

# EFFECT OF MOTIVATION AND COMPETENCE OF AUDITORS FOR AUDIT QUALITY OF INSPECTORATE'S ACEH WEST DISTRICT

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## ABSTRACT

**Abstract:** *In order to achieve good governance, government have been building inspectorate official as one of internal auditor for an activity internal watchdog ranging from the use of the budget to the quality of the performance of government employees. However, study about factors that affecting the quality of the audit was conducted by the inspectorate in the area of financial supervision has not been done, especially in Western Aceh District Government. For that, this study was conducted to examine and analyze the effect of motivation and competence of inspectorate official's West Aceh District to quality of the audit, which the motivation and competence as independent variables and the quality of the audit as dependent variables. The census method was used by questioner to obtain information that is structured and measurable, which Likert scale was performed. Multiple linear regressions were used as data analyses, which all data was performed by SPSS software. Results of this study showed that simultaneously of motivation and competence has an impact on the quality of audit results. In addition, the competence of auditor internal of Inspectorate official's West Aceh District also have affected to quality of audit results. Nevertheless, motivation of internal auditor of Inspectorate official's West Aceh District has not gave impact to quality of audit results.*

*Keywords: Competition, motivation, result of auditing, government of Aceh Barat District*

## I. INTRODUCTION

Demands the implementation of public sector accountability towards good governance in Indonesia has increased. Good governance according Rahmadi (2005: 123), namely good governance (good governance) national goal-oriented and demanding the government has competence so that the economic structure and political mechanisms can function effectively and efficiently.

One of the government's efforts in achieving good governance is to establish an internal auditor. The role of the auditor was required to provide the results of quality checks so as to oversee the various activities and programs to prevent and combat corruption as well as both the center and local levels. Inspectorate which was formerly the Regional Monitoring Agency (BAWASDA) is one of the internal auditors have a duty to supervise the activities of internal good governance of the use of the budget to the quality of performance of government officers.

The quality of the results of audits carried out by the Inspectorate is the output that is very important to be considered and evaluated to fit the role and functions of the Provincial Inspectorate, District / City in general governed by Article 4 of Regulation of the Minister of Home Affairs No. 64 Year 2007 Indonesian Institute of Accountants (2001) describes auditor that audits can be said if the quality of the audit meet the standards of auditing and quality control standards.

Additionally, in an effort to achieve the quality results of the audit in accordance with auditing standards then several aspects that affect the results of such audit knowledge and accountability (Mardisar and Sari, 2007), as well as the competence and motivation (Effendi, 2010). Only, independence does not give significant influence on the quality of audit results (Effendi, 2010).

Competence be a consideration in the quality of audit results because competence is the knowledge, skills, and abilities controlled by a person who has become a part of him, so that he can perform the behaviors of cognitive, affective, and psychomotor as well as possible (hyacinth et al ., 2008). Moreover, in the Soto et al hyacinth. (2008) stated that the competence not only contains the skills, knowledge, and attitudes, but also the application of skills, knowledge, and attitudes appropriate set of performance standards.

In addition, motivation is also a factor that affects the quality of performance as in the management of local financial management. Some areas make policies to encourage employees to work better, for example by providing incentives such as performance benefits (TPK) and overtime pay (Safwan et al., 2012).

Therefore excavation of existing information about the factors that affect the quality of the results of audits carried out by the Inspectorate officers in West Aceh became an important area of financial supervision to be done, namely competence and motivation as factors that have been used in this study independent variable.

This study aims to: 1) examine and analyze the effect of motivation and competence of the Inspectorate officials on the quality of audit results; 2) examine and analyze the effect of motivation on quality officials Inspectorate audit results and 3) examine and analyze the effect on the quality of competence Inspectorate audit results.

## **II. LITERATURE REVIEW, FRAMEWORK AND HYPOTHESES**

### **2.1. Motivation**

According toHasibuan (2005: 143), the motivation is powering motion that creates excitement one's work so that they would work together, to work effectively and integrated with all its resources to achieve satisfaction. Meanwhile, according to Wake (2012: 312) motivation is a condition that causes a person to encourage or be committed any act or activity which takes place consciously.

According to research ofEfendy (2010: 9), there are three functions, namely 1) encourage people to do, the motivation in this case is the motor of each activity to be undertaken. 2) determine the direction of the act, namely the direction of the goal, so the motivation to provide direction and activities that must be done in accordance with the

formulation of the goal, and 3) selecting the act, which was to determine what actions should be done in order to achieve the goal of matching, to set aside the deeds that are not useful for that purpose.

## **2.2. Competence**

Competence as a fundamental characteristic which individuals are causally related to either the effectiveness or performance (Ramelan, 2003: 47). Meanwhile, according to Wahjosumidjo (2001: 34), competence is the performance of routine tasks is integrative, which combines the resources (skills, knowledge, assets and processes, both seen and unseen) which resulted in a higher position and competitive. Suharto (2008: 2) explained that there are five (5) characteristics of competence, namely 1) motives; 2) traits; 3) Self Concept; 4) knowledge; 5) skills. In addition, Ramelan (2003: 56), also divided into two parts, namely the competence of the core competencies and generic competencies or distinctive competencies.

## **2.3. Audit**

Referring to Boynton (2001: 5), auditing is a systematic process for obtaining and evaluating evidence regarding assertions-assertions objektiff activity and economic events, with the aim of establishing the degree of correspondence between the assertions-assertions with predetermined criteria and the results can be communicated to interested parties.

Audit also defined as the tests are critically and systematically carried out by an independent party, the financial statements have been prepared by management as well as accounting records and supporting evidence, aims to be able to give an opinion about the fairness of the financial statements of an entity (Agoes, 2004: 13).

The types of audits are the financial audit, compliance audit and operational audit (Boynton, 2001: 6). However, in the opinion of Dunil (2005: 14), an audit consists of an independent audit of the financial statements, compliance audits and performance audits.

## **2.4. Quality of Audit**

According to Tjiptono (2001: 51), quality as a dynamic state associated with products, services, people, processes and environments that meet or exceed expectations. Meanwhile, according to Mulyadi (2002: 30), the concept of quality is closely related to the achievement of the expected standards or targets or the demands of the customers served.

In addition, according to Supranto (2001: 39), quality is a word for service providers is something that must be done well. The advantages of a product or service are highly dependent on the uniqueness and quality of the services displayed by whether it is in accordance with the wishes and expectations of the customer. Quality is adynamic state associated with products, services, people, processes and environments that meet or exceed expectations.

## 2.5. Framework

The framework in this study is that the motivation and competence variables were tested and analyzed to see the effect on the quality of teamwork auditors in conducting financial supervision area. Here is presented a model of the effect of independent variables (motivation and competence) on the dependent variable (quality of audit results) in Figure 1.

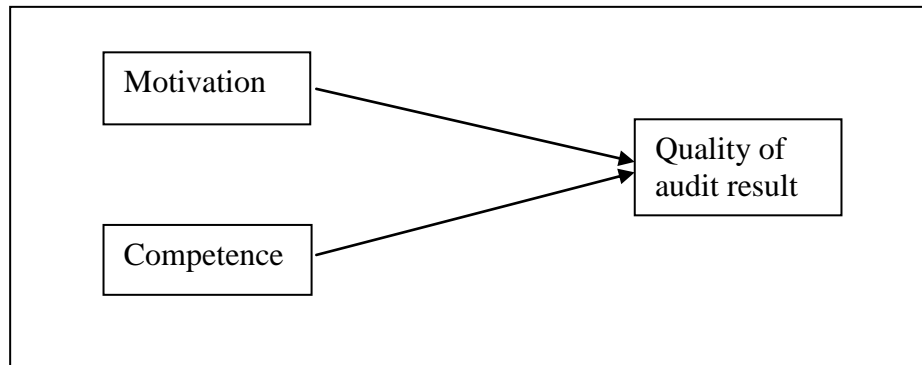


Figure 1: Framework of the study

## 2.6. Hypotheses

Based on the background of the study and statement of the problem formulation and the basic theory have been stated previously, the testing of the hypothesis can be formulated as follows:

- H1: Motivation and competence of officers in West Aceh Inspectorate jointly influence on the quality of audit results.
- H2: Motivation officers in West Aceh Inspectorate affect the quality of audit results.
- H3: Competence officers in West Aceh Inspectorate affect the quality of audit results.

## III. METHODS

This study using census population consisted of all auditors / inspectors who has checked and has made a report on the results of the Inspectorate of West Aceh district, amounting to 35 peoples. The analysis used in this study was a multiple regression analysis (multiple regression analysis), the research model as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where:

Y = the quality of audit results

$\alpha$  = constant

$\beta_1$  = coefficient of motivation

$\beta_2$  = coefficient of competence

X1 = Variable motivation

X2 = Variable competence

$\varepsilon$  = error terms

#### IV. RESULTS

The results of multiple regression analysis can be seen in Table 1 below.

Table 1: Coefficients of regression

Coefficient		
Model	Unstandardized Coefficients	
	B	Std. Error
Constanta	3.697	0.870
Motivation (X1) of Internal Auditor	-0.590	0.432
Competence (X2) of Internal Auditor	0.600	0.227

Based on the results of the SPSS output through coefficients<sup>a</sup> values above, the multiple regression equation was obtained as follows:

$$Y = 3,697 - 0,600X_2 + 0,590X_1 + e$$

Meanwhile for seeing the magnitude of the relationship between variables X1 and X2 with Y can be seen in Table 2 below:

Table 2: Relationship between variables X1 and X2 with variable Y

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,374	0,140	0,086	0,396
F = 2,606 Significance = 0,089 df Regression = 2 df Total = 34				

Simultaneously influence indicated by the coefficient of determination  $R^2$  of 0.140 and coefficient values obtained are  $\beta_1 = -0.590$   $X_1$  and  $X_2$  are  $\beta_2 = 0.600$ , so the hypothesis  $H_0$   $H_a$  received and rejected because the value of  $\beta_i$  ( $i = 1,2$ )  $\neq 0$  This means that the motivation variables and competence variables simultaneously affect the quality of the results of audits by 14% while the remaining 86% is influenced by other variables that are not addressed in this study ( $R^2 > 0.5$ ).

The research results of the competence ( $X_2$ ) obtained the value  $\beta_2 = 0.600$  so the decision was made to reject  $H_{02}$  and receive  $H_{a2}$ , which means that the partial effect on the competence of quality audit results, where the regression coefficient for competence 0,600 means that every increase of 100% competence will improve the quality of audit results by 60%, assuming the other independent variables are zero.

For internal auditors motivation variable ( $X_1$ ) obtained the value  $\beta_1 = -0.590$ . Thus it can be taken the decision to reject  $H_a$  and accept  $H_0$ , which means that the partial motivation does not affect the quality of the results of the audit in the auditor's Inspectorate of West Aceh. Motivation variable regression coefficient  $-0.590$  means that for every increase of 100% motivation will reduce the quality of audits by 59% with the other independent variables assuming zero.

## **V. DISCUSSION**

### **5.1. Competence and Motivation jointly influence on the Quality Audit Inspectorate West Aceh**

Competence and motivation silmutan (together) provide significant influence on the quality of audit results. This is consistent with research conducted by Alim et al., (2006) about the influence of competence, independence and motivation to quality audit results to the ethics of the auditor as a moderating variable.

By applying both the motivation and competence of the internal auditors, the West Aceh Inspectorate is expected to give a more precise recommendations on the quality of audit results.

### **5.2. Effect on the Quality Competence Audit Inspectorate West Aceh**

These results indicate that partial competence positive effect on the quality of audit results, although the effect is small given. Variable competence is not the same as motivation, where it is in line with research conducted by Alim et al. , (2006) about the influence of competence, independence and motivation to quality audit results with the ethics of auditors as a moderating variable.

Internal auditor competence of West Aceh Inspectorate considered to have technical competence in the field of audit, but the auditor should also be balanced with the skills and expertise they have and the checks are done.

### **5.3. Effect of Motivation on the Quality Audit Inspectorate West Aceh**

The results of this study indicate that the motivation variables negatively affect the quality of the audit, it means having a tendency to not give significant influence of motivation possessed by the auditor to audit the quality of the results. This is not in line with research conducted by Alim et al., (2006) about the influence of competence, independence and motivation to quality audit results to the ethics of the auditor as a moderating variable. Their results showed that partial motivation significantly affect the quality of audit results.

Basically, the internal auditor in West Aceh Inspectorate has the motivation, it's just the motivation that is owned by a relative or limited motivation. This occurs because the motivation is absolute (free of any dependence) is not possible, because they are part of a government organization. However, somehow in carrying out inspection tasks, internal auditors must work professionally, and increase motivation that affects the quality of audit results.

## **VI. CONCLUSION**

After testing and analysis of data in this study, it can be concluded as follows:

- 1 Motivation and Competence simultaneously affect the quality of the audits on the Auditor Inspectorate West Aceh.
- 2 Motivation West Aceh Inspectorate's internal auditors did not affect the quality of audit results.
- 3 Competence West Aceh Inspectorate internal auditors affect the quality of audit results.

## **VII. RECOMMENDATION**

For further research is recommended to:

- 1 Increase the number of population by taking samples of the internal auditors of all employees inspectorate contained in one province.
- 2 Adding other variables are supposed to influence the quality of the audit, such as discipline, legislation professionalism and reputation of the internal auditor itself.

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