

# THE EFFECT OF RISK-BASED INTERNAL AUDIT PLANNING AND COMPETENCE ON AUDIT QUALITY WITH THE INTERNAL AUDITOR PARADIGM AS A MODERATING VARIABLE

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## ABSTRACT

The research was conducted to determine how much influence the risk-based planning of internal audits and competence on audit quality with the paradigm of internal auditors as a moderating variable. The object of the study was carried out at the Inspectorate General of the Ministry of Education and Culture of the Republic of Indonesia with the number of samples determined by 100 auditors. Data collection using questionnaires which were then analyzed using the SEM-PLS approach. The results of this study prove that good risk-based internal audit planning will achieve quality audit goals. In addition, auditors who have good competence will also affect the quality of audit results. The auditor paradigm has proven to moderate by weakening the role of competence on audit quality and strengthening the influence of risk-based internal audit planning on audit quality. This study concludes that good audit planning will achieve quality audit goals and an auditor with good competence will affect the quality of audit results.

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## 1. INTRODUCTION

Audit Risk is an integral part of the process of planning an audit. Murwanto, et al (2010) stated that the audit risk model can be used mainly for the planning stage in determining how much evidence should be collected in each audit cycle. The concept of audit risk is a concept that is inversely proportional to assurance, because the higher the level of auditor certainty over the provision of the correct opinion, the lower the acceptable audit risk.

Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 19 of 2009 concerning Guidelines for Audit Quality Control of Government Internal Supervisory Officers, states that the Government Internal Supervisory Apparatus (APIP) must prepare an annual supervision plan with priority on activities that have the greatest risk and are in line with organizational objectives, in line with the Indonesian Government Internal Audit Standards (SAIPI). Zacchea (2013) states that the benefits of using a risk-based audit planning system can help organizations determine the most productive and value-added audits by maximizing the use of limited audit resources. The government in Indonesia in carrying out control over state finances has three auditors, namely the Financial Audit Agency (BPK) as the external auditor and the Financial and Development Audit Agency (BPKP) and the Inspectorate General (Itjen) as the internal auditor. Based on this regulation, it can be seen that the synergy of audit results produced by internal auditors as the basis for examination by external auditors.

This linkage is in line with Griffiths (2010) which states that internal audit information has been associated with various advantages where the real profit depends largely on the approach adopted. Christopher (2014) also stated that the internal auditor profession has a fairly important role in increasing the excellence of the internal audit function as part of helping the government to determine governance oriented to the government paradigm.

However, this synergy is not seen in the CPC's EXAMINATION RESULTS REPORT (LHP) with the LHP of the Inspectorate General. In the 2014-2016 BPK LHP because there were findings, among others:

1. Payment for expenditures that caused state losses of IDR 255.31 billion;
2. Realization of expenditures that are not by the Input Cost Standards (SBM) of the relevant budget;
3. The management of state financial receipts is not by the mechanism of the Public Service Agency (BLU);
4. Taxes have not collected state expenditures, both Income Tax (PPh) and Value Added Tax (VAT).
5. Payments for expenditures that caused state losses experienced a significant increase compared to 2014 only around Rp580 million to Rp255 miliar.

Budgets in the public sector have the 3E principle (Economical, Efficient, and Effective) which then develops with the concept of good governance by emphasizing the principles of transparency, accountability and participation. A budget provision requires a foundation of education, participation, persuasion, and intelligent interpretation. When policies are given, budgets make commitment, accountability, and honest communication, and can be used as a basis for continuous improvement efforts. When managed poorly, budgeting can lead to game-playing and budget slack, namely the practice of making budgets easier to achieve (Bastian, 2017).

Meanwhile, the results of the Inspectorate General of the Ministry of Education and Culture's review of the performance audit did not capture these findings. The absence of BPK findings in the internal auditor's report at the Inspectorate General of the Ministry of Education and Culture illustrates the weakness in determining audit risks contained in internal audit procedures. The inability of the Inspectorate General to provide early warning of a risk is not by the application of the Government of Indonesia Internal Audit Standards (SAIPI).

Previous research Hasan (2017) analyzed risk-based audit planning at the Yogyakarta City Inspectorate, concluding that the Yogyakarta City Inspectorate has not implemented a comprehensive risk-based annual audit planning due to normative, cultural-cognitive factors, and external factors. Inscription (2015) states that the Inspectorate General of the Ministry of Energy and Mineral Resources as APIP within the Ministry of Energy and Mineral Resources has not fully carried out performance audit planning based on risk-based internal auditing (RBIA). Performance audit planning is still carried out based on past habits without prioritizing audits based on the risks possessed by the object of inspection. Therefore, this research will analyze the risk-based audit planning at the Inspectorate General of the Ministry of Education and Culture, which is continuous with the paradigm shift of the previous Itjen Kemendikbud as a watchdog to become a consultant or catalyst who can provide solutions to problems and provide an early warning system for each audit carried out.

The paradigm shift of APIP as a consultant and providing an early warning system at the Itjen of the Ministry of Education and Culture is still not optimal. Although every year Itjen has carried out performance audits of financial statements. This can be proven based on this background where the findings of the CPC are still quite high and there are repeated findings. However, the high findings of the CPC illustrate that the Inspectorate General's audit program has not been able to identify any risks that arise.

The implementation of audits carried out so far is based on the inspection habits of previous years, with the division of audit objects having been determined before without any analysis and assignment time tending to be shorter. In addition, there are also problems with the number of auditors available so that each assignment cannot be carried out optimally. Limited resources in internal audits, it is necessary to have an audit risk assessment to determine the

scale of audit priorities. In using the audit risk approach, auditors carry out an audit process based on a priority scale so that the audit can run effectively and efficiently.

Based on these conditions, this study has a problem formulation, namely how much influence the implementation of Risk Based Internal Audit (RBIA) Planning and Human Resources Competence on Audit Quality with the Internal Auditor Paradigm as a moderating variable in the Itjen of the Ministry of Education and Culture.

Jensen and Meckling (1976) put forward an agency theory that defines the relationship between principals and agents as contractual relationships. If the principal and agent are utility maximizers, then the agent does not always act in the interests of his principal. Therefore, the principal needs a monitoring function to prevent or reduce the potential for deviant behavior from the agents he contracts with.

The public pays taxes by applicable regulations in the hope that the Government can fulfill its duties in serving the needs of the public to the fullest. In the public sector, people represented by the legislature (as principals) entrust the management of facilities and the provision of public services to the Government (agents) (Halim and Abdullah, 2016). On the other hand, the Government as an agent has the potential to carry out actions that are not by the expectations of the community. Therefore, a monitoring function is needed to limit unwanted actions from the Government.

Public sector audits play an important role in overseeing the management and financial responsibility of the State. Public sector audits have the potential to be taken into account in supporting and encouraging the creation of continuous improvement for the benefit of the community, both as users of public services and as taxpayers. Gustavson (2015) argues that a good governance audit has a positive and significant effect on the performance of the public sector, especially the Government. Continuous improvement in the performance of the public sector can only be realized if the state's financial management is transparent and accountable. Therefore, the public sector audit function is expected to encourage the creation of transparency and accountability. The internal auditor is an intermediary between stakeholders, namely the Minister of Education and Culture and the work units under him. The role of the mediator is expected to reduce agency problems so that auditors are required as consultants who can build an early warning system through audit risk-based performance audit planning.

According to the Standards of the Association of Internal Auditors of the Government of Indonesia (SAAIPI, 2014) auditor must develop and document a plan for each assignment, including the objectives, scope, time, and allocation of assignment resources. The internal audit assignment plan is intended to ensure that the internal audit objectives are achieved in a quality, economical, efficient and effective manner. Regulation of the Minister of Empowerment of bureaucratic reform apparatus Number 19 of 2009 also states that APIP must prepare a supervisory plan based on the priority of activities with the greatest risk and communicate the annual supervision plan to the leaders of related organizations and units. This is in line with SAIPI, namely Standard 3010 which stipulates that APIP leaders must develop a strategic plan and an annual internal audit activity plan with priority activities that have the greatest risk and are in line with APIP's objectives.

The preparation of audit planning based on SAIPI (2014) then the auditor sets the targets, scope, methodology, and allocation of resources. In addition, auditors need to consider various matters including the internal control system and audit compliance with laws and regulations, fraud, and non-compliance (abuse).

Based on the Regulation of the Head of the Financial Audit Agency Number Per-211 / K / JF / 2010 concerning Auditor Competency Standards, it is stated that auditor competence is a measure of the minimum ability that must be possessed by auditors which includes aspects of knowledge, skills/ expertise (skills), and behavioral attitudes (attitude ) to be able to perform

duties in the Functional Position of Auditor (JFA) with good results. Ilhamsyah (2018) stated that auditor competence is an attitude that is the implementation of mutually sustainable abilities, expertise, and knowledge, where these abilities, expertise, and knowledge are obtained from the education and training that has been taken.

The minimum ability requirements that must be possessed under SAIPI consist of general competence and supervisory technical competence. General competencies are related to the requirements to carry out supervisory assignments according to the level of their position. Supervisory technical competence is related to the office's requirements to carry out supervisory assignments. Competence in the field of supervision based on the Regulation of the Head of the Financial Audit Agency consists of 7 (seven) areas of competence, including:

1. Competence in the fields of risk management, internal control, and public sector governance;
2. Competence in the field of supervisory strategy;
3. Competence in the field of reporting the results of supervision;
4. Competence in the field of professional attitudes;
5. Competence in the field of communication;
6. Competence in the field of government environment;
7. Competence in the field of supervision.

Auditors must always maintain competence through continuing professional education and profession (Continuing Professional Education) to ensure their competencies are by organizational needs and the development of the supervisory environment. Halim (2020) mentioned that the quality and performance of an organization is largely determined by human resources, because in an organization the existence of human resources is irreplaceable by other factors.

Winarningsih (2018) stated that in the past the main focus of the role of internal auditors was as a 'watchdog' in the organization / company, while in the present and future the modern internal auditing process has shifted to "internal consultants" (internal consultants) who provide input in the form of thoughts for improvement of existing systems and act as catalysts ). The Auditor's internal function as a 'watchdog' makes his role "less preferred" by his presence by

other organizational units. This may be a logical consequence of the internal auditor profession whose duties cannot be separated from the audit function (examination), that between the examiner (Auditor) and the examined party (Auditee) are in a position that is facing each other. The function of consultants for internal auditors is a relatively new role. The role of consultants brings internal auditors to always improve knowledge both about the Auditor profession and business aspects, to help management solve a problem.

Apart from being a consultant, internal auditors must be able to act as catalysts. A catalyst is a substance that functions to accelerate the reaction but does not participate in the reaction. The role of the internal auditor as a catalyst is to provide services to management through constructive suggestions that can be applied to the progress of the company but do not participate in operational activities in the company. The ability to recommend solving a problem (problem solver) for internal auditors can be obtained through years of experience conducting audits of various functions in the company (Winarningsih, 2018).

The quality of an audit according to De Angelo (1981) in Gaol (2018) is the probability of an Auditor finding a violation in his client's accounting system and reporting it. A qualified auditor can detect deviations intentionally or unintentionally by applying audit practice guidelines in all activities. Based on the Professional Standards of Public Accountants (SPAP), the audit carried out by the Auditor can be of high quality if it meets the auditing provisions or standards. Auditing standards include professional quality (professional qualities) independent auditors, judgments used in the implementation of audits and preparation of auditor reports (Audit Standards, Section 150, 2001). Meanwhile, Permenpan No.PER/05/M.PAN/03/2008 states that the measurement of

audit quality of financial statements, especially those carried out by APIP, must use the State Financial Examination Standard (SPKN).

Martono (2014) stated that audit quality is the level of conformity of an audit process planning and implementation carried out by auditors who have competence and independence with standard standards and criteria that have been set. The quality of the audit can be measured from the audit planning and the character and quality of the auditor who carried out the audit. In line with Parasayu (2014) stated that the quality of internal audit results is a possibility that auditors when auditing financial statements can find violations in the accounting system and report into audited financial statements, where in carrying out these duties the Auditor is guided by relevant professional standards and codes of ethics.

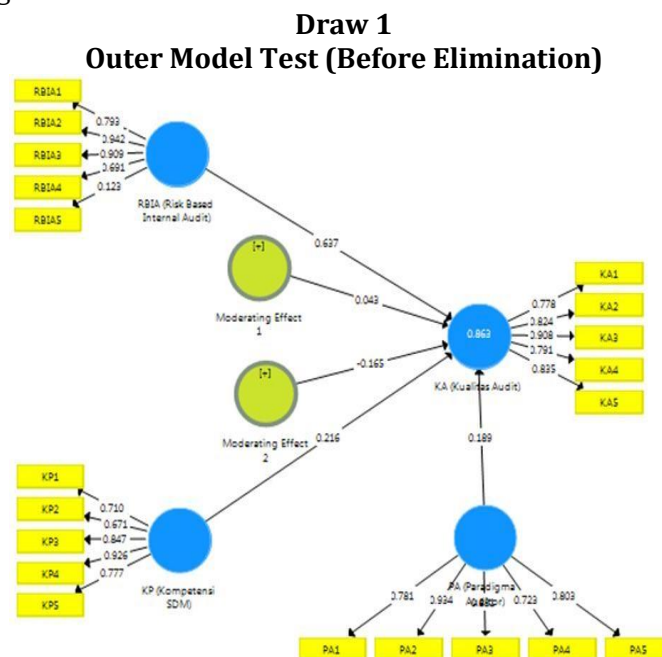
## 2. METHOD

The research was conducted at the Ministry of Education and Culture Inspectorate General. The population used in this study is the Internal Auditor at the Inspectorate General of the Ministry of Education and Culture starting from the Auditor with the Functional Position of Quality Controller, Technical Controller, Team Leader and Team Member who has served as Auditor. The sample collection method used is purposive sampling, which is a sampling technique by determining certain criteria, Sugiyono (2008) in Mukhsin, et al (2017).

The data collection technique in this study uses a questionnaire which is a data collection technique carried out by giving a set of questions or written questions to respondents for them to answer. Data processing and analysis to test hypotheses in this study using multiple regression analysis methods. The questionnaire that respondents have filled out before being analyzed, was first quantified using an interval measuring scale and using the Likert Scale weighting method, thus producing an output in the form of numbers using Partial Least Square

## 3. RESULT AND DISCUSSION

The *Outer* model test of this study was conducted to test whether the measurement items used in the model could explain its latent variables. The *Outer* test on the *Smart PLS* program is obtained from the algorithm test results as follows:



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Source: *Smart PLS* processed data, 2020

Figure 1 shows that the *Internal Audit Risk Based Planning* variable obtained a *loading factor* with a range of 0.123 to 0.942. The *Human Resources Competency Variable* obtained a *loading factor* of 0.671 to 0.926. The *Internal Audit Paradigm Variable* obtained a *loading factor* with a range of 0.723 to 0.934. The *Audit Quality Variable* obtained a *loading factor* of 0.778 to 0.908.

This assessment uses a critical *loading factor* limit of 0.6. Based on the model, the *loading factor* value smaller than 0.6 was excluded from the test model (Ghozali 2013). From this explanation, it is known that a measurement item obtains a *loading factor* below 0.6, namely RBIA5 (0.123) so that the item is eliminated from the model.

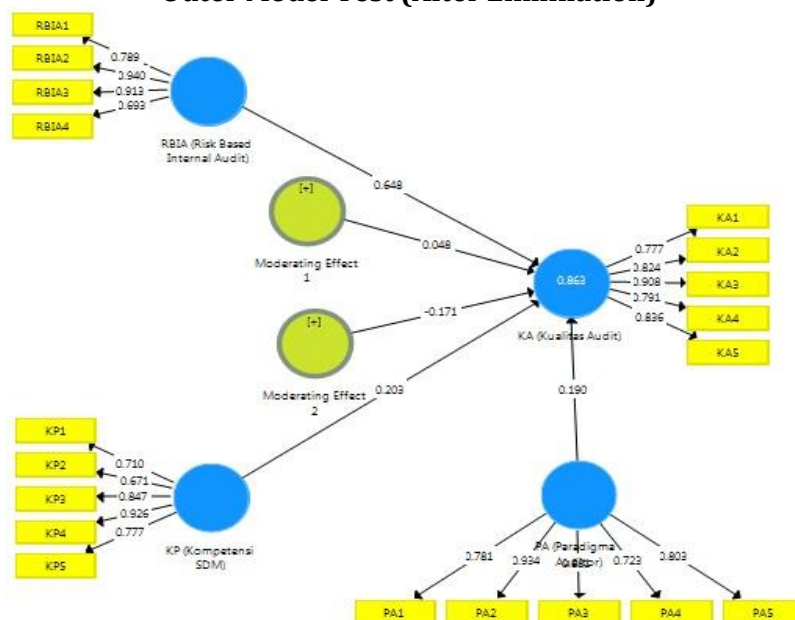
**Table 1**  
**Number of Measurement Items**

Variable	Beginning	End
Risk Based Internal Audit (RBIA) Planning	5	4
HR Competence (KP)	5	5
Internal Audit Paradigm (PA)	5	5
Audit Quality (KA)	5	5

Source: primary data, processed 2020.

The results of the outer model test after reducing the measurement items with a *loading factor* value of < 0.6 or those that have been eliminated are obtained as follows:

**Draw 2**  
**Outer Model Test (After Elimination)**



Source: *Smart PLS* processed data, 2020.

The *loading factor* value shown in figure 2 obtained the highest value of 0.940 in RBIA2 and the lowest value of 0.671 in KP2. These results show that all indicators used in the measurement model have met the assumption of *convergent validity*. In addition to looking at the *loading factor* value of each indicator, the *convergent validity* test is also carried out by looking at the *Average Variance Extracted (AVE)* value of each construct as follows:

**Table 2**

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**Average Variance Extracted (AVE) Value**

Variable	Average Variance Extracted (AVE)	Information
<i>Risk Based Internal Audit</i>	0,705	Valid
Audit Quality	0,686	Valid
HR Competence	0,626	Valid
Auditor Paradigm	0,685	Valid

Source: primary data, processed 2020.

Based on table 2, the measurement model is declared to have met convergent validity if each construct has an AVE value of  $> 0.5$ . Then the estimated measurement model is measured based on the reliability of the construct obtained from the value of Cronbach's alpha and the composite reliability value of each construct. The analysis results show that the entire construct has had an AVE value above 0.5, which means that the entire construct has met good convergent validity.

The construct is said to have high reliability when the value of *cronbach's alpha*  $> 0.7$  and *the composite reliability* value  $> 0.7$  each construct as follows:

**Table 3**  
**Construct Reliability**

Variable	Cronbach's Alpha	Composite Reliability	Information
<i>Risk Based Internal Audit</i>	0,855	0,904	Reliable
Audit Quality	0,885	0,916	Reliable
HR Competence	0,860	0,892	Reliable
Auditor Paradigm	0,885	0,915	Reliable

Source: primary data, processed 2020.

Based on table 3 of the reliability test results, *the cronbach's alpha* value of the entire construct is obtained  $> 0.7$  and *the composite reliability* value  $> 0.7$  which means that the entire construct has met the good reliability of the construct.

### Structural Model Test Results

Structural model testing in this study was carried out to determine the magnitude of the relationship (causality) between variables and the ability of each exogenous latent variable to influence the endogenous latent variable. The results of the structural model test can be seen from two criteria, namely *the R Square* value and *path coefficient* in the *inner research model*. The test results of the structural model are presented in table 4.

**Table 4**  
**R Square**

Variable	R Square
Audit Quality	0,863

Source: primary data, processed 2020.

The quality of audits in the structural model is influenced by risk assessment and human resource competence. Based on table 4, an Audit Quality R Square value of 0.863 was obtained. This result shows that risk assessment and human resource competence can be 86.3% ( $0.863 \times 100\%$ ) in explaining variations in audit quality. The variation in Audit Quality of 13.7% according to these results is explained by other variables that were not studied. Then, to see the magnitude of the influence and direction of the relationship of each variable studied in the hypothesis, it can be seen from the *path coefficient* value presented as follows:

**Table 5**

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**Path Coefficient**

Hypothesis	Path Coefficient	P Value
KP -> KA	0,203	0,006
RBIA -> KA	0,648	0,000
Moderating Effect 1 (RBIA*PA) -> KA	0,048	0,410
Moderating Effect 2 (KP*PA) -> KA	-0,171	0,001

Source: *SmartPLS* processed data, 2020.

The explanation of the *Path Coefficient* value in table 5 is explained as follows:

1. *Path Coefficient* KP -> KA obtained by 0.203 *p value* 0.006 with a positive relationship direction. These results show that Human Resource Competence positively correlates with Audit Quality. If there is an additional value to the Human Resources Competency of 1 unit, the Audit Quality will increase in value by 0.203 units. Vice versa, the decrease in value in Human Resource Competence will decrease the value of Audit Quality.
2. *Path Coefficient* RBIA -> KA obtained by 0.648 *p value* 0.000 with a positive relationship direction. These results show that *Risk Based Internal Audit* positively correlates with Audit Quality. If there is an additional value to the *Risk Based Internal Audit* of 1 unit, the Audit Quality will increase in value by 0.648 units. Vice versa, the decrease in value that occurs in *Risk Based Internal Audit* will also decrease the value of Audit Quality.
3. *Path Coefficient Moderating Effect 1* (RBIA\*PA) -> KA was obtained at 0.048 *p value* 0.410. This result shows that *Risk Based Internal Audit* with the Auditor Paradigm has a positive relationship with Audit Quality. If there is an additional value in the Auditor Paradigm of 1 unit, the relationship between Risk Based Internal Audit and Audit Quality will increase in value by 0.048 units. Vice versa, the decline in value in the Auditor Paradigm will decrease the relationship between Risk Based Internal Audit and Audit Quality.
4. *Path Coefficient Moderating Effect 2* (KP\*PA) -> KA obtained by -0.171 *p value* 0.001. This result shows that Human Resource Competence with the Auditor Paradigm negatively impacts Audit Quality. If there is an additional value to the Auditor Paradigm of 1 unit, the relationship between Human Resource Competence and Audit Quality will decrease in value by 0.171 units. Similarly, the decline in value in the Auditor Paradigm will increase the relationship between Human Resource Competence and Audit Quality.

**Hypothesis Test Results**

Hypothesis testing in this study was seen from *the original sample value, t statistics* and *p value* from the results of the *bootstrapping test*. From the results of the data processing carried out, the results of the hypothesis test are presented as follows:

Hypothesis 1: Risk-Based Internal Audit Planning Effect on Audit Quality.

Based on table 5, it is known that hypothesis 1 RBIA ->KA obtained *the original sample value* (0.648); *t statistic* (5.845); and *p value* (0.000). A *p value* (0.000) < a sig (0.05) indicates a positive result received. This means that the hypothesis that states *Risk Based Internal Audit Planning* has a positive and significant effect on Audit Quality can be proven. It can be concluded that this research proves that there is a positive and significant influence between *Risk Based Internal Audit Planning* on Audit Quality.

Hypothesis 2: The Effect of Human Resource Competence on Audit Quality.

Based on table 5, it is known that the hypothesis 2 KP -> KA obtained the *original sample value* (0.203); *t statistic* (2.787); and *p value* (0.006). The *p value* (0.006) < sig (0.05) indicates the result received with a positive statement. This means that the hypothesis that human resource competence has a positive and significant effect on audit quality can be proven. It can be concluded that this

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research proves that there is a positive and significant influence between Human Resource Competencies on Audit Quality.

Hypothesis 3: The Role of Human Resource Competence on Audit Quality with the Internal Auditor Paradigm as a Moderating variable.

Based on table 5, it is known that hypothesis 3 Mod KP\*PA -> KA obtained the *original sample* value (-0.171,); *t statistic* (3.267); and *p value* (0.001). The *p value* (0.001) < the sig (0.05). Shows the result received with a negative. This result means that the hypothesis that states that there is a moderation of Pradigma Auditors on the Role of Human Resource Competencies with Audit Quality can be proven. It was concluded that the Auditor Paradigm can moderate by weakening the role of Human Resource Competence on Audit Quality.

Hypothesis 4: Risk-Based Planning (RBIA) Application to Audit Quality with the Internal Audit Paradigm as a Moderating variable.

Based on table 5, it is known that hypothesis 4 Mod RBIA\*PA -> KA obtained the *original sample* value (0.048,); *t statistic* (0.825); and *p value* (0.410). The *p value* (0.410) > the sig (0.05). It shows the result of being rejected with an insignificant caption. This result means that there is no Pradigma Auditor moderation in implementing *Risk Based Internal Audit* Planning with Audit Quality. It was concluded that the hypothesis that the Auditor Paradigm moderates the role of Human Resource Competence on Audit Quality cannot be proven.

#### **The Effect of Risk Based Internal Audit Planning on Audit Quality.**

An Auditor must be able to develop a plan for each assignment, including the objectives, time, scope and allocation of assignment resources. The plan is intended to guarantee that the objectives of the internal audit are achieved effectively, efficiently, economically and with quality. The results of the hypothesis test 1 are known that *Risk Based Internal Audit* Planning has a significant influence with the direction of a positive relationship with Audit Quality. The magnitude of the influence of *Risk Based Internal Audit* Planning on audit quality is indicated by the *original sample* value of 0.648, indicating that an increase in Risk Based Internal Audit Planning will increase audit quality by 0.648.

In this study, it was proven that *Risk Based Internal Audit* Planning positively influences audit quality, and it is concluded that audit planning is carried out properly, so quality audit goals will be achieved. The results of this study support Nugroho's research (2017) which states that proper audit planning before carrying out internal audit tasks determines the results of the audit implementation and is in line with research (Winarningsih, 2018) that audit activities aim to assess whether or not management accountability reports are worthy.

#### **The Effect of Human Resources (HR) Competence on Audit Quality.**

Competent auditors must have the education, knowledge, expertise and skills, as well as experience needed to support the responsibility in carrying out tasks to get good audit quality. The results of the hypothesis test 2 are known that Human Resource Competence has a significant influence with a positive relationship direction on Audit Quality within the Inspectorate General of the Ministry of Education and Culture. The magnitude of the influence of Human Resource Competence on audit quality is indicated by the *original sample* value of 0.203 which indicates that an increase in Human Resource Competence will make Audit Quality increase by 0.203.

In this study, it was proven that Human Resource Competence positively influences audit quality, and it is concluded that an auditor with good competence will affect the quality of audit results. The results of this study support Afrian's research (2017) that auditor competence as measured by indicators of education, training and experience has a positive influence on audit

quality, and in line with research by Himawati et al (2017) that confidentiality and competence of auditors have a significant effect on the quality of internal audits.

#### **The Role of Human Resource Competence on Audit Quality with the Internal Auditor Paradigm as a Moderating variable.**

Every time he carries out his duties as an auditor, he must strive to get quality audit results. Of course, good competence is one factor that influences the quality of the audit results. The results of hypothesis test 3 show that the auditor paradigm negatively and significantly moderates the influence of Human Resource Competence on Audit Quality. The magnitude of the influence of moderation is indicated by *the original sample* of -0.171 which means that a high auditor paradigm will weaken the influence of human resource competence on audit quality.

The results of this study support Ilhamsyah's research (2018) that auditor competence is an attitude that is the implementation of mutually sustainable abilities, expertise, and knowledge, where these abilities, expertise, and knowledge are obtained from the education and training that has been taken, and in line with Winarningsih's research (2018) that in the past the main focus of the auditor's internal role was as a '*watchdog*' in organizations / companies, while in the present and future the modern internal auditing process has shifted to "internal consultants" (*internal consultants*) who provide input in the form of thoughts for *improvement* of existing systems and act as *catalysts*. The auditor's internal function as a "*watchdog*" makes his role "less preferred" to his presence by other organizational units and supports Halim's research (2010) that the quality and performance of an organization is largely determined by human resources, because in an organization the existence of human resources is irreplaceable with other factors.

#### **Application of Risk Based Internal Audit Planning to Audit Quality with the Internal Auditor Paradigm as a Moderating variable.**

The results of the hypothesis test 4 stated that it was known that the auditor paradigm could not moderate and was not significant in applying risk-based planning (RBIA) to audit quality because the *p value* was  $0.410 > 0.05$ . It can be concluded that the paradigm of an Auditor cannot moderate the application of Risk-Based Planning (RBIA) to audit quality. This is not in line with Tandiontong (2016) that the quality of audits from several experts as the probability of an Auditor in finding and reporting an error or misappropriation that occurs in an organizational accounting system

#### **4. CONCLUSION**

Based on the results of the study it was concluded as follows:

1. Hypothesis 1 was declared accepted, because there was a positive and significant influence of Risk Based Internal Audit Planning on the Quality of Internal Audit. Quality audit goals will be achieved if the audit planning is carried out properly.
2. Hypothesis 2 was declared accepted, because there was a positive and significant influence of Human Resource Competence on the Quality of Internal Audit. Auditors having good competence will affect the quality of audit results.
3. Hypothesis 3 is stated to be accepted, because it is proven that the Auditor Paradigm can moderate by weakening the role of Human Resource Competence on Audit Quality.
4. Hypothesis 4 was stated to be rejected, because the Internal Auditor Paradigm was not found to be able to strengthen the influence of the Implementation of Risk-Based Planning / Risk Base Internal Audit on Audit Quality

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