

# The Effect of Auditor Competency and Work Experience on Information Systems Audit Quality and Supply Chain (Case Study: Indonesian Bank)

Nur Zeina Maya Sari<sup>1</sup>, Azhar Susanto<sup>2</sup>

<sup>1</sup>Langlang Buana University (Accounting Department), Jl Jarapitan 116, Bandung

<sup>1</sup>nurzeina.mayasari@unla.ac.id and nurzeina.mayasari@gmail.com

<sup>2</sup>Padjadjaran university (Accounting Department), Jl Dipatiukur 45, Bandung,

<sup>2</sup>azhar2915@gmail.com

**Abstract-** The purpose of this study is to determine the effect of auditor competence and work experience on the information systems Audit quality and supply chain in the Indonesian X Bank. This research has been done in the Indonesian X Bank. The number of samples in this study is 30. The data collected through questionnaires. The multiple linear analysis techniques that previously tested for validity, reliability test, and classical assumption test such as normality test used as analytical techniques. Data analysis using SPSS version 23 program .The results of the study prove that: Work Experience has a positive effect on information systems audit quality and supply chain at the Indonesian X Bank. Competence Auditor positively influences to information systems Audit quality and supply chain at the Indonesian X Bank.

**Keywords:** Work Experience, Auditor Competence, Information Systems Audit quality, Supply Chain, Indonesian Bank

## 1. Introduction

According to [1] in Fietoria and [2], the auditor's experience is the level of auditor knowledge gained over a long period time, adds, and extends his knowledge in the face of material things. One's experience is demonstrated by having done various jobs or the length of time in working to gain true knowledge apart from formal education. The longer period of work and experience that the auditor has, the better the Audit quality and supply chain will be. Experienced auditors have more accuracy and better ability to complete their work. Rural Bank X is one type of bank that serves the macro, big and high entrepreneurs. With locations that are generally close to where the people in need, as a business entity just like any other company, this Indonesian X Bank is also experiencing competition. Whether with other Indonesian X Bank or with other macro finance institutions, it is required to improve business productivity, efficiency, and effectiveness of achieving company goals. Furthermore, the competence of the auditor, the competence is the professional skill of an auditor obtained through formal education,

professional examination and participation in training, seminar, symposium and others. Based on the general standard in the revised 2016 State Audit Standards (SPKN) regulation states that professional competence is not only measured quantitatively by how long the examination experience, because it cannot accurately describe the kind of experience that the examiner has. In this study also, the quality of the audit examined is about the attitude of the auditor. To date there is no definitive definition of what and how good Audit quality and supply chain is. It is not easy to describe and measure Audit quality and supply chain objectively with some indicators. This is because the quality of the audit is a complex concept and difficult to understand, so often there is a mistake in determining the nature and quality. Likewise with Indonesian X Bank which is developing and emerging to offer financial services to the community. With the increasing number of Rural Banks emerging, healthy interbank competition ensued. Therefore, that requires the Indonesian X Bank has an advantage in order to overcome the competition. To achieve its objectives, it is necessary to improve and control internal to the better from period to period, in terms of service management, financial management, resource management, policy direction and so on. To see the weaknesses that exist in the Indonesian X Bank itself required a particular section that special duty to identify it. Expected from the weakness of the weakness can be found later solution to be improved. In this case, the part in charge of identifying it is with the presence of internal auditors, so the task of internal auditors not only is to oversee the activities of the Indonesian X Bank, but also identify the existing weaknesses and provide recommendations for improvements over these weaknesses. The weakness in the Indonesian X Bank itself is one of them from Core Banking that is used, because Core Banking that is used has not met OJK Standard, which can affect the quality of the audit in the spotlight and indicate the implementer of the procedure in the banking that shows the quality of experience and competence not good. In addition, with this research may be seen what the weakness of the Indonesian X Bank. In [3], research conducted by a Public Accountant Office at Public Accounting Firm (KAP) in Central Java also shows that experience has a positive effect on Audit quality and supply chain. In addition, in a study by [4] at

BUMN Bank in Medan showed that the Auditor's Competence partially affected the Quality of Audit.

## 2. Literature Review/ State-of-Arts/ Research Background

According to [5] reveals that the notion of competence is as follows: "An ability to perform or perform a job or task based on skills and knowledge and support by the work attitude demanded by that job." [6] States that the auditor uses professional wisdom in conducting audits and emphasizes professional judgment. [7], [8], [9] defines Audit quality and supply chain as follows: "A process to ensure that generally accepted auditing standards are followed in each audit, KAP follows quality control procedures special audits that help consistently meet those standards on every assignment ".Input, process , output Audit quality and supply chain. Experience is a learning process and the addition of potential developmental behaviour of both formal and non-formal education it can be interpreted as a process that brings one to a higher behavioural pattern [10]. In the research of [11], [12] it can be seen that work experience has a significant positive effect on Audit quality and supply chain. This means that there is a unidirectional relationship between the experiences with the implementation of Audit quality and supply chain, which means more auditor experience will be produced better quality audit. Business process company the effect to accounting information systems. According to [13] that: "Work experience is defined as something or ability possessed by the employees in carrying out the tasks assigned to him. With a long and considerable experience, it is expected that they will have greater capability than those without experience". Research conducted by [13] and [14] at Public Accounting Firm (KAP) "Big Four" Indonesia shows that experience has an effect on Audit quality and supply chain. Research from [15] conducted by a Public Accountant Office at Public Accounting Firm (KAP) in Central Java also shows that experience has a positive effect on Audit quality and supply chain. In addition, research conducted by [6] and [17] affirms that Work Experience affects Audit quality and supply chain. The effect independency to quality audit [18] Implementation to the performance company. The one factor is information technology to information system Audit quality and supply chain the effect accountant management.

In this study competence variable, significantly influence the quality of auditing may also be due to most respondents occupy the position as senior auditor. This allows auditors to have more in-depth experience so that personal quality, knowledge, and special skills as a competency indicator are met. In conducting an audit, an auditor must have good personal qualities, sufficient knowledge, and specialized expertise in the field. As for [19] research, [13] and [12], the Auditor's Competence has an effect on Quality Audit. In addition, in a study by [6] at BUMN Bank in Medan showed that the Auditor's

Competence partial. The Effect Intern Control to Quality audit. [4] affected the Quality of Audit. This supports the research of [19] that Competence has a positive effect on Audit quality and supply chain. The higher the level of competence that the auditor has, the better or better the quality of the results of the examination. In addition, research [10], [15] and [3] that auditor competence have an effect on Audit quality and supply chain.

## 3. Methodology

In this research, data collection in this research is using Primary Data is data collected by researcher directly from main source that is employee. This research uses data collection method Field Research, Interview, Observation, Questionnaire, Library Studies, and the Internet. According to [20] is "Design Research is a guide or procedure and techniques in research planning useful as a guide to build a strategy that produces a model or blue print research". Based on the above explanation, the research method used in this research is descriptive method of analysis with quantitative approach, i.e. research methods that try to conclude, present and analyse the data to give a clear picture of the object under study and draw conclusions based on research conducted. Based on the above explanation, which will be the population and sample in this study are all employees at the Indonesian X Bank, amounting to 30 people. According to [10] "Instruments are said to be valid if the instrument can be used to measure what should be measured". Instrument validity test using predict moment correlation formula from person:

Information:

$r$  = Correlation coefficient

$\Sigma xy$  = Multiplication of variables  $x$  and  $y$

$\Sigma x$  = Number of variable values  $x$

$\Sigma y$  = Total value of variable  $y$

$\Sigma x^2$  = Number of power of two variable value  $x$

$\Sigma y^2$  = the power of two values of variable  $y$

$n$  = Number of samples

The result of the validity test on Work Experience and Competence of Auditor shows that the price is  $> 5\%$  significant value. Therefore, it can be concluded that 100% of the items in this research questionnaire are valid so that they can be used as research instruments.

In this study reliability, testing questionnaire is done by using Alpha Cronbach formula or Alpha formula, namely:

Information:

: Reliability of instruments

: Number of questions

: Number of Var

Results of Multiple Regression Analysis work Experience and Competence Auditor to Information systems Audit quality and supply chain

Variable Regression Coefficient sig

Constant -2.700 -1.007 0.321  
 X1 0.462 4,000 0.000  
 X2 0.551 4,359 0.000  
 = 652,826  
 R2 = 0.975

Source: Primary Data processed 2018

Based on the above table, obtained multiple linear regression equation as follows:

$$Y = -2.700 + 0.462 X1 + 0.551 X2 + e_i$$

The interpretation of the multiple linear regression equation is:

- A = -2.700 value of negative value constant means that if the variable scores X1 and X2 are considered to be absent or equal to 0, then the Y score will decrease.
- B1 = 0.462 states that if X1 increases, then Y will increase by 0.462 assuming no increase (constant) value X2
- B2 = 0.551 states that if X2 increases, then Y will increase by 0.551 assuming there is no addition (constant) value X1

From the hypothesis testing results it is known that greater than (4.100 > 0.361) then Ho is rejected, Then it can be expressed the null hypothesis that states no influence between Auditor Competence on Audit quality and supply chain is rejected. Therefore, the conclusion there is a significant influence of Auditor Competence (X2) on Quality Audit (Y). This supports the research of [12] that Competence has a positive effect on Audit quality and supply chain. The higher the level of competence that the auditor has, the better or better the quality of the results of the examination. In addition, reinforced from the research by [15] at BUMN Bank in Medan shows that the Auditor's Competence partially influences the Quality Audit. This supports the research of [4] that Competence has a positive effect on Audit quality and supply chain. The higher the level of competence that the auditor has, the better or better the quality of the results of the examination. Based on research, Work Experience at the Indonesian X Bank is good seen from respondents' response of 87.1% stated that Work Experience is very good. This means that employees at the Indonesian X Bank is good at doing their work and trying to finish it on time.

Hypothesis testing proved that Work Experience has a significant effect on Information system Quality Audit at the Indonesian X Bank, it is known that bigger than (2.570 > 0.361) then H0 is rejected, Then it can be stated the null hypothesis which states no influence between Work Experience on information systems Audit quality and supply chain is rejected. Therefore, the conclusion there is a significant influence of Work Experience (X1) on Information system Audit quality and supply chain (Y).

#### 4. Conclusion

The results in research of [16] can be seen that work experience has a significant positive effect on

information systems Audit quality and supply chain. This means that there is a unidirectional relationship between experiences with the implementation of Audit quality and supply chain, which means with more auditor experience will be produced better quality audit and better supply chain process. In addition, [14] affirms that Work Experience affects Audit quality and supply chain.

Based on research Competence Auditor at Indonesian X Bank is seen from 82.5% respondents stated that Auditor Competence is very good. This means that employees at the Indonesian X Bank has been able to improve the ability to comprehend, complete the task quickly and able to make the maximum effort in performing the job task. Based on the results of research and discussion about the influence of Work Experience and Competence Auditor to Quality audit at Indonesian X Bank. Then it can be concluded:

1. Result of research partially, seen that work experience variable get result known that bigger than (2,570 > 0,361) hence H0 refused, then can be expressed null hypothesis, which states no influence between Work Experience to Quality Audit rejected. Therefore, the conclusion there is a significant influence of Work Experience on Audit quality and supply chain.

2. Partial research results, seen that Auditor Competency variables known that greater than (4.100 > 0.361) then H0 is rejected, Then it can be stated null hypothesis that states no influence between Auditor Competence to Quality Audit rejected. Therefore, in conclusion there is a significant influence of Auditor Competence on information systems Audit quality and supply chain.

After describing the discussion and bringing the conclusion to the Indonesian X Bank, the author tries to provide suggestions that can be used or a consideration for the Indonesian X Bank, namely:

1. The need for execution to perform the audit task that should be able to optimize the use of work experience owned in order to detect if there are irregularities in the implementation of activities.
2. The need to improve the quality of audits by improving the auditor's competence by increasing the knowledge of the auditor in terms of scholarship with further education level, and always active in following the development of accounting scholarship and also attending various supporting training to improve information systems Audit quality and supply chain.
3. We expected the employees in the company do not have feelings hesitate even though the employees are relatives so that in carrying out the audit task is objective and can produce an information systems audit quality and supply chain.

#### References

- [1] Ariany, V. "Effect of Auditor's Independence and Competence on the Quality of Internal Audit at BumN Banks in Medan", *Reset and Accounting journal of Medan Ganesha Polytechnic*, Vol 1, No. 1, 2548-9224, 2017.

- [2] Arlia, N. "The Effect of Professional Skepticism, Independence, Competence, Ethics, and Role of Stress Auditors on Audit Quality in Bali's Representative Office", *KRISNA Journal: Collection of Accounting Research*, Vol 9, No. 1, pp. 2301-8879, 2017.
- [3] Badjuri. "Factors that Influence the Audit Quality of Independent Auditors in a Public Accountant Office (KAP) in Central Java". *Financial and Banking Dynamics* ", Vol 3, No. 2, pp. 1979-4878, 2011.
- [4] Budiarta, K., and Wiratma, W.J. "Effect of Independence, Work Experience, Due Professional Care and Accountability to Audit Quality", *Udayana University Accounting E-journal*, Vol 10, No. 1, pp. 2302-8578, 2015.
- [5] Cahyono, A.D. "The Influence of Competence, Independence, Objectivity, Task Complexity and Integrity of Auditors on Audit Quality", Vol 5, No. 1, pp. 2088-7469, 2015.
- [6] Dianawati, N., and Made, D. "Effect of Independence, Professional Skills and Work Experience of Internal Auditors (Supervisory Board) on the Effectiveness of the Structure of the Internal Control of Rural Banks in Gianyar Kabuapaten", *E-Journal Accounting at Dayana University*, ISSN, pp. 2302-8556, 2013.
- [7] Effendi, H., and mayasari, N.Z. "Environmental audit influence, internal audit inspection function, and audit work paper on reporting of management audit with its impact on the performance information of the commissioner on the environment in the city of Bandung Regional Military Command".
- [8] Fietoria, E., and Stefany, M. "Effect of Professionalism, Independence, Competence, and Work Experience on Audit Quality in Bandung Public Accountant Office". *Accounting Journal STIE Hardpan Bangs Bandung*", Vol 1, No. 1, pp. 2540-8275, 2016.
- [9] Marlinah, O. "Effect of Competence, Independence and Factors within Other Auditors on Audit Quality", *Journal of Business and Accounting*, Vol 16, No. 2, 2014, pp. 143-157, 2014.
- [10] Kovinna, B. "Effect of Auditor's Independence, Work Experience, Competence, and Ethics on Audit Quality (Case Study on Public Accountants in Palembang City)", Palembang, STIE MDP, 2014.
- [11] Mayasari, N.Z. "The influence of implementation intern control, information system technology, individual culture to quality internal audit with quality human resource interviewing variabel education consultant in Indonesian", *International Journal of Economic Research*, 2017.
- [12] Singgih, B.R. "Effect of Independence, Experience, Due Professional Care, and Accountability on Audit Quality". Purwokerto: National Symposium Journal (Susanto, the influence of business processes and risk management on the quality of 2018 accounting information systems) *Accounting*, Vol 13, No. 11, 2010.
- [13] Sari, N.Z.M. "The Effect Of Eficiency Information Technology And Communications Before And After Wearing Information Accountant Manajemen System (Siam) Case Study Pts X In Indonesia", *International Journal of Scientific & Technology Research*, Vol. 4, No 8, pp. 45-50, 2015.
- [14] Sugiarnini, N.A., and Luh, K.D. "The Effect of Professional Skepticism, Independence, Competence, Ethics, and Role of Stress Auditors on Audit Quality at the Bali Province Representative Office", *Warmadewa University Accounting Research Journal*, Vol 4, No. 1, pp. 2301-8879, 2017.
- [15] Sugiyono. "Qualitative and R & D Quantitative Research Methods", Bandung: Alfa beta, 2014.
- [16] Suharti. "The Influence of Work Experience, Professionalism, Integrity and Independence to Audit Quality: Auditor Ethics as Moderating Variables (Study on Representatives of Bpkp Riau Province)", pp. 2527-8215, 2015.
- [17] Susanto, A. "Accounting System and Concept of Computer-Based Development", Bandung, Lingga Jaya, 2004.
- [18] Susanto, A. "The influence of business process and risk management on the quality of accounting information system", *Journal of theoretical & applied information technology*, Vol 96, No. 9, 2018.
- [19] Susanto, A. "The Effect of Internal Control on Accounting Information System", *International Business Management*, Vol 10, No. 23, pp. 5523-5529, 2016.
- [20] Tuanakotta, Th.M. "Critical Thinking in Auditing. Jakarta: Salemba Empat", 2013.