The Effect of the Information Technology Application and Professional Ethics on Auditors Performance

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Abstract

This study aims to determine the effect of the information technology application and professional ethics on the auditor's performance. The population of this study was all auditors working at the BPK RI Office of Aceh Province represented 87 auditors. Stratified random sampling multiple regression analysis models are applied in this study. This research is Causal Study. The results indicate that information technology application and professional ethics simultaneously affect the performance of BPK RI Representative of Aceh Province. Information technology application and professional ethics have a positive effect on auditor performance Audit Board of Republic of Indonesia Representative of Aceh Province.

Keywords: Information technology, professional ethics, auditor performance.

Introduction

Audit Board of Republic of Indonesia (BPK) is a state institution whose task is to examine the management and accountability of the state finances as referred to 1945 State Constitution of the Republic of Indonesia. BPK is a free and independent state institution in examining the management and accountability of state finances domiciled in the nation's capital and has representation in every province (BPK, 2008). As a high state institution in charge of the managing, controlling and demanding responsibility towards the accountability of the state finances, the performance of BPK RI Representative of Aceh Province demanded to be better in performing their duties. The performance of the auditor is the ability of an auditor to produce audit findings or inspection results from auditing activities on the management and financial responsibilities performed in one examination team (Yanhari, 2007). The Government of Aceh received an Unqualified Opinion (WTP) opinion in 2015. The Government of Aceh and several districts/cities such as Pidie Jaya, Aceh Barat Daya, Aceh Selatan and Aceh Jaya received good financial opinion and appreciation from BPK RI that is Unqualified (WTP) for 2015 financial statements (https://www.indonesiana.tempo.co. Wednesday 10 August 2016, accessed 2016). However, the Special Committee (Pansus) of the DPR found that many of Aceh Government projects in 2015 were allegedly unlawful. This situation seems to raise legislative concerns about the scope of disclosure by the Audit Board (BPK) Representative of Aceh before giving the unqualified opinion (WTP) on financial statements of Aceh Government 2015. One of the findings of Pansus II is the construction of Embung Lhokseumani District Batee, Pidie District. (Https://www.modusaceh.co Wednesday, August 24, 2016, accessed 2016). The
findings of the Special Committee II of the DPRA will raise doubts for the community regarding the scope of the Audit Board (BPK) of the RI Representative of Aceh as the state’s high institution in charge of the management, oversight and responsibility of the government's financial accountability in providing an audit opinion on the LKPD of the Aceh Government.

Important factors that must exist to improve the performance of auditors is the technology application and professional ethics. To improve the performance of auditors, the application of technology is very important for auditors in conducting audits. Every professional must obey his professional ethics related to the services provided when it concerns the interests of the wider community. As an auditor, he should have good ethics in performing its duties. Research on factors affecting auditor performance has been done by Gede Gangga (2013), Ibn Gautama S (2010), and Kompiang Martina Dinata Putri (2013). The difference with the previous research is Gede Gangga (2013) using independent variable Competence, Independence, and Understanding Accounting Information System. Period of observation was done in 2013. The object of research conducted at BPK RI Representative of Bali Province. Research Ibn Gautama S (2010) using independent variables Job Satisfaction, Professionalism, and Application of Information Technology. The observation period was conducted in 2010. The object of research was conducted at the Office of BPK RI Representative of Aceh Province. Research Kompiang Martina Dinata Putri (2013) using the variable Independence, Professionalism, and Professional Ethics. Period of observation conducted in 2013. The object of research conducted at Public Accounting Firm in Bali.

The equation of this study with previous research is the object of research Gede Gangga (2013), and Ibnu Gautama S (2010) both in the Audit Agency (BPK). The next equation is in the dependent variable used. All previous researchers used as references in this study use auditor performance. The equation also lies in the methodology used, i.e. using multiple linear analysis using SPSS tools. The reason why the researcher chose the research at the Audit Board (BPK) as the object of research because the Government of Aceh gets the opinion of the WTP (Unqualified) from the BPK RI Aceh Representative for the financial statements in 2015. But in fact the Special Committee (Pansus) DPRA still find many projects, the Aceh Government project of 2015 which is allegedly unconstitutional.

**Literature Review**

**Auditor Performance**

Kalbers and Forgarty (1995) found that auditor performance as an evaluation of the work performed by superiors, co-workers, himself, and direct subordinates. According to Goldwasser (1993) in Fannani, et al., (2008) Performance of auditor is a manifestation of work done in order to achieve better or more prominent work towards the achievement of organizational goals. The dimensions and indicators of auditor performance according to Goldwasser (1993) in Fannani et al., (2008) is: (1) Working Quality is the quality of work completed by working based on all auditor's skills and knowledge; (2) Quantity of work is the number of workers that can be completed with targets that are the responsibility of the auditor's work, as well as the ability to utilize facilities and infrastructure supporting the work; (3) Timeliness is the accuracy of the completion of the work in accordance with the time available. From some understanding above, it can be concluded that the performance of auditors is the work achieved by an auditor in carrying out tasks assigned to him based on the skills, experience, and sincerity of time measured by considering the quality, quantity, and timeliness. Performance can be measured through certain measurements (standards) that include quality, quantity, and timeliness. Quality is related to the quality of work produced, while the quantity is
the amount of work produced within a certain period of time and the timeliness is the conformity of the planned time.

**Information Technology Application**

Information technology is one of many tools used to deal with a global change. The process of designing, developing, implementing, supporting, or managing computer-based information systems, particularly software applications and computer hardware (Loudon, 2007: 21). According Turban (2012: 9) measuring tool of Information Technology Application can be through the components of information technology namely: (1) Hardware (2) Software (3) Network (4) Database; (5) (people); And (6) procedures.

**Professional Ethics**

Professional ethics is the characteristic of a profession that distinguishes a profession with another profession, which serves to regulate the behavior of its members (Murtanto and Marini, in Herawaty and Susanto, 2008:9). In the case of ethics, a profession must have a moral commitment as outlined in form of special rules. This rule is the rule of play in running or carrying the profession, which is called the code of ethics. Indicators used in measuring professionalism are personality, professional skills, responsibility, code of conduct, interpretation and refinement of the code of ethics (Murtanto and Marini in Herawaty and Susanto, 2008:9). Measurement of this variable using Likert scale 1-5.

**Previous Studies**

Previous studies have been conducted by Gede Gangga (2013) on factors affecting auditor performance. The study used multiple linear regression analysis, where from the analysis it was found that the understanding of accounting information system proved to have a significant positive effect on auditor performance. Research conducted by Ibn Gautama S (2010), the results of the analysis show that simultaneously the application of information technology significantly influence the performance of auditors. Research conducted by Kompani Martina Dinata Putri (2013) shows that professional ethics have a positive effect on auditor performance.

![Figure 1. Factors affecting auditor performance.](image)

**Hypothesis**

H1: Information technology application and professional ethics simultaneously have a significant effect on auditor performance.

H2: Information technology application has a significant effect on auditor performance.

H3: Professional ethics have a significant effect on auditor performance.
Research Method
The object of research in this study is the auditor who works at the Office of BPK RI Representative of Aceh Province located in Banda Aceh City. The population of this study was all auditors working at the BPK RI Office of Aceh Province represented 87 auditors. Based on the calculation result derived from Yamane formula, the minimum sample size in this study is 47 respondents. However, the researchers distributed 65 questionnaires to the auditors at BPK RI Representative of Aceh in order to avoid the insufficiency of the returned research questionnaires. Assessment of the question on each variable in the research is processed by Likert scale. Test conducted in this research are the validity test, reliability test, classical assumption test (normality test, multicollinearity test, & heteroscedasticity test), multiple linear regression tests (f-test & t-test), and test of the coefficient of determination. The analysis model used in this study is multiple linear regression with the following equation

\[ y = \alpha + \beta_1X_1 + \beta_2X_2 + \varepsilon \]

Explanation:
Y: Auditor Performance
A: Constants
\( \beta_1, \beta_2 \): The regression coefficient of independent variables
\( X_1 \): Information Technology Application
\( X_2 \): Professional Ethics
\( \varepsilon \): error

Results and Discussion
Validity Test Result
Based on the results of validity test, it can be concluded that all the statements are valid because it has correlation value at above the critical value (N = 65) that is equal to 0.2441 or it can be said that it has a significant value above 5%. Thus the data obtained is valid and can be used for the research.

Reliability Test Results
Based on the results of the reliability test, the Cronbach Alpha value of each variable is greater than 0.60. Thus questionnaires/indicators of the auditor’s performance variables, the application of information technology, and professional ethics are stated as reliable as a measure of the variables.

Normality Test
From the normality test results, the significance value (Asymp.Sig 2-tailed) is 0.200. The significance is more than 0.05 (0.200 > 0.05), this the residual value has been normalized.

Multicollinearity Test

<table>
<thead>
<tr>
<th>No</th>
<th>Independent Variable</th>
<th>Number of Items</th>
<th>Tolerance Value</th>
<th>VIF Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Information Technology Application</td>
<td>12</td>
<td>0.792</td>
<td>1.263</td>
<td>No Multicollinearity</td>
</tr>
<tr>
<td>2</td>
<td>Professional Ethics</td>
<td>15</td>
<td>0.792</td>
<td>1.263</td>
<td>No Multicollinearity</td>
</tr>
</tbody>
</table>

Tolerance value for all independent variables is above 0.10, and the VIF (Variance Inflation Factor) value of the independent variable does not exist above 10. Thus the data concluded that there is no multicollinearity.
Heteroscedasticity Test

![Scatterplot Image]

**Figure 2.** Scatterplot.

Based on the test results, the scatterplot image shows that the point spreads above and below the Y-axis, and it does not also have a regular pattern. Thus, it can be concluded that the above independent variable is free from heteroscedasticity or they are homoscedasticity.

**Hypothesis Testing Result**

**F-Test Result**

The results for the information technology application of \( (X_1) \), and professional ethics \( (X_2) \) shows the value of F-count is 34.216. While the value of F-table is 3.15. It shows that F-count>F-table (34.216>3.15) which means that simultaneously, the variable of information technology application of \( (X_1) \), and professional ethics \( (X_2) \) have a significant influence on auditor performance \( (Y) \) at the Audit Board of the Republic of Indonesia (BPK RI), Representative of Aceh.

**T-Test Result**

**Table 2.** Multiple linear regression testing results.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.093</td>
<td>.393</td>
<td>2.782</td>
<td>.007</td>
</tr>
<tr>
<td>PTI</td>
<td>390</td>
<td>.083</td>
<td>.464</td>
<td>4.717</td>
</tr>
<tr>
<td>EP</td>
<td>382</td>
<td>.098</td>
<td>.383</td>
<td>3.893</td>
</tr>
</tbody>
</table>

a. Dependent Variable: KA

Source: Primary Data, 2017 (processed data)

Output results of SPSS derived the following multiple regression equations:

\[
Y = 1.093 + 0.390X_1 + 0.382X_2 + e
\]

Based on Table 2, the value of t-count information technology application is 4.717 while the t-table value is 1.99897 With a significance level of 0.000 smaller than the value of \( \alpha = 5\% (0.000 <0.05) \). That is, the information technology application has an influence on the performance of auditors. And the t-value of professional ethics is 3.893, while the t-table value is 1.99897 With a significance level of (0,000 <0.05). that is, professional ethics has an influence on auditor performance.
Coefficient of Determination Test
The correlation coefficient (R) of 0.724 indicates that the degree of correlation between the independent variable and the dependent variable is 86.4%. This means that the performance of auditors at BPK RI Representatives of Aceh Province has something to do with the factors of the information technology application ($X_1$), and professional ethics ($X_2$). The coefficient of determination ($R^2$) equal to 0.525 which means that 52.5% change of auditor performance is influenced by the variable of information technology application and professional ethics ($X_2$). While the rest of 0.475 or 47.5% are influenced by other variables which are not used in this study such as work motivation, organizational culture, and auditor independence.

Discussion
The Influence of information technology application, and professional ethics on auditor performance
Based on the results of F statistical testing, information technology application, and professional ethics affect the auditor performance at BPK RI Representative of Aceh Province. This is in accordance with the hypothesis made before, namely the application of information technology, and professional ethics simultaneously affect together the performance auditor. These two variables can improve the performance of auditors at BPK RI Representative of Aceh Province.

Effect of information technology application on auditor performance
Based on the results of multiple linear regression, the value of regression coefficient shows that the application of information technology affects the performance of auditors at BPK RI Representative of Aceh Province. With the information technology application, auditors can perform tasks easily and quickly. With the availability of information technology for CPC auditors, it lessens the cost and faster data processing and supports the presentation of good audit reports. The results of this study are consistent with the results of research conducted by Ibnu Gautama S (2010) which states that the application of information technology affects the performance of auditors.

Effect of professional ethics on auditor performance
Based on the results of multiple linear regression, the value of the regression coefficient indicates that the professional ethics affects the performance of the auditor at the BPK RI Representative of Aceh Province. The professional ethics includes a standard of professional members' attitude designed to be practical and realistic while still idealistic. Every auditor must adhere to their professional ethics in order not to break the rules in completing the client's financial statements. Professional ethics is needed by the auditor's profession to gain the trust of the community. The results of this study are consistent with research conducted by Kompani Martina Dinata Putri (2013), Lindri Widiya Atfa (2013), and Ida Bagus Satwika Adhi Nugraha (2015) who stated that professional ethics has a significant effect on auditor performance.

Conclusion
Information technology application has a significant effect on auditor performance at BPK RI Representative of Aceh Province. This means that the application of information technology has been used effectively and efficiently. Professional ethics have a significant effect on the auditor's performance at BPK RI Representative of Aceh Province. This means that professional ethics encompasses a standard of attitudes of profession members designed to be as practical and realistic as possible while still idealistic. Information technology application and professional ethics have a significant effect on auditor performance in BPK RI Representative of Aceh Province. This means that the auditor's performance factors are good enough.
Limitations
This study was only conducted on sample data from BPK RI Representative of Aceh so that the results of the study did not reflect the condition of auditors in BPK RI Representative of Aceh as a whole. The data of this study were obtained based on the perception of respondents' answers through questionnaires without being completed with interviews, the researchers find it difficult to get an assurance that all respondents will return the questionnaire given because the given questionnaire was not returned that day. The questionnaire provided is kept for 1 week, so there are some incomplete auditors returning the given questionnaire.

Suggestions
To strengthen and support the results of this study, it is necessary to re-examine it in order to see the consistency of this study with previous research and subsequent research, such as by improving the question items in questionnaires or the use of different indicators for the measurement of each variable. The results of this study are expected for auditors, especially BPK RI Representative of Aceh Province to be able to pay attention to auditors in terms of improving auditor performance.

References