

The Effect of Audit Structure, Organizational Culture, Auditor Professionalism, and Compliance with Auditor Code on Auditor Performance at Public Accountant Firm in Jakarta

Ursila

Magister of Management Perbanas Institute
ursila.ursila08[at]perbanas.id

Abstract: *The purpose of this study was to obtain empirical evidence of audit structure, organizational culture, auditor professionalism, and compliance with the auditors' ethical code has influenced auditor performance. Data analysis used in this research are Descriptive Statistics, Validity and Reliability Testing, Classical Assumption Testing, and Hypothesis Testing using Multiple Linear Regression Analysis, Coefficient of Determination (R²), Partial Test of t, and Simultaneous Test F. Subjects in this research are auditors who work at the Public Accounting Firm in Jakarta which is listed on the Indonesian Institute Certified Public Accountants (IICPA) directory 2017. Samples were selected using convenience sampling method and continued by analyzing research data using SPSS software 23. The number of questionnaires distributed was 101 copies, but only 74 questionnaires returned and met the criteria to be used as samples for this study. The results of this study indicate that the audit structure, organizational culture, and compliance of auditors' ethical code have no significant effect on the auditor's performance, while professionalism has a positive effect on the auditor's performance. Simultaneously the audit structure, organizational culture, auditor professionalism and compliance with the code of ethics of the auditor have a significant effect on the auditor's performance.*

Keywords: Audit Structure, Organizational Culture, Auditor Professionalism, Compliance with Auditor's Code of Conduct and Auditor Performance

1. Preliminary

The economy in the business world is currently progressing, and makes competition even more difficult and competitive. There are many forms of action negative and fraudulent reports which has been audited make users of auditors' services have a negative perception of the audience auditors, then the impact of the case make users of auditors' services expect a performance good and high from the auditors.

According to Hanna and Firnanti (2013: 14) the rapid competition among auditors and their development profession demands auditors to always be improve its performance, so that believed to be capable of being an auditor quality and able to produce high quality audit products. Regarding the expected performance of auditors the more qualified, Auditing Standards Board (ASB) issued a Statement on Auditing Standards (SAS) No 99 Consideration of Fraud in a Financial Audit Statement, which contains: "This section establishes standards and provides guidance to auditors in fulfilling the responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement as it relates to fraud in an audit of financial statements conducted in accordance with generally accepted auditing standards. "the statement has a function improve the performance of auditors by how to add and clarify operational guidelines for auditors in consider material cheating that happened.

And the Institute of Public Accountants Indonesia (IAPI) in draft guidelines audit quality indicators state the means to encourage quality improvement audit services, namely

through a stipulation relevant audit quality indicators at the level of a Public Accounting Firm in Indonesia and determine the appropriate form of communication against indicators to the stakeholders interests.

According to Wijaya and Subagyo (2017: 2), success or failure auditors in carrying out their roles very much depends on the performance. Auditor performance is a measure of the results of the public accountant's work alone. According to the authors of the auditor's performance can be measured by four dimensions personality, including: audit structure, organizational culture, professionalism auditors, and compliance with a code of conduct auditors.

This research was prepared with the order of writing is as follows first, the introduction describes the setting behind the problem, research objectives and research organizations. Second, describes the theory and research results previously as a basis hypothesis development. Third, method the study consisted of sample selection and data collection, definitions operational and variable measurement. Fourth, the research results that contain results and interpretation of hypothesis testing. Finally, the closing which contains the conclusion, research limitations and suggestions for further research.

2. Auditor Performance

Auditor performance is variable dependent which is going to be the object research. According to Robbins (in Rai, 2008: 40) performance is the result evaluation of the work that has been performed compared to criteria which have been set together. Meanwhile, quoted from Malan et al. (in Rai, 2008: 41), performance audit is a deep systematic process

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obtain and evaluate evidence objectively on the performance of a organization, program, function, or activities. Evaluation is carried out based on economic and efficiency aspects operations, effectiveness in achieving the desired results, and compliance against regulations, laws, and related policies. Evaluation objectives is to know the level the relationship between performance and criteria established and communicates the result is to the parties who are have an interest in it. Performance audit function is providing an independent review from third parties for management performance and assess whether the performance of the organization can live up to expectations.

Success or failure auditors in carrying out their roles really depends on its performance, because auditor performance is the result of work achieved by the auditor in carry out its duties in accordance with responsibility given to him, and become one of the benchmarks used to determine whether a job done will good or vice versa (Wijaya and Subagyo, 2017: 2).

Audit Structure

Audit structure is variable independent that is going to be the object research. Audit structure is aa systematic approach to auditing described by steps determination of audits, circuit procedures logical, decision, and use a set of tools and policies comprehensive and integrated audit to assist the auditors into an audit, like that proposed by Bowrin (in Fananiet al, 2008: 140).

Previous research results which examines the audit structure variables namely Hanna and Firmanti (2013) disclose the structure of the audit affect the performance of auditors. In line with the research of Fanani et al(2008) that, this result shows that the audit structure has a positive effect and significant to the performance of auditors, this indicates that usage audit structure can assist the auditor in carrying out their duties better, so it can improve auditor performance. Based on this, then the hypothesis proposed is:

H1: The audit structure has a positive effect on the performance of auditors.

Organizational culture

Organizational culture is the independent variable that's going to be object of research. Organizational culture too has an important role in improving the performance of auditors. According to Trang (2013: 209), culture the organization serves as a binder all components of the organization, define an identity, an injection of energy, motivator, and can be used as a guide for members of the organization who are adhesive tool capable of making organizational groups become more close, which can become an energy positives that are able to bring organization in a better direction. And organizational culture is a set basic assumptions and beliefs by members of the organization, then developed and passed down to solve problems external adaptation and integrity issues internal as disclosed by Amnuai (in Tika, 2006: 4). Thenit is desirable that all individuals are have a different background can be to try to understand culture organization with the same meaning.

Trisnangsih's research results (2007) shows that there is an influence positive between organizational culture and auditor performance. This is in line with research conducted by Hanna and Firmanti (2013). Can be concluded that organizational culture has a role important in performance improvement auditors. Based on this, then the hypothesis proposed is:

H2: Organizational culture influences positive on auditor performance.

Auditor Professionalism

Professionalism is variable independent that is going to be the object research. Professionalism is the need for individuals who are with clearly identifiable by accountants as professionals in accounting (Agoes and Ardana, 2013: 159).

According to Hall (in Tiara and Yuniarti (2015: 669) there are five dimensions of professionalism, namely:

- 1) Devotion to the Profession Reflected by dedication professionalism with use knowledge and skills possessed.
- 2) Social Obligation Views on its importance role of the profession and benefits which is obtained by both the community nor professional because the job.
- 3) Independence A view of someone who professionals must be able make your own decisions without pressure from others.
- 4) Belief in the Rules Profession A belief that that is most authorized to judge professional job is fellow professions.
- 5) Relationships with Peers Profession Using professional ties as a reference included in there in formal organization and informal colleague group as the main idea in the profession.

The results of research by Arumsari and Budiarta (2016), revealed the results his research that professionalism have a positive relationship to auditor performance. Then it has been proven that professionalism is quite important for public accountants in doing because it has an influence on the performance of auditors. Based on the discussion above, the research hypothesis is:

H3: Auditor professionalism positive effect on auditor performance.

Compliance with the Auditor's Code of Ethics

Compliance with code of conduct auditor is an independent variable will be the object of research. In the introduction to the code of ethics for the accountant profession public (code of conduct) stated in Public Accountant Professional Standards (SPAP) 2011 code of ethics constitutes basic principles and rules of professional ethics applied by each individual within the KAP or KAP network either that is a member of IAPI or an is not a member of the IAPI provide professional services includes assurance services and services other than assurance as stated in professional standards and professional code of ethics.

There are five basic principles compulsory public accounting profession obeyed by every practitioner stated by IAPI in the SPAP Sections 110-150 of 2011, namely:

- 1) Principles of Integrity: Every practitioner must be firm and honest in relationship professional and business relations in implementing his job.
- 2) The Principle of Objectivity: Every practitioner shouldn't let subjectivity, conflict of interest, or undue influence (undue influence) on the part of the parties others influence professional judgment or business considerations.
- 3) Principles of Competence and Attitude: Carefulness and Carefulness Professional (Professional Competence and Due Care) Every practitioner is obliged to maintain knowledge and expertise professionals at a the required level on an ongoing basis, so that the client or the giver work can receive services professionals rendered competently based recent developments in practice, legislation, and methods of implementation profession. Every practitioner must act professionally and in accordance with professional standards and professional code of ethics applies in providing services professional.
- 4) The Principle of Confidentiality: Every practitioner is obliged to guard confidentiality of the information obtained as a result of professional relationship and business relationship, as well as not may disclose information third parties without approval from the client or employer.
- 5) Principles of Professional Conduct: Every practitioner is obliged to obey laws and regulations are apply and should avoid all the actions that can be discrediting the profession.

The results of research by Arumsari and Budiarta (2016) revealed in this research shows that variable of professional ethics studied has a positive relationship to auditor performance. Performance improvements auditors are absolutely required to remember professional accountant services are growing rapidly needed, one of which is with how to comply with the code of ethics of a public accountant for auditors. Based on this description hence the hypothesis in this study is as follows:

H4: Compliance with the auditor's code of ethics positive effect on auditor performance.

3. Research Methods

Sample Selection

Data used in this research is primary data collected by means of spread a questionnaire to be filled out by the auditors who works at the Accounting Firm Public in DKI Jakarta. Lots of questionnaires which distributed a number of 101 questionnaires that is done directly or through intermediaries. Method selection of samples used in This study is a convenience method sampling. As for the criteria that must be filled as a sample inside This research is as follows: (1) Auditor with background Minimum education S1 major accounting; (2) The auditor who owns professional experience as an auditor at least 1 year. Here's an overview the results of deployment and return questionnaire.

Table 1: Sample Data and Rate of Return

Information	Amount	Percentage
Questionnaires that have been sent	101	100%
Non-return questionnaire	(27)	26,7%
Questionnaires that can be used	74	73,3%

Operational Definition of Variables and Measurement

Auditor performance is a the work achieved by an auditor who does its job in the examination of financial statements, and be a measure of what the results are the work of an auditor is good or bad (Hanna and Friska, 2013: 18). Auditor performance variables in this research is measured using instruments developed by Larkin (1990), and has been replicated by Trisnaningsih (2007), among others: ability, professional commitment, motivation, and job satisfaction with the sum of the twelve statement items with using a Likert scale on a scale of 1 up to 5. The measurement scale is used for the auditor performance variable, namely the value 1 = very agree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

The audit structure is a procedure systematic regarding the steps and tools in auditing (Putra and Ariyanto, 2012: 8). This variable is measured using one of the deep stages audit structure, namely the auditing stage with two statement items using a Likert scale on a scale of 1 up to 5. The measurement scale is used for the audit structure variable ie value 1 = very follow detailed, 2 = not detailed, 3 = sufficient, 4 = detailed, 5 = very detailed.

According to Hanna and Friska (2013: 18) organizational culture is a system of values or habits in an organization whose meaning felt by all the people on in that organization. Variable organizational culture in this study measured by two main elements, namely elements that are idealistic and behavioral elements with using the instrument used by Trisnaningsih (2007) with numbers as many as eight points of statement by using a Likert scale on a scale of 1 to 5. The measurement scale is used for cultural variables organization, namely the value 1 = very follow agree, 2 = disagree, 3 = neutral, 4 = agree, 5 = totally agree.

Professionalism is an ability that is based on knowledge and dedication within carry out duties according to ethics existing professionals (Putra and Ariyanto, 2012: 7). Indicators for measure professionalism that is using five dimensions professionalism that is devotion to profession, social responsibility, independence, confidence in the rules of the profession, and relationships with fellow professions with the sum of twenty statements by using a Likert scale on scale 1 to 5. The measurement scale used for variables professionalism of auditors, namely the value 1 = strongly act agree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

Code of conduct is a principle the basis and rules of professional ethics applied by each individual. Variable auditor's code of ethics is measured using the basic principles of the accounting profession the public put forward by IAPI in SPAP Sections 110 - 150 in 2011 namely the principle of integrity, the principle objectivity, the principle of competence as well attitude of care and prudence professional, confidentiality principles, principles professional behavior by numbers as many as eighteen statements by using a Likert scale on a scale of 1 to 5. The measurement scale is used for the compliance variable in the code of ethics, namely the value of 1 = very act agree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

4. Research Result

The validity test was carried out on each item of question from each existing variables. Testing this validity uses testing Pearson correlation statistics, Sig (2-tailed) with a significance level of 0.05. The test results provide conclusions that every question item is from audit structure variables, culture organization, auditor professionalism, and compliance with the auditor's code of ethics and auditor performance has a Sig value below 0.05, which means that each item of question from each question is valid and can be used in research.

Reliability test is done with how to calculate Cronbach's Alpha value of each of the inner constructs a variable. A construct is said reliable if the Cronbach's Alpha value is higher from 0.6 (rule of thumb). Test results reliability is a variable of the audit structure equal to 0.864, organizational culture of 0.693, auditor professionalism of 0.750, compliance with the auditor's code of ethics equal to 0.762, and the performance of the auditors of 0.765. From these results it can be concluded that all variables have a value Cronbach's Alpha is greater than 0.6 so that all variables are declared reliable and can be used in research.

The significance value obtained in the f test is equal to more than 0,000 smaller than an alpha value of 0.05. With thus, it can be concluded that in this regression model variable independently together affect the dependent variable and model fit and fit for use in research. Regression test results multiple linearity is presented in the table following:

Table 2: t test results

Variabel	B	Sig
Audit Structure	-0,095	0,849
Organizational culture	0,399	0,064
Auditor Professionalism	0,497	0,000
Compliance with the Auditor's Code of Ethics	0,062	0,488

Based on table 2, influence audit structure on auditor performance which results in a significance test value $0.849 > 0.05$ indicates that H_0 accepted, which means the audit structure is not has a significant effect on performance auditors. This shows that auditors' audit structure not necessarily improve performance auditors. Based on data obtained, respondents from this questionnaire on average are junior auditors, that is who haven't had more experience yet many than senior auditors. So that the level of audit structure understood from respondents are not positive.

The influence of organizational culture on the performance of auditors resulting in a significance test value of $0.064 > 0.05$ indicating that H_0 accepted which means organizational culture has no significant effect on auditor performance. This shows that the organizational culture that is owned auditors do not necessarily improve auditor performance. Based on data obtained, respondents from this questionnaire on average are junior auditors, that is who haven't had more experience yet many than senior auditors. So that level of organizational culture obtained from respondents are not positive.

Influence of professionalism auditors on the performance of the auditors resulting in a significance test value of $0.000 < 0.05$ indicates that H_0 is rejected which means the professionalism of auditors has a significant effect on performance auditors. This shows that the higher the level of professionalism the auditor has the more quality as well as the performance of the auditors generated, because the auditors who have professional attitude in his work will make the auditor trustworthy and reliable inside carry out its special work carry out the audit objectively so that will improve performance the auditors themselves.

Effect of compliance on code auditor ethics on the performance of auditors resulting in a significance test value of $0.488 > 0.05$ indicates that H_0 is accepted which means adherence to a code of conduct the auditor has no significant effect on the performance of auditors. This matter indicates the level of auditor compliance to a code of ethics that is not too broad yet can fully improve performance auditors or can be an assessment on the performance of the auditors themselves. Based on the data obtained, respondents from this questionnaire on average is a junior auditor, which is not yet have a lot more experience than senior auditors. So it is level adherence to a code of conduct run from respondents is not positive.

5. Closing

Hypothesis testing results in this research shows that influential auditor professionalism on the performance of auditors. Otherwise audit structure, organizational culture, and compliance with the auditor's code of ethics is not has an influence on performance auditors. By considering time and resources, then results research contains several limitations, including:

- 1) This research was only conducted in 14 KAPs located in Jakarta South and East Jakarta.
- 2) The number of samples used as many as 74 respondents from 101 distributed questionnaires.
- 3) The research was carried out at the time Peak Season, so that takes a long time and hard to collect more samples.
- 4) This study only tests some must-have attitudes by auditors in carrying out task, even more deeply improve the performance of the auditor will result.

By doing research regarding the effect of the audit structure, organizational culture, professionalism auditors and compliance with a code of conduct auditors, then this research provides some recommendations for ingredients considerations for the parties who are will take advantage of the results of this research, among others:

- 1) For further research hopefully so that it can expand the study sample area, no only taken from the accounting firm existing public in one province course, then hopefully adding variables other independent who can affect the performance of auditors, and pay more attention to the right time research time spread and collect questionnaire, using better statement inside questionnaire so that it can achieve more optimal results, as well as increasing the number of samples used in research.
- 2) For institutions and professions public accountants are expected to Auditors can improve the auditor's

performance is based on the audit structure, culture organization, auditor professionalism and adherence to a code of conduct auditors so that they can increase public trust towards the auditors, then for KAP is expected to be able to maintain and improve performance auditors, as well as expected IAPI can develop and apply professional standards sustainable in order improve the performance of auditors for public accountants.

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