



# THE INFLUENCE OF ACCOUNTABILITY AND COMPETENCE ON AUDIT QUALITY

(Empirical Study at the Regional Inspectorate of Central Sulawesi and Palu City)

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## ABSTRACT

This study aims to examine and analyze the effect of accountability and competence on audit quality at the Regional Inspectorate of Central Sulawesi Province and Inspectorate of Palu City. This research is quantitative research type using a census sampling technique. The data analysis is performed based on the multiple linear regression method. The results of the study prove that simultaneously, both accountability and competence have a positive and significant effect on audit quality, accountability partially has a positive and significant effect on audit quality, and competence also partially has a positive and significant effect on audit quality.

**Keywords: Accountability, Competence, Audit Quality**

## A. INTRODUCTION

There are various ways that the government can do in order to produce a good and clean government, namely to strive for transparency, accountability and auditable management of the Regional Revenue and Expenditure Budget (APBD). Supervision of regional financial management is very important because supervision helps to ensure that the objective of government, both at the central or regional levels, have run economically, efficiently and effectively.

To ensure that public funds entrusted to the government are managed economically, efficiently and effectively for public goods, the government establishes an internal government auditor institution in the form of an inspectorate office both at the central and regional levels, such as at the provincial, city and district levels.

Internal supervision is essential for the government to actualize good governance, namely, a

government that is free and clean from corruption, collusion and nepotism (KKN), thus requiring the regional inspectors to carry out their duties to produce quality audits professionally.

According to DeAngelo (1981), Watkins et al. (2004), Simanjuntak (2008), Efendy (2010), Ningsih & S. Yaniartha (2013) and Tandiontong (2016), audit quality is a systematic and independent examination to determine activities, quality and results in accordance with the regulations that have been planned and whether these arrangements have been implemented effectively and in accordance with the objectives.

Examiners who are the government's internal auditors are expected to be able to contribute to the audit function by carrying out the audit in a professional manner that reflects the quality of the audit.

According to Kharisma (2016), the higher the auditor's competence, the higher the quality of the audit results. In addition to competence, accountability can also affect audit quality. Auditors must have accountability for themselves as it is considered essential, Sembiring (2014). Therefore, the greater the auditor's responsibility sense, the better the quality of the audit's results.

## B. LITERATURE REVIEW

### B.1. Theoretical Background

#### B.1.1. Attribution Theory

This study utilizes the attribution theory because it studies the method of identifying the causes of an individual's internal and external behavior, Heider,

Fritz (1993). From these two sources, it can be seen that what influences the behavior of those who act in certain situations in producing quality audits from internal sources is competence, while from external sources, the factor that affects behavior in producing quality audits is accountability.

**B.1.2. Accountability**

Accountability is a form of responsibility to manage the authority entrusted for certain purposes, Wiratama (2015). In the public sector, accountability is a form of responsibility for the success or failure of achieving the goals and objectives set by an organization through the accountability function that is carried out regularly, Hidayat (2011).

**B.1.3. Competence**

The first general standard requires the auditor to conduct the audit with one or more persons who have the appropriate skills and training. The third general standard stipulates that the auditors must use their professional expertise accurately and carefully when conducting audits and compiling reports, (Halim, 2008).

**B.1.4. Audit Quality**

The quality of publicly available financial reports is a measure of whether the information contained in them is objectively presented, contains facts, or is designed to require an audit of the financial reports by independent auditors so that the financial statements can provide excellent financial information. An audit is considered quality if it meets auditing standards and the results can be monitored by the auditee.

Auditing standards are audit guidelines for historical financial statements to ensure that auditors perform high-quality audits. In its application, the ability and independence of the auditor lie in maintaining audit quality and ethical conformity, (Sari, 2011). A quality audit is needed to ensure that the auditor is accountable to the audited entity, the public, the government, and other parties who use and trust the results of the audit report. The quality of an audit can be assessed from the extent to which the auditor has carried out audit procedures included in the audit program. The audit program also needs to explain the audit procedures considered to be necessary by the auditor to achieve the audit objectives (Rahayu and Suhayati, 2010:43).

**B.2. Hypothesis**

**B.2.1. The Effect of Accountability and Competence on Audit Quality**

In this study, accountability is considered to affect the quality of audit results. Salsabila (2011) found evidence that audit quality is significantly affected by accountability. This proves that quality work can be done, and the auditor needs to control all competencies according to certain criteria to achieve goals. Both expert and qualified auditors must

perform well and achieve the achievable objectives regarding the assigned responsibilities and objectives.

Audit quality is measured by two independent variables: accountability and competence. Competence is a qualification required for an auditor to carry out work that requires good personal qualifications, relevant general knowledge, and exceptional experience in the specific field. Competence consists of knowledge and experience, which positively and significantly impact audit quality, Rahmawati (2013). Therefore, the competence of auditors can affect audit quality through the immensity of knowledge and experience.

**B.2.2. The Effect of Accountability on Audit Quality**

Accountability becomes important with the form of social obligations that auditors can carry out to maintain audit quality. Recognizing the importance of their role in the profession and society, auditors will believe that adequately doing their job will make a significant contribution to their profession and society. Then they will feel compelled to give back to the profession and society by doing the best job possible. Salsabila (2011) and Ermayanti (2017) found a positive effect of accountability on audit quality. These results can be accounted for because the auditors are responsible for their work, conducts audits with great effort, devotes all their thoughts, and uses all their mind and energy to carry out the audit, so that audit quality increases.

**B.2.3. The Effect of Competence on Audit Quality**

Competent auditors are those who have sufficient knowledge, experience, and training as auditors. Auditors must use their knowledge and experience to conduct the audit. Research carried out by Wirasuasti (2014) and Falatah (2018) results in a positive effect on audit quality. These results show that competence affects the quality of the examination results.

**C. RESEARCH METHOD**

**C.1. Population and Sample**

The sampling method for this survey is saturated sampling or census, and the sample of this research is the entire population, that is, all 49 auditors at the Regional Inspectorate of Central Sulawesi Province and Palu City. However, only 41 copies of the questionnaire were returned to be analyzed.

**Table 1**  
**Population and Research Sample**

No	Inspectorate	Middle Auditor	Junior Auditor	Primary Auditor	No. of Auditors	No. of Samples
1	Inspectorate of Central Sulawesi Province	7	18	4	29	28
2	Inspectorate of Palu City	3	9	8	20	13
	Total	10	27	12	49	41

C.2. Variable Operation

Table 2  
Variable Operational Matrix

Variable	Indicator	Measurement Scale
Accountability (X1) (Laksita, 2019)	Motivation	Ordinal (1-6), (7-12), (13-17)
	Devotion to the profession	
	Social obligation	
Competence (X2) (Rai, 2011)	Personal quality	Ordinal (18-22), (23-24), (25-27)
	Knowledge	
	Special expertism	
Audit Quality (Y) (Taufiq, Efendy, 2010)	Accuracy of audit findings	Ordinal (28-29), (30-31), (32-33), (34-35), (36), (32-38)
	Skeptical attitude	
	Recommended value	
	Report clarity	
	Audit benefits	
	Follow-up of audit results	

Based on the normal appearance of the graph plot, the regression model satisfies the assumption of normality because the scattered points shown are proved to be normally distributed.

Table 4  
Kolmogorov-Smirnov - Test Results  
One-Sample Kolmogorov-Smirnov Test

		unstandardized Residual
N		41
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	5.34224665
	Most Extreme Differences	
	Absolute	.132
	Positive	.125
	Negative	-.132
Test Statistic		.132
Asymp. Sig. (2-tailed)		.069 <sup>c</sup>

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

D. RESULTS AND DISCUSSION

D.1. Research Instrument Testing Results

Table 3  
Validity and Reliability Test

No	Variable	Status	Status
1	Accountability	Valid	Reliable
2	Competence	Valid	Reliable
3	Audit Quality	Valid	Reliable

These results show that these three variables are valid and reliable to be used use in this research.

D.2. Classic Assumption Test Results

D.2.1 Normality Test

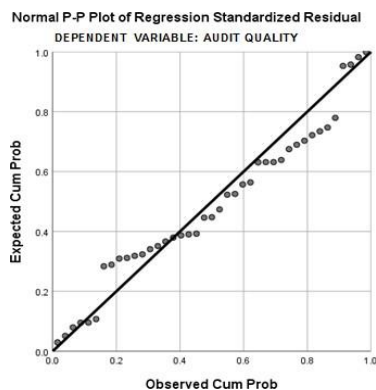
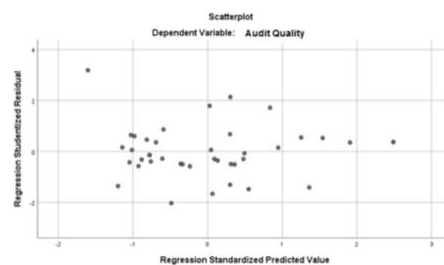


Figure 2. normality graph

From the results of the Kolmogorov Smirnov test, the Asymp value. Sig. (2-tailed) 0.069 or > 0.05 which indicates the residuals are normally distributed.

D.2.2 Heteroscedasticity Test



Based on the scatterplot graph above. The regression model is feasible to be used due to no striking pattern observed, and the points are well scattered, which indicates that no heteroscedasticity occurred in the regression model.

D.2.3 Multicollinearity Test

Table 5

Coefficients <sup>a</sup>											
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta	T			Zero-order	Partial	Partial Tolerance	VIF	
	1 (Constant)	5.725	4.460				1.284	.207			
ACCOUNTABILITY	.173	.074	.294	2.340	.025	.357	.355	.292	.986	1.014	
COMPETENCE	.659	.155	.534	4.245	.000	.568	.567	.530	.986	1.014	

a. Dependent Variable: AUDIT QUALITY

As can be seen in Table 5, the tolerance value is > 0.10, and the VIF value is < 10. This proves that it is free from multicollinearity.

D.3. Multiple Linear Regression Analysis

Table 6  
Regression Analysis Result

No.	Independent Variable	Regression Coefficient	t-count	Sig.	r-partial
1	Accountability (X1)	0,294	2,340	0,025	0,355
2	Competence (X2)	0,534	4,245	0,000	0,567
Constant = 1,284		F-count = 13,107		Sig. F = 0,000	
Multiple-R = 0,639		Adjusted R Square = ,377		α = 0,05	

D.4. Hypothesis Testing Results

D.4.1 F-Test

Table 7

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	665.253	2	332.627	9.602	.000 <sup>b</sup>
	Residual	1628.135	47	34.641		
	Total	2293.388	49			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Accountability, Competence

As can be seen in Table 7,  $F_{count} > F_{table}$  (9.602 > 3.38) and the significance level is lower than the 5% confidence level (0.000 < 0.05).

D.4.2. T-Test

Table 8

Coefficients <sup>a</sup>												
Model		Unstandardized Coefficients		Standardized Coefficients		T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	T			Zero-order	Partial	Partial Tolerance	VIF	
		1	(Constant)	9.238	4.322				2.137	.038		
	COMPETENCE	.523	.146	.442	3.580	.001	.468	.463	.440	.991	1.009	
	ACCOUNTABILITY	.158	.073	.268	2.168	.035	.311	.301	.266	.991	1.009	

a. Dependent Variable: Audit Quality

As can be seen in Table 8, competence on audit quality shows that  $t_{count} > t_{table}$  (3.580 > 1.68288) and the significance level is lower than the 5% confidence level (0.001 < 0.05), accountability for audit quality shows the value of  $t_{count} > t_{table}$  (2.168 > 1.68288) and the significance level is lower than the 5% confidence level (0.035 < 0.005).

D.5. Discussion

D.5.1. How Accountability, Competence and Audit Quality At the Regional Inspectorate of Central Sulawesi and Palu City

Based on the answers of respondents from the Regional Inspectorate of Central Sulawesi Province and Palu City, accountability shows a good average score, competence shows a very good average score, and audit quality shows a good average score.

D.5.2. The Effect of Accountability and Competence on Audit Quality

The results of the study prove that, together, accountability and competence affect audit quality. To produce a quality audit, the auditor must have audit knowledge gained from experience and auditing training, as well as special competencies to conduct interviews and prepare related reports that can affect audit quality. Accountability has an influence on audit quality. The more audit reports that are completed on time, the more accountable the auditors are in completing their audit tasks, which at the same time can improve audit quality.

D.5.3. The Effect of Accountability on Audit Quality

The results of the t-test show that accountability has a positive and significant effect on audit quality. This proves that the higher the level of accuracy of the auditor in reviewing audit reports and carrying out audit tasks in an optimal and responsible manner, the higher the audit quality. When associated with attribution theory, accountability as an external or internal factor in the auditor can affect audit performance. In this context, the auditor's behavior in dealing with tasks cannot be carried out optimally if the workload is excessive. However, if the auditors have a good time schedule, then they will be able to do their job on time. This research is in line with Furiady dan Kurnia (2015), Laksita (2019) and Sumarni (2020), who found that accountability affects audit quality positively and significantly.

#### D.5.4. The Effect of Competence on Audit Quality

The results of the t-test prove that competence has a positive and significant effect on audit quality. This proves that experienced auditors will be more competent in carrying out audits so that the audit quality will be better. If the auditor's ability is high, it is easier for the auditor to carry out audit work, and conversely, if the auditor's ability level is still low, more education and training are needed, as well as more intense auditing experience in order to carry out the task well. This study is in line with the findings of Santi (2015), which found that competence positively and significantly influenced audit quality.

### E. CLOSING

#### E.1. Conclusion

From the data analysis, simultaneously and partially, competence and accountability have a positive and significant effect on audit quality.

- Competence has a positive effect on audit quality. The better the competence of an auditor is, the better the auditor's performance and audit quality. A good understanding of audit standards that govern all stages and audit processes results in good-quality audits can be produced.
- Accountability positively affects audit quality because an auditor is required to master his profession as an auditor better. The examination must be carried out carefully, skillfully, and with high accuracy so that the possibility of intentional errors and fraud can be identified to produce a quality audit.

#### E.2. Suggestion

Based on the results of the study, it was found that the lowest score of the competency variable was due to a lack of training and technical guidance. Thus, more training and technical guidance are needed to improve the competence of the auditors. From the accountability perspective, it is necessary to understand government programs so that auditors can be more accurate and professional in conducting audits in order to produce quality audits.

#### E.3. Limitations

This research was only conducted in Palu City, where the Regional Inspectorate of Central Sulawesi Province and Palu City are located, so the results cannot be generalized to other Inspectorates.

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