

THE INFLUENCE OF PROFESSIONAL DEVELOPMENT, ROLE OF THE INTERNAL AUDIT FUNCTION, EXPERIENCE OF UNDERSTANDING THE RISK BASED INTERNAL AUDIT WITH SELF EFFICACY AS A MODERATING VARIABLE ON THE INSPECTORATE OF SUMATERA UTARA PROVINCE

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ABSTRACT

Risk Base Internal Audit (RBIA) is a methodology used by the internal audit function to provide confidence that risk appetite (an acceptable risk to the organization). This research aimed to know the influence of professional development, role of internal audit function, experience to the understanding of risk based internal audit at the Inspectorate of North Sumatera Province and to know the self efficacy in moderating the influence of professional development, role of internal audit function, experience to the understanding of risk based internal audit at the Inspectorate of North Sumatera utara. This type of research is causality research with the sampling technique used is census. There are 85 APIP as respondents. The data used is the primary data using the questionnaire. Result of research indicate 1) professional development, and role of internal audit function have a significant positive effect on understanding of risk based internal audit, while experience has positive effect insignificant to understanding of risk based internal audit. 2) self efficacy is not able to moderate the influence of professional development, role of internal audit function, and experience in the understanding of risk based internal audit at the Inspectorate of North Sumatera Province.

Key Words : Professional Development, Role Of The Internal Audit Function, Experience, Understanding Of Risk Based Internal Audit, Self Efficacy

1. INTRODUCTION

The development that occurred in North Sumatra is a form of successful development in the district. One of the parameters of a success development in the district is the proper functioning of internal control. Currently the government is facing a problem on how to build public trust. Another problem is how to change the false perception about the inspectorate auditor as an internal supervisor of the local government. Indonesia's Corruption Eradication Commission believes that the Government Internal Supervisory Apparatus (APIP) has not been optimal in preventing corruption. The next challenge is how to ensure that on-the-spot audits are able to identify any issue and whether if there is any potential to disrupt the implementation in all the activities that have already been initiated in their respective regions. Targets of activities has already been budgeted within the Regional Government Expenditure Budget (APBD) and it must be achieved in an effective, economical and efficient manner.

Based on the data obtained from Indonesia's National Government Internal Auditor (BPKP) Representative of North Sumatera Province, showed 2 inspectorates (5.88%)

are in Level III (integrated) capability, 16 inspectorate (47,06%) are in Level II (infrastructure) capability, and 16 inspectorate (47.06%) are at Level I (initial) capabilities. Currently, the capability of the Inspectorate Level of the province is still at Level 2 (infrastructure). It is unfortunate, considering the provincial inspectorate is still at level II. It should be a role model for the inspectorate in the regencies that remain still at level II and I.

The Government Regulation (PP) Number 60 Year 2008 regarding Government Internal Control System Article 7 letter (a) states that ministers/heads of institutions, governors and regents / mayors in exercising control of government activities shall consider the risks in every decision making carefully, and determine how those risks can be minimized.

Internal audit has a function as a risk-based audit planner. The APIP can contribute to the improvement of its management performance. The leadership of APIP shall establish a policy framework and procedures for internal audit activities. The procedures include office policies as well as the conduct of internal audit activities.

Increasing the level of APIP capability can accelerate a good governance. Therefore, all government agencies need to improve themselves by conducting Risk Based and effective role in accordance with Article 11, and Article 59 of PP 60 Year 2008. The expected conditions in accordance with Government Regulation No. 2 of 2015 are: National Medium Term Development Plan (RPJMN) 2015 -2019. That is about APIP capability in Level III (integrated), with a reasonable assurance outcome on obedience, increasing obedience, efficiency and effectiveness as well as advisory service.

In relation to the phenomenon mentioned earlier, this study aims to determine the Influence of Professional Development, Role of Internal Audit Function and Experience of Understanding Risk Based Internal Audit with Self Efficacy as Moderation Variables of North Sumatera Province Inspectorate .

2. Methods

This is a causality study. The object of the research was conducted at North Sumatera Province Inspectorate. The data used in this study is primary data and data collection is done by using survey method that is by spreading the questionnaire.

The population in this research is all Government Internal Supervisory Apparatus (APIP) at North Sumatera Province Inspectorate, consisting of 33 civilian state apparatus (ASN) Auditor and 52 Functional Officer of P2UPD. The total population in this study was 85 people.

Dependent Variable

An understanding of Risk Based Internal Audit is an in-depth knowledge of the methods that linked the internal audit to the entire risk management framework that allows the audit process to gain confidence and that the risk has been managed in a risk appetite (an acceptable risk to the organization).

Independent Variable

Professional Development is the awareness to update and develop competence through a professional work life Chartered Institute of Professional Development (CIPD), 2000). The role of the Internal Audit is to ensure that management has properly managed the

organization risk management. Serving as a consultant and catalyst, internal audit does not take part in the company's operational activities (while maintaining its independence), but it is also responsible in the improvement of its organizational performance. Experience is something that one had deal with, lived, felt, borne, and so on. The auditor's experience is a learning process and it can improved the auditor's behavior in his interaction with tasks over a certain time range.

Moderating Variable

Self Efficacy is a strong belief in carrying out a task and it involve in one's belief that he is capable of performing certain actions in certain situation. The individual's belief that he has the ability to perform certain tasks contributes to achieve organizational goals. Individuals with high self efficacy tend to perform various tasks well. In contrast, individuals with low self efficacy tend to avoid tasks or situations that they think exceed their abilities.

Data analyst method used in this research is Partial Least Square (PLS) approach. PLS is a model of Structural Equation Modeling (SEM) which based on components or variants. PLS-SEM analysis use two sub models. Those are the measurement model or outer model and structural model or inner model.

3. RESULT

Descriptive statistical analysis is used to identify the description of a data viewed from the maximum value, the minimum value, the mean value, and the standard deviation value.

Table 1. Descriptive Statistics

Variable		Minimum	Maximum	Mean	Std. Deviation	Categor y
Professional Development (X ₁)	5	6.00	30.00	23.0706	4.78288	Good
role of the internal audit function (X ₂)	5	10.00	25.00	19.8471	3.79695	Good
Experience (X ₃)	5	12.00	30.00	23.2824	4.73993	Good
Understanding of Risk Based Internal Audit (Y)	5	12.00	30.00	24.9765	3.58561	Good
Self Efficacy (Z)	5	10.00	25.00	19.6941	4.25392	Good
Valid N (listwise)	5					

Outer Model Test Result consist of convergence validity test by considering the loading factor and AVE value, discriminant validity test by considering crossload value, and reliability test by considering cornbach alpha value and composite reability value. Those

all have been fulfilled. Inner Model Test Result has been fulfilled. It consist of coefficient of determination R-Square and it pay attention to Path Coeficient that determine the positive / negative direction.

Hypothesis testing

Hypothesis testing is done by looking at the t-statistic value, generated from the bootstrapping process. The hypothesis is accepted (supported) if the t-statistic value is greater than 1.96 with a significance level of 5% (two tailed).

Table 2. T-Statistic Value

Eksogen	Path Analysis	T-Statistic	P Values	Conclusion
Professional Development (X1)	0.385	4.134	0.000	accepted
Role of The Internal Audit Function (X2)	0.354	3.013	0.003	accepted
Experience (X3)	0.142	1.576	0.116	denied
Self Efficacy * Professional Development	-0.035	0.386	0.699	denied
Self Efficacy * role of the internal audit function	0.057	0.598	0.550	denied
Self Efficacy *Experience	-0.060	0.594	0.553	denied

The role and function of Internal Audit has positive and significant impact on Risk Based Internal Audit understanding, because it has t-statistic value above 1,96. The positive experience is not significant because it has a t-statistic value below 1.96.

Self Efficacy can not moderate Professional Development, Role of Internal Audit Function and Experience on Risk Based Internal Audit Understanding.

Professional Development, The Role of Internal Audit Function has a significant positive effect on the Understanding of Risk Based Internal Audit because it has a t-statistic value above 1.96. The depth of positive effect is not significant because it has a t-statistic value below 1.96. Self Efficacy cannot moderate Professional Development, the Role of Internal Audit Functions, Experience with Understanding Risk Based Internal Audit.

4. DISCUSSION

Professional Development has a positive and significant impact on Understanding the Risk Based for Internal Auditors at the Inspectorate of North Sumatera Province. This means, the higher one's Professional Development was, the higher the understanding of Risk Based Internal Audit are. Based on respondents' answers it is known that they are willing to attend formal and informal training and willing to invest time and money. The goal is to understand the Risk Based Internal Audit and why they increases, it is very useful to improve the quality of public services and development in North Sumatra. Majority of the respondents have a bachelor degree education. And they have an open nature of regulation, knowledge and training of new techniques. They realize that the purpose of all is to improve its capability as an internal auditor. This makes them able to manage the risks to be easily handled and controlled in order to achieve the goal.

The test result (influence of Role of Internal Audit Function to Risk Understanding) has a positive and significant impact on Risk Based Internal Audit. It means the higher the Internal Audit Function Role, the higher the understanding of Risk Based Internal Audit is. This is supported by the majority of respondents who answered for the indicators of the role of Internal Audit Function.

The test result on influence of experience to Risk Based Internal Audit has positive and insignificant effect on Risk Based Understanding. It is supported by the answers of most respondents who answered very high for the indicators of experience, and many respondents answered medium and low to the influence of Experience, resulting in the lack of significant value. Self Efficacy test results in moderating Professional Development with Risk Based Internal Audit Understands that Self Efficacy can not moderate the relationship between Professional Development with Risk Based Internal Audit Understanding. This is caused by some respondents who disagree with the indicators of professional development. In the three answers there are “rarely, never and disagree” responses from respondents.

This is also due to educational background, which indicates the majority of auditors are from non-accounting and most auditors have not received technical guidance to improve auditor capabilities.

Self Efficacy test results in moderating the Role of Internal Audit Function with Risk Based Internal Audit Understanding that Self Efficacy can not moderate the Role of Internal Audit Function with Understanding Risk Based Internal Audit at Inspectorate of North Sumatera Province. This is due to the presence of respondents who answered medium and low for indicators of the role of Internal Audit Function, such as internal audit management indicators that still get a moderate answer from respondents, the availability of resources for the successful functioning of risk-based audit implementation. To perform the tasks and role of internal audit function well, self efficacy is required in working from within each auditor, so that top management of the government can take part to improve independence, develop policies, procedures and detailed practices for the conduct of audit activities so as to ensure proper audit procedures have been followed. So that with the role of government will be able to encourage the improvement of self efficacy of each auditor which will be able to raise the role of internal audit function and increase the understanding of risk based internal audit to the auditor so as to increase the maturity level of Inspectorate of North Sumatera Province.

An auditor does not work independently in carrying out his or her work. It's important to understand how people's interactions, people, tasks, and environment can affect their performance. Bandura (1977) argued that individual behavior is the result achieved from the interaction between environment and personal factors. Although self-efficacy is a person's subjective view of his ability, it greatly influences his actions, motivations, persistence, and principal behavior (Bandura 1991). Gist and Mitchell (1992) suggest that self-efficacy is an important motivational construct. It affects individual choices, goals, emotional reactions, effort, coping, and persistence. Self-efficacy relates to the performance of individual tasks. Self-efficacy has a positive impact on performance because high self-efficacy allows people to manage effective behavior through a series of cognitive, motivational, and affective decision processes (Bandura 1997).

5. Conclusion

Professional Development

Internal Audit Role and Function has a positive and significant impact on Understanding Risk Based Internal Audit at Inspectorate of North Sumatera Province. Experience has a positive but insignificant impact on Understanding Risk Based Internal Audit at Inspectorate of North Sumatera Province. Self Efficacy variables are not able to moderate the relationship between Professional Development variables, Internal Audit Function Role and Experience on Internal Audit Risk Based on Inspectorate of North Sumatera Province.

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