The Influence of Independence and Understanding of Good Governance Auditor Government on the Performance of Government Auditors (Case Study on BPK RI of West Java Province)

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ABSTRACT: The purpose of this research is to ascertain how the performance of government auditors at BPK RI West Java Representative is impacted by their independence and knowledge of good governance. This study employed a quantitative approach with a descriptive methodology. Primary data collected via survey distribution was utilized in this study. Probability sampling is used in the sampling method. Based on a minimum of two years of work experience as an auditor at BPK RI West Java Province, the chosen sample has been modified to the preset parameters. At the BPK RI West Java Representative, surveys were disseminated using Google Forms, and respondents who met the requirement of having 58 auditors responded. With the aid of SPSS 26, multiple linear regression analysis is the analytical method performed. The findings of this research suggest that government auditor performance is significantly and positively influenced by independence and knowledge of good governance.

KEYWORDS: Auditor, Independence, Good Governance Understanding, Auditor Performance, Government Auditor Independence.

I. INTRODUCTION

Legal matters about corruption, collusion, and nepotism (KKN) and all of its practices, including facilitation payments, unlawful levies, power abuse, and awarding prizes based on collusion and nepotism for personal benefit, have been in the public eye recently. To ensure that government activities are carried out by the policies that have been planned and decided upon to ensure that the goals are achieved effectively, effectively, and efficiently, it is necessary to implement a supervisory function and a good control system in the implementation of government and the management of state finances.

To evaluate or audit how a free and independent financial auditing body holds the management and responsibility of state money. The State Audit Board of the Republic of Indonesia (BPK-RI) serves as an external auditor for government audits. According to the Republic of Indonesia's 1945 Constitution, the Audit Board of the Republic of Indonesia (BPK) is a governmental organization whose role it is to evaluate how state funds are managed and accounted for. A free and impartial BPK was established to evaluate the oversight and administration of public finances. The Supreme Audit Agency (BPK) is free and independent to plan, carry out, report on, and oversee the audits' follow-up. The State Financial Audit Standard (SPKN) is the auditing standard used by BPK. According to BPK RI rule No. 1 of 2007, SPKN serves as a standard for audits of state financial management and accountability.

As an institution tasked with carrying out audits of the management and accountability of state finances, the BPK produces Audit Reports (LHP), IHPS, Monitoring Results for Follow-up Audit Results (TLHP), Calculation Results for State Losses, Monitoring Results for Completion of Audit Findings Containing Criminal Elements, Results Calculation of State Losses, BPK opinion, expert statements, and others. BPK audit results are often anticipated and considered by stakeholders, both from representative institutions and the general public, and are often used as a reference by the mass media. Therefore, it is hoped that the results of the BPK audit can provide positive added value for the management of state finances. In carrying out the external audit function, BPK needs to be supported by the performance of its auditors.

Two of the numerous variables affecting an auditor's success are their independence and familiarity with good governance. BPK maintains high levels of institutional, organizational, and personal independence in accordance with the Supreme Audit Board of the Republic of Indonesia's Regulation No. 1 of 2017 on State Financial Audit Standards. We are free from any internal,

external, and/or organizational disruptions that can impair independence in all things pertaining to employment tests, including our mental attitude and physical appearance. Personal involvement with the independence of its examiners is something BPK has to be aware of. The extent of the inquiries and disclosures, or disclosures in all its forms, may be limited by the Examiner due to personal disruptions brought on by a relationship and personal beliefs. If the auditor encounters personal interference with independence, they have a duty to report it to the BPK's authorized official.

In addition to independence, knowledge of good governance is another important component. Understanding According to Nurhayati (2017), good governance is the acknowledgment of the significance of a system of rules or good governance to control the interactions, roles, and interests of diverse parties in corporate activities and public services. Implementing good governance is a crucial step in creating good governance and will eventually provide government auditors with clear instructions on how to function. According to Widhi (2014) and Kirana (2019) study findings, the effectiveness of government auditors is significantly impacted by their comprehension of good governance. However, Kasni's study (2018) showed the opposite, concluding that government auditor performance is not significantly impacted by an awareness of good governance.

Based on previous studies, research gaps were found in the form of inconsistencies (data inconsistencies) in the results of previous studies. In other words, the performance of government auditors is not always influenced by independence and understanding of good governance. With this phenomenon and background, the researcher is interested in reviewing the influence of independence and understanding of good governance at the BPK RI Representative for West Java to prove whether the research results will be the same or different if carried out at different BPK.

II. LITERATURE REVIEW

A. Independence

Regarding Statement of Audit Standards 100 General Standards, the State Financial Audit Standards (SPKN), (BPK-RI, 2017) state that Independence is an attitude and action when conducting an audit to be objective and seen as an objective to anyone, as well as not affected and seen as unaffected by anyone. "Independence in an audit means holding an impartial view in conducting audit tests, evaluating audit results, and preparing audit reports," write Randal J. Elder, Mark S. Beasley, and Alvin A. Arens (2015: 74). According to SPKN (2007:25–29), there are three different independence disruptions that might have an impact on independence: personal destruction, external destruction, and organizational destruction.

B. Understanding of Good Governance

Professional ethics in managing a firm or employment provide the foundation of good governance in business. The auditor's level of understanding of the idea of sound corporate or organizational governance may be described as their understanding of good governance. Understanding good governance is defined as recognizing the significance of a set of guidelines or good governance to control the interactions, roles, and interests of diverse stakeholders in commercial activities and public services. The creation of superior performance management in manufacturing business enterprises (excellent corporate governance), service businesses, public or government service institutions, and other organizations is the concept of good governance (Sapariyah, 2011). Utomo (2012) asserts that successful governance must take into account a number of fundamental concepts, including 1) Accountability, 2) Openness, 3) Professionalism, and 4) Participation.

C. Auditor Performance

In order for an entity to accomplish an objective, the performance of an auditor is crucial. Performance is defined as the outcome, result, activity, or program that will be and has been delivered by employing a budget with quantifiable quantity and quality in Government Regulation Number 58 of 2005 regulating regional financial management. Generally speaking, performance is a criterion that an organization may attain, thus an auditor has to have a strong performance. The factors that affect auditor performance according to Larkin (1990) in Trisnaningsih (2007), are as follows: 1) Ability, 2) Professional Commitment, 3) Motivation, and 4) Job Satisfaction.

D. Hypothesis Development

Independent auditors will not be easily influenced by factors when carrying out their duties and only focus on applicable operational standards. A person must be able to collect the information needed in making decisions that must be supported by being free from the influence of others. Auditors can experience disturbances of interference with independent attitudes, there are three kinds of disturbances that can affect independence according to SPKN, (2007: 25-29) namely personal disturbances, external disturbances, and organizational disturbances. For auditors whose independence is disturbed, the implementation of their audits will also be disrupted so that the quality of the results and also the performance of the auditors themselves will not

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be optimal. To produce maximum and quality auditor performance requires an independent attitude from within the auditor. Research conducted by Atriana (2020), Wahyu (2022), and Kirana (2019) proves that independence affects auditor performance. Based on this description, the first hypothesis is:

H_1: Government Auditor Independence has a positive and significant effect on Government Auditor Performance at BPK RI Representative of West Java Region

Based on legislative principles, the auditor must be able to comprehend state financial governance. The function of good governance is crucial in establishing good governance, which will then provide clear and organized instructions on how to fulfill auditor duties. Understanding good governance is essential to achieving performance management excellence in businesses engaged in manufacturing (good corporate governance), services, and public sector organizations (Sapariyah, 2011). According to Utomo (2012: 186), effective governance must take into consideration a number of fundamental concepts, including accountability, openness, professionalism, and involvement. Good governance-aware auditors will develop performance management excellence based on principles that influence the output or outcomes of the auditor's responsibilities and activities. Widhi (2015) and Atriana (2020) performed studies that demonstrate how knowing good governance impacts auditor performance. This description leads to the following second hypothesis:

H_2: Understanding of Good Governance of government auditor has a positive and significant effect on the Performance of Government Auditors at BPK RI Representative of West Java Region

To improve performance, an auditor must have a good attitude of independence so that the auditor can report if there are violations and deficiencies in the internal control system of the organization's management without any influence from other parties in the audit report so that the resulting report is by reality and can be used as basis decision-making. An auditor who understands good governance correctly will also have an impact on the results of his examination. Internal auditors who have a good understanding of good governance will influence their behavior in carrying out the tasks assigned to them so that internal auditors can obtain good audit results. Independence and an understanding of good governance together can make an auditor have good performance. The existence of these two factors will make it easier for the auditor to complete his work quickly and with quality. Government auditors who have independence will be able to produce audit results that are by the facts, and supported by a good understanding of good governance, the resulting performance will also be better. So that the two variables have a positive effect on the auditor's performance. Based on this description, the third hypothesis is:

H_3: Independence and Understanding of Good Governance of government auditors has a positive and significant effect on The Performance of Government Auditors at BPK RI Representative of West Java Region

E. Conceptual Framework

The research framework is as follows because the conceptual framework in this study depicts the interaction between independent factors and dependent variables:
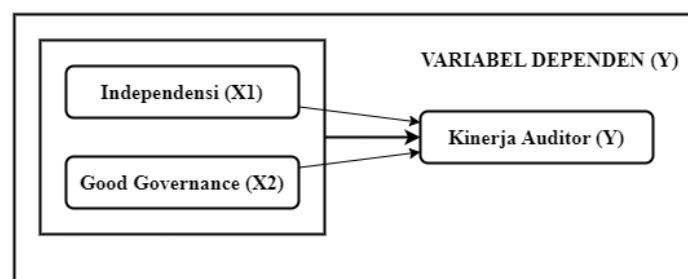
Picture 1. Conceptual Framework

Information :

──────────▶ Influence partially

──────────▶ Simultaneous influence

III. RESEARCH METHOD

In this research, the location of the variables under investigation and the effects of one variable on another were explained using a quantitative technique and a descriptive approach. The goal of this study is to ascertain the degree of the effect between the variables researched through data collection in the form of a questionnaire, and the research technique makes use of

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quantitative methods since the data to be processed is ordinal data. to use the SPSS Application 26 Version to test the hypothesis for each of the variables under investigation.

A. Population, Research Sample, and Data Source

In this study, the sampling technique used purposive sampling and the selected sample has been adjusted to the characteristics that have been determined, namely based on a minimum of 2 years of working experience as an auditor at BPK RI West Java Province with the reason for choosing this differentiator because with this distinction it is expected to get samples that have been carried out audit duties and have experience in carrying out audit duties as an examiner. The data source used is primary data in the form of a questionnaire that will be distributed to the BPK RI West Java Representative. Meanwhile, secondary data comes from Government Regulations, BPK RI West Java Performance Reports, literature studies, websites, and articles.

B. Measurement Scale

In determining the value of the questionnaire the author uses a Likert scale. Each item of the questionnaire has 5 answers with a different value/score for each score for positive and negative statements, namely Strongly Agree (SA) = 5, Agree (S) = 4, Doubtful (D) = 3, Disagree (D) = 2, and Strongly Disagree (SD) = 1. Respondents answer will be aggregated and processed into tabular data that contains the score for each question indicator.

C. Data Analysis Technique

1. Validity and Reliability Testing

By comparing the obtained r values (correlated item-total correlations) with the r table values, the validity test is determined. The query is deemed legitimate if r count > from the r-table (at a significance level of 5%). The statement item is deemed invalid and has to be erased if, on the other hand, the value is negative or positive but smaller than the r table. Following the validity test, only the questions that were deemed valid underwent the reliability test. The Cronbach Alpha α coefficient formula alpha (α) is used to assess the validity of the questionnaire. If a variable's Cronbach alpha (α) value is greater than 0.5, it is deemed dependable.

2. Normality, Heteroscedasticity, and Multicollinearity Test

The Kolmogorov-Smirnov technique utilizing the SPSS 26 program is the normalcy test that is used. The Kolmogorov-Smirnov normality test rule states that the data is normally distributed if the test conditions are adopted based on a probability value (sig) > 0.05.

The Glejser test, which involves regressing the absolute residual value of the estimated model on the independent variables, was used to test for heteroskedasticity. There is no heteroscedasticity if none of the independent variables significantly affect the absolute residual value or have a significance value higher than 5%.

The purpose of the multicollinearity test is to examine if the correlation between the independent (independent) variables determines the variables in the regression model. There are two methods for doing the multicollinearity test, one of which involves examining the VIF (Variance Inflation Factor). The Tolerance value 0.10 or the same as the VIF value 10 is the cutoff value that is often used to detect the presence of multicollinearity.

3. Hypothesis Test (T-test and F-test)

Each independent variable's impact on the dependent variable is evaluated using the T-test. The test criteria state that Ha is acceptable if the value is less than or equal to 0.05 and rejected if the value is more than 0.05. The partial t-test formula is as follows:

$$t = \frac{r\sqrt{n-2}}{\sqrt{(1-r2)}}$$

Picture 2. T-test Formula

Information:

r = correlation correlation

n = amount of data

The significance test for the hypothesis is determined through the t-test with the following tests:

H_0 : rejected if Sig t-count < α (significant level used)

H_0 : accepted if Sig t-count > α (significant level used)

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The F test was used to determine if the dependent variable may be impacted by all independent factors at once (simultaneously). The F test, which has the following formula, is the statistical test used in simultaneous testing.

$$F_n = \frac{R^2 / k}{(1 - R^2)/(n - k - 1)}$$

Picture 3. F-test Formula

Information:

R = multiple correlation coefficient

n = number of samples

k = the number of independent variable components

For F-test, the criteria used are:

H_0 : rejected if Sig F-count < α (significant level used)

H_0 : accepted if Sig F-count > α (significant level used)

4. **The Coefficient of Determination (R^2)**

The coefficient of determination is used to measure how strong the relationship is between Auditor Independence and Understanding of Good Governance simultaneously on the performance of government auditors.

IV. RESULT AND DISCUSSION

A. Descriptive Data

Table 1. Descriptive Data

Constructs / Variables		N	Min	Max	Mean	Median	Std.Dev
Y	Government Auditor Performance	58	44	60	55.52	56	3.153
X1	Independence	58	38	50	47.22	48	2.740
X2	Understanding of *Good Governance*	58	28	40	37.05	38	2.365

Based on Table 1, it is clear that the independence of the auditor at the BPK RI Representative West Java Region is good because the Independence variable (X1) has a minimum value of 38, a maximum value of 50, an average value (mean), a median value of 48, and a standard deviation of 2.740. The Auditor at BPK RI Representative West Java Region has a good understanding of good governance, according to the Good Governance Understanding variable (X2), which has a minimum value of 28, a maximum value of 40, an average value (mean), a median value, and a standard deviation of 2.365. The government auditor performance variable's (Y) minimum value is 44, the maximum value is 60, average value (mean) is 55.52, the median value is 56, and the standard deviation is 3.153, indicating that the West Java Region auditor at BPK RI has a good performance.

B. Analysis and Research Result

Table 2. Result of hypothesis testing

Hypothesis		Regression Coefficient		Significance		Test results
		β	Influence	Sig.	Result	
H₁	Government Auditor Independence has a positive and significant effect on Government Auditor Performance at BPK RI West Java Representative.	0.605	Positive	0,000	Significant	Accepted
H₂	Understanding of Good Governance of government auditor has a positive and significant effect on the Performance of Government Auditors at BPK RI Representative of West Java Region.	0.482	Positive	0,000	Significant	Accepted

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H₃	Independence and Understanding of Good Governance of government auditors have a positive and significant effect on the Performance of Government Auditors at BPK RI Representative of West Java Region	0.401	Positive	0,000	Significant	Accepted

Based on Table 2, the results of testing the hypothesis can be inferred that the t-count values of the effect of independence on government auditor performance are 5.301 and the t-count values of the effect of understanding good governance on government auditor performance are 4.724, both of which have significance values close to zero, leading to the conclusion that H1 and H2 are accepted while the value F-count is 59.504 with a significance value close to zero. The value of the F-table at a 5% significance level (a = 0.05), two degrees of freedom (k = 2), and fifty-five (n-k-1) is three is, therefore, three.165. It can be deduced that Independence and Understanding of Good Governance have a considerable beneficial impact on the performance of government auditors at the BPK RI West Java representatives since F-count (59.504) is higher than F-table (3.165). With a 95% confidence level in the test findings (or a large error rate of 5%), it may be said that the whole study hypothesis was accepted.

C. The Coefficient of Determination (R^2)
Table 3. The Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827ª	.684	.672	.24030
a. Predictors: (Constant), Pemahaman GG, Independensi				
b. Dependent Variable: Kinerja Auditor				

Based on Table 3, the corrected R-square value is 0.684, and it is clear that both independence and understanding of good governance concurrently impact the performance of government auditors at the BPK RI Office of the West Java representative by 68.4%. While other external variables have an impact on the remaining 31.6%.

D. Discussion of Research Result
1. The Effect of Independence on Government Auditor Performance
Government Auditor Performance (Y) is significantly and somewhat positively influenced by Independence (X1). This indicates that the performance of government auditors at the BPK RI West Java representative office improves with increasing independence. The findings of the hypothesis testing, which demonstrate that the t-count value is bigger than the t-table, equivalent to (5.301 > 2.004), with a significance of 0.00 or less than 0.05, provide proof for this. Research by Hafizah (2022), Atriana (2020), Dwiyanto (2020), and Kasni (2018), which found that independence has a favorable and substantial impact on the quality of government auditors, supports these findings.

2. The Influence of Understanding of Good Governance on the Quality of Government Auditors
Government auditor performance (Y) is significantly and positively impacted by understanding of good governance (X2). As a result, it can be claimed that government auditors at the BPK RI West Java representative office function better the more effectively they are understood good governance. The results of testing the hypothesis that the value of t-count is more than t-table, equivalent to (4.724 > 2.004), with a significance of 0.00 or less than 0.05, serve as supporting evidence for this. These findings are supported by research by Wahyu (2022), Atriana (2020), and Widhi (2015), which found that knowledge of good governance has a positive and significant impact on the caliber of government auditors. They are also supported by remarks made by Sri Mulyani Indrawati, Minister of Finance, who praised the Supreme Audit Agency (BPK) for its role as a partner and a pillar of accountability f On June 3, 2023, in Jakarta, during the 2023 BPK Executive Coordination Meeting, the Minister of Finance made this statement.

3. The Influence of Independence and Understanding of Good Governance on the Performance of Government Auditors
Government auditors' effectiveness at the West Java representative BPK RI Office is significantly impacted by their independence (X1) and understanding of good governance (X2) at the same time. Therefore, it can be argued that the

performance of government auditors at the BPK RI West Java representative office would increase in direct proportion to their independence and understanding of good governance. This is shown by the outcomes of processing the F-test data, where the F-count value was 59.504, indicating that the F-count (59.504) is more than the F-table (3.165). These results are by what is stated in the annual performance reports of BPK RI and BPK RI West Java Representative in the past few years which have always had good performance results and are close to a score of 100 and can achieve targets on 10 Main Performance Indicators out of a total of 13 Main Performance Indicators in the 2021 performance report.

V. RESEARCH CONCLUSION

Based on the statistical test results of the 3 hypotheses analyzed, it can be concluded that:

1. Government auditor performance (Y) is significantly and partly influenced by independence (X_1). This indicates that the government auditors at the BPK RI West Java representative perform better the greater the independence.

2. Government auditor performance (Y) is significantly and partly influenced by the understanding of good governance (X_2). Therefore, it can be claimed that the government auditors at the BPK RI West Java representative perform better the greater their awareness of good governance is.

3. Government auditor performance at the West Java representative BPK RI Office is significantly impacted by both independence (X_1) and understanding of good governance (X_2). Therefore, it can be claimed that the performance of government auditors at the BPK RI West Java representative would be better the more independent and knowledgeable they are about good governance.

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