



The Effect Determinant Factors of Audit Judgment in the Government Sector

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ABSTRACT

Audit judgment is the auditor's consideration in assessing information at every audit process, including engagement, planning, field assignments, and audit reporting. Audit judgment is critical because the audit is conducted based on a sample. The accuracy of this audit judgment affects the quality of the audit and the opinion it produces. This study examines the effect of goal orientation, self-efficacy, obedience pressure, and task complexity on the audit judgment of internal auditors in the Government Sector. This research has primary data. The research object is internal auditors, as members of Government Internal Supervisory Apparatus (APIP) who worked at Inspektorat Jendral of Ministry of Finance, Transportation, and Internal Affairs—based on proportionate stratified random sampling method, collected 255 returned questionnaires. The result confirms that goal orientation, self-efficacy, and task complexity positively affect audit judgment. Obedience pressure negatively affects audit judgment. The study results reveal that obedience pressure negatively affects audit judgment needs to be the attention of Inspektorat Jendral of Ministry of Finance, Ministry of Transportation, and Ministry of Internal Affairs. An improvement of risk management application the audit process to detect risks of regulatory pressure from various parties and interfere with the implementation and achievement of audit objectives/results.

Keywords: *Audit Judgment; Goal Orientation; Self Efficacy; Obedience Pressures; Task Complexity*

1. INTRODUCTION

Good governance is now being a growing demand for the Indonesian government. Auditors need to implement public sector accountability increases and the number of cases that have caused the loss of public trust and social credibility. In creating good governance, three aspects can support its implementation: supervision, control, and inspection. Adequate internal control is one way to ensure the achievement of organizational goals.

Internal auditors play an active role in assessing the inherent risks in the organization's business processes. Badan Pemeriksa Keuangan (BPK) found a low internal control mechanism when doing financial audits, performance audits, and audits with specific objectives at the central government, regional governments, BUMN and other agencies. Table 1 shows the total problems, types, and percentages in the Summary of Semester I Examination Results, called Ikhtisar Hasil Pemeriksaan Semester I (IHPS I) from 2016 to 2020.

Table 1 Number of Problems Weaknesses in Internal Control System in Central Government Financial Reports for The Year 2016 to 2020

No	IHPS I (Year)	Total Problems	SPI Weakness Problem	Percentage (%)
1.	2016	15.568	7661	49%
2.	2017	14.997	7284	49%
3.	2018	15.773	7539	48%
4.	2019	14.965	7236	48%
5.	2020	13.567	6713	50%

Currently, Komisi Pemberantasan Korupsi (KPK) parties report the weakness of the supervisory function

by the Inspectorate. KPK regrets that the APIP supervisory function is still by the Inspectorate at the

ministry level [1]. KPK stated that supervisory control weakness tends to increase bribery, fraud, and corruption practices in various ministries, including the Ministry of Finance, Ministry of Internal Affairs, and Ministry of Transportation. The multiple cases include the case of the Director-General of Sea Relations' on suspicion of gratification [2], the corruption case of electronic KTP project carried out by officials at the Ministry of Internal Affairs [3], the bribery case of the 2018 RAPBN-P, and others. Gratifications, corruption practice is not in line with the Indonesian Government Internal Audit Standard (SAIPI) number 3250; the auditor should design an internal audit to detect non-compliance with laws and regulations, fraud, and abuse.

The number of cases related to corruption and bribery, as mentioned above, shows that internal control is still weak in the activities and management of state finances. Supervision of the implementation of programs/activities carried out by APIP is still considered less than optimal in giving judgment. It impacts the inaccurate recommendations given, especially the internal control system.

Audit judgment is affected by technical and non-technical factors. The three groups of elements include individual, task, and environment [4]. Therefore, this study uses four variables, which are goal orientation (consisting of learning, performance-approach, and performance-avoidance) and self-efficacy, which means individual factors, task complexity (represents task factors), and obedience pressure (represents environmental factors). Research on audit judgment has been carried out by several researchers before. The study conducted by Sanusi et al. [5]. Cahya [4] states that learning goal orientation and performance-approach goal orientation have a positive and significant effect on audit judgment. Sanusi et al.'s research [6] says that performance-avoidance goal orientation negatively affects audit judgment. Cahya [4] research shows that self-efficacy positively affects audit judgment. Some studies conducted by Hasan & Andreas [7], Muslim et al.[8], Drupadi & Sudana [9] found that obedience pressure negatively affects audit judgment. Muslim et al.'s research [8] stated that task complexity negatively affects audit judgment, while Septiaji and Hasymi [10] showed that task complexity positively affected audit judgment.

Based on research finding described above, the formulation of the problem studied is how the effect of goal orientation, self-efficacy, obedience pressure, and task complexity on audit judgment in the government sector is. This study reexamined the consistency of previous studies and provided empirical evidence of the effect of goal orientation, self-efficacy, obedience pressure, and task complexity on audit judgment. This study's valuable contribution is to develop behavioral

theory in the accounting literature related to audit judgment, which is essential in providing audit opinions.

2. METHOD

The population of this research is APIP, who works at the Inspectorate General of the Ministry of Finance, Inspectorate General of the Ministry of Transportation, and Inspectorate General of the Ministry of Internal Affairs, totaling 650 people. Sampling used a proportionate stratified random sampling technique. In this study, the sample was 255 (this number has met a minimum selection of 247).

Audit judgment is the formation of ideas, opinions, or thoughts about objects, events, circumstances, or types of phenomena. Judgment is the ongoing collection of information to decide whether to act or not. Audit judgment is the auditor's considerations or views in assessing and making decisions about information obtained during audit activities. Audit judgment was measured using eight statements adopted by Tangke et al [11]. Goal orientation is a mental framework that influences a person to understand and respond to the current situation [12]. Goal orientation consists of learning goal orientation, performance-approach goal orientation, and performance-avoidance goal orientation [13]. Learning goal orientation is a person's strong desire to increase their knowledge and competencies. Someone with a high learning goal orientation should have a better performance because that person has more motivation to focus on improving competence to complete tasks with various difficulty levels. Learning Goal orientation is measured using four statements developed by VandeWalle in Sanusi et al [6].

Performance approach goal orientation is a person's desire to show his best competence to get a good judgment from others. Someone with a high performance-approach goal orientation will focus on achieving competence, and through cognitive processes, it will motivate someone to optimize their efforts in completing tasks [13]. This variable is measured using four statements developed by VandeWalle in Sanusi et al. [6]. Performance avoidance goal orientation is when a person chooses to avoid various difficult situations that may indicate a weakness in their competence so that others do not give bad judgments about them. Individuals with high performance-avoidance goal orientation tend to avoid complex tasks and situations where they may fail or perform poorly. This variable is measured using four statements developed by VandeWalle in Sanusi et al [6]

Self-efficacy defines as a result of a cognitive process in the form of belief in a person's ability to take various actions to achieve the desired results [4]. A person with high self-efficacy will be more motivated to do his job and be possible. In the context of auditing, auditors with high self-efficacy will tend to be more careful in

considering, evaluating, and assessing a situation before finally making judgments and making a decision.

Obedience pressure increases a person's pressure when receiving direct orders from another party [14]. The force of obedience occurs when the orders delivered are not in line with existing standards. When someone is under pressure from legitimate power, then someone can take destructive actions. In an audit, the pressure can come from two parties: the leadership or the auditee. Obedience pressure was measured using eight statements developed by Lord & DeZoort [14].

Task complexity is the difficulty faced in completing tasks due to limited capabilities, memory, and decision-making abilities. Job complexity affects how a person does his job and determines his quality.

3. RESULT AND DISCUSSION

Based on 255 auditors as respondents, most of them were male (69%), aged 26 to 35 years (64%), over 50 years (7%). Most of the respondents are undergraduate (66%) and postgraduate (26%), come from the Inspectorate General of the Ministry of Finance (59%), the Inspector General of the Ministry of Home Affairs (19%), and the Inspector General of the Ministry of

Transportation (22%). Most of the respondents were team members (72%), Team leaders (18%), technical controllers (9%). Auditor Job tenure is four years (38%), up to 8 years (26%), and over eight years 36%. Most respondents work four times a year (26%), eight times (35%), and more than eight times a year (39%).

All indicators of each variable have a coefficient value above 0.5 and Cronbach's Alpha value above 0.6, means that all indicators are valid and reliable.

Table 2 shows that the Adjusted R-square value is 0.332 or 33.2%. This mark indicates that the variables of learning goal orientation, performance-approach goal orientation, performance-avoidance goal orientation, self-efficacy, obedience pressure, and task complexity can explain audit judgment by 33.2%. Other variables outside the research model explain the remaining 66.8%.

The results of hypothesis testing show that Learning goal orientation, Performance Approach Goal Orientation, and self-efficacy have a positive effect on Audit Judgment. Obedience Pressure has a negative impact on Audit Judgement. Performance Avoidance Goal Orientation and Task Complexity has no impact on Audit Judgement.

Table 2 Hypothesis Testing

	Expected	β	Sign
Constant		2.951	0.000
Learning Goal Orientation	+	0.122	0.014*
Performance App Goal Orientation	+	0.066	0.018*
Performance Avoidance Goal Orientation	-	0.027	0.308
Self-Efficacy	+	0.062	0.005*
Obedience Pressure	-	- 0.157	0.000*
Task Complexity	-	0.314	0.000
Adj R ²		0.332	

Dependent Variable: Audit Judgment

*) sign at 5%

Learning goal orientation has a positive and significant effect on audit judgment. This study concludes that the higher the auditor's goal orientation for learning, the better the decision produced, and vice versa, which aligns with goal-setting theory. The goal-setting theory explains that someone with specific goals can improve his performance because that person will be motivated to improve his abilities and competencies to achieve maximum work performance. The results of this study support previous research [4], [6].

Performance approach goal orientation has a positive effect on audit judgment. This study concludes that the higher the auditor's goal orientation to look good in carrying out his duties, the better the decision produced, and vice versa. The results of this study are in line with goal setting theory which explains that someone who has specific goals can make their performance better. When

it comes to research results, APIP within the Inspectorate General of the Ministry of Finance, Inspectorate General of the Ministry of Internal Affairs, and Inspectorate General of the Ministry of Transportation pays attention to their performance to always get a good assessment. This result is crucial because the State Civil Apparatus (ASN) has a work performance assessment obtained from the evaluations of superiors and colleagues (peers). Some review encourages auditors to give their best performance, including making judgments, to get a good assessment from others on their performance. The results are consistent with Sanusi et al.[6] and Cahya [4], which state that at the same level of task complexity, auditors with high-performance approach goal orientation produce better judgment than auditors with low performance-approach goal orientation.

The performance-avoidance goal orientation variable does not affect audit judgment. This study concludes that high or low performance-avoidance goal orientation will not affect the decision produced by the auditor, confirming the goal-setting theory. The goal-setting theory describes that the more precise goals, he will try every means to do his duties properly and achieve his dreams so that anxiety about failure will not affect the auditor in making judgments. In addition, along with the times and technology, auditors have adopted a risk-based audit, which aims to identify and measure risk in various areas ranging from strategic, policy, financial, operational, and other work areas. Therefore, the auditor should not avoid complex assignments but look for difficult and risky tasks to produce higher quality in the audit. These results support previous research which concludes that there is no influence between performance-approach goal orientation on the auditor's ability to make judgments [4].

Self-efficacy positively affects audit judgment and confirms the social cognitive theory, which states that self-efficacy plays a central role in the learning process. Regarding research results, APIP within the Inspectorate General of the Ministry of Finance, Inspectorate General of the Ministry of Internal Affairs, and Inspectorate General of the Ministry of Transportation have high confidence in providing the best performance results in each assignment in making judgments. Experience, competence, and expertise support the increased confidence of APIP in the Inspectorate General of the Ministry of Finance, Inspectorate General of the Ministry of Internal Affairs, and Inspectorate General of the Ministry of Transportation. The results of this study are in line with previous research [6], [4], [15] who confirmed that self-efficacy has a positive effect on audit judgment.

Obedience pressure has a negative and significant effect on audit judgment, which aligns with the obedience theory. Obedience theory explains that a person with legitimate authority and power can influence and cause psychological changes in his subordinates. After a review of the answers to the questionnaire, the results of the sample, which the majority consisted of team members or junior auditors (72%), showed that almost all of them tended to prefer to obey orders given by senior auditors and superiors—the results of this study support previous research conducted by Muslim et al. [8].

Task complexity variable does not affect audit judgment. The results of this study are in line with goal setting theory, which asserts that individuals with more specific and challenging goals perform better than those with unclear goals, specific easy goals, or no goals at all. Based on the analysis results, the high complexity of the audit task will encourage the auditor to carry out his duties more carefully and thoroughly so that the resulting judgment will be better. The placement of an auditor in a

complicated and unclear situation can stimulate the auditor's creativity and self-control, which in turn can increase the auditor's ability to make better audit judgments. The results consistent with Yendrawati and Mukti [16]. While Putra & Rani confirmed that task complexity positively affected audit judgment [17].

4. CONCLUSION

The purpose of this study was to determine the effect of learning goal orientation, performance-approach goal orientation, performance-avoidance goal orientation, self-efficacy, obedience pressure, and task complexity on audit judgment. The research subjects were APIP, who worked at the Inspectorate General of the Ministry of Finance, the Inspector General of the Ministry of Home Affairs, and the Inspector General of the Ministry of Transportation. The purpose of this study was to determine the effect of learning goal orientation, performance-approach goal orientation, performance-avoidance goal orientation, self-efficacy, obedience pressure, and task complexity on audit judgment. The research subjects were APIP, who worked at the Inspectorate General of the Ministry of Finance, the Inspector General of the Ministry of Home Affairs, and the Inspector General of the Ministry of Transportation.

Limitations in this study: There is a possibility of respondents' answers being biased because the data used in this study results from the perceptions of respondents who have different characters and levels of knowledge. Another limitation is that the questionnaires were distributed only to APIP working within three ministry offices only. The results of this study cannot be generalized directly to Government Internal Supervisory Apparatus (APIP) in Indonesia.

Future research expects to add other variables related to audit judgment such as auditor experience, time budget pressure, competency, locus of control, and else. The following research expects to expand the institution where the respondent works so that the research results can be more representative in representing the Government Internal Supervisory Apparatus (APIP) in Indonesia.

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