Indonesian Journal of Business Analytics (IJBA)
Vol.3, No.6, 2023: 1979-1990

The Effect of the Local Government Financial Information Systems and Auditor Competence on Audit Quality

Ririn Akhriani[1]*, Haliah Hasan[2], Nirwana[3]
Faculty of Economics and Bussines, Hasanuddin University
Corresponding Author: Ririn Akhriani ririnakhrianii@gmail.com

A R T I C L E I N F O

Keywords: Local Government, Financial Information System, Auditor Competence, Audit Quality

Received : 05, October
Revised : 10, November
Accepted: 15, December

A B S T R A C T

This study aims to determine and analyze the effect of the Local Government Financial Information System and Auditor Competence on Audit Quality. Data collection using questionnaire techniques involved 32 respondents consisting of auditors and PPUPD at the Bantaeng Regency Regional Inspectorate Office. The analysis method used is multiple linear regression analysis. The results of this observe show that the financial facts system of the nearby authorities and the competence of the auditor have a partially fine and good sized have an effect on audit quality. The local government financial information system and auditor competence simultaneously influence audit quality by 0.414 or 41.4%. This research can be used as evaluation material for the Internal Government Auditor, especially for the Bantaeng District Inspectorate, in improving the quality of their audits.

DOI: https://doi.org/10.55927/ijba.v3i6.6622
ISSN-E: 2808-0718
https://journal.yp3a.org/index.php/ijba

INTRODUCTION

To realize the ideals of a government that is clean and free from corruption, internal auditors are encouraged to support these ideals by carrying out their role optimally. The auditor's role is only limited to providing true or false judgments on reports or work carried out by the audit. Still, internal auditors are also required to detect fraud and minimize the risk of fraud. The Regional Inspectorate of Bantaeng Regency is a Government Agency formed to carry out Internal Supervision within the Regional Government of Bantaeng Regency. In carrying out its duties, the Bantaeng district's regional inspectorate must instil trust in all stakeholders by improving the quality of its audits.

In order to realise audit quality in internal audit, improvement after improvement at the Regional Inspectorate of Bantaeng Regency continues to be made. Competence is a measure of a person's ability to solve problems. On the other hand, with the development of information technology, financial reporting in the regions has also made use of information technology. The process of planning, budgeting and financial reporting has been integrated and is based on information technology. This will naturally improve the quality of financial reports of local governments, especially the regional apparatuses that are subject to the controls of internal auditors in the regions. It is expected that the use of this information system will not only have a positive impact on the subject matter of the audit, but also on audit quality.

Therefore, this study examines whether auditor competence and technical systems affect audit quality and whether technical systems and internal audit controls simultaneously affect audit quality.

THEORETICAL REVIEW

Audit quality is an examination to find and report activities, whether or not the financial statements carried out by the auditAuditorbe errors then reported and included in the audit opinion (Junaidi, Nurdiono 2016). (Riespika & Supadmini 2012) stated that the quality standards for audits consist of strategic quality, which means that the inspection results must provide information that can be communicated to users in a timely manner, technical quality, which refers to the presentation of findings, conclusions and opinions or inspection proposals, i.e. the presentation must be clear, consistent and objective, process quality, which refers to the process of inspection activities from planning through execution to reporting. According to (Ibrahim et al., 2022), to maintain audit quality, at least fulfil the following three things: 1) The audit must be carried out systematically. 2) Must obtain evidence to prove the investigation results and evaluate whether financial information is by established accounting criteria and standards. 3) Determine the level of conformity or fairness between assertions in client financial statements. According to (2016), auditors' work is related to the quality of expertise, timeliness of work completion, adequacy of examination evidence, and professionalism in completing work.

The competence of the audit adequately influences how an audit can run. Internal audit competence can be influenced by many things, including educational background, audit experience, and training or technical guidance

that has been obtained. SPAP states that the Auditor has the understanding, capabilities, and other abilities to perform their duties and obligations. According to (Dzikron and Purnamasari, 2021), equipped auditors have sufficient understanding and experience to perform their audit procedure objectively, carefully and carefully. whilst conducting an audit, an auditor ought to have accurate private qualities, sufficient understanding and special expertise of their area. The measure of expertise or competence is not enough just experience but also the ability to make a good decision because humans have several other elements besides experience, namely knowledge (Purwanda & Harahap, 2022)

Together with the improvement of information technology, the financial reporting process in the regions has now utilized information technology. The planning, financing, and financial reporting process has been integrated and based on information technology. Of course, This technology and information-based applications have the potential to enhance the accuracy of financial statements at the local government level, particularly for regional apparatus organizations subjected to internal auditor scrutiny within the respective regions. By leveraging this technology, even intricate financial systems within local governments can be streamlined, simplifying processes and promoting efficiency. Using this information system is also expected to minimize errors in planning and budgeting and realize accountable financial statements. The Minister of Home Affairs Regulation number 70 of 2019, concerning the Local Government Information System article 4, reads (1) Regional governments must provide information on regional authorities consisting of: a. Information on regional development; and b. Information on regional finances. (2) The local government information referred to in paragraph (1) shall be maintained in the SIPD. SIPD's goal is to facilitate the availability of neighborhood authorities' records to the public.

(Riespika and Supadmini 2012) Understanding information systems helps auditors determine appropriate audit procedures that can reduce the complexity of audit and accountability responsibilities and provide psychological incentives to fulfill their responsibilities. Understanding information systems makes it easier for auditors to optimize the audit technology used so that audit work can be performed faster, more accurately, and more reliably. The observe concludes that the auditor's competence in appearing audits has a high quality and vast impact on audit first-rate in a few cases. (Dzikron & Purnamasari 2021) state that the auditor's competence (with qualified skills in the areas of training and experience) has a huge tremendous effect on audit quality (2017); the implementation of internal control, information technology systems and individual culture is one of the functions to achieve organizational audit quality. Against this background, the hypothesis test is formulated as follows:

H1 : The regional financial information system has had a tremendous and significant effect on audit satisfaction.

H2 : Auditor competence has a wonderful and good-sized effect on audit quality.

H3 : information systems and Auditor Competence have a simultaneous impact on audit quality.

METHODOLOGY

The method used in this study is a quantitative technique, i.e. a numerical measurement based on the event under investigation. The study is conducted in the Regional Inspectorate of Bantaeng Regency. The population of this study is all functional inspectors and P2UPD officers in the area of Bantaeng Regency Regional Inspectorate, totaling 32 people. Data collection will be completed by filling out an online questionnaire using a Google form by respondents using the Likert scale. Testing data and hypotheses will be analyzed using IBM SPSS Statistic 25. The examination of the data consists of a test of validity, reliability and classical assumptions. At the same time, the hypothesis tester will use multiple linear regression tests, T-tests, F-tests and R-squared tests.

RESULTS

They complete the questionnaires of 32 respondents composed of auditors and PPUPD in the Bantaeng Regency Regional Inspectorate area with the characteristics shown in Table 1.

Table. 1 Characteristics of respondents

Variable	Measurement	N	%
Gender	Man	16	50
	Woman	16	50
Age group	30-40 years	5	15,7
	41-50 years	19	59,3
	51-60 years	8	25
Education level	D3	2	6,25
	S1	17	53,12
	S2	13	40,63
Period of service	0-10 years	10	31,25
	11-20 years	16	50
	21-30 years	5	15,63
	>30 years	1	3,12

Source: questionnaire

a. Validity Test

The Validity test is used to measure whether or no longer the questionnaire used for data collection is valid. The validity test determines whether each item in the questionnaire can reveal with certainty what is being studied. Based on the analysis results in Table 2, all questions in the questionnaire can reveal the quality of the audit with certainty.

Table 2. Validity Test Results

Variable	Statement Item	Pearson Correlation	R Table	Information
Regional Financial Information System (X_1)	Extract 1	0,690	0,349	Valid
	Extract 2	0,649	0,349	Valid
	Extract 3	0,654	0,349	Valid
	Extract 4	0,762	0,349	Valid
	Extract 5	0,791	0,349	Valid
	Extract 6	0,705	0,349	Valid
Auditor Competence (X_2)	Extract 1	0,596	0,349	Valid
	Extract 2	0,803	0,349	Valid
	Extract 3	0,756	0,349	Valid
	Extract 4	0,359	0,349	Valid
	Extract 5	0,652	0,349	Valid
	Extract 6	0,669	0,349	Valid
Audit Quality (Y)	Extract 1	0,733	0,349	Valid
	Extract 2	0,733	0,349	Valid
	Extract 3	0,728	0,349	Valid
	Extract 4	0,698	0,349	Valid
	Extract 5	0,586	0,349	Valid
	Extract 6	0,652	0,349	Valid

Source: Data Processing with IBM SPSS Statistics 25

b. Reliability Test

A reliability test is a check that objectives to decide the extent to which dimension results continue to be consistent when measurements are accomplished or greater times. The degree of reliability of a variable or studies construct may be recognised by the effects of the Cronbach alpha (α) statistical check. A variable or construct is described as reliable if the Cronbach alpha cost < > is zero.6. The nearer the alpha price is to 1, the more reliable the reliability fee of the records.

desk three indicates that the Cronbach price for every variable is 0.60, which means that that the variables used in this have a look at are reliable.

Table 3. Reliability Test Results

Variable	*Cronbach Alpha*	Alpha Value	Information
Local Government Financial Information System (X_1)	0,787	0,60	Reliable
Auditor Competence (X_2)	0,755	0,60	Reliable
Audit Quality (Y)	0,779	0,60	Reliable

Source: Data Processing with IBM SPSS Statistics 25

c. Classical assumption test

Classical assumption exams are achieved to test whether or not the facts conform to classical assumptions for you to avoid biased estimates, as now not all facts can be used for regression. The test for classical assumptions includes normality, multicollinearity and heteroscedasticity exams.

1) Normality test

The normality test is used to check whether or not the distribution of the man or woman variables is usually disbursed. The results of the normality take a look at show that every variable on this take a look at is generally dispensed

Table 4. Normality test results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		32
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.95972885
Most Extreme Differences	Absolute	.132
	Positive	.132
	Negative	-.089
Test Statistics		.132
Asymp. Sig. (2-tailed)		.165[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction

Source: Data Processing with IBM SPSS Statistics 25

Disbut is normally distributed if the value of Asymp.Sig. (2-tailed) is more than 0.05. The results of the normality test in table four show that the importance value of the one-pattern Kolmogrov-Smirnov test is 0.165

or more than 0.05. It can be concluded that all variables in this have a look at are usually disbursed.

2) Multicollinearity Test

The multicollinearity test aims to test for correlation between independent variables in the regression model. The multicollinearity test in this study looks at the *tolerance* value or *variance inflation factor* (VIF) value, assuming that if the *tolerance* value is less than 0.1 and the VIF value is more than 10, multicollinearity occurs. Based on the results of SPSS calculations, a multicollinearity test is obtained in Table 5.

Table 5 shows the VIF values < 10 and Tolerance > 0.1.that. Between independent or independent variables there is no disruption of multicollinearity or no correlation between the independent or independent variables.

Table 5. Multicollinearity Test

Coefficients

Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.958	4.598		1.078	.290		
	Total_x1	.433	.152	.432	2.857	.008	.885	1.130
	Total_X2	.421	.180	.353	2.334	.027	.885	1.130

a. Dependent Variable: Totally

Source: Data Processing with IBM SPSS Statistics 25

1) Heteroscedasticity

The reason of this test is to decide whether there is an inequality of variables among the residual of one commentary and every other inside the regression version. If the residual variable is constant, that is referred to as homoscedasticity; if it is different, it's far called heteroscedasticity. a good regression model is homoscedastic.

Based at the results of the Glejser test within the table 6, not one of the impartial variables substantially affect the based variable. it may be visible from a good sized level greater than or equal to 0.05.

therefore, the regression version does no longer incorporate the presence of heteroskedasticity.

Table 6 Heteroscedasticity Test Results

Coefficients

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.657	2.523		-.657	.517		
	Total_x1	-.098	.083	-.212	-1.174	.250	.885	1.130
	Total_X2	.233	.099	.424	2.352	.026	.885	1.130

a. Dependent Variable: Abs_RES

Source: Data Processing with IBM SPSS Statistics 25

d. Multiple Linear regression test

The analytical approach employed in this study involves multiple regression analysis, a method utilized to examine the impact of independent variables on the dependent variable. This sort of evaluation gauges the depth of the relationship between two or greater variables and elucidates the direction of the relationship between the structured variable and the independent variable.

The multiple regression equation is as follows. If Variable Y is an independent variable and Variable X1, AND X2 is a dependent variable.

$$Y = a + b1X1 + b2X2 + e$$

Table 7. Multiple Linear Regression Test Results

Coefficients

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.958	4.598		1.078	.290		
	Total_x1	.433	.152	.432	2.857	.008	.885	1.130
	Total_X2	.421	.180	.353	2.334	.027	.885	1.130

a. Dependent Variable: Totally

Source: Data Processing with IBM SPSS Statistics 25

Based on Table 7 obtained the regression coefficient of each variable with the help of SPSS version 2, the multiple linear regression equation can be written as follows:

$$Y = a + b\,X1 + b2X2+e$$
$$Y = 4.958+ 0.433\,X1 + 0.421\,X2 +e$$

1) Hypothesis Test (t-test)
   The t-test is intended to test the average difference between two different (connected) samples. This test is used to test the effect of an independent variable on the dependent variable.

Table 8. T Test Results

Coefficients

Type		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4.958	4.598		1.078	.290
	Total_x1	.433	.152	.432	2.857	.008
	Total_X2	.421	.180	.353	2.334	.027

a. Dependent Variable: Totally

Source: Data Processing with IBM SPSS Statistics 25

Testing through the t-test is by comparing the significance of α = 0.05. The t-test has a significant effect if the calculation result of the significance value is less than 0.05. From the results of the t calculation, it can be seen that there are two variables whose influence is insignificant. From the conducted examinations, the outcomes are reflected in the following values:

a) T-count for Local Government Financial Information System variables of 2,857 > t table 2.045 with significance 0.008 < 0.05. From these effects, it is able to be visible that there's a wonderful and good sized have an impact on among the nearby government financial records device and the quality of audits within the Bantaeng Inspectorate.
b) T-count for the knowledge variable of 2.334 > t table 2.045 with significance 0.027 < 0.05. These results show a fine and big affect between the Auditor's Competence and audit quality inside the Bantaeng Inspectorate.

2) Simultaneous tests

The F test is used to determine the significance of the impact of the impartial variable at the dependent variable simultaneously, primarily based on Table 9 obtained F-count values of 10.250 > F-table 3.320 and significance of 0.000 < 0.05; this means that the variables of the Local Government Information System and audit competence (all independent variables) simultaneously have a significant effect on audit quality as a dependent variable in the Bantaeng District Inspectorate.

Table 9. F Test Results

ANOVA[a]

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	84.162	2	42.081	10.250	.000[b]
	Residuals	119.057	29	4.105		
	Total	203.219	31			

a. Dependent Variable: Totally

b. Predictors: (Constant), Total_X2, Total_x1

Source: Data Processing with IBM SPSS Statistics 25

3) Coefficient of Multiple Determination (R square)

The R-squared coefficient of the determination check measures the potential of variable X (independent variable) to persuade variable Y (dependent variable). R^2 expresses the coefficient of dedication. The closer the price of the coefficient of determination is to at least one, the stronger the impact of the independent variable on the dependent variable.

Table 10. Multiple Coefficients of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644[a]	.414	.374	2.026

a. Predictors: (Constant), Total_X2, Total_x1

b. Dependent Variable: TotalY

Source: Data Processing with IBM SPSS Statistics 25

From Table 10, the magnitude of Rsquare is 0.414, which means that all independent variables(Local Government Financial Information System and Auditor Competence) simultaneously have an influence (contribution) to AU quality of 0.414 or 41.4%. Factors outside the study explained the remaining 58.6% (100%-41.4%).

DISCUSSION

The results showed a significant favorable influence of the Local Government Information system auditors. Although the Derah Government Financial information system is not used directly in audits, the data produced by local government systems affects audit quality positively. The ease of access to the Local Government Financial Information System by auditors while on duty, as well as accountable, accurate, and real-time Local Government Information System data, makes it easier for auditors in the process of concluding, making decisions, and completing audits on time so that it has a positive effect on audit quality.

The results of this study show that auditor competence has a significant effect on audit quality. The results of this study show that the more competent an auditor is, the more qualified the audit results will be. In this study, auditor competence is measured from the auditAuditor'sledge of auditing, experience, and auditor skills in conducting analytical reviews and using available information systems and technology.

The effect simultaneously of local government Information Systems and Auditor Competence on audit quality.

Information Systems and Auditor Competence simultaneously influence audit quality. The results of the Multiple Determination Coefficient test reveal that both the Local Government Financial Information System and Auditor Competence collectively exert an audit quality influence of 41.4%. This implies that external factors, not considered in the study, account for the remaining 58.6% (100% - 41.4%).

CONCLUSIONS AND RECOMMENDATIONS

Primarily based at the study results, the nearby government financial information system has a fine and extensive impact on audit quality and Auditor Competence, which also has a positive and massive impact on audit best. Local government financial information systems and auditor competence together influence audit quality.

FURTHER STUDY

There are two dependent variables that affect audit quality in this study, namely auditor competence and regional financial information systems. while audit quality itself can be influenced by many variables. for future research, the authors recommend testing other variables in influencing audit quality.

REFERENCES

AAIPI, Regulation Number: Per-01/AAIPI/DPN/2021 concerning Indonesian Government Internal Audit Standards

Dzikron, Muhammad Diponegoro, and Pupung Purnamasari. 2021. "The Effect of E-Audit and Auditor Competence on Audit Quality." Journal of Accounting Research 1 (1): 47–51.

Ibrahim, Irwan Hidayat, Haliah Haliah, and Abdul Hamid Habbe. 2022. "The effect of time pressure, role conflict and integrity on audit quality with work stress as an intervening variable." Owner 7(1): 102–22.

Junaidi, N. (2016). Audit Quality: Perspectives On Going Concerned. Andi.

Mayasari, Nur Z. (2017). "The Influence of Implementation Intern Control, Information System Technology, Individual Culture to Quality Internal Audit with Quality Human Resource Interviewing Variable Education Consultant in Indonesian." International Journal of Economic Research 14(4): 125–31.

Perwati, Ida, and Sutapa Sutapa. 2016. "The Effect of Locus of Control and Dysfunctional Audit Behaviour on Audit Quality at a Public Accounting Firm in Semarang (Empirical Study at a Public Accounting Firm in Semarang)." Indonesian Journal of Accounting 5(2): 175.

Purwanda, Eka, and Emmatrya Azmi Harahap. 2022. "The Effect of Accountability and Competency on Audit Quality (Survey at a Public Accounting Firm in Bandung)." Star 12(2): 27.

Riespika, Shinta, and Sri Supadmini. 2012. "The Effect of Audit Assignment Shinta Riespika & Sri Supadmini, Dr." Ejournal.Stienusa 19(2): 53–60.

Siahaan, Septony B., and Arthur Simanjuntak. 2019. "The Influence of Auditor Competence, Independence, Integrity and Professionalism on Audit Quality with Auditor Ethics as a Moderation Variable (Case Study at a Public Accounting Firm in Medan City)." Journal of Management 5(1): 81–92.