

# The Effect of Audit Complexity and Auditor Competence on Audit Quality at the Representative of the Financial and Development Supervisory Agency (BPKP) of North Sumatra Province

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## Abstract

This study aims to analyze the determinants of the quality of audit results, namely analyzing the influence of factors: (1) Audit complexity on Audit Quality; (2) Competence on Audit Quality. This study uses primary data obtained through the distribution of questionnaires to 38 auditor respondents who work at the BPKP Representative Office of North Sumatra Province. This research questionnaire is measured using a Likert scale while the sample selection method is purposive sampling. Data analysis uses multiple linear regression test analysis tools and classical assumption tests consisting of normality tests, multicollinearity tests, and heteroscedasticity tests. Hypothesis testing is done with the t test, f test, and determination test ( $R^2$ ) with the help of SPSS 26 software. The results of this study indicate that (1) Audit complexity affects Audit Quality. This is indicated by the Sig value. 0.001 <0.05 and the value of t count 3.510 > t table 2.96537. (2) Competence affects Audit Quality. This is indicated by the Sig value. 0.000 <0.05 and the t value is 5.224 > t table 2.96537. (3) Audit complexity and Competence simultaneously affect Audit Quality. This is indicated by a value of 0.000 <0.05 and an F value of 26.409 > F table 4.89.

**Keywords:** Audit Complexity, Competence, Audit Quality

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Theme: Digital Marketing Strategy to Optimize Business Growth in the Modern Era  
<https://proceeding.pancabudi.ac.id/index.php/ICEGLOF>

## Introduction

There are 3 (three) main aspects that support the creation of good governance, namely supervision, control and inspection (Mardiasmo, 2009: 189-190). In Indonesia, internal government supervision is carried out by the Government Internal Supervisory Apparatus (APIP). Internal Supervision is the entire process of audit activities, reviews, evaluations, monitoring, and other supervisory activities on the implementation of government tasks and functions in order to provide adequate assurance that activities have been carried out effectively and efficiently for the benefit of the leadership in realizing good governance.

Auditor BPKP as auditor Which do audit on request from President and other *stakeholders* own not quite enough answer big for create process order manage government Which Good, free Corruption, Collusion and Nepotism (KKN) as well as implementation system control management. With thus, BPKP hold role Which very important in process creation accountability and transparency management finance and development countries/regions, especially in North Sumatra Province. In carrying out their duties and functions, BPKP Auditors must comply with the applicable Code of Ethics and Audit Standards. Several factors which could possibly influence it quality audit among them Audit complexity and competence.

Regulation of the Minister of State for Empowerment of State Apparatus Number PER/05/M.PAN/03/2008, states that the measurement of audit quality conducted by APIP must use the State Financial Audit Standards (SPKN) as stated in the Regulation of the Audit Board of the Republic of Indonesia Number 01 of 2007. The first general standard statement of SPKN is "Auditors must collectively have adequate professional skills to carry out audit tasks". With this audit standard statement, all audit organizations must be responsible for ensuring that each audit is conducted by auditors who collectively have the knowledge, expertise, and experience needed to carry out the task. In this case, BPKP must have procedures for recruitment, appointment, and continuous development to ensure that auditors have adequate competence in their fields.

Based on the phenomena that occurred above and the inconsistency between the existing theory and previous research, the author is interested in conducting research with the title " **The Effect of Audit Complexity and Auditor Competence on Audit Quality at the Representative of the Financial and Development Supervisory Agency (BPKP) of North Sumatra Province**".

## Literature Review

### Theory Attribution

Attribution theory basically attempts to explain how a person interprets an event, reason, or cause of his behavior. In its development, this theory also focuses more on the various steps taken to further review the failure patterns in the attribution process (Noviani, 2018).

### Theory Agency

Agency Theory is a theory that underlies an *agency problem*. *Agency problem* arises because people tend to be self-centered and conflict arises when several interests meet in a common activity. The relationship between managers and owners as a relationship between two individuals to better understand economic information. The problem that then what appears in agency relationships is incomplete information, namely when not all conditions are known by both parties.

### Audit Complexity

Audit complexity can be defined as a complicated, confusing and difficult task to measure

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objectively, because each individual's perspective is different depending on how each individual responds to the difficulty of the task given.

### Auditor Competence

The General Standards of Internal Auditors of the Indonesian Government states that auditors must have the education, knowledge, expertise and skills, experience, and other competencies required to carry out their responsibilities (SAIPI, 2013:2010). Education, knowledge, expertise and skills, experience, and other competencies are collective in nature, referring to the professional abilities required by auditors to effectively carry out their professional responsibilities.

### Audit Quality

Audit quality is what starts from planning before carrying out the audit and using expertise and precision in carrying out one's profession (Indra Bastian, 2014:186).

### Research Methodology

The research uses one type of quantitative research, namely the causal *comparative research model*. or *causal comparative research*). *Causal comparative research* is a research method that is closely related to the correlation research method which aims to investigate the possibility of a causal relationship by observing the existing effects and then tracing back the factors that may be the cause through certain data.

Data collection from the field was carried out to obtain primary data. Unit analysis Which used in study This is level individual, where is the investigated is behavior auditor internal government to quality the audit in a way individual. Collection data in study namely with studies One stage (*cross-sectional study*). Study Which collection the data done only One time, in period day, week, or month for answer a question research. Research This using 5 scales likert (*likert scale*) as scale measurement.

Type data Which used in study This is data quantitative which is in the form of mark and score on answer Which given by Respondent to questions Which There is in questionnaire. Data source Which used is data primary The sampling technique used by the author is *purposive sampling*. According to Sugiyono (2016: 85), *purposive sampling* is a sampling technique with certain considerations. The *purposive sampling technique* is used for quantitative research, or research that does not generalize. In this study, the author took samples by considering the length of time working in a particular auditor position, namely in the range of 6 to 19 years.

## Results

### Coefficients <sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4,300	5,793		.811	.424
Total_Audit complexity	.472	.167	.245	3,510	.001
Total_Auditor Competence	.563	.148	.652	5.224	.000

### **The Influence of Audit Complexity on Audit Quality**

Audit complexity has a partial effect on audit quality at the BPKP Representative Office of North Sumatra Province. The results of the t-test state that the Sig. value is  $0.001 < 0.05$  and the calculated t value is  $3.510 > t$  table  $2.96537$ , then H1 is accepted, which means that there is a partial effect of the audit complexity variable on audit quality at the BPKP Representative Office of North Sumatra Province. then H1 is accepted. From the results of the t-test, a significance value of  $> 0.05$  was found, or  $t$  count  $< t$  table so that it can be concluded that the complexity of the audit owned by the auditor has a partial effect on the quality of the audit at the BPKP Representative Office of North Sumatra Province. Audit complexity shows the complexity or perception of the level of difficulty due to the limited abilities of a person in completing a task (Dewi & Wirasedana, 2015). The work of an auditor is often associated with a large workload due to complicated and diverse tasks. However, this level of complexity does not always have a negative meaning, it can be positive if the difficulties faced by a person become more motivated to work harder. Of course this depends on the response of each individual, if the auditor has a strong soul and a high curiosity, it will make working under pressure a challenge that must be conquered in order to gain new insights and experiences (Rohman, 2018).

### **The Influence of Auditor Competence on Audit Quality**

The competence of the BPKP Representative of North Sumatra Province has a partial effect on audit quality at the BPKP Representative of North Sumatra Province. The results of the t-test state the Sig. value of  $0.000 < 0.05$  and the calculated t value of  $5.224 > t$  table  $2.96537$ , then H2 is accepted, which means that there is a partial influence of the competence variable on audit quality at the BPKP Representative of North Sumatra Province. Thus, it can be concluded that the competence possessed by the auditor has a partial effect on audit quality at the BPKP Representative of North Sumatra Province. When associated with attribution theory, competence is an internal force *in* assessing auditor behavior. This is in accordance with research conducted by Afriani Siallagan (2019), where partially competence has a positive effect on audit quality. Competence is sufficient expertise that can be explicitly used to conduct audits objectively. Two things included in competence are experience and knowledge. The more experienced the auditor, the more sensitive they are to errors, the more sensitive they are to unusual errors and the more they understand other things related to what is found. An auditor who has adequate knowledge and experience will understand and know various problems more deeply and will find it easier to follow the development of regulations that have been set by the government. The higher the competence of the auditor, the higher the quality of the audit (Rochayati, 2017).

### **The Influence of Audit Complexity and Auditor Competence on Audit Quality**

Audit complexity and competence of the BPKP Representative of North Sumatra Province have a simultaneous effect on audit quality at the BPKP Representative of North Sumatra Province. The results of the F test state that the significance value for the influence of independence and competence variables simultaneously on audit quality is  $0.000 < 0.05$  and the calculated F value is  $26.409 > F$  table  $4.89$ , so it can be concluded that H3 is accepted, which means that audit complexity and competence have a simultaneous effect on audit quality at the BPKP Representative of North Sumatra Province. This means that if audit complexity (X1) and competence (X2) simultaneously increase, it will have an impact on increasing audit quality (Y), conversely if audit complexity (X1) and competence (X2) simultaneously decrease, it will have an impact on decreasing audit quality (Y).

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### Conclusion

Based on the research results and conclusions as presented above, there are several suggestions that can be given as follows:

1. For further research, it is expected to pay attention to other independent variables that are determinants of the quality of audit results; by paying attention to the flexibility of time and willingness of respondents, further research can expand the research object with a wider scope by distributing questionnaires not only in one place so that it can be used as a reference in drawing conclusions from a problem;
2. For the Representative of the Financial and Development Supervisory Agency (BPKP) of North Sumatra Province to always:
  - a. instructing auditors to maintain the noble values applied in the BPKP environment, namely PIONIR (Professional, Integrity, Results Orientation, Conscience and common sense, Independent and Responsible);
  - b. Improving auditor capabilities, which can be done by providing diverse audit assignments while still paying attention to the workload evenly distributed to each auditor. Implementing ongoing training for auditors must continue to be carried out so that auditors have the motivation to improve their auditor career levels to the highest auditor level; as well as support from senior auditors in providing direction, consultation and technical guidance periodically so that there is *a transfer of knowledge* to auditors in understanding the concept of assignments and expected results reports;
  - c. By giving audit assignments according to workload, auditor motivation in improving capabilities and supervisory support from senior auditors is expected to improve the quality of audits produced so that auditors can become agents of change towards better performance. Internal auditors (APIP) as catalysts and consultants, so that they can assist auditees in internal control, compliance with applicable regulations and support the realization of effective, efficient and economical activity outputs.

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