatement whether caused by error or fraud. Although as the mindset of professional skepticism is hard to prove, but there are studies that develop models auditor skepticism measurement. Measurement of skepticism in this study using a model of professional skepticism

measurement Hurtt, Eining, and Plumlee (HEP) (2003). HEP skepticism measurement model covering three important dimensions of skepticism that inspection proof characteristics (examination of evidence characteristic), to understand the evidence providers (understanding evidence-providers), and the characteristics to act on evidence (characteristics to act on the evidence). Of the three dimensions is divided again into six indicators. Those indicators include the mind always question (questioning mind), delay in decision-making (suspension of judgment), seeking knowledge (search for knowledge), personal understanding (interpersonal understanding), confidence (self-confidence), and self-confidence (self-determination).

### *The auditor's ability to detect fraud*

Definitions according to language ability is the ability or skill to do something (KBBI, 2008). Ability (ability) is widely interpreted as the skills of an individual to master the skill in doing or a variety of tasks in a job or an assessment of a person's actions (Pramudyastuti, 2014).

The ability of an auditor with regard to proficiency in performing an audit process to find any misstatement or fraud occurring in the financial statements. Widyastuti and Pamudji (2009) defines the ability to detect fraud as a process to find or determine an illegal act that could result in misstatements in the financial statements that is done deliberately. The ability to detect fraud auditor is measured through questions about the red flags that may arise during the auditors perform an audit process. The more the auditor wishes to find out information about the red flags that happens, then the auditor's ability to detect fraud will increase. Measurement of the ability to detect fraud in this study refers to the Fullerton and Durtschi (2004). Items questions in the questionnaire in this study adapted to the conditions in the government and the object of research is an examiner at the Regional Inspectorate. The size of the ability to detect fraud in research and Durtschi Fullerton (2004) is divided into three dimensions: (1) red flags associated with the company, (2) red flags associated with the offender, and (3) red flags related to accounting. The third dimension of each developed further in order to obtain ten key indicators that can measure the ability to detect fraud. Ten of these dimensions include; high fraud corporate cultures, questionable relations with outside parties, financial pressure, fraud opportunities,

personal symptoms, personal rationalizations, demographic indicators, accounting practice indicators, statement of financial indicators, and neutral fraud situation.

### *3.4 Data Analysis Methods*

Methods of data analysis of this research is quantitative analysis by giving scores or Likert Scale values are classified into four levels. To answer the statement given grade level are: Answer SS (Strongly Agree) was given a value of 4, Answer S (Agree) was given a value of 3, Answer KS (Less Agree) was given a value of 2, Answer TS (Disagree) was given a value of 1 ,

Analysis of the data used to test the hypothesis in this study is to use a multiple regression model with the following equation:

$$KM = a + b_1KA + b_2IA + b_3SP + e$$

Where: KM = Ability auditor to Detect Fraud

a = constant

KA = Expertise Auditor

IA = Independence Auditor

SP = Professional Auditor Skepticism

b<sub>1</sub>b<sub>2</sub>b<sub>3</sub> = coefficient of regression

e = Error

## **4. Results**

### *4.1 Characteristics of Respondents*

Number of auditors used as a sample in the study was 66. Based on the final results for the return of the questionnaire, obtained by 64 auditors that could serve as the final respondents in the study or in other words the rate of return of 96, 97% per cent. As for the two auditors could not end because as respondents are following training outside the region (Education and Training Auditor) .Here respondent data information that was compiled by tabulating data obtained from the questionnaire.

Table 1. Data of Respondents Based Work Experience in the Inspectorate Lama

No	LONG WORK EXPERIENCE	TOTAL	PERCENTAGE
1	Less than 1 Year	3	4,70
2	1 s / d 5 Years	28	62,50
3	5 s/d 10 year	24	37,50
4	More than 10 Years	9	14,10
<b>JUMLAH</b>		<b>64</b>	<b>100</b>

Based on the data in Table 1 above, it can be concluded that the internal auditor and the State Inspectorate Bima Bima district is adequate in terms of work experience in the inspectorate to obtain the results of a quality inspection, because most have had experience of more than 5 years.

#### 4.2 Test multicollinearity.

Cut-off value which is commonly used to indicate the presence multicollinearity is tolerance values  $<0.10$  or equal to  $VIF > 10$  (Ghozali, 2016: 104). Multikolonieritas test results to see the value of tolerance and VIF can be seen in the following table:

Table 2. Testing Results Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Expertise Auditor	.557	1.794
Auditor Independence	.427	2.342
Auditor Skepticism	.486	2.057

Based on the calculation tolerance values in Table 2 above showed no independent variables that have a tolerance value of less than 0.10, which means there is no correlation between the independent variable whose value is more than 95 percent. The result of the calculation of Variance

Inflation Factor (VIF) also shows the same thing, no one independent variable which has VIF more than 10. Thus, it can be concluded that there is no multicollinearity between independent variables in the regression model, or it can be said not happen multicollinearity serious among independent variables.

#### 4.3 Test Heteroskedasticity.

Heteroscedasticity test aims to test whether the regression model occurred inequality residual variance from one observation to another. Heteroskedasticity show that variation is not the same variable for all observations. In heteroskedastic errors that occur are not random but shows the systematic relationship in accordance with the amount of one or more variables. Berdasarkan the data processing, the resulting scatterplot can be seen in the following figure:

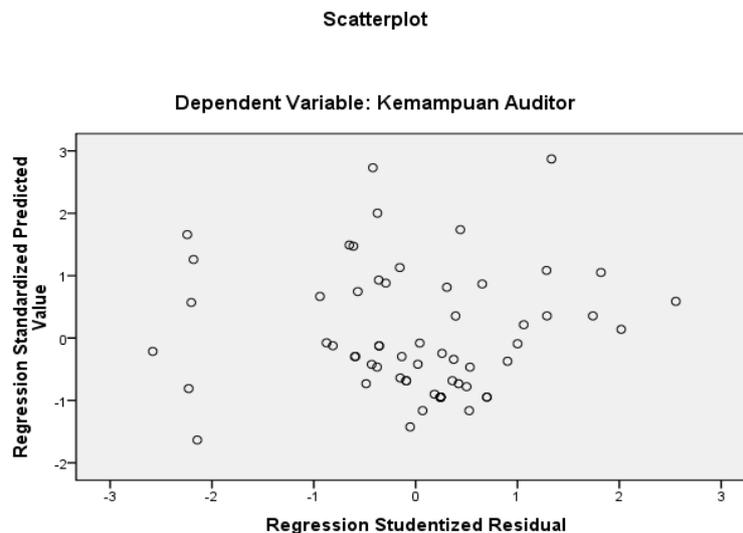


Figure 6. Test Heteroskedasticity

From the scatterplot graph in the picture above can be seen that the dots randomly spread, and spread both above and below the zero axis Y. It can be concluded that there is no heteroscedasticity in the regression model. (Imam Ghozali 2009: 107).

#### 4.4 Normality Test Data

To know normally distributed data the Kolmogorov-Smirnov test (K-S). The results of Kolmogorov-Smirnov test (K-S) can be seen in the following table:

Table 4. Test Results Statistics Kolmogorov-Smirnov (K-S)

<b>One-Sample Kolmogorov-Smirnov Test</b>		
		Unstandardized Residual
N		64
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. Deviation	.16783916
Most Extreme Differences	Absolute	.126
	Positive	.091
	Negative	-.126
Kolmogorov-Smirnov Z		1.011
Asymp. Sig. (2-tailed)		.258

According to the table 4 above Kolmogorov-Smirnov test can be seen that the sig. > 0.05 or sig. 0.258 > 0.05, this means that all data is distributed normally (Ghozali, 2009: 147).

#### 4.5 Test The coefficient of determination (R2 Statistic Test).

Based on the results of tests performed with the SPSS application to the research data, obtained the results as shown in the following table:

Table 5. Test coefficient of determination (R2 Statistic Test)

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792 <sup>a</sup>	.627	.608	.17198

a. Predictors: (Constant), Skeptisisme Auditor, Keahlian Auditor, Independensi Auditor

b. Dependent Variable: Kemampuan Auditor Mendeteksi Kecurangan

According to the table 5 above states that the value of the coefficient of determination value that has been adjusted (Adjusted R-Square) is 0.608. This means that 60.8% of the variation of the auditor's ability to detect fraud can be explained by variations in the independent variable (expertise, independence and professional skepticism auditor). While the rest (100% - 60.8% = 39.2%) is explained

by other variables that do not exist in this study, such as competence, experience, workload, type of personality, situation audit, ethics, gender.

#### 4.6 Model Accuracy Test (Test Statistic F).

The statistical test F basically indicates whether all the independent variables or independent variables included in the model have jointly influence on the dependent variable / bonded. The results of test calculations statistif F using SPSS 16 can be seen in the following table:

Table 20. Results of Test Statistic F

#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.981	3	.994	33.596	.000 <sup>a</sup>
	Residual	1.775	60	.030		
	Total	4.756	63			

a. Predictors: (Constant), Skepticism, Expertise Auditor, Auditor Independence

b. Dependent Variable: Ability Auditor

Based on the ANOVA table shown in Table 4:20 above, it can be seen that the magnitude of the calculated F value is 33.596 with 0,000 signifkansii level. This shows that together, all the independent variables consisting of auditor expertise, auditor independence and professional skepticism on the internal auditor and the State Inspectorate Bima Bima significant effect on the internal auditor's ability to detect fraud (fraud). This condition is supported by F count larger than F table at DF1 and DF2 = 3 = 60 ( $33.596 > 2.76$ ) and the level of significance is much smaller than a predetermined confidence level ( $0.000 < 0.05$ ).

#### 4.7 Individual Test Significant parameters (Test Statistic t).

T test showed how far the influence of the independent explanatory variables individually or in explaining the variation of the dependent variable and is used to determine whether or not the effect of

each independent variable on the dependent variable individually tested at the 0.05 level (Ghozali, 2009: 88 ). T statistical test result by using SPSS 16 can be seen in Table 4:21. following:

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.326	.290		1.123	.266		
Keahlian Auditor	.081	.099	.087	.821	.415	.557	1.794
Independensi Auditor	.373	.116	.387	3.210	.002	.427	2.342
Skeptisisme Auditor	.423	.118	.407	3.598	.001	.486	2.057

a. Dependent Variable: Kemampuan Auditor Mendeteksi Kecurangan

According to the table 4. 21 above results have been obtained from the regression coefficients of the above, it can be made a regression equation as follows:

$$KM = a + b_1KA + b_2IA + b_3SP + e$$

$$KM = 0.326 + 0.081 KA + 0.373 IA + 0.423 SP$$

In the multiple linear regression equation above can be explained as follows:

- a) The constant coefficient of 0.326. It states that if the variable keahlian auditor, auditor independence and professional skepticism auditor held constant or be 0 (zero), then the auditor's ability to detect fraud (Y) will increase by 0.326 units or 32.6 percent.
- b) The value of the regression coefficient on the variable expertise auditor (X1) of 0.081 this means that if a variable auditor membership increased by one unit then the variable fraud detection capability will increase by 0.081 units, or 8.1% to record other variables constant.

- c) The regression coefficient on the variable auditor independence of 0.373 this means that if the auditor independence variable is incremented by one unit then the variable fraud detection capability will increase by 0.373 units or 37.3% to a record other variables constant.
- d) The regression coefficient on the auditor's professional skepticism variable of 0.423 this means that if the variable professional skepticism increased by one unit then the variable fraud detection capability will increase by 0.423 units or 42.3% to a record other variables constant.

Based on the results of multiple regression analysis above, the following is presented a summary of the test the following hypotheses:

- a. 1st hypothesis rejected Auditor expertise means no positive effect on the ability of internal auditors to detect fraud in the Inspectorate of Bima and Bima, meaning the expert an auditor has not been able to detect fraud.
- b. 2nd hypothesis is accepted it means independence significant positive effect on the ability of the internal auditor and Kota Bima Bima detect fraud. The higher the independence of an auditor, the higher the auditor's ability to detect fraud in Bima District Inspectorate and the City of Bima.
- c. Hypothesis 3rd professional skepticism means the auditor received significant positive effect on the auditor's ability to detect fraud in Bima District Inspectorate and the City of Bima. increasing skepticism of the auditor, the higher the ability of internal auditors in Inspectorate Bima Kota Bima and detect fraud.

#### **4.8 Discussion**

Auditor at the Regional Inspectorate which is a Government Internal Supervisory Apparatus (APIP) situated in the Region is one of the spearheads for area in ensuring good and clean government. Fritz Heider (1958) explain the attribution theory that the individual is pseudo scientist who seeks to understand the behavior of others by collecting and combining pieces of information until they arrive at a plausible explanation of the causes of others behave in particular. Related to this, the internal auditors in Inspectorate is one profession that acts as an individual in performing his duties as an auditor using attribution theory to explain the conclusions and judgments made by the auditor. To elaborate on the cause of the behavior of others, whether the behavior was caused by the attribution of internal, such

as motives, attitudes, and so on which are all factors that come from within the individual, and or external circumstances that come from environments outside yourself individuals (Walgito, 2002).

This study examined the effect of expertise, independence and professional skepticism about the ability of internal auditors to detect fraud at the Inspectorate of Bima regency and Bima city Year 2017. Based on the results of multiple linear regression analysis will be discussed following the results of calculations that have been done. Based on attribution theory, expertise is part of internal attribution whose existence is determined by factors from within the individual includes the ability and effort. Individuals who are trying with all his ability to improve his skills will have better knowledge so that in answering the surrounding social perception will also be better. Auditors who have more expertise will understand the red flags going on around it.

The first hypothesis proposed in this research is the expertise have positive effect on the auditor's ability to detect fraud. In other words, the higher the expertise of an internal auditor, the more capable the internal auditors to detect fraud. On the results of data processing can be concluded that the higher the expertise of the auditor, it does not affect the auditor's ability to detect fraud. The results of data processing showed the value of t table at the level of 5 percent signikansi and df (degrees of freedom)  $n-k-1 = (0.05: 60)$  was 1.64.

Thus the t value  $0.821 < t$  table 1.64. The results of this testing to interpret that expertise variable is not a positive influence on the internal auditor's ability to detect fraud at a significance level of 5 percent in other words, the first hypothesis is rejected.

Thus the result is in line with research conducted Rahayu (2015) and Rafael (2013), which prove that the expertise has no effect on the ability of internal auditors to detect fraud. But not in line with the attribution theory and different research conducted Nurrahmah (2016) who found that the expertise of the positive effect on the auditor's ability to detect fraud.

The second hypothesis proposed in this study is that the independence of the significant positive effect on the internal auditor's ability to detect fraud. Thus, the higher the independence of the internal auditor will be able to detect fraud. Internal auditors in conducting the examination should be free from interference and intervention of regional heads or others. If the loss of independence of auditors, the

audit reports generated will not correspond with the reality that it can not be used as a basis for decision making (Supriyono, 2000).

An auditor who has a greater degree of independence he will not be easily influenced and are not easily controlled by other parties in considering the facts that were found during the inspection to formulate and express their opinions. The higher the independence of the auditor it will affect the ability to detect fraud are getting better or in other words, the better its performance. The results of data processing also shows the value of t table at a significance level of 5 percent and df (degrees of freedom)  $n-k-1 = (0.05: 60) \pm 1.64$ . Thus, the value of 3.210 t count > t table 1.64. These test results interpret that variable positively affects the independence of the internal auditor's ability to detect fraud (fraud) at significance level of 5 percent, or in other words, acceptable the second hypothesis.

The research result is in line with research conducted by Marcelina et al. (2009) and Jordan (2010) concluded that the independence of auditors have a significant positive effect on the auditor's ability to detect fraud. In the implementation of the auditor who does not enforce its independence it will not have a significant effect on the performance of auditors. Likewise, research results Rahayu (2015) states that fraud audit training, and auditor independence significant positive effect on the auditor's ability to detect fraud.

The third hypothesis states of Professional Skepticism significant positive effect on the internal auditor's ability to detect fraud. In attribution theory internal skepticism comes from individuals who are highly influenced by the ability and can be operated through a series of effort. An auditor who has the ability to detect fraud will be more skeptical when confronted with signs of cheating going on around it. Auditors were skeptical it would be better to recognize that there is a series of red flags. This means that the higher the skepticism that the auditor will become more sensitive to red flags, so the ability to detect fraud also increasingly baik. Hasil data processing also shows the value of t table at a significance level of 5 percent and df (degrees of freedom)  $n-k-1 = (0.05: 60) \pm 1.64$ . Thus, the value of t count 3,598 > t table 1.64. These test results interpret that variable professional skepticism positive effect on the internal auditor's ability to detect fraud at significance level of 5 percent, or in other words, acceptable the third hypothesis .

The results of this study contrast with research conducted by Rahayu (2015). However, the results of this study are consistent with Durtschi and Fullerton (2004), Fitriany and Nasution (2012), Rafael (2013), Pramudyastuti (2014) and Nurrahmah (2015) who found professional skepticism positive effect on the auditor's ability to detect fraud. The higher the auditor skepticism it will be increasingly able to recognize red flags that occur in the vicinity. These results are in line with the attribution theory which states that in answering questions about social perception, a person is influenced by the perception of self (Kelley, 1973). Professional skepticism is an attitude comes from within the individual who helped influence a person in making conclusions. An auditor who skeptic has the desire for more information when faced with a series of signs of fraud.

## **5. Conclusion, Implication and Limitation**

### *5.1 Conclusion*

Based on the results of data analysis in this study, the results can be summarized as follows: (1) Do not find evidence of the effect of expertise on the ability of internal auditors to detect fraud. (2) successfully prove the positive influence the independence of the auditor's ability to detect fraud at inspectorate Bima regency and Bima City. (3) Succeeded in proving that the auditor's professional skepticism positive effect on the auditor's ability to detect fraud.

### *5.2 Implication*

The results of this study have implications are three implications of theoretical, practical and policy. From the theoretical aspects, this study may have implications for the development of public sector accounting research keprilakuan primarily related to the characteristics of the auditor. The more research that is done will be able to give a lot of input for improving the implementation of supervision and inspection functions performed Inspectorate. The findings of this study may clarify the concept of the importance of monitoring and inspection to reduce fraud. From a practical aspect, the results of this study can be used as input and consideration for the Regional Chief and Inspector in decisions related to the evaluation of the factors that affect the auditor's ability to detect fraud.

From the aspect of the policy, the results of this study have implications for the Inspectorate at Bima regency and Bima City in order to put the auditor in accordance with the educational background.

Based on the data obtained from the respondents that the survey found that the majority of auditors and government inspectors do not have the educational background of accounting.

### 5.3 Limitation

Some of the limitations in this study, namely: (1) The object of this study is limited to the internal auditor inspectorate in two (2) regions; (2) Respondents only the internal auditor; (3) This study only discusses the expertise, independence and professional skepticism as independent variables.

Referring to some limitations of the study, the researchers gave suggestions to the researchers who will come as follows: (1) Researchers further should expand the area of research using internal auditors in the province of West Nusa Tenggara (NTB) so that the research results can be generalized ; (2) Researchers further in order to involve the other parties involved in the examination as a respondent so that the result is more objective; (3) The researchers then expected to develop and seek more references related to the research instruments such as gender, experience and others that characterizes individuals; (4) subsequent researchers can add or use another grand theory is agency theory and role theory; (5) Researchers further in order to be able to use other dimensions to measure the construct of expertise, so it is expected to obtain better research results.

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