



The Effect of Forensic Audit Knowledge, Audit Experience and Workload on Auditor's Corruption Detection Skill

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ABSTRACT

Auditor's Supreme Audit Agency (BPK) expects corruption detection skills for professionalism reasons mentioned on Standard Pemeriksaan Keuangan Negara (SPKN) or State Audit Standards, and secure state finances from leaks of fraudulent behavior by state officials. Corruption is hard to detect due to being hidden by the perpetrators. Nevertheless, both internal and external auditors should know early detection of corruption cases. The purpose of this study is to examine the effect of forensic audit knowledge, audit experience, and workload on the auditor's corruption detection skill, with spiritual intelligence as a moderating variable. This study uses primary data using online questionnaires. The population in this study were all auditors at the Supreme Audit Agency. The sample is employees with a minimum of two years of service. One hundred sixty-nine respondents participated in this research and will be processed using regression analysis. The results confirmed that Forensic Audit knowledge and Audit Experience positively affect auditors' corruption detection skills. Spiritual Intelligence strengthens the positive effect of forensic audit knowledge and audit experience on the auditor's ability to detect corruption. Spiritual Intelligence weakens the negative impact of workload on the auditor's corruption detection skill. Auditors could increase forensic auditing skills through training, seminars, accounting talk, knowledge center formation, and certification.

Keywords: *Audit Experience; Auditor's Corruption Detection Skill; Forensic Audit Knowledge; Spiritual Intelligence*

1. INTRODUCTION

Corruption cases in Indonesia involving state officials with a relatively high number of state losses are still a public concern. Still fresh in our mind, the Jiwasraya scandal, which the Head of the Supreme Audit Agency acknowledged, was a large-scale case and took time to uncover the perpetrators [1]. Another case, PT. Waskita Karya, a fictitious project predicted by the chairman of the Corruption Eradication Commission (KPK) to reach 202 billion rupiahs, based on the BPK investigative Examination Report [2].

Corruption case detections by state institutions and institutions are among the BPK's responsibilities. According to the constitution, the BPK is an independent body, regulated in Article 23 E of the 1945 Constitution, which functions as an external audit of the government to ensure that the management of state financial responsibility complies with the principles. BPK publishes a Summary of Examination Results (Ihtisar

Hasil Pemeriksaan Semester/IHPS) [3] which summarizes every semester's audit activities reported in that semester. In Semester II of 2019, 1,270 compliance findings, 709 findings of losses reaching Rp1.29 trillion (56%), findings of potential losses going Rp1.87 Trillion (21%), and findings of a lack of receipts amounting to Rp3.09 Trillion, (23%). From 2017 to 2019, BPK has reported any indications of potential state/regional losses of IDR 20.4 trillion to the relevant agencies.

22 Reports of Investigation Examination Results indicate a loss of 8.7 trillion, and 229 reports on the Perhitungan Kerugian Negara (PKN) or calculation of State losses indicate Rp. 11.77 trillion. BPK has also carried out the task of Pemberian Keterangan Ahli (PKA) or provision of expert information on 189 cases at the trial stage [3].

The State Financial Audit Standard (Standar Pemeriksaan Keuangan Negara/SPKN)[4] is a working guideline for BPK auditors. The auditor is required to

report a risk assessment and identify the determinants of potential non-compliance with provisions that trigger abusive behavior or fraudulent behavior. Therefore, understanding risk and control are crucial in the investigative audit function. Unfortunately, giving a "clean opinion" does not always guarantee a free from corrupt practices. Shortly after obtaining the Fair Without research opinion, several regional heads or leaders were caught in a red-handed operation and entangled in corruption cases. It turned out that the practice of obtaining a Wajar Tanpa Pengecualian (WTP) or clean opinion was not fair involving BPK officials and auditors. [5].

The BPK auditor is obliged to have the competence to detect corrupt practices, as described in the SPKN, and to secure state finances. However, finding corrupt practices is not an easy matter. Several factors affect the auditor's ability to detect corruption, including knowledge of forensic auditing, audit experience gained by the auditor while carrying out their duties, the auditor's workload in one assignment cycle, and each auditor's spiritual intelligence.

Previous research revealed that knowledge about forensic audits positively affects the speed of corruption detection in the banking and insurance industry [6]–[8]. However, Bassey et al. [9] found that this forensic audit knowledge did not affect the ability to detect corruption. Audit experience affects the ability to detect corruption based on previous research [10], [11]. However, the findings of Larasati and Puspitasari [12] reveal otherwise. Another factor is the auditor's workload. Molina and Wulandari [13] prove that workload is inversely proportional to the ability to detect corruption. The higher the auditor's workload, the lower the auditor's ability to work. Larasati and Puspitasari [12] report inconsistent results, that workload does not affect the auditor's ability to detect fraud. The workload is not a barrier for auditors.

Spiritual Intelligence influences auditor performance. Spiritual intelligence helps auditors accept other people's opinions carefully, adapt to their environment, maintain the mood to avoid excessive stress. This spiritual intelligence also increases the power of empathy and sincerity and realizes that everything is worship to God [14]. For Muslims, the guideline for life is the Qur'an. The word of Allah SWT in Surah At Taubah verse 105 commands that every believer should work seriously because Allah SWT sees everything that His people do. This faith will motivate them to continue to do good deeds and strive earnestly in every job. So that apart from tools, audit experience, and auditor's workload, there is also the influence of other factors in the form of spirituality within the auditor which will affect his professionalism in carrying out his work. This study replicates previous research. The difference is the

addition of the spiritual intelligence variable as a moderating variable.

2. METHOD

This paper is quantitative research. BPK is the object of study based on some considerations. BPK is a Ministry/Agency agency that carries out the government's external audit function following the 1945 Constitution. Secondly, BPK's strategic role in disclosing fraud in state finances through the audit process. Research respondents are auditors at the Supreme Audit Agency and have worked as auditors for at least two years. The data collecting method was an electronic questionnaire from 169 respondents.

Forensic auditing knowledge defines as a systematic application of audit skills possessed by the auditor in situations or circumstances that have legal implications or consequences [6]. This variable is measured by an instrument adapted from Durnila and Santoso [15], which consist of two basic knowledge and technical ability, with seven statements, including the materiality of forensic audits audit assignments and expertise specifications.

Audit experience is the auditor's skills obtained during the auditor's audit assignment for a certain period and different examination objects to get additional expertise. According to Molina and Wulandari [13], audit experience is the auditor's knowledge based on personal experience. The audit experience variable is measured by the instrument consisting of two dimensions, length of service and audit assignments, with seven statements.

Auditor workload defines as a number or series of activities that are the auditor's obligation to be completed during a specific period, which is the understanding of workload [13]. Auditor workload measurement using the instrument Maulidawati et al. [16] consists of two dimensions, physical demands and task demands.

Spiritual intelligence defines as the ability to answer and deal with problems of goals or values, which can locate and sort out behavioral reactions when dealing with fellow human beings and be able to measure an individual's life action or behavior to be more valuable than others individuals [17]. We use the spiritual intelligence instrument adopted by Zohar and Marshal [18].

Corruption Detection skills define the auditor's ability to detect fraud or intentional misstatements and harm a party, measured by two dimensions, Risk-Based Audit and Fraud Characteristics, with five statements [13].

3. RESULT AND DISCUSSION

Most of the research respondents were male (72%), with the most job tenure being 10 to 15 years (66%), more than 15 years (19%), under ten years as much as 16%.

Job positions mostly First and Young Examiners (60%) and 11% middle examiners with a job tenure pattern. Most of the respondents have undergraduate education (57%), postgraduate (41%), and doctoral (1%).

3.1. Results

The purpose of this study is to examine and provide empirical evidence about the effect of forensic audit knowledge, audit experience, and auditor workload on corruption detection skills. The next objective is whether spiritual intelligence moderates the impact of forensic audit knowledge, audit experience, and workload on

corruption detection skills. Moderated Regression Analysis tested the hypothesis presented at Table 1.

The results of hypothesis testing in Table 1 show that forensic Audit Knowledge and audit experience positively affect corruption detection skills. Spiritual intelligence strengthens the positive effect of forensic audit knowledge and audit experience on corruption detecting skills. Spiritual intelligence weakens the negative impact of workload on corruption detection skills. The workload itself does not affect corruption detection skills. A discussion of these findings is as follows.

Table 1 Hypothesis Testing

Variables	Expected Sign	Coefficient	Sign
Forensic Audit Knowledge	+	0.368	0.000*
Audit Experience	+	0.506	0.000*
Workload	+	0.019	0.778
Spiritual Intelligence*Forensic Audit Knowledge	+	0.007	0.000*
Spiritual intelligence* Audit Experience	+	0.018	0.000*
Spiritual Intelligence*Workload	-	-0.035	0.000*
Constanta		2.867	
Adjusted R Square		0.545	
Sign F Test			0.000

Dependent Variable: Auditor's skill in detecting corruption

*) Sign at 5%

3.2. Discussion

Knowledge of forensic audit proved to affect corruption detection skills positively. BPK facilitates its employees to increase knowledge related to forensic auditing through education and training, workshops, knowledge transfer forums, and professional certification collaborations with related institutions such as ACFE. The goal is that the auditor has sharper sensitivity and can improve detecting potential corruption in the audited entity. Improved performance of detection of possible corruption can from the BPK IHPS report on indications of state/regional losses amounting to Rp20.4 trillion. These empirical results confirm previous research findings [6]–[8]. Audit experience has a positive effect on the ability of auditors to detect corruption. With their job experience, auditors react effectively when they find fraud symptoms, which fits the attribution theory descriptions. Attribution theory explains the cause and effect of a person's behavior to have high distinctiveness if someone reacts specifically to an event [19]. This study confirmed Mokoagouw et al. [10] and Narayana and Ariyanto [11].

The workload does not affect the ability of auditors to detect corruption. The results of interviews with several respondents revealed that usually, their unit does more than one audit assignment at the same time with different objects and entities. So with the high workload, some

BPK auditors are used to doing it. This fact fits with the questionnaire results on question 3, which has the highest average score which states that they want a comfortable workplace facility during the peak audit season. The auditors say a workload is not a barrier for them as long as facilities and infrastructure support implementing the inspection process. This finding is consistent with Larasati and Puspitasari [12]. Researchers argue that auditors have high integrity, so they do not feel burdened by an increased workload. Moreover, the job tenure of auditors as respondents in this research is very long, 15 years, so they are used to multiple assignments and with tight time pressure.

Spiritual intelligence is proven to moderate the positive influence of forensic audit knowledge, experience, and workload on corruption detection skills. Spiritual intelligence also weakens the negative effect of workload on corruption detection skills. A forensic audit is a tool used by auditors to detect fraud in an organization. Auditors will implement a forensic audit based on their knowledge of dealing with a phenomenon. Auditor intelligence measures the ability of forensic accounting methods and how the auditor manages and maximizes his knowledge to detect fraud.

Professional accountants have a set of competencies, including knowledge, skills, ethical values, and professional attitudes. These competencies are formed through a series of higher education accounting, both formal and informal, as stated in Pernyataan Standard

Auditing (PSA or Statement of Auditing Standard) No. 4 point (2), which says that audits may only do by individuals who are educated and experienced in auditing. A hard competency (knowledge) formed through higher education in accounting. Soft skills include intellectual skills, personal skills, interpersonal & communication skills. To produce quality professional judgments, values, ethics, and professional attitudes are formed through ethical guidelines, value frameworks, and attitudes. Spiritual intelligence is part of accountant values. Spiritual intelligence began to be known when many people debated IQ and EQ, which partly contributed to determining a person's success in life. People can build other aspects of life through the conceptualization of spirituality and faith. Spirituality affects individual attitudes and behavior and becomes one of the factors of one's success. The auditor's performance can be optimal if he gets the opportunity to show his full potential. Self-potential will emerge when an auditor can understand his work and harmonize his brain, feelings, and emotions [20].

4. CONCLUSION

This research proved that forensic Audit Knowledge and audit experience positively affect corruption detection skills. Spiritual intelligence strengthens the positive effect of forensic audit knowledge and audit experience on corruption detecting skills. Spiritual intelligence weakens the negative impact of workload on corruption detection skills. The workload itself does not affect corruption detection skills.

Auditor's Supreme Audit Agency (BPK) expects to have corruption detection skills for professionalism reasons mentioned on SPKN and secure state finances from leaks of fraudulent behavior by state officials. Corruption is hard to detect due to being hidden by the perpetrators. Nevertheless, both internal and external auditors should know early detection of corruption cases. The results confirmed that Forensic Audit knowledge and Audit Experience positively affect auditors' corruption detection skills. Spiritual Intelligence strengthens the positive effect of forensic audit knowledge audit experience on the auditor's skill to detect corruption. Spiritual Intelligence weakens the negative impact of workload on the auditor's corruption detection skill.

They increased knowledge about forensic auditing through training, seminars, forensic auditor certification. In addition, organizing a knowledge transfer forum by experienced auditors and establishing a knowledge center so that the auditor's knowledge gained based on his experience can be documented and studied by other auditors. They were adding training related to soft skill development to increase each auditor's spiritual intelligence.

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