



Enhanced Auditors Performance Through the Consequences of Management Control System

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ABSTRACT

It is believed that Management Control System (MCS) is world-wide suggested as prerequisite key drivers on any performance to enable to make congruent decision based on holistic monitoring, focusing approach, legitimating-based as well as strategic decision making. Current study aims at investigating the impact of MCS on enhanced auditor's performance mediated by audit and budgetary control capability. Deployed Structural Equation Modeling with AMOS to analyze data. A survey with questionnaires and Google forms method were used to collect data from 200 auditors with a non-purposive sampling technique. The statistical outputs demonstrated that the impact of the attention focusing approach and strategic making decision are insignificant on budgetary control capability, while the rest of hypotheses, holistic monitoring-based, work legitimating-based showed the positive and significant impact on audit and budgetary capability, more over the mediating variables also statistically proven as the antecedents of enhanced auditors' performance.

INTRODUCTION

A. Background

brief list of studies on management control system (MCS) applied have becoming the valuable evidences in improving firm performance. Some of them are worth to mention such as MCS and organizational capabilities (Henri, 2006), MCS and Strategy Interaction (Tekavcic, 2008), MCS in R&D (Williams, 2009) Strategy, Innovation, and MCS (Chenhall, 2011), MCS and Performance measurement (Mohamed, 2013) MCS and CSR strategy (Mundy, 2013), MCS on Efficiency and Quality Performance (Ho, 2011), MCS and Development of Firm Capabilities (Orozco, 2013), MCS for Service Innovation Activities (Aas, 2010), Managing green issues on MCS (Aziz, 2015), MCS. and strategy implementation process (Ismail, 2015), MCS and performance Measurement (Siska, 2015), MCS and Strategy on Performance (Obinozie, 2016), MCS and performance in SMEs (Durendez, 2016), MCS and capability and organizational performance (Orozco, 2016), Diagnostic and interactive uses of MCS (Frezatti, 2017), MCS and strategy (Coller, 2018), MCS to Environmental Capabilities (Albertini, 2018) MCS on behavioral research (Setin, 2020) MCS on Employee Motivation and Performance (Van der kolk, 2018), MCS typologies (Pellinen, 2020). Meta-Analysis of MCS (Pujiati, 2020), MCS and Business Strategy (Adiputra, 2020).

As a main part of strategic process which consists of three phases, Formulation, performance and implementation (Hoskisson, 2011), found general activities for each phases, for each phases, the activities and output are monitored to enhance the actual performance could be compared with expected performance as well as corrective action could be made. MCS took responsibility in making model and system to support this strategy. MCS defined as a process where managers could ensure that gained resources effectively used in attaining organizational goals (Anthony, 1965). All the relevant information is given for each strategic process phase (Widener, 2007) and provide the information as a key factors as well as failure factors (Mintzberg, 1994). It is known that MCS has become the exponential and triggering the better understanding on its role and how it could fulfil managerial needs. Aligning with the approaches that considered MCS is more than mechanical tools, but also as a tool to stimulate and manage the process of strategic emerges. Current study aims to assess the usage of MCS on Enhanced Auditors Performance mediated by audit and budgetary control Capability. From the perspective of Resource Based View, MCS is not merely produced the rent, but also as usage function (Penrose, 1995).

Even with MCS assumption it could be used for different purposes. Somehow, it is still found the lack of empirical research on capabilities as consequences of MCS implementation that evaluate its usage, how the research show the capabilities are derived from MCS. The research on MCS has shown valuable findings but it is still ambiguous, questionable and sometimes contradictive. Some positive relationship (Cruz, 2011) or negative (Otley, 2004) between MCS and Innovation or Learning, or depend on how MCS implemented, it has a positive relationship (interactively used) a

negative relationship (diagnostic used) with Capability (Henri, 2006). Moreover, there is not a study that connects the usage of MCS and its effect on corporate strategic capability (Berry, 2009). Beyond these studies, there is still a need to understand the effect of MCS usage on capabilities in many fields (SMEs or services).

Based on the unclear and contradictory effect of MCS on capability, this study aligned with the different usage of MCS (Vandenbosch, 1999) which could trigger the capability development of strategic. Currents study will analyze the effect of Holistic Monitoring-Based, Work Legitimation-Based, Attention Focusing Approach and Strategic Decision Making (Exogenous Variables) on Audit and Budgetary Control Capability (Mediating Variable) and Enhanced Auditors Performance (Endogenous Variable).

A. Literature Reviews and Hypotheses Development

2.1. Management Control System

2.1.1. Holistic Monitoring-Based

Recording score is a standard process which developed within long period in a corporate. The usage of monitoring responded on some questions such how the monitoring is conducted (Simon, 1954) During this step, MCS is used to provide the feed backs on what is expected. The feedback system where the goal is decided previously, the outcome is measured and compared with the goals, this could enable to provide the feedback, and sometime the correction is needed. The holistic monitoring is characterized with the consistency among period of times to enable to make a comparison (Vandenbosch, 1999). The usage of application is similar with diagnostic control (Simon R. , 1995).

The architecture of monitoring data, this paper analyzed how the holistic monitoring based could be used to monitor the usage of data. With the monitored data information, a corporate will be able to provide services and produce log audit needed for compliance audit (Massonet, 2011). Others study showed the importance of monitoring in a corporate, an internal monitoring system on environmental monitoring, communication and risk management, controlling and monitoring activities on organizational effectiveness. These activities we learned from three approaches, firms' capability to reach the goals (goal approach), capability to control and maintain needed resources (resources control approach) and other factors related with firm competitiveness, work satisfaction, customer's satisfaction and complaints (Mahadeen, 2016).

Database Activity Monitoring (DAM) has been implemented to capture the recordings from user and its connection. From the recordings, firms could decide the policy fraud on information safety. This DAM could instantly and continuously monitor and analyze database activities (Lee, 2018). Some weakness of monitoring based approach system is basic orientation on professionalism and working analysis for common user.

Monitoring has a positive correlation with innovation that enables the administrators to notice the potential opportunities but in another hands, it has a negative correlation with entrepreneurship with searching for products (continuous market development) which monitors innovation excessively.

The usage of MCS legitimize of what so called ratification of decision (Simons, 1990) or influencing of decision (Dossi, 2008). In the negative definition, to legitimize of MCS is a political tool which is not only maintain credibility but also to develop authority. provide the proof of this usage related with gaining or power implementation by deciding the direction, change performance, thus, it will lead on legitimation (Markus, 1983). Legitimation of MCS usage is related with dominant control (Henri, 2006) power centralization, and sometimes the strong prevalence only for financial indicators (Norton, 1992),

The nature of controller firms is not related with the characteristics of capability, and it has a negative impact on assessed relationship. In the positive domain, MCS is used as legitimation tool to justify any actions or the previous decisions made (Burhell, 1980) which is produced during volatility or uncertainty (Henri, 2006). This usage is brings benefits for executive due to the information shared strengthen or denial the belief or the expectation previously (Vandenbosch, 1999).

The usage of MCS as a holistic monitoring-based is considered as communication tool between manager and subordinate for information sharing concern on environment problems (J.F.F, 2010). Thus, monitoring used MCS could operate the first step from the four steps of learning process (Slater, 1994). Besides, the usage of MNS requires the important role of monitoring due to the needs of supportive information for analysis. The fact is, the being observed, the decision made is faster, using more information and produce more alternatives instead of making decision more slowly (Eisenhardt, 1989). This could be meant that monitoring the goal achievements, limit the risk taking, provide the limit for innovation, monitor the variance of effectively will lead to a better performance. In another hands, the usage of monitoring could contribute on performance through organization capability (in this case, capability is audit and budgetary Control capability). Having discussed some of previous studies concerned on holistic monitoring-based in order to increase capability, the current study would like to propose the following hypotheses:

H1 : When Applied MCS with a Holistic Monitoring-Based, a Corporate Will Experience a Higher Audit Control Capability

H1a : When Applied MCS with a Holistic Monitoring-Based, a Corporate Will Experience a Higher Budgetary Control Capability

2.1.2. Work Legitimation-Based

Legitimized decision refers to justification of decision and as a main reason to use the decision support system (Vandenbosch, 1999) MCS could be used to validate the past action as well to increase and ensure the legal of future action. It used the all information sources in a firms, which has

authority and credibility to legitimize the activities. This usage is similar with diagnostic controls (Simon R. , 1995) .The role of MCS is world-wide accepted in the international business literature, which is considered it as data management tool that influence manager cognitive orientation in decision making (Doz, 1987). Legitimation is the main reason of usage of decision support system due to the existed strong relationship between legitimized decision and possible competitive (Vandenbosch, 1999), that is, headquarter that uses MCS to influence and direct local decision making (Jensen, 1983) and also persuade the initiative and implementation of strategic decision (entrepreneurship orientation) (Doz, 1987).

Managers is not only use information to justify their decision, they also believe that it enable the organizational competitive resources (Vandenbosch, 1999). This finding tried to show that the managers efforts to legitimize and justify of planned programs has a direct relationship on entrepreneurship nature (Garvis, 2000). Liberal management style which appreciate the resources principals, entrepreneurship and self-control (Kleingeld, 1999). Strategic decision making based on MCS acts like a facilitator (Hickson, 1986)by providing the information support system to make decision. Involved top management in new efforts and entrepreneurship actions should be related with strategic decision making the experiences regular change, so they require more information form MCS to support decision making process.

Many researchers use various proxy for audit quality, even with few guidance to select among them. A research facilitate frame work to systematic evaluate the unique strength and weakness, due to the strong relationship with financial report quality. Audit quality is also depend on basic characteristics of a firm and financial reporting system (zhang, 2014)Others study that discuss on a crucial set of formative contribution for contextual and critical research in auditing. This articles found that there were only a few relative ask rationalized account from audit process and exploit the complex practices. This article is considered as a contribution to our understanding on legitimation production among four substantive theme, audit process and formal structural, audit as a business, working sheet and image and new audit. The finding also highlighted that professional character is constructed from social aspects to summarize and suggest the benefit bases to deliver future research, the audit and legitimation product (Power, 2003)

The quality of audit is also depend on the audit delay. Audit delay refers to the end of financial year of a firm until the date of audit reporting. The opportunity of audit delay in public sector is very wide and the users' expectation of audit reporting is different that lead to audit quality and audit reliability in this sector is still questionable. The research finding concluded that original value is correlated with institutional theory support from the perspective of public sector audit (David, 2020).

The legitimation of work on research could also found at the determinant analysis of audit quality and evaluate the effect of professional

etiquette moderation in the relationship among competency and independency, audit tenure, professional skepticism on audit quality. The findings claimed that competency, independency, professional skepticisms had a positive significant impact on audit quality, furthermore, professional etiquette strengthen the relationship between competency and independency on audit quality (Hardiningsih, 2019). Other research discussed the audit quality is the usage of Quality Control System (QCS). It is stated that leadership responsibility on audit quality, relevant etiquette requirements, sustain customer relationship and specific delegation, team delegation, delegation performance, monitoring, audit quality documentation also evaluate the professional commitment to moderate the effect of each QCS element on audit quality (Ramadhani, 2017)

Aligned with aforementioned studies, this article also evaluate the audit efforts and quality from the perspective of output and audit process. Statistical outputs state that audit efforts is significantly increase audit adjustment, which make a barrier on positive earn management and increase the quality of financial audit reporting (Xiao, 2020). Unlike the finding stated that audit process has a significant impact on audit quality, audit firms encountered the constant conflict between audit business and audit process, which manifested on the level of audit senior in the pressure to conduct quality work within time given (Pierce, 2004).

Using impressive and legitimation as a working framework to analyze the response of stakeholder. In general the finding showed the regulatory body professionalism in directly involved in management image and promote audit quality and increase the legitimation and trust (Zaman, 2019) .

Other programs use to legitimation is quality control system. It is the etiquette and relevant independency on audit quality and to identify the role of professionalism skepticisms moderation on the impact of quality control on audit quality. The finding claimed that etiquette and independency has a significant impact on audit quality and professionalism skepticisms has a strong mediating on audit quality (Baridwan, 2020).

The study designed to evaluate the work legitimation approach is the rotation of audit firms to analyzethe arguments made in discussion of mandatory rotation. The purpose is to provide the better understanding on regulation, audit quality and competition from the perspective of market participants and practitioners (Duvel, 2017). Work legitimation approach is designed to increase audit and budgetary control capability, hence, to propose the following hypotheses.

H2: When Applied MCS with Work Legitimation-Based, a Corporate Will Experience a Higher Audit Control Capability

H2a: When Applied MCS with Work Legitimation-Based, a Corporate Will Experience a Higher Budgetary Control Capability

2.1.3. Attention focusing Approach

To focus on organizational attention, organization learning is related with the MCS usage which focused on attention approach, the contribution

on the emerge of new strategy in organization (Mintzerg, 1978) by responding to the question, what problems should be focused and this usage is similar with interactive control.

One of the studies focused on this discussion is the statement in Auditing Standards Board (ASB) concerned on Auditing Standards No. 82 (AICPA [1997]) that requires auditors to evaluate risk of fraud partially will lead auditors spend more time. Auditor's ability to detect the fraud has been dragged significant attention from researchers, practitioners, legislators as well as decision makers (Zimbelman, 1997)

Structured reporting finding covered the current expectation on auditor's role versus future role, current requirements, future capability requirements have affected the recruited model and on training program as well as development. Based on this finding, the researchers concluded that by proposed strategy to ensure that current and future auditors have needed capability and related competency to produced high audit quality (Barac, 2016) Focusing on transparency, skills, professionalism and audit commercialization showed that the RFC, audit firm and professionalism body mainly focused on issues which not lead on threat for the sake of audit firm. The finding showed that regulation of body and professionalism involved in brand management (Zaman, 2019).

MCS is considered as management tool with exception to implement the strategy. This study provide the different perspective by focusing on how top manager use specific control system to focus attention on uncertainty (Simon R. , 1991). Motivated by new attention regarding on the role of auditors in fraud detection, this research predicted that under pressure of time the attention of auditor will be focusing on dominant task with focused attention on task on branch and secondly collecting the documents of misreporting (Braun, 2000). The other studies conducted to measure the impact of team auditors on audit quality. Audit committee used in this research is audit committee, backgrounds id audit committee as well as experiences, meanwhile audit quality conducted is audit fee (Bernawati, 2020). The impact of attention focusing approach has no doubt to increase audit and budgetary control quality, hence, propose the following hypotheses:

H3: When Applied MCS with Attention Focusing Approach, a Corporate Will Experience a Higher Audit Control Capability

H3a: When Applied MCS with Attention Focusing Approach, a Corporate Will Experience a Higher Budgetary Control Capability

2.1.4. Strategic decision-making

Strategic decision making: problems solving for non-routine problems which requires top management commitment and needs information to support analytical process of strategic decision making. Quick decision making needs more information and develop more alternatives instead of

slow decision making (Eisenhardt, 1989). This type of research is similar with interactive control (Simon R. , 1995).

Related study which investigate how client business strategy moderate the relationship between industries auditors and audit quality. Research finding showed that auditor specialization has a negative impact on audit quality, and client business strategy weakened the relationship between specialized and quality of auditors (Sari, 2018). Other literature study on judgment and decision making (JDM) that enables researchers to identify the trend, and the gap with audit institutional (Mactavish, 2018)

This research investigate the strategic decision making of audit firms in the tender of process, in particular this study interested on how audit firms behave to obtain clients and audit quality. Many efforts and strategies conducted to maintain client by big audit firm, in another hands, small audit firms used Guerrilla Strategy, and a firm have only concentrated on some clients. The level of audit quality is higher if client acquired by small audit firm. This is to prove the increase number of small audit firms will increase the level quality of audit (Haak, 2015).

In depth research to notice the trend role of adopting strategic audit in order to increase audit quality, strategic audit method is chosen as independent variable through firm audit status, internal environment audit as well as external, stakeholders audit and audit quality as dependent variable Strategic audit as a system to identify how far firm strategic conducted, that is how the goals achieved. This is important to develop strategic plan and implement for the sake of achieving the goals, and its role on external audit environment. Remembering the audit quality performance of auditor professional as the focus of the study, regulation is needed to issue by professional institutions in order to increase the audit quality (Karim, 2020). The way the decision making strategy is executed to increase audit and budgetary control capability, some regulations is crucially be made up, this is to propose the following hypotheses:

H4: When Applied MCS with a Decision Making Strategy, a Corporate Will Experience a Higher Audit Control Capability

H4a: When Applied MCS with a Decision Making Strategy, a Corporate Will Experience a Higher Budgetary Control Capability.

2.2. Audit Control Capability

The quality of audit effected by law, regulation, economics and culture, also audit quality is directly correlated with the number of audit work. Staff pressure and budget regularly becomes the threats of audit quality. Time pressure is also influence the audit quality. Budgetary with lack of time to complete and will increase the possibility of less audit quality. Thus, audit quality will be decided by personal capability during observation, manage information, and applied the knowledge systematically and logical.

The auditors should adjust work load or provide aid in accordance of risk factor, ensure auditor have sufficient time and resources to manage big cases. Sustaining auditors, auditor authority should develop futuristic vision

to emphasize the feedback and learning in an organization. The finding offered the management method that applicable to strengthen professional development and audit authority (Lee S. T., 2016).

Aligned with the previous finding, the finding showed that audit quality has a significant impact on financial performance, and the higher auditor independency rate, the higher the tendency of firm to obtain earning. The impact of auditor measurement was claimed positive and significant (Omwenga, 2016). Research finding which focused on the practical and alternative architectural feasibility to support ongoing audits (Kuhn, 2010). Positive correlation and significant among audit quality and audit efficiency, audit firm reputation, audit fee, audit firm size and audit capability (Al-Khaddash, 2013). Audit quality is the crucial instrument to ensure the transparency and accountability in public and private sector. Research finding described that firm financial was leveraged through audit quality. The competitive firm show the higher opportunity to gain maximum profit and has a positive relationship with financial performance, meanwhile, less competitive firm has negative financial performance (Sattar, 2020). This research is also supported by research which evaluated the impact of audit quality on financial performance. It claimed that auditor's size and independency has a significant impact on financial performance (Hassan, 2014). Evaluation post audit aimed to assess the accuracy of the predictions (Dipper, 1998).

Overlapping director in a firm has lower audit opinion which meet the requirement and capability to negotiate lower payment. The finding highlighted the effect of negative monitoring lead to lower commitment (Fernandez Mendez, 2015).

Other research tried to evaluate audit quality based on the key drivers such as professional etiquette, interest conflict, audit fee mediated by religion and cognitive (Reyes, 2019) To increase audit quality should be supported by documentation audit, auditor credibility, Tertiary monitoring, Continuous guarantee system (Alles, 2004) this finding is aligned with the internal audit function on financial reporting quality on Good Government Governance (Rahmatika, 2014). Professionalism and auditor competency had significant impact on auditor performance (Hadisantoso, 2017). Having reviewed the impact of audit and budgetary control capability to leverage audit performance, hence, current study proposed the following hypothesis:

H5: The higher the Level of Audit Control Capability, The More Enhanced Audits Performance

2.3. Budgetary Control Capability

Beyond the wide usage of budgetary to control organization activities, a little known about how the budgetary affect the behavior. Besides, budgetary interaction with different method influence human behavior has not yet explored. A study tried to explore the interaction and relationship

between controlled resources, organizational structure and other controlled resource and budgetary. This study collected data from various firms to explore the reciprocal relationship between organizational structure and budgetary user. Statistical outputs clarified that a positive relationship between them and provide the hints on the complex relationship in controlling the organization. Others findings also claimed that organizational structure is depend on the environmental, organizational character such as size, technology and interdependency (Waterhouse, 2014).

An article discuss the role of budgetary in the context of more flexible management mode is required in the uncertainty period. The finding contributed on literature about the tension between the needs to fulfil the specified financial targets, such as what stated in budgetary, the needs in the form of the more flexible management and innovative triggered by high volatile market and the rapid rate of technological change. In order to increase the performance, the finding suggested what so called sustainable budgeting. Thus, it was designed to highlight some modes in achieving the goals.

By integrating several of budgetary users with management controlling, the process of sustainable budgeting drives the manager to use policies during operational issues. During this period, managers should have capability to revise plans and reallocate resources in order to fulfil wider strategic firm goals. Besides manager empowerment, the sustainable budgeting also enact tight accountability to ensure the manager will be committed to achieve financial target. The budgetary is effectively contributed on flexibility and financial which required to implement effective strategy (Frow, 2010).

The study proposed the more complex model from the process where the gap of budgetary made in a firm. The model proposed is ex-ante as well as ex-post processes. In this model, the environment uncertainty and related budgetary participation with the tendency of manager to create leniency through relevant information. The finding is consistent with the available information for public on manager performance capability motivate the higher budgetary standard (Kren, 2015). Other research discuss the impact of reciprocal monitoring and behavior. The findings stated that the creation of budgetary gap is lower when the team monitoring. The reciprocal interaction is mutual between monitoring and behavior (Ferdiansa, 2015).

Aligned with previous studies, this study discussed the informal controlling such as trust on leader and honesty of staff in revealing the personal information on budgetary slack. Statistical outputs demonstrated that trust on leader decreased budgetary slack made by staff (Ferdiansa, 2015). Based on aforementioned literatures reviewed, it is expected that the budgetary control capability will increase the audit performance, hence, current study proposed the following hypotheses:

H6: The higher the Level of Budgetary Control Capability, TheMore Enhanced Audits Performance

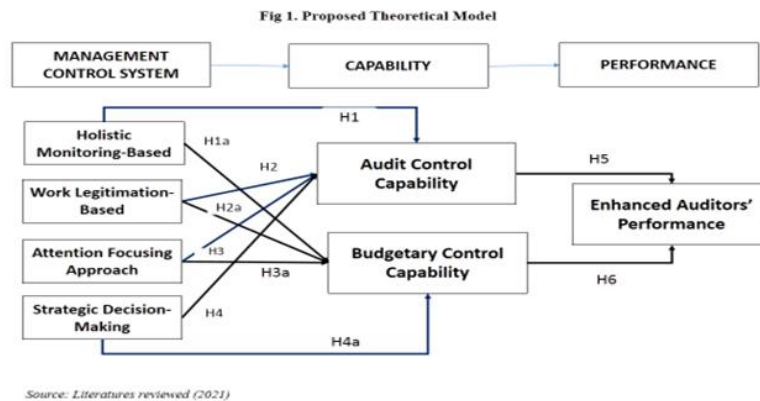
2.4. Enhanced Auditors' Performance

Evaluating the impact of experiences, professional commitment and knowledge of Indonesia auditors performance, the finding recommended that auditors performance was triggered by experiences and knowledge as well, while professional commitment was insignificant on auditor performance (Sunyoto, 2020). Other research assessed the effect of efforts on the relationship between accountability pressure and self-efficacy. Both variables showed positive relationship with audit judgment performance through higher level of effort (Mohd Iskandar, 2012). The determinant of individual performance in professional accountant firms has been focused narrowly on the relationship between motivation and individual performance. The finding stated that the performance at the first level is the auditor motivation and organizational commitment (Ferris, 1998).

There is the uncertainty made by auditors' performance, the audit quality. Research finding showed that audit impact was complex where some factors influenced audit impact. This thesis also proved that audit quality performance and the use are main factors to influence perceived audit impact (Persson, 2016). Dysfunctional behavior is happened in audit performance.

One of study which investigate the determinant factor s of dysfunctional behavior. The role of auditors is monitored. Performance evaluation procedure is considered as the driver of dysfunctional behavior, in the other hands, thus, firm should develop different method to avoid that behavior (Nehme, 2017). The other factor that leverage firm performance, such as professionalism, locus of control, higher work satisfaction, in the end will increase auditor performance (Mas'ud, 2014).

Performance audit, compared with traditional financial and compliance audit, are considered as a new innovation that emerged in the middle of public sector accountability. The finding concluded that entity was triggered through the embodiment of audit recommendation applied and the achievement of performance audit. Though the auditor's opinion that audit recommendation is useful, its impact on performance is insignificant, in the contrary, auditor's opinion on audit's performance has important role as a guarantee in accountability to public (Manaf, 2010). In a nut shell, the grand theoretical model proposed is as follow (See fig. 1).



To be more clear and concise, the following table (See table 1) summarize the description of variable, indicators and defenition.

Table 1
Variable Indicators and Definition

Variable	Indicators	Definition	Source
<i>Holistic Monitoring-Based</i>	<ul style="list-style-type: none"> Monitoring each progress to attain the goals Evaluating and Assessing key drives measurement Controlling and Monitoring the outputs Distinguish and comparing the results to expectations 	Holistic Monitoring-Based is defined as the activity conducted from MCS to monitor each progree to attain the goal, evaluate and assess key driver measurements, control the outputs as well as to distinguish and compare the resut to expectations.	(Mahadeen et al., 2016)
<i>Work Legitimation-Based</i>	<ul style="list-style-type: none"> Confirming Comprehensive Knowledge on Corporate Justification of each Decision Made. Verifying Proposed Assumptions Suporting Every Plans tobe Conducted Reinforcing and Validating each Plans tobe well Executed 	Defining Work Legitimationbased as a confirmation of comprehensive knowledge, a justification of decision made, verifying proposed assumptions, supporting every plan to be conducted as well as reinforcing and validating plans to be executed on Management Control System.	(Duvel, 20017)
<i>Attention focusing Approach</i>	<ul style="list-style-type: none"> Well bonding the whole departments in corporate. Enabling the whole departments to Concentrate on general issues Allowing the whole departments to concentrate on key success factors. Creating good commnunication among coworkers, top management and subordidates. Sustain and Maintain mutual discussion on outpts, asumption as well as plans. 	Attention focusing approach is related to thewell bonding to all departments that enable to concentrate on general issues, key success factors, create good communication, sustain and maintain mutual discussion	(Fritz, Elhilali, David, & Shamma, 2007)
<i>Strategic decision-making</i>	<ul style="list-style-type: none"> Strategic decision is captured and created through identificationand promptly response is mandatory. Keep on Anticipating current and future direction of corporate by identifying any cases Providing any final decisions during unstructured problems encountered 	This strategic is design to capture and create decision that anticipate current and future corporate's direction as well as provide the final decision when unstructured cases encountered.	(Mactavish et al., 2018); (Kartika Sari, 2018)

Variable	Indicators	Definition	Source
Audit Control Capability	<ul style="list-style-type: none"> Corporate's capability to continuously provide auditing services. Corporate's capability to apply ERP on continuous auditing implementation Corporate's capability to establish continuous best auditing best practices Corporate's capability to provide better insights on auditing process Corporate's capability to perform promising auditing opportunities 	Audit Control Capability is defined as an auditor capability to provide auditing services continuously, capability to apply ERP, establish auditing best practices, better insights as well as perform promising auditing opportunities.	(Holm & Zaman, 2019); (Yustrida Bernawati, 2020)
Budgetary Control Capability	<ul style="list-style-type: none"> Corporate's capability to secure budgetary commitment. Corporate's capability to manage budgetary process of diagnostics ad interactive Corporate's capability to charge any activities to different accounts Corporate's capability to trace the cause of budget variances 	Budgetary Control Capability is defined as an auditor capability to secure budgetary commitment, manage budgetary process, charge any activities to different accounts as well as trace cause of budget variances.	(Frow et al., 2010); (Chong & Khudzir, 2018)
Enhanced Auditors' Performance	<ul style="list-style-type: none"> Having clean report Higher the auditor's reputation. Longer period of contract with the customer. Gaining benefits from potential customers 	Enhanced Auditors Performance is categorized by having clean report, higher auditors's reputation, longer contract with customer and benefits from potential customer	(Mohd Iskandar et al., 2012)

Source: Developed for this study (2023)

RESEARCH METHODS

Sample Procedures and Reseach Participants

All the auditors surveyed in this currentt study is high qualified education, high experienced and had outstanding previous education in the field of accounting and auditing. Most of the them are auditor as well as senior auditors. As many as 200 auditors took contribution from all over indonesia. A multi-source respondents is applied here, where, more than one auditors could represent their office.

Design of Questionnaire

A pilot test was conducted to assess the instrument validity and reliability. Validity content analysis was used to measured the sample items could represent the designed content. In order to avoid ambiguous question, Pilot test was conducted on accounting students who have passed auditing subject. The result of pilot test showed the convergency responses, this is to conclude that the instrument is worth to distribute. Setting the instrument validity used Cronbach (Alpha - α) to analyze reliability. Brown (2002) noted that the coefficient reliability alpha Cronbach range between 0 - 1, 0. The closer coefficient to 1.0, the higher item internal consistency in a scale.

Measures.

Likert Scale ten point (which is started from 1 strongly disagree - 10 strongly agree) was used to measured observed variables. All respondets was requested

to complete the survey in order to gain valid and complete respondents' perspective

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where;

β_0 - Constant

Y- Endogenous variable (Enhanced Auditors Performance)

X1=exogenous variable (Holistic Monitoring -Based)

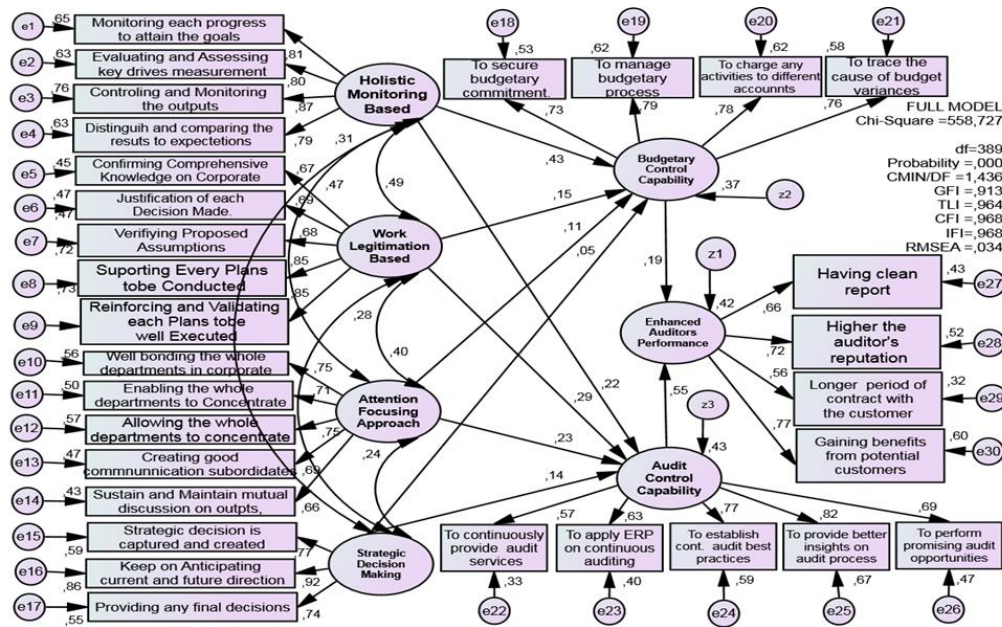
X2= exogenous variable (Work Legitimation-Based)

X3= exogenous variable (Attention Legitimation Approach)

Analyses of Full Structural Model

As the most crucial parts to construct research findings by testing validity, current study analyzed the comprehensive model and evaluate laten variables through Confirmatory Factor Analysis. This study focused on fours the antecedents (holistics moitoring based, work legitimation based, attention focusing based, strategis decision making) and two mediating variable (audit control capability, budgetary control capbility) and the consequences (Enhanced auditors performance). The indicators of all variable in the model showed a good cut of value (see fig. 2).

Fig 2: Full Structural Model



Source: SEM with AMOS output (2023)

Table 2 below provided the information absolute, incremental and parsimony fit measurements. It highlighted that the three fit measurements are fit. The model is considered which also supported by holistic indicators (see table 2).

Table 2
Absolute, Incremental, Parsimony Fit Measurements

ABSOLUTE FIT MEASURES		Cut of Value
CMIN/DF (<i>The Minimum Sample Discrepancy Function Divide With Degree of Freedom</i>)	1,436	
RMSEA (<i>Root Mean Square Error Approximation</i>)	0,034	Fit
GFI (<i>Goodness of Fit Index</i>)	0,933	Fit
<i>Chi-squared (χ^2)</i>	558.727	
<i>P(probability)</i>	0,000	
INCREMENTAL FIT MEASURES		
AGFI (<i>Adjusted Goodness of Fit Index</i>)	0,907	Fit
TLI (<i>Tucker Lewis Index</i>)	0,964	Fit
NFI	0,901	Fit
CFI (<i>Comparative Fit Index</i>)	0,968	Fit
PARSIMONY FIT MEASURES		
PNFI (<i>Parsimonious Normal Fit Index</i>)	0,913	Fit
PGFI (<i>Parsimonious Goodness-of Fit Index</i>)	0,915	Fit
Hoelter	324	Fit

Source: AMOS Output (2021)

The following table (table 3) provided information on CFA, AVE, Alpha and CR obtained by assessing full structural model.

Table 3
Measurement Scales, Confirmatory Factor Analysis, and Reliability

Variable	Constructs and Measurement Items	Standardized Loading (λ)	AVE	Alpha (α)	CR
Holistic Monitoring-Based	Monitoring each progress to attain the goals	0.81	0,83	0,82	0,50
	Evaluating and Assessing key drives measurement	0.80			
	Controlling and Monitoring the outputs	0.87			
	Distinguish and comparing the results to expectations	0.79			
Work Legitimation-Based	Confirming Comprehensive Knowledge on Corporate	0.67	0,83	0,84	0,79
	Justification of each Decision Made.	0.69			
	Verifying Proposed Assumptions	0.68			
	Supporting Every Plans to be Conducted	0.85			
	Reinforcing and Validating each Plans to be well Executed	0.85			
Attention focusing Approach	Well bonding the whole departments in corporate.	0.75	0,84	0,82	0,78
	Enabling the whole departments to Concentrate	0.71			
	Allowing the whole departments to concentrate on key factors.	0.75			
	Creating good communication among coworkers	0.68			
	Sustain and Maintain mutual discussion on outputs	0.66			
Strategic decision-making	Strategic decision is captured and created through identification and promptly response is mandatory.	0.77	0,80	0,81	0,82
	Keep on Anticipating current and future direction	0.92			
	Providing any final decisions during unstructured problems	0.74			
Audit Control Capability	Corporate's capability to continuously provide auditing services	0.57	0,82	0,84	0,80
	Corporate's capability to apply ERP	0.63			
	Corporate's capability to establish continuous best auditing	0.77			
	Corporate's capability to provide better insights	0.82			
	Corporate's capability to perform promising auditing	0.69			
Budgetary Control Capability	Corporate's capability to secure budgetary commitment.	0.73	0,81	0,82	0,80
	Corporate's capability to manage budgetary process of diagnostics and interactive.	0.79			

	Corporate's capability to charge any activities to different accounts	0.78			
	Corporate's capability to trace the cause of budget variances	0.76			
Corporate Performance	Having clean report	0.66	0,84	0,85	0,80
	Higher the auditor's reputation	0.72			
	Longer period of contract with the customer.	0.56			
	Gaining benefits from potential customers	0.77			
(Ten-point Scale, Encored by "Strongly Disagree and "Strongly Agree")					

Source: Data Analysed (2023)

The table 3 evaluated the Standardized Loading, α , Error, CR as well as EVA. Based on statistical outputs, it demonstrated the facts that all the measurement used for current study met the rule of thumbs (cut of value). Claiming the Standardized Loading Factors/Lambda (λ) are convergent (Since all indicators are above 0, 6). The auditors involved in this study have the same opinion on the question given. The also almost reached 1, 00, to confidence said survey with questionnaires emailed as well as google form is valid. Others determinant indicators such as CR and EVA are also met the rule of thumbs. To summarize, the variable and the indicators used for current study are valid and reliable.

RESEARCH RESULTS AND DISCUSSION

Table 4 below provided the information on regression weights. Proposed ten hypotheses discussed at the previous section, there are two hypotheses not accepted. Attention focusing approach as a part of Management control system and strategic decision making are insignificant on budgetary control capability. Meanwhile others eight hypotheses showed a positive significant impact as expected on proposed hypotheses.

Table.4
Regression Weights

Hypotheses Proposed			Estimate	S.E.	C.R.	P	Label	H
Audit Control Capability	<---	Attention Focusing Approach	,250	,068	3,670	***	par_26	Y
Audit Control Capability	<---	Work Legitimation Based	,238	,051	4,675	***	par_27	Y
Budgetary Control Capability	<---	Work Legitimation Based	,136	,058	2,373	,018	par_28	Y
Audit Control Capability	<---	Holistic Monitoring Based	,205	,059	3,495	***	par_29	Y
Budgetary Control Capability	<---	Strategic Decision Making	,049	,053	,921	,357	par_30	N
Audit Control Capability	<---	Strategic Decision Making	,119	,046	2,586	,010	par_31	Y
Budgetary Control Capability	<---	Holistic Monitoring Based	,449	,073	6,196	***	par_36	Y
Budgetary Control Capability	<---	Attention Focusing Approach	,141	,077	1,824	,068	par_37	N
Enhanced Auditors Performance	<---	Audit Control Capability	,427	,058	7,399	***	par_24	Y
Enhanced Auditors Performance	<---	Budgetary Control Capability	,131	,041	3,175	,002	par_25	Y

Source: Analyzed statistical outputs (2023)

Holistic Monitoring Based as a part of MCS applied in a firm will increase audit and budgetary control capability. For each work monitoring holistically, the auditor capability to control their job is higher. This is to accept and prove H1a and H1b with CR (3,495 and 6,196). Work Legitimation Based plays a crucial role to increase audit and budgetary control capability. The auditor will take

responsibilities on all task that legitimated, and as a consequences their capabilities are leveraged. This is with no hesitation to accept H2a and H2b with CR (4,675 and 2,373). The attention focusing approach has a positive significant on audit control capability. In order capability to control audit, an auditor should have a focusing approach as H3a is accepted CR (3,670), but it is insignificant on budgetary control capability with CR 1,824. Furthermore, the impact of strategic decision making is insignificant on budgetary control capability but has a positive significant impact on audit control capability with CR (,921 and 2,586 respectively).

DISCUSSION

The holistic understanding of how management control system applied in a firm is a meaningful factor of auditors have a high quality performance. To attain the enhanced auditor performance, there is a strong relationship of the implementation of MCS. The empirical model for current research suggested the auditors to have capabilities on audit and budgetary. The antecedents of those capabilities, this study recommended the monitoring-based, focusing approach, legitimation and strategic decision making strongly applied in a firm

Theoretical Contributions

Through the robust literatures reviewed, auditing and budgetary skill are considered as the consequences of the implementation of MCS. Current research findings are expected to contribute on the field knowledge especially in auditing and budgetary perspective especially on how an auditor should behave during auditing as well as propose a budget. Others research contributions, this study enrich the theories specifically in accounting behaviour on how an auditor should be monitored, legitimized, focused and having strategic in completing a task given. Finally, this study enlarge the impact of MCS on Enhanced Auditors Performance which is strongly mediated by audit and budgetary skill capability.

Practical Implications

Enhanced auditor performance, having skills or capabilities is the key driver approach. These key drivers should be emphasized internally or external. When auditors have these two skills, their opportunity is wide and sustain competitive behaviour.

Practical Implications

To experience the enhanced audit performance, the emphasize on MCS through audit and budgetary capability could be conducted. Current study suggested all the activities in a firm should be aligned with monitoring, legitimation, focusing and strategic decision making as the part of MCS. This research is also suggested the auditors should be committed and devoted to their works.

Limitations and Directions for Future Research

For any kind of a fundamental study, it has contribution as well as limitation. The limitation of present study did not take a tenure of auditors as the respondent. Future research should consider of the length of auditor works. For future research should investigate some variables such as green integration, uncertainty perception, Organic Innovative Culture, human capital and Formal Controls.

CONCLUSION

It is world wide accepted that MCS played crucial role as one of determinant factors to support and leverage performance, for this study, better budgetary and audit control, many previous studies investigated the relationship between MCS and performance. Present study proposed audit and budgetary capability as mediating variable. These two variable strengthen the relationship between MCS and performance. previous study only assessed the relationship of MCS on organizational performance and mediated by capability (entrepreneurship).

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