


The Effect of Accountability and Auditor Independence on Internal Audit Quality (Study on the Inspectorate of West Bandung Regency)

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Article Info	ABSTRACT
Keywords: Accountability, Independence, Quality of Internal Audit	This research is a quantitative study, which aims to determine: 1) the influence of accountability on the quality of internal audit, 2) the influence of auditor independence on audit quality. internal, and 3) the influence of accountability and independence on the quality of internal audit. The sampling technique used is saturated sampling technique or census, all members of the population are sampled so that there are 45 respondents. The tests carried out in this study include descriptive statistics, validity tests, reliability tests, classical assumption tests (normality test, heteroscedasticity test and, multicollinearity test), multiple linear regression, correlation coefficient test, coefficient of determination test, t test, and f test which processed using SPSS (Statistical Product and Service Solutions) software for Windows version 26. The results of this study show that 1) there is an influence of accountability on the quality of internal audits. 2) there is an influence of auditor independence on the quality of internal audits. 3) there is an influence of accountability and independence of auditors on the quality of internal audits.
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INTRODUCTION

The government needs to be free from corrupt practices, collusion, and nepotism and realize a clean, effective, efficient, accountable, and transparent government. Good government financial management needs to be supported by qualified auditors, because government agencies may have room to do deviant things related to the use of funds if the quality of public sector audits is low, in order to produce quality audits, good auditing standards are needed (Anam et al., 2021).

According to Kusbiananto, (2019) based on the audit results of the BPK RI LHP on the Regional Government Financial Statements (LKPD) of Balikpapan City Number: 14A./LHP/XIX. SMD/V/2018 it was revealed that as many as 26 recipients of Balikpapan community organization (Ormas) grants or amounting to Rp.3.1 M had not submitted the Accountability Report (LPJ), and the audit results also stated that the Grant awarding process was not fully in accordance with the Balikpapan Mayor's regulations because not all Grant recipients submitted initial proposals, this according to the BPK RI audit resulted

in accountability and transparency of grant awards in 2017 not being fully fulfilled and there was potential for misuse of grant funds.

A phenomenon related to auditor independence, namely according to Zulhamdi, (2022) there is an auditor of the South Bengkulu Regional Inspectorate who is suspected of accepting bribes during the audit process for the use of Village Funds (DD) in six villages in Kedurang District for the 2021 budget, the auditor was finally relieved of his position.

The existing audit quality phenomenon is that according to Handoyo, (2021) in the first semester of 2021, there are 55 LKPD that have not received an Unqualified Opinion because there are discrepancies between LKPD and Government Accounting Standards or evidence that does not support the reasonableness of LKPD, of the 55 local governments that have not received an Unqualified Opinion, there are 10 local governments that have problems related to handling the COVID-19 Pandemic and National Economic Recovery (PC-PEN) which have an impact on the reasonableness of the presentation of LKPD 2020, one of the ten local governments is West Bandung Regency, these problems include the presentation of cash in the Expenditure Treasurer is not supported by the existence of cash or bank account balances, inventory administration has not been supported by adequate records, recognition of other short-term debt related to Unexpected Expenditure (BTT) COVID-19 is not supported by adequate supporting evidence, and the realization of BTT is not in accordance with the provisions and actual conditions.

Problem Statement

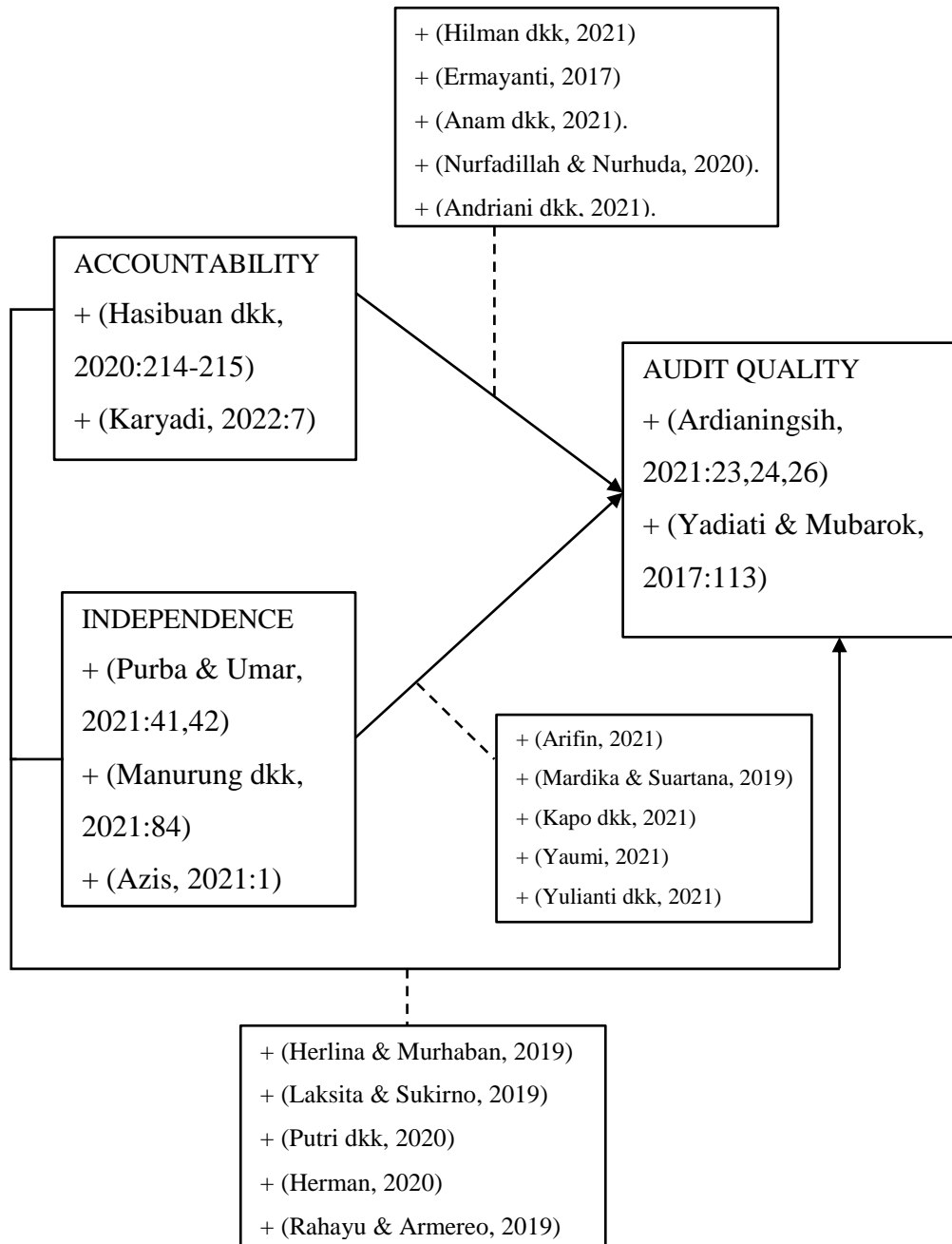
- 1) How much influence does accountability have on the quality of internal audit at the Inspectorate of West Bandung Regency?
- 2) How much influence does auditor independence have on the quality of internal audits at the Inspectorate of West Bandung Regency?
- 3) How much influence do accountability and auditor independence have on the quality of internal audits at the Inspectorate of West Bandung Regency?

Literature Review, Framework And Hypothesis

Literature Review

"Accountability is the auditor's obligation to carry out and complete audit tasks correctly, and be responsible for the results of the audit that he has carried out" (Hasibuan et al, 2020: 214). Auditor independence, namely auditors are not allowed to have a special relationship with parties related to the implementation of audit activities, which includes other investments and relationships in equity participation, having fraternal ties and so on (Purba and Umar, 2021: 42). "Audit quality is the probability that the auditor will not report an audit report with an unqualified opinion for financial statements that contain material misstatements" (Ardianingsih, 2021: 23).

Framework



Hypothesis

- H₁ : Accountability affects the quality of internal audit at the West Bandung Regency Inspectorate
- H₂ : Auditor independence affects the quality of internal audit at the West Bandung Regency Inspectorate
- H₃ : Accountability and auditor independence affect the quality of internal audits at the Inspectorate of West Bandung Regency.

METHODS

Variable Operationalization

Variables and Concepts	Dimensions	Indicator	Scale	Items
Accountability (X1) Accountability is the auditor's obligation to carry out and complete audit tasks correctly, and to be accountable for the results of the audit that he has carried out. (Hasibuan dkk, 2020:214)	1) Motivation to complete the work (Hasibuan dkk, 2020:214)	(1) Complete audit tasks on time (2) Complete audit tasks well	Ordinal	1,2,3
	2) Effort (thinking power) in completing work (Hasibuan dkk., 2020:215)	(1) Think objectively and make decisions with good analysis (2) Ability to focus on relevant facts, think quickly and in detail.	Ordinal	4,5,6
	3) Confidence in the results of his work (Hasibuan dkk, 2020:215)	(1) Professional responsibility (2) Carrying out each professional activity program	Ordinal	7,8,9
Independence (X2) Auditor independence is in the position that they must not have "special relationships" with parties related to audit activities, including relationships in capital participation and other investments, kinship relationships and so on. (Purba dan Umar, 2021:42)	1) Independence in planning. (Purba dan Umar, 2021:41)	(1) Freedom to choose the audit technique to be applied (2) Freedom to choose the audit procedures applied (3) Freedom to choose the duration of audit techniques and procedures	Ordinal	10,11,12
	2) Independent in implementation (Purba dan Umar, 2021:41)	(1) Freedom to choose work area (2) Freedom to choose managerial policies to be examined (3) The examination is free from	Ordinal	13,14,15

Variables and Concepts	Dimensions	Indicator	Scale	Items
Internal Audit Quality (Y) Audit quality is the probability that the auditor will not report an audit report with an unqualified opinion for financial statements that contain material misstatements. (Ardianingsih, 2021:23)	Competence (Ardianingsih, 2021:26)	(1) Knowledge of accounting principles and auditing standards	Ordinal	19,20
		(2) Knowledge of the client's industry type		
		(3) Formal education that has been completed		
		(4) Training and special skills possessed		
		(5) Number of clients who have been audited		
		(6) Experience in conducting audits		
		personal interests		
	3) Independent in reporting. (Purba and Umar 2021:41)	(1) Freedom to ascertain the facts that have been revealed (2) Freedom to provide recommendations (3) Freedom to provide opinions on audit results	Ordinal	16,17,18

Population

No.	Description	Total
1	Auditor	28
2	P2UPD	17
	Total	45

Source: West Bandung Regency Inspectorate

Sample

In this study, to determine the sample, namely by using saturated or census sampling techniques. The saturated / census sampling technique is carried out on a relatively small population size and this technique is used to obtain a high level of accuracy in research, saturated / census sampling, namely all members of the population who are used as samples (Firdaus, 2021: 17). Saturated sampling was used because of the relatively small number of population members, namely 45 people, so that the sample used as respondents in this study were 45 people consisting of auditors and P2UPD Inspectorate of West Bandung Regency.

RESULTS AND DISCUSSION

Overview of Units of Analysis

The Inspectorate of West Bandung Regency is located in the West Bandung Regency office complex, building B on the 3rd floor, there are general administration rooms for staffing and planning, secretary, Assistant Inspectors (IRBAN) III and IV, Inspector, evaluation and reporting, IRBAN I and II, meeting rooms, as well as toilets and prayer rooms. The Inspectorate of West Bandung Regency is led by Inspector Drs. Yadi Azhar, M.Si.

Validity Test Results

Variabel	No. Item	r_{count}	r_{table}	Conclusion
Accountability (X1)	X1.1	0,499	0.2940	Valid
	X1.2	0,508	0.2940	Valid
	X1.3	0,816	0.2940	Valid
	X1.4	0,561	0.2940	Valid
	X1.5	0,689	0.2940	Valid
	X1.6	0,770	0.2940	Valid
	X1.7	0,628	0.2940	Valid
	X1.8	0,729	0.2940	Valid
	X1.9	0,749	0.2940	Valid
Independence (X2)	X2.10	0,624	0.2940	Valid
	X2.11	0,698	0.2940	Valid
	X2.12	0,749	0.2940	Valid
	X2.13	0,674	0.2940	Valid
	X2.14	0,610	0.2940	Valid
	X2.15	0,707	0.2940	Valid
	X2.16	0,559	0.2940	Valid
	X2.17	0,638	0.2940	Valid
	X2.18	0,577	0.2940	Valid
Internal Audit Quality (Y)	Y.19	0,515	0.2940	Valid
	Y.20	0,804	0.2940	Valid
	Y.21	0,884	0.2940	Valid
	Y.22	0,732	0.2940	Valid
	Y.23	0,725	0.2940	Valid
	Y.24	0,610	0.2940	Valid
	Y.25	0,546	0.2940	Valid

	Y.26	0,644	0.2940	Valid
	Y.27	0,556	0.2940	Valid
	Y.28	0,706	0.2940	Valid
	Y.29	0,589	0.2940	Valid

Source: Researcher data processing, 2024

Reliability Test Results

No.	Variable	Cronbach Alpha	Critical Point	Conclusion
1.	Accountability (X1)	0,844	0,60	Reliabel
2.	Independence (X2)	0,827	0,60	Reliabel
3.	Internal Audit Quality (Y)	0,872	0,60	Reliabel

Source: Researcher data processing, 2024

Method of Successive Interval (MSI)

This research obtains data from respondents by distributing questionnaires which are ordinal data and then transformed into interval data, the process of transforming data from ordinal to interval using the help of the Microsoft Excel application.

Classic Assumption Test Results

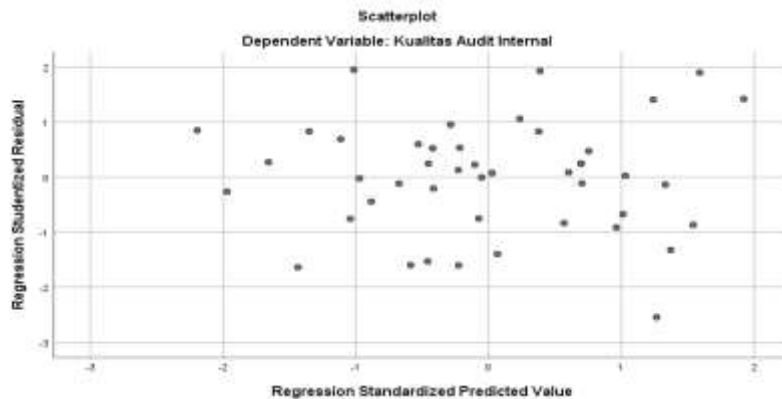
1) Normality Tes

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		45
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	3,32479343
Most Extreme Differences	Absolute	,091
	Positive	,062
	Negative	-,091
Test Statistic		,091
Asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Researcher data processing, 2024

The results of the normality test in the table above with Kolmogorov-Smirnov (K-S) obtained a significance value of 0.200, so the significance value is > 0.05 or $0.200 > 0.05$ so it can be concluded that the data on auditor accountability and independence on internal audit quality is normally distributed.

3) Heteroscedasticity Test



Source: Researcher data processing, 2024

The results of the heteroscedasticity test in the figure above using the scatterplot method show that there is no heteroscedasticity in the auditor accountability and independence variables on internal audit quality, because it can be seen in the figure that there is no clear pattern and the points are spread above and below the number 0 on the Y axis, it can be said that heteroscedasticity does not occur.

3) Multicollinearity Test

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,788	2,632		,679	,501		
	Akuntabilitas	,764	,125	,618	6,114	,000	,557	1,794
	Independensi	,417	,128	,328	3,245	,002	,557	1,794

a. Dependent Variable: Internal Audit Quality

Source: Researcher data processing, 2024

The results of the multicollinearity test above show that the VIF value of the accountability variable (X1) and the auditor independence variable (X2) is 1.794 and the tolerance value is 0.557, so $VIF < 10$ or $1.794 < 10$ and the tolerance value is close to 1 or $0.557 > 0.1$ so it can be concluded that there is no multicollinearity in the data on accountability (X1) and auditor independence (X2) on internal audit quality (Y).

Multiple Linear Regression Analysis Test Results

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
		B	Std. Error	Beta				
1	(Constant)	1,788	2,632		,679	,501		
	Akuntabilitas	,764	,125	,618	6,114	,000		
	Independensi	,417	,128	,328	3,245	,002		

a. Dependent Variable: Internal Audit Quality

Source: Researcher data processing, 2024

Based on the table above, the output of the results of multiple linear regression calculations, the following regression equation is obtained:

$$Y = a + b1.X1 + b2.X2$$

$$KAI = 1,788 + 0,764 A + 0,417 IA$$

Information:

- A = Accountability
- IA = Auditor Independence
- KAI = Internal Audit Quality

Results of Correlation Coefficient Test

		Correlations			
			Akuntabilitas	Independensi	Kualitas Audit Internal
Spearman's rho	Akuntabilitas	Correlation Coefficient	1,000	,632**	,838**
		Sig. (2-tailed)	.	,000	,000
		N	45	45	45
	Independensi	Correlation Coefficient	,632**	1,000	,720**
		Sig. (2-tailed)	,000	.	,000
		N	45	45	45
	Kualitas Audit Internal	Correlation Coefficient	,838**	,720**	1,000
		Sig. (2-tailed)	,000	,000	.
		N	45	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher data processing, 2024

The correlation coefficient test has provisions, namely if the significance value is <0.05 then the data is correlated, and if the significance value is >0.05 then the data is not correlated, then based on the calculation table above it can be seen that the significance value for the accountability variable is 0.000 so the value significance < 0.05 or 0.000 < 0.05 which means there is a correlation or relationship between the accountability variables and audit quality, the correlation coefficient value is at 0.838 which means it has a very strong relationship according to the correlation strength level criteria which is 0.838 in the level criteria table The strength of the correlation is between 0.76-0.99 which has very strong relationship criteria, and the correlation coefficient shows a positive value, so the variable relationship is said to be unidirectional, that is, if the accountability variable (X1) increases then the audit quality variable (Y) will also increase.

The auditor independence variable based on the calculation table above has a significance value of 0.000, so the significance value is <0.05 or 0.000 <0.05, so there is a relationship between the auditor independence variable and internal audit quality, for the correlation coefficient value it is 0.720, which means it has a strong relationship. according to the criteria for the level of correlation strength where 0.720 is between 0.51-0.75 which

has strong relationship criteria, and the correlation coefficient number shows a positive value, then the variable relationship is said to be in the same direction, namely if the auditor independence variable (X2) increases then the audit quality variable (Y) will also increase.

Determination Coefficient Test Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,872 ^a	,760	,749	3,403035

a. Predictors: (Constant), Independence, Accountability

Source: Researcher data processing, 2024

The test results in the table above show that the coefficient of determination (R2) is 0.760 or 76%, so it can be concluded that the influence of the accountability and auditor independence variables on internal audit quality is 0.760 (76%) while the remaining 24% is influenced by other variables. who were not involved in this research.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,837 ^a	,700	,693	3,761332	,700	100,505	1	43	,000
2	,872 ^b	,760	,749	3,403035	,060	10,531	1	42	,002

a. Predictors: (Constant), Accountability
 b. Predictors: (Constant), Accountability, Independence

Source: Researcher data processing, 2024

The test results in the table above can be seen from the R Square Change value showing that the R Square Change value for the accountability variable is 0.700 (70%), meaning that the influence of accountability on internal audit quality is 70%. The Independence variable shows an R Square Change value of 0.060 (6%), meaning that the influence of independence on internal audit quality is 6%. Based on this, it can be seen that the accountability variable is the most dominant variable in influencing internal audit quality because the R Square Change value is higher than the auditor independence variable.

Hypothesis Test Results

t test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,788	2,632		,679	,501
	Akuntabilitas	,764	,125	,618	6,114	,000
	Independensi	,417	,128	,328	3,245	,002

a. Dependent Variable: Internal Audit Quality

Source: Researcher data processing, 2024

The calculation above shows that:

- 1) The accountability variable has a calculated t value > t table, namely $6.114 > 2.01808$ and a significance value < 0.05 or $0.000 < 0.05$, so the accountability variable has a significant effect on the quality of internal audit, so H1 is accepted.
- 2) The independence variable has a calculated t value > t table, namely $3.245 > 2.0180$ and a significance value < 0.05 or $0.002 < 0.05$, so the independence variable has a significant effect on audit quality, so H2 is accepted.

F Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1543,869	2	771,934	66,657	,000 ^b
	Residual	486,387	42	11,581		
	Total	2030,256	44			

a. Dependent Variable: Internal Audit Quality
 b. Predictors: (Constant), Independence, Accountability

Source: Researcher data processing, 2024

The calculation above shows that F count has a value of 66.657 so $F \text{ count} > F \text{ table}$ or $66.657 > 3.21$ and at a significance value < 0.05 or $0.000 < 0.05$ it can be concluded that H3 is accepted which means there is an influence of the accountability variable (X1) and independence (X2) on internal audit quality.

CONCLUSION

Based on the results of research conducted at the West Bandung Regency Inspectorate entitled The Influence of Auditor Accountability and Independence on Internal Audit Quality, the author can conclude as follows: Accountability influences the quality of internal audit, this is shown by the value of $t_{\text{count}} > t_{\text{table}}$, namely $6.114 > 2.01808$ and the significance value < 0.05 or $0.000 < 0.05$, so H1 is accepted. The test results for the coefficient of determination of the accountability variable are 0.700 (70%) meaning that the influence of accountability on internal audit quality is 70%. Accountability influences the quality of internal audits, influenced by the business dimension (thinking power) in completing work, precisely on the indicators of thinking objectively and making decisions with good analysis, with the highest score of 182 and an average value of 4.04, and the lowest gap of 19 %, meaning that accountability to the auditor and P2UPD Inspectorate of West Bandung Regency has applied effort (thinking power) in completing their work by thinking objectively and making decisions with good analysis. The lowest score was 149 with an average score of 3.31 and the highest gap was 34%, namely in the indicator of the ability to focus on relevant facts, think quickly and in detail. This shows that there is still a lack of accountability in the auditors and P2UPD Inspectorate of West Bandung Regency in terms of not being able to focus and have relevant facts when disclosing audit results or in carrying out their duties. Independence has an effect on internal audit quality, this is shown by the calculated $t_{\text{value}} > t_{\text{table}}$, namely $3.245 > 2.0180$ and a significance value < 0.05 or $0.002 < 0.05$, so the independence variable has a significant effect on audit quality so that H2 is accepted. The test results for the coefficient of determination of the independence

variable are 0.060 (6%) meaning that the influence of auditor independence on internal audit quality is 6%. Independence has an effect on the quality of internal audits, influenced by the independent dimension in its implementation, precisely on the audit indicator free from personal interests, with the highest score being 182 and an average of 4.04 and the lowest gap being 19%, meaning that the independence of auditors at the West Bandung Regency Inspectorate has been achieved. apply independence in carrying out audit duties with examinations that are free from personal interests. The lowest score was 158 with an average score of 3.51 and the highest gap was 30%, namely in the independent dimension of planning, specifically in the indicators of freedom to choose the length of time, audit techniques and procedures. This shows that there is still a lack of auditor independence in terms of the lack of freedom in choosing the length of time, audit techniques and procedures in carrying out their duties. Auditor accountability and independence influence the quality of internal audits, this is shown by the calculated F value $> F$ table or $66.657 > 3.21$ and at a significance value < 0.05 or $0.000 < 0.05$ then H3 is accepted, and the coefficient test results determination shows a value (R²) of 0.760 or 76%, meaning that the quality of internal audit is influenced by the auditor accountability and independence variables of 0.760 (76%) while the remaining 24% is influenced by other variables not involved in this research.

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