Determinant's Audit Quality of Local Government in Indonesia

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Abstract

The objectives of this research to empirically analyze the influence of independency, objectivity, job experience, knowledge, integrity, of audit quality.

The population in this research are all auditor's who worked on the Inspectorate of the city/ county in north Sulawesi. Sampling was conducted using a purposive sampling method and number of samples of 112 respondents. Primary data collection method used is questionnaire method. The data analysis technique used in This research is the technique of multiple regression analysis.

The result showed that the independence, knowledge and integrity of the variables do not have a significant impact on audit quality. while the objectivity and job experience have a significant impact on audit quality

Keywords: audit quality, independency, objectivity, job experience, knowledge, integrity.

1. Background

Nowadays, Government of Indonesia manages the State of Income and Expenditure budget Funds (APBN) 2014 reach Rp. 1.800 trillion. This large amount required a clear accountability for the use of funds in the conduct the Government. This needs to be supported by a reliable supervision in order to ensure the effectiveness and efficiency of using the funds that could be accounted for. The local Government of North Sulawesi in 2013 the number of budget reached Rp. 1.9 trillion and in 2014 touching of Rp. 2.3 trillion. While the audit board's opinion against the financial statements for the fiscal year 2010 is unqualified opinion (WTP), for fiscal year 2011 is qualified opinion (WDP) and the year 2012 getting opinions on the WTP.

Based on government regulation No.79 year 2005 (verse 24) supervisory authorities against government affairs in local areas is exercised by the Government Internal Apparatus (APIP) in accordance with the functions and those powers. The government internal supervisor apparatus is the Department of General Inspectorate, a Non-Governmental departments, the Provincial Inspectorate, and Regency/City. Government Intern Apparatus (APIP) in performing their basic tasks and functions, besides providing recommendations also reported the results of their work in the form report of inspection result to standard audit of internal supervisory government apparatus. Recommendations and working reports of government internal supervisory must be qualified, to know the quality of the working result can be assessed from the report of inspection result. APIP must be independent, referring to the Public Accountant Professional Standards (SPAP) prevailing in Indonesia. The second general standard (SA verse 220 in a SPAP, 2001) mentioned that "in all things related to the Alliance, independence in mental must be maintained by the auditors". This standard requires that the auditor must be independent (not easily influenced), because they were carrying out their work for the public interest.

The quality of working outcome related to how good a job completed compared with the criteria that have been set. For auditor, the quality of working as seen from the quality of resulting audit which assessed from how many auditors gave the correct response of any audit complete (Tan and Alison, 1999) on Mabruri and Winarna (2010). The study of De Angelo (1981) found empirical evidence that independence affected to audit quality. But the study of Queena and Loveland (2012) states that independence have no effect on audit quality. Mabruri and Winarna (2010) conducted study on the influence of objectivity on examination result quality and the results shows positive effect. The higher of auditor objectivity level, then the better of its examination result quality.

The other factors that can affect audit quality is auditor's experiences. In Queena and Loveland study (2012), shows that there is a positive influence between working experience and audit quality. Inexperienced auditor will perform the greater attribution error compared to an experienced auditor. The study conducted by Lehman and Norman (2006) in Mabruri and Winarna (2010), about the influence of experience on problem complexity and judgment audit, found that an experienced auditor (expertise), will be more spells out clearly the encountered problems compared an inexperienced auditors, that would affected on judgment auditor.

Knowledge of an auditor in auditing field can also affect the quality of audit results that performed. SPAP 2001 about general standard, explaining that in auditing, auditor must have expertise and sufficient knowledge structure. Knowledge is measured from how high the education of an auditors, because thus the auditors will have more and more knowledge (views) of they focus about so as to find out various issues in more depth, besides the auditor will be easier in following the development increasingly complex. In detecting an error, an auditor should be supported with knowledge about what and how the error occurred (Tubbs, 1992) in Mabruri and Winarna (2010).

Besides the above factors, auditor's integrity factor also have an effect on the quality of audit result. Study that conducted by Mabruri and Winarna (2010) states that the audit quality can be achieved if the auditor has a good integrity. With high integrity, then the auditors can improve their quality of audit result (Pusdiklatwas BPKP, 2005).

This study is a replication of the research that has been done by Mabruri and Winarna (2010). The difference of this research with their research (Mabruri and Winarna, 2010) is the year and the place of research. This study is conducted on auditors and examiners in local governance environment, district, regency and city in the province of North Sulawesi.

Based on description of the background above, then the issue will be discussed in this research is (1) Whether independence affected significantly to quality of audit results? (2) Whether objectivity affected significantly to quality of audit results? (3) Whether working experience affect significantly to quality of audit results? (4) Whether knowledge affect positively effect to quality of audit results? (5) Whether integrity affect positively to quality of audit results?

As for the purpose of this study is to test whether there is influence of independence, objectivity, working experience, knowledge, and auditor's integrity to quality of audit result in local government environment of North Sulawesi Province.

2. Theoretical Thinking Framework and Hypothesis Formulation

The theoretical basis that used in this research is the stewardship and attribution theory. Stewardship theory states that managers are not motivated by individual goals but more aimed at their primary results target for organization interest. This theory is based on psychology and sociology aspects that has been designed where executives as stewards are motivated to act according the principal wishes, besides the steward's attitude will not leave the organization because the stewards trying to reach the organization targets. Stewardship theory looked at management as a party that can be trusted to act in their best for the public interest in general and particularly to shareholders.

According to Fritz Heider, quoted from Queena and Loveland (2012) attribution theory is a theory that describes the personal behavior. Attribution theory describes the process of how we determine the cause of personal behavior. This theory refers to how a person describes the cause of the other behavior or ourselves that determined from internal or external which will give the effect on individual behavior.

2.1 The influence of independence to quality of audit results

Independent means the auditor is not easily influenced. Auditors are not allowed to favor the interests of anyone. According to Pusdiklatwas BPKP (2005), an independent auditor is an impartial one or cannot be suspected of partiality, so as not to harm any party. De Angelo (1981) defines audit quality as a probability where an auditor discovered and reported about the existence of a breach on the client accounting system. The probability of finding an infringement depends on the auditor technical ability and auditor's independence. The study that conducted by De Angelo (1981), assumes that an auditor with the ability will able to find an infringement and the key is the auditor must be independent. But without information about technique ability (such as auditing firm, education, professionalism, and firm audit structure), capability, and independence will be hard to separate.

Study conducted by De Angelo (1981) found empirical evidence that the independence has significant influence to audit quality. Besides, according to Alim, Hapsari and Purwanti (2007), interaction of independence and auditor's ethic affected significantly to audit quality. This result do not support previous studies. Therefore, in this study the author trying to re-test the influence of independence to audit quality, with the following hypothesis:

H1 : Independence of auditor partially affect significant to quality of audit results.

2.2 The Influence of Objectivity to quality of audit results

The relationship between financial and client affects objectivity and can lead to a third-party concludes that

auditor's objectivity cannot be sustained. With existence of financial interest, an auditor clearly concerned with the examination report published (Sukriah dkk, 2009). Mabruri and Winarna (2010) states the higher the objectivity of auditor, the better the audit quality. In paragraph 1 verse (2) Accountant Code Ethics of Indonesia mandates: that each members should maintain the integrity and objectivity in carrying out their duties. By maintaining the integrity, they will act forcefully, honestly, and without pretensions. By maintaining the objectivity, they will act fairly, with being influenced by pressure or demand a particular party or personal interests, so the higher auditor's objectivity level then the better the quality of audit quality. According to explanation above, then the hypothesis will be tested in this study is the

H2 : Auditor's objectivity partially affect significant to quality of audit results.

2.3 The influence of working experiences to quality of audit results

According to Loeher (2002) in Mabruary and Winarna (2010), the experience is a combined accumulation of all obtained through face to face and interact repeatedly with fellow natural objects, condition, ideas, and sensing. To make a judgment audit, experience is an important component of audit skills and is a very vital factor and affect a complex judgment. An inexperienced auditor will perform greater error attribution compared an experienced auditor, so it can affect the audit quality (Nataline, 2007). According to Libby and Trotman (2002) in Mabrury and Winarna (2010), a professional auditor must have sufficient experience of the duties and responsibilities. The auditor's experience will be a good consideration of taking decision in it's work. Based on the statement above, the following hypothesis presented :

H3 : Working experience partially affect positive significantly to quality of audit results.

2.4 The Influence of knowledge to quality of audit results

Study conducted Tan and Alison (1999), in Mabrury and Winarna (2010) proves that knowledge can affect the relationship of accountability with quality of auditor's working result if the job complexity that facing is medium. As for the SPAP 2001 about general standard, explains that in conducting an audit, the auditor must have expertise and sufficient knowledge structure. According to Brown and Stanner (1983) in Mardisar and Sari (2007), the difference of knowledge between the auditors will affected to how an auditor complete the job. Based on that previous study, then the hypothesis will be tested in this study are:

H4: Auditor's knowledge partially affect significant to quality of audit results

2.5 The influence of Auditor's integrity to quality of audit results

Sunarto (2003) in Sukriah, Akram and Inapty (2009) states that integrity can receive the unintentional errors and the differences of honest opinion, but it cannot accept cheating principle. Study that conducted by Sukriah, Akram and Inapty (2009) tests the influence of integrity to audit quality and the results are not significant. Therefore, in this study the authors try to retest the influence of independence to audit quality, with the following hypothesis:

H5: auditor's integrity partially affect significant to quality of audit results

H6: Independence, objectivity, working experience, knowledge and auditor's integrity simultaneously has a significant influence to quality of audit results.

3. Research method

This research aims to test the hypothesis in the form of relations or influence between variables. In this study the influence that researched or relation include independence, objectivity, working experience, knowledge and auditor's integrity to quality of audit results in the local regency/ city government environment of north Sulawesi.

3.1 Populations and Samples

The population in this study is all civil servants (PNS) who working on the city/ regency level of inspectorate in the province of north Sulawesi. The sampling technique is done by sampling purposive approach to determine the samples from a population that meet certain criteria according to the author such as, already following education and training as an auditor.

3.2 Data retrieval method

Data retrieval method that used is survey method. Data that used in this study is primary data, data obtained through questionnaires that distributed directly to auditor and examiner staffs who work in local city/ regency inspectorate on local regency/ city government environment in the province of north Sulawesi. Each answers from the statements on questionnaire have been determined based on the likert scale of his score 5 points.

3.3 Research variable and definition of variable definition

This study will test the influence of the independent variable consists of independence, objectivity, working experience, knowledge and auditor's integrity to dependent variable i.e the quality of audit results. Testing tool used to test the relation of these variables is the t-test and f-test. T test aimed to test whether independent variable (independence, objectivity, experience, knowledge, and auditor's integrity) partially or individually against dependent variables (quality of audit results). F test was conducted to test the presence of the influence of independent variables (independence, objectivity, experience, knowledge and auditor's integrity) simultaneously or together against dependent variable (quality of audit results). Operational definitions and measurements for these variables are:

3.3.1 The variable of audit quality

Quality audit is a probability that the auditor will find and report offence on government accounting system with based on accounting standard and auditing standard that have been set. The instruments based on research conducted by Sukriah et al (2009) have been modified, this audit quality is indicated by indicators are: 1. Conformity of examination with audit standard and 2. The quality of examination results report.

Respondent's perception against the indicators measured by likert scale, 5 points. 1) strongly disagree, 2) disagree, 3) neutral 4) agree, 5) strongly agree

3.3.2. The independence Variable

Independence is a process of preparing program that is free from interference and influence both from the leadership or other parties. Independent auditor in carrying out the examination will be free of managerial effort in determine the activities, are able to cooperate and not concerned with private interests. Independent reporting means reporting not affected others, does not cause multiple interpretations and expressed with the fact. Based on research that conducted by Sukriah et all (2009) which has been modified, then the indicator used to measure independence is, 1. Independence of preparing a program, 2. Independence of the work execution, 3. Independence of reporting.

Respondent's perception to the indicators measure by likert scale, 5 points. 1) strongly disagree, 2)disagree, 3)neutral, 4)agree, 5) strongly agree.

3.3.3. The Objectivity Variable

Objectivity is auditor's attitude to act justly, not affected by relation of cooperation and not favoring the interest of anyone so the auditors are reliable and trustworthy. An auditor should be able to reveal the condition accordance by fact that is with suggest what their opinion is, not find fault, maintaining the criteria and using a logical mind. Based on research that conducted by Mabruri and Winarna (2010), the indicators that used to measure objectivity that is: 1. Free from conflict of interest, 2. Disclosure the condition based the fact.

Respondent's perception against the indicators measured by likert scale 5 points. 1) strongly disagree, 2)disagree, 3)neutral, 4)agree, 5) strongly agree.

3.3.4. The Knowledge Variable

Knowledge is auditor's understanding level of the work, conceptually or theoretical. Based on study that conducted by Mabruri and Winarna (2010), the indicators that used to measure knowledge is,

1. Personal quality
2. General knowledge

Respondent's perception against the indicators measured by Likert scale 5 points. 1) strongly disagree, 2)disagree, 3)neutral, 4)agree, 5) strongly agree.

3.3.5. The Working Experience Variable

Auditor's working experience is auditor's attitude is that the longer be an auditor, will make auditor have ability to obtain relevant information, detect errors and look for the causes of emergence the errors. Many of examination tasks that done to make auditor more thoroughly, can learn from the past mistakes and fast in completing the task. Based on research that conducted by Mabruri and Winarna (2010) auditor's experience measured by the indicator,

1. The length of working as auditor
2. The large number of inspection tasks have been done.

Respondent's perception against the indicators measured by Likert scale 5 points. 1) strongly disagree,

2)disagree, 3)neutral, 4)agree, 5) strongly agree.

3.3.6. The Integrity Variable

Integrity is honestly attitude, brave, wise and the responsibilities of auditor in conducting the audit. Auditors are required to be honest with obey to the regulations, do not add or diminish the fact and do not accept everything in any form. The auditor also must have a brave and wise attitude in facing and solving the problems. Integrity is also the responsibility of auditor to not harm other people, rehabilitate work, consistent against job and being appropriate norms and cling to regulations. Based on research that conducted by Mabruri and Winarna (2010), the indicators that used to measure integrity is:

1. Auditor's honesty

2. Auditor's courage

3. Auditor's wise attitude

4. Auditor's responsibility

Respondent's perception against the indicators measured by Likert scale 5 points. 1) strongly disagree, 2)disagree, 3)neutral, 4)agree, 5) strongly agree.

3.4 The Methods of Data Analysis

Analytical methods for testing the hypothesis in this study using multiple regression analysis with SPPS software 20.0 with $\alpha = 5\%$. In previously the validity test used to measure whether legitimate or valid questionnaires being used. The equations that used are:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

where :

Y = quality of audit results

X_1 = Independence

X_2 = Objectivity

X_3 = Working Experience

X_4 = Knowledge

X_5 = Integrity

β = regression coefficient

e = Error

in order for regression model can produce a good estimator (best linear unbiased estimator) then it needs to be done classic assumptions testing.

4.The research results and the discussion

4.1 data research

research data used in this study is the primary data obtained by using a questionnaire which have been disseminated via contact person to regional inspectorate authorities in district and city of north Sulawesi province up to the deadline for return that is July, 30th 2015.

See Table 1 from 150 disseminated questionnaires , 33 questionnaires are not returned and as many as 5 questionnaires are incomplete and total of processed questionnaires amounted 112, rate of return (response rate) obtained is amounting to 74 % while the rest is 26% did not return. This is due to the presence of employees on leave and out of city for office at the time of dissemination of questionnaire is carried out, as a result the provider didn't get to give the questionnaire until the specified limit time.

4.2 Research data analysis

4.2.1 Classic assumption test

To obtain the results of good linear regression then used classic assumption test, that is:

a. Heteroskedasticity test

to detect whether there is heteroskedasticity, can be conduct by looking at exist or not specific pattern on scatter

plot graph. If the scatter plot graph not form or describe a specific pattern, means can be said regression model is to be free from heteroskedastic. Based on calculation results by using SPSS program as on the appendix, then the scatter plot can be seen in figure 1 it appears that residual scatter diagram does not form a specific pattern or its position in spread condition. In conclusion, regression model is independent from heteroskedasticity case and meets the requirements of classical assumption about heteroskedasticity.

b. Multicollinearity test

Detects there is multicollinearity or not that is by analyzing Variance Inflation factor (IVF). VIF value that can be tolerated is 10. If VIF value of independent variable < 10, means no multicollinearity. Based on calculation results by using the SPSS program as on appendix 4. For classical assumption test, multicollinearity can be seen in table 2, VIF value for x1 shows 1.018, and X2 shows 1.022, X3 shows 1.039, X4 shows 1,040, X5 shows 1,031, then it can be concluded that does not occur multicollinearity in regression model, because all VIF value that generated by variable X1, X2, X3, X4, and X5 <10.

c. Autocorrelation classic assumption test

Autocorrelation is correlation between the sequence of observation from time to time. To check the presence of autocorrelation, usually wear Durbin Watson (DW) and decision criteria as follows:

• If DW < 1.21 or DW > 2.79 then autocorrelation occurred.

• If 1.65 < DW < 2.35 then did not happen autocorrelation.

• If 2.35 < DW < 2.79 then autocorrelation cannot be concluded.

Based on the calculation results by using SPSS program assistance as it exists on the appendix for autocorrelation classic assumption test can be seen in table 3 that Durbin Watson (DW) value is 1.371, or indicates that DW value < 1.21 and > 2,79 then it can be concluded that do not occur autocorrelation in regression model.

d. Normality Test

The goal of doing normality assumption test is to examine whether in a regression model, independent variable and dependent variable has a normal distribution or not. A good regression model is normal data distribution or close to normal. The basic of decision making is if data spreads around the diagonal line and follow diagonal line direction, then meet the requirements of normality assumptions. Based on the calculation results by using SPSS Program as on appendix, then normality graph can be seen in figure 2 that the data spreads around the diagonal line and follow diagonal line direction, then it can be said that regression model meet the require of normality assumption.

4.2.2 Multiple Regression Linear

Based on calculation results of data processing by using the SPSS program assistance, then calculation results of multiple regression linear can be seen on table 4 Based on calculation results by using SPSS program assistance as on the table 4 can be seen on "coefficient" session that regression model obtained is:

$$Y = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + e$$

$$Y = 22.673 + 0,074 X_1 + 0,282 X_2 - 0,388 X_3 + 0,001 X_4 + 0,105 X_5 + e$$

Constants (α) is positive value 22,673 gives the sense that if independence, objectivity, working experience, knowledge and integrity variable is not exist or equal to zero (0), then quality of audit results will increase.

β_1 value is correlation coefficient of independence variable (X1) has positive value that means if independence variable is rise, then quality of audit results variable will rise or has in the same direct relation.

β_2 value is correlation coefficient of objectivity variable (X2) has positive value or in same direct that means if objectivity variable is rise, then quality of audit results variable also will rise.

β_3 value is correlation coefficient of working experience variable (X3) has negative value or not in the same direct that means if working experience is reduce, then quality of audit results variable also will rise.

β_4 value is correlation coefficient of knowledge (X4) has positive or in the same direct that means if knowledge variable is rise, then quality of audit results also will rise.

β_5 value is correlation coefficient of integrity (X5) has positive value or in the same direct that means if integrity variable is rise, then quality of audit result also will rise.

Thus it can be known that every time there is a change to independence, objectivity, working experience,

knowledge and integrity variable, then it will affect quality of audit results.

4.2.3 Correlation Coefficient (R)

This Correlation coefficient analysis (R) was used to measure the closeness relation between independent variable (X) against dependent variable (Y), in this case to measure strong or weakness the relation of independence (X1), objectivity (X2), working experience (X3), knowledge (X4), and integrity (X5) with quality of audit results. on the table 5 of part Correlation can be seen that linear correlation coefficient produced between independence (X1) with quality of audit result (Y) is 0,074 or 7,4 % that means do not have the level of opposite relation or negative and linear correlation coefficient generated between Objectivity (X2) with quality of audit results (Y) is 0,227 or 22,7% that means in same direct or positive, and linear correlation coefficient produced between working experience (X3) with quality of audit results (Y) is 0,203 or 20,3% that means has not in the same direct or negative. For linear correlation coefficient produced between knowledge (X4) with quality of audit results (Y) is -0,051% or 5,1 % that means has not in the same direct or negative. As well as of linear correlation coefficient produced between integrity (X5) with quality of audit results (Y) is 0,182 or 18,2 % that means in the same direct or positive.

Then can be concluded that the five of variable that is independence, objectivity, working experience, knowledge and integrity have a weak relationship because all were below 50 % its correlation to quality of audit results.

4.2.4 Determinant Coefficient (R2)

Determinant coefficient (R2) required to measure how large the influence of independence (X1), objectivity (X2), Working experience (X3), knowledge (X4), and integrity (X5) to quality of audit results (Y), can be seen on the table 6 then be known R square value obtained is 0,122 or 12,2 %. R square value gives a sense that the magnitude of the quality of audit result variable can be explained by independent variable that is independence, objectivity, working experience, knowledge, and integrity variable is 12,2 % while the rest are 87,8 % explained by other variables that not examined in this study.

4.2.5 hypothesis testing

Hypothesis formulation that being tested, have been addressed in previous chapter with a significance level that is used in this study is 5 % or $\alpha = 0,05$ then the hypothesis test results are as follows on table 4 the F test significant where significance value P is $0,016 < 0,05$ then can concluded that H0 is rejected and Ha is accepted, which means that independence, objectivity, working experience, knowledge and integrity variable simultaneously affected to quality of audit results. And T test was used to test the significance of independent variable influence to dependent variable in regression model that are already produced. Then the t-test is used to test each independent variables to dependent variable. From the table 4. t-test result for independence (X1) value of significance $P = 0,343 > 0,05$ means H0 is accepted and Ha is rejected that means independence variable affected positively not significant to quality of audit result for internal auditor in north Sulawesi.

Furthermore to t test on objectivity (X2) significance of p value = $0,019 < 0,05$ means H0 is rejected and Ha is accepted means objectivity variable affected significantly to quality of audit result for internal auditor in north Sulawesi province.

Furthermore to t test on working experience variable (X3) significance of p value = $0,03 < 0,05$ means H0 is rejected and Ha is accepted means working experience variable affected significantly to quality of audit result for internal auditor in north Sulawesi province.

T test results for knowledge (X4) significance of value $p = 0,995 > 0,05$ means H0 is accepted and Ha is rejected means knowledge variable affected not significantly to quality of audit result for internal auditor in North Sulawesi and next for t test result of integrity (X5) significance of value $p = 0,150 > 0,05$ means H0 is accepted and Ha is rejected means integrity variable affected not significantly to quality of audit result for internal auditor in North Sulawesi.

4.3. Discussion

4.3.1 The influence of independence to quality of audit results

data analysis results and hypothesis testing above shows that independence (X1) affected not significant to quality of audit results (Y) on internal auditor in north Sulawesi province. This result is not consistent with research that conducted by Alim et al (2007) found empirical evidence that independence affected significantly to audit quality. Research results of Trianingsih (2007) indicates that auditor only understands good governance but in implementation of inspection does not enforce they independence then it will not have an effect on its performance. No significance influence the independence to quality of audit results because there is instructions

from superiors for not disclose and modify the results. This result supports the research of Queena and Rohman (2012) that auditor's independence not have significant effect to audit quality. This is because still interfering from leadership/ inspector to determine, eliminate or modify certain parts which will be checked and there is an intervention over procedure chosen by the auditor.

4.3.2 The influence of objectivity to quality of audit results

Data analysis results and hypothesis testing, shows that objectivity (X2) affected significantly to quality of audit result (Y) to internal auditor in North Sulawesi province. This result is consistent with research conducted by Mabruri and Winarna (2010) stated that the higher objectivity of auditor, then the better the quality of audit. This result study is in line with studies from De Angelo (1992), Deis and Giroux (1992), Mayangsari (2003). Mabruri and Winarna (2010) has been conducted research about the influence of objectivity to quality of audit results in local government environment and the result is positive. In other words, the higher of auditor's objectivity level, then the better the results of inspections. Objectivity on internal auditor in north Sulawesi province affected to quality of audit result that means internal auditors in carrying out their main tasks can do a balanced assessment of all relevant conditions and are not affected by its own interests or others interests on making their decision although the result is there intervention from superior.

4.3.3 The influence of working experience to quality of audit results

Data analysis results and hypothesis testing, shows that working experience (X3) affected significantly to quality of audit results (Y) on internal auditor in north Sulawesi province but had negative correlation. This is because internal auditor in north Sulawesi works just because demoted, so at the beginning of their work trying to attract the attention from superior and when their work should be eliminated or modified by superior, the motivation to produce a quality report longer declining. The experience was only a supporter factor and when an auditor is not in line with superior's policy then that auditor will be demoted. This research result is in line with research by Alim et al (2007) that experience is define as the length of time in working in their field, assumed to be working on something with a task repeatedly, then it will give a chance to do it better. This study supports the statement of Public Accountant Professional Standard states that auditor must have sufficient working experience in the profession who practiced, and being required to meet the technical qualifications and experienced in the industries that they audit (Arens et al, 2004).

4.3.4 The influence of knowledge to quality of audit results

Data analysis results and hypothesis testing, shows that knowledge (X4) is not affected significantly to quality of audit result (Y) on internal auditor in north Sulawesi province. Growing number of knowledge possessed by an auditor, then the better an internal auditor performance. An internal auditor that have much knowledge will help on finding errors but for internal auditor in north Sulawesi growing number of their errors found, the result will still be selected and modified by superior so the knowledge they possessed is not affected significantly to quality of audit result. Besides inspection program preparation time is still there intervention from superior to determine, eliminate or modify the certain parts that will be checked as well as intervention above selected procedures by auditor. The results of this study do not support the research of Queena and Rohman (2012), Mabruri and Winarna (2010) auditor's knowledge affected to quality of audit result in local government environment.

4.3.5 The influence of integrity to quality of audit results

Data analysis results and hypothesis test, shows that integrity (X5) is not affected significantly to quality of audit result (Y) on internal auditor in North Sulawesi. Integrity is the attitude of honest, brave, wise and auditor's responsibilities on this research supports study results of Sukriah et al (2009) that integrity is not affected significantly to quality of audit results, because the auditors consider personal conditions both someone/ group or organization to justify the violates act or applicable constitutions, and if inspection object make mistake then the auditor be blaming which can cause harm to others, also there is intervention from superior.

5. CONCLUSION AND SUGGESTION

Based on analysis results the obtained conclusion that independence, knowledge and integrity variable is not significant affected to quality of audit result, while objectivity and working experience variable affected significantly to quality of audit results means, the more objective internal auditor, then more growing number of working experience an internal auditor then the better the quality of audit result.

this research has a number of limitations to note for the next research, that is:

 a.   The possibility of refraction against of respondent's response, because there is not serious respondent in

answering all the questions that were in questionnaire and interpretation's error by respondents regarding the meaning of the real question, thus causing immeasurable variables perfectly.

b. The scope of research only in government auditor in north Sulawesi province so less could represent the government auditor across Indonesia.

c. There are still other independent variable that affected the variation in quality of audit result variable that not examined in this study.

the suggestions that can be submitted by the author as a result of research, discussion, conclusions and limitations above are:

a. Further research should use research method besides survey method, such as the interview method can be used to get a two-way communication with the subject and get subject answer honesty

b. Add the amount of research sample

c. Expand the research location, example for East Indonesia government range or even in government throughout Indonesia, so that the conclusions obtained can be generalized in commonly

Perform further testing against variable with insert another variable that affect quality of audit results in local government environment, for example audit ethics, task complexity, motivation and skepticism of professional auditors.

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Notes

Note 1. Table 1

Questionnaire distribution

description	total
-disseminated questionnaires	150
-questionnaires are not returned	33
-Incomplete Questionnaires	5
-Questionnaires prepared	112
-response rate	74 %

Notes 2 : Figure 1 Scatterplot

Scatterplot
Dependent Variable: Y
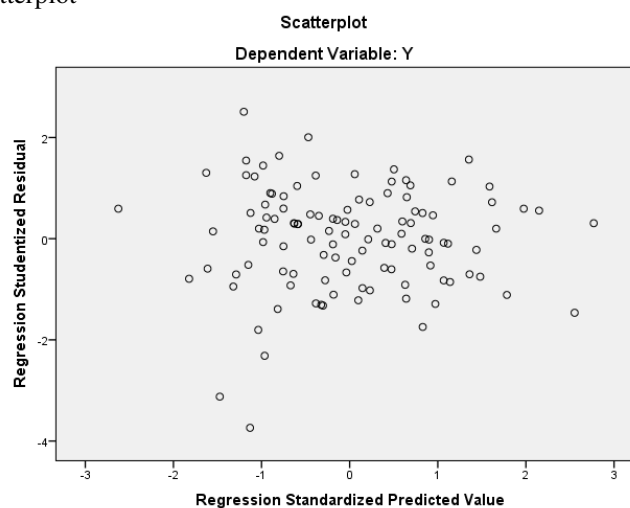
Note 3 : table 2

Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	X1	.982	1.018
	X2	.978	1.022
	X3	.962	1.039
	X4	.961	1.040
	X5	.970	1.031

Note 4   : table 3

Autocorrelation Classic Assumption Test

Model	R	Std. Error of the Estimate	Durbin-Watson
1	.350[a]	4.08794	1.371

Note 5 : figure 2

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Y
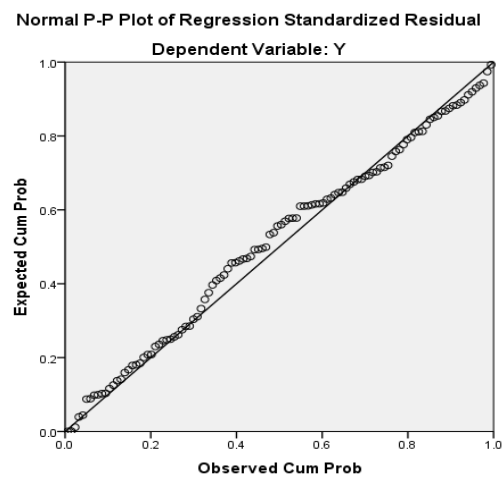
Note 6 : Table 4

Multiple Regression Linear

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.673	6.023		3.764	.000
	X1	.074	.078	.087	.952	.343
	X2	.282	.118	.220	2.390	.019
	X3	-.388	.176	-.204	-2.202	.030
	X4	.001	.106	.001	.006	.995
	X5	.105	.072	.134	1.449	.150
F		.016				

Note 7 : table 5

Correlation coefficient

Correlations

		Y	X1	X2	X3	X4	X5
Pearson Correlation	Y	1.000	.074	.227	-.203	-.051	.182

Note 8 : Table 6

Determinant Coefficient

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.350[a]	.122	.081	4.08794	1.371

a. Predictors: (Constant), X5, X1, X2, X3, X4

b. Dependent Variable: Y