

Analysis Ability Professional Internal Auditor (In The Three State-Owned Company In Bandung)

R. Ait Novatiani

Abstract: The purpose of this study was to analysis professional skills of internal auditors in the three state-owned companies in Bandung. The research method used descriptive method, the sampling technique used in this research is non probability sampling that the saturation sampling, data collection techniques used primary data and secondary data. Based on the research results, it can be concluded that the ability of professional internal auditors in the three companies in Bandung good, meaning that the company State Owned Enterprises (SOEs) already meet the ability components of professional internal auditors that their conformity with the standards of the profession, knowledge and skills, human relations, and communication, continuing education and professional rigor.

Index Terms: professional ability, internal auditor, State-Owned Enterprises

1 INTRODUCTION

One of the company's goals in establishing the company is to benefit as much as possible. The bigger the profit obtained by the company, the more rapid development of the company to be great. The bigger a company then encourage the management company to manage the resources owned by the company more effectively to achieve the objectives previously set and also required to have added value to the business entity. In addition, the development of increasingly large companies, top management need to manage the company's internal auditors where internal auditors provide the necessary information managers in carrying out responsibilities effectively (sawyer, 2005). The internal auditor is the auditor who works in a company whose main task is to determine whether the policies and procedures established by top management have been met, determine whether or not the preservation of the wealth of the organization, determines the efficiency and effectiveness of the procedures the organization's activities, as well as determine the reliability of the information produced by the various organization (Mulyadi, 2012). The key task of internal auditors must be implemented properly, therefore the internal auditor must have professional skills that must comply with several components in a professional capacity as stated by the internal auditor Tugiman (2006), namely:

- 1) Compliance with the standards of the profession
- 2) Knowledge and Skills
- 3) The relationship between humans and communication
- 4) Continuing education
- 5) Professional Accuracy

In accordance with Government Regulation (PP) 12 1998 for SOE formed a Limited Liability Company, now almost all state-owned enterprises is certain to have an internal watchdog agency, but many of the internal auditor's inside yet know thoroughly what professionalism must be complied with and how should an internal examination of quality it is applied. In an article issued by (www.iaikap@akuntanpublik.org) entitled "Looting SOE mode-mode", it is written that during the working meeting with the House of Representatives on May 19, 2009, the Minister of SOEs reported allegations of corruption at 16 state enterprises. Since 2001, there is no longer predicated SOE healthy.

The number of corruption is an indication that the trend of corporate governance is not running optimally, Standard Operational Procedure (SOP) is often violated, Internal Audit Unit (IAU) is less empowered, and SPI functions are diminished by the board of directors. The phenomenon that occurs in 16 SOEs indicates that internal auditors are in 16 state-owned enterprises do not meet one of the components of the professional ability of the internal auditor as proposed by Tugiman (2006), namely regarding compliance with the standards of the profession. Compliance with the standards of the profession in question by Tugiman (2006) was about a code of conduct, where one of the components of the code of conduct is required to be honest, objective and careful in carrying out the duties and obligations. The results of the research that has been done by Asikin (2006), regarding the attitude of professionalism of internal auditors with the title of the influence of internal auditor professionalism attitude towards internal auditor role in the disclosure of the audit findings. Research results show that the internal auditor's professional attitude towards internal auditor role in the disclosure of the audit findings. The research conducted by Novatiani (2016), about the professionalism of internal auditors, with the title of the effect of applying the code of conduct in the professionalism of internal auditors. The results showed that the application of the code of ethics affect the professionalism of internal auditors. Based on the above, the authors are interested in doing research titled "Analysis of professional skills of internal auditors (On Three state-owned company in Bandung).

2 LITERATURE REVIEW

2.1 Internal Auditor

According to Mulyadi (2012) The internal auditor is the auditor who works in a company whose main task is to determine whether the policies and procedures established by top management have been met, determine whether or not the preservation of the wealth of the organization, determines the efficiency and effectiveness of the procedures the organization's activities, as well as determine the reliability information generated by various organizations.

2.2 Internal Auditor Professional Capabilities

The internal auditor has the obligation to perform his profession in a professional manner. According Tugiman (2006) states that "internal audit should reflect the expertise and professional rigor". As for the professional ability of

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internal auditors in the Professional Standards Internal Audit according Tugiman (2006) consists of :

1) Compliance with Professional Standards

The internal examiner must adhere to professional standards in examinations. The code of ethics sets professional standards and set benchmarks for implementation. Code of conduct include:

- (a) Required to be honest, objective and careful in carrying out the duties and obligations.
- (b) To maintain the trust of the assignor, Certified Internal Auditor should show loyalty to the assignor. Nevertheless certified Internal Auditor is forbidden to take part in activities that deviate or unlawful.
- (c) Certified Internal Auditor should avoid being involved in activities that may conflict with the interests of the assignor, or to inflict prejudice doubted his ability to objectively complete tasks and obligations.
- (d) Certified Internal Auditor is prohibited from receiving rewards or gifts from the assignor, clients, customers, or business associates taskmaster, unless they are entitled.
- (e) Certified Internal Auditor should be judicious and careful in using the information obtained in the execution of their duties. Certified Internal Auditor forbidden to use confidential information for personal gain, or use to harm the interests of the assignor.
- (f) In our opinion, Certified Internal Auditor should use all its ability to obtain sufficient evidence to support his assertion. In result of his assignment, Certified Internal Auditor must disclose material facts he knew that if disclosed would be able to change the result of the assignment is to be reviewed, or may cover any practices that violate procedures and policies.
- (g) Certified Internal Auditor should be constantly trying to improve their expertise and effectiveness in doing his job.

2) Knowledge and skills

The internal examiner must have the knowledge, skills, and a wide range of disciplines that are important in the implementation of inspection.

- (a) internal examiner's expertise in applying a variety of standards, procedures, and techniques necessary checks on the implementation of inspection.
- (b) expertise in the principles and techniques of accounting required by the examiner whose work is widely associated with various records and financial statements.
- (c) Understanding the principles and techniques of management necessary to identify and evaluate of irregularities or deviations in good business practices.
- (d) There must also be an understanding on the basis of a broad range of knowledge such as accounting, economics, law, trade, taxation, finance, quantitative methods and information systems are computerized.

3) The relationship between human and communication

The internal examiner must have the ability to deal with others and communicate effectively.

- (a) The examiner must understand the relationship between humans and develop a good relationship with the party being examined.
- (b) The examiner must have proficiency in oral and written communication so that they can clearly and effectively various things like the purpose of

inspection, evaluation, conclusions, and recommendations.

4) Continuing Education

The internal examiner must improve their technical capabilities through continuing education. The examiner is obliged to continue their education in order to improve his skills. They should try and get information about the progress and new developments in standards, procedures, and techniques of auditing. Further education can be obtained through membership and participation in professional associations, attendance at conferences, seminars, courses are held by a university, training programs implemented by the organization and participation in research projects.

5) Professional Accuracy

The internal examiner must implement the appropriate professional rigor in carrying out the inspection, including:

- (a) The accuracy of the application requires accuracy appropriate professional and skills are worth in expected to be done by someone wise and competent examiner in the same or similar circumstances.
- (b) The accuracy should require a competent accuracy is not the implementation of which should be perfect, without fault, or the results are amazing. Accuracy requires that internal audit should perform testing and verification of a scope that is inappropriate and should perform a detailed examination of the details or the whole transaction.
- (c) If the internal examiner suspect or suspect a violation has occurred, the authorities in the organization must be notified. Examiner can recommend whether to conduct an investigation into the situation.
- (d) Implement appropriate professional rigor means using the skills and judgment that deserve examination at the time of inspection.
- (e) The accuracy professionals should include an evaluation on occupational standards or operation defined and determine whether standards are accepted and can be met.

3 Research Methodology

The method used is descriptive method. Descriptive method is a method used to describe or analyze the results of the study but not used to make broader conclusions (Sugiyono, 2012).

3.1 Variable Operationalization

The variables used in this study, only one variable (variable X), this can be seen in the table below:

Table 1.1
Operationalization Variable

Variable	Concept	Indicator	Scale	Instrument
Internal Auditor Professional Capabilities (Variable X)	Professional ability is the responsibility of the internal audit section and each internal auditor. (Tugiman, 2006)	1) According with standard profession 2) Knowledge and skills 3) Relation inter human and communication 4) Sustainable education 5) Profesional accuracy (Tugiman,2006)	Interval scale	Questionnaires

3.2 POPULATION AND SAMPLE RESEARCH

The population in this study are employees at the internal audit unit in the three state-owned company in Bandung. The sampling technique used in this study is nonprobability sampling that the saturation sampling as many as 30 people.

3.3 Data Collection Technique

Data collection techniques used are:

- 1) Primary data, by the way: a questionnaire.
- 2) Secondary data, by the way: a literature study (library research).

3.4 Measurement Scale

The scale of measurement in this study using a likert scale, because this scale has relatively high reliability. Variable X consists of 15 statements, the lowest score with value 1 and the highest score by the value 5. The criteria for variable rate is determined as follows:

Table 1.3
Alternative Answers and Scores

Interval	Category
20% – 35,99%	Very not good
36% – 51,99%	Not good
52% – 67,99%	Good enough
68% – 83,99%	Good
84% – 100%	Very good

Source: Data Processing

4 Results And Discussion

Test Validity

Validity test results are used to help the Software Program SPSS 19 (statistical product and service solutions) The results of the validity of the test conducted on all the items of variable X indicates invalid, because it has good value ≥ 0.300 for all variable items.

Test Reliability

Reliability test results are used to help the Software Program SPSS 19 (statistical product and service solutions). Reliability test results conducted on all the items of variable X indicates reliable, because it has a value of $\geq 0,700$.

4.1 Internal Auditor Professional Capabilities In Three Companies for State Owned Enterprises in Bandung

Based on the phenomenon already described in the above description previously issued by (www.iaikap@akuntanpublik.org) entitled "Looting SOE mode-mode" case in which occur in 16 SOEs. It can be concluded that the internal auditors are in 16 state-owned enterprises do not meet one of the components of the professional ability of the internal auditor as proposed by Tugiman (2006), namely regarding compliance with the standards of the profession. Compliance with the standards of the profession in question by Tugiman (2006) was about a code of conduct, where one of the components of the code of conduct is required to be honest, objective and careful in carrying out the duties and obligations. Professional ability of internal auditors in the Professional Standards Internal Audit according Tugiman (2006) must meet the following components:

- 1) Compliance with the standards of the profession
- 2) Knowledge and Skills
- 3) The relationship between humans and communication
- 4) Continuing education
- 5) Professional Accuracy

Based on the research results indicate that the professional capabilities of internal auditors in the three state-owned companies (PT.PINDAD, PT.INTI and PT. POS Indonesia) in Bandung good, meaning that SOEs (PT. PINDAD, PT.INTI and PT. POS Indonesia) meets components of the professional capabilities of internal auditors that their conformity with professional standards. knowledge and skills, human relations and communication, continuing education and professional rigor, in line with the theory put forward by Tugiman (2006). Besides, also the data obtained from the distribution of questionnaires to 30 respondents about the professional capabilities of internal auditors showed quite good, because it obtained a score of 59, 5% with 59, 5% is in the interval 52% - 67.99% in the category quite well, this can be seen in table 4.1 below:

Table 4.1
Frequency Distribution of Respondents Answers About Ability Professional Internal Auditor

Item number	5	4	3	2	1	Item scores	Top Scores
1	6	4	12	3	5	93	150
2	2	3	12	7	6	78	150
3	3	4	13	3	7	83	150
4	6	3	14	4	3	95	150
5	3	7	10	4	6	87	150
6	4	7	10	6	3	93	150
7	3	8	11	4	4	92	150
8	5	6	14	1	4	97	150
9	4	4	9	8	5	84	150
10	3	7	9	6	5	87	150
11	5	2	9	8	6	82	150
12	5	6	9	3	7	89	150
13	6	5	8	6	5	91	150
14	6	2	11	8	3	90	150
15	5	6	10	6	3	94	150
16	2	6	12	7	3	87	150
17	4	8	9	6	3	94	150
18	4	5	9	8	4	87	150
19	6	3	11	8	2	93	150
						1696	2850

Source: Data Processing Results

From table 4.1 above can be specified percentage score is the result of research answers obtained from respondents' answers to 30 internal auditors in the three state-owned company in Singapore with 19 items asking questions relating to the internal auditor's professional capabilities. The number of scores obtained for variable internal auditor's professional capability is 1696, based on data that the level of professional ability of the internal auditors can be calculated by comparing the scores of research obtained by the maximum score. The calculation is as follows:

$$(1.696:2850) \times 100\% = 59,5\%$$

But the results of the questionnaire on the questionnaire conformity with the standards of the profession, they obtained high scores for the answers strongly disagree that as many as 7 people, this shows that the Certified Internal Auditor not avoid to engage activities that may conflict with the interests of the assignor. Given this indicates that internal auditors are certified at three companies PT. SOE (PT. PINDAD, PT.INTI and PT. POS Indonesia) in Bandung can not avoid to engage activities that may conflict with the interests of the assignor. To that end the internal auditor on the three state-owned companies should be able to avoid to engage activities that may conflict with the interests of the assignor. In addition, the results of the questionnaire and the relationship between human communication still earned high scores for the answers strongly disagree that as many as 7 people, it indicates that

the examiner did not understand the relationship between humans and develop a good relationship with the party being examined. To that end the internal auditor on the three state-owned enterprises should be the relationship between humans and develop a good relationship with the party being examined., As seen from the results of questionnaires human relations and communication give answer strongly disagree. Given this indicates that the inspectors at three company PT. SOE (PT. PINDAD, PT.INTI and PT. POS Indonesia) in Bandung do not understand the relationship between humans and develop a good relationship with the party being examined. In addition, with the acquisition of high value for the answers strongly disagree that as many as 7 people either on questionnaires conformity with professional standards and the relationship between questionnaire and communication, but overall that the three state-owned company (PT. PINDAD, PT.INTI and PT. POS Indonesia) shows the internal auditor's professional ability is quite good, because it obtained a score of 59,5% with 59,5% is in the interval 52% - 67.99% in the category quite well. The results of the research that has been done by Asikin (2006), regarding the attitude of professionalism of internal auditors with the title of the influence of internal auditor professionalism attitude towards auditor internal role in the disclosure of the audit findings. Research results show that the internal auditor's professional attitude towards auditor internal role in the disclosure of the audit findings. The research conducted by Yusnita (2010), titled "The Effect of Internal Auditor Independence and

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7. CONCLUSION AND RECOMMENDATIONS

Conclusions

Based on the research results, it can be concluded that the internal auditor's professional capabilities in three state-owned company (PT. PINDAD, PT.INTI and PT. POS Indonesia) in Bandung good, meaning that SOEs (PT. PINDAD, PT.INTI and PT. POS Indonesia) already meets the professional capabilities of components internal auditor is a lack of compatibility with professional standards, knowledge and skills, human relations and communication, continuing education and professional rigor.

Recommendations

Based on the results of the study found things that can provide feedback and improvements to the three state-owned companies is as follows:

- 1) Must be able to avoid having to engage activities that may conflict with the interests of the assignor, as seen from the results of questionnaires conformity with the standards provide answers to strongly disagree.
- 2) Must the relationship between people and develop a good relationship with the party being examined., As seen from the results of questionnaires human relations and communication give answer strongly disagree.

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