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RESEARCH ARTICLE

THE INFLUENCE OF INTERNAL AUDITOR COMPETENCE, INTERNAL AUDITOR DYSFUNCTIONAL BEHAVIOR ON THE QUALITY OF INTERNAL AUDITORS AND THE IMPLICATIONS FOR INTERNAL AUDITOR PERFORMANCE (STUDY ON THE STATE GENERAL INSPECTORATE/ INSPECÇÃO GERAL DO ESTADO DILI TIMOR LESTE)

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ABSTRACT

This study discusses the influence of internal auditor competence, and dysfunctional behavior of internal auditors on the quality of internal auditors and their implications for internal auditor performance (study on the State General Inspectorate/ Inspeção Geral do Estado Dili Timor Leste, this study shows that; Auditor competence affects the quality of internal audit, meaning that the more competence of an auditor can improve the quality of the audit carried out by the auditor. Meanwhile, the Auditor's Dysfunctional Behavior does not affect Internal Audit Quality. The results of this study also show a negative and insignificant influence of dysfunctional behavior on audit quality. This means that the auditor at the agency carries out its function as an independent auditor, producing quality audit reports. Auditor competence affects the performance of internal auditors. Auditor competence has a positive and significant effect on auditor performance. This means that if an internal auditor is given full competency with high and independent knowledge, he will be able to improve the auditor's performance. Effect of Dysfunctional Behavior on Auditor Performance. The results of the study show that Dysfunctional Behavior has no positive and insignificant effect on Auditor Performance. This means that if the auditor's behavior shown by an auditor is based on his function and complies with applicable auditing standards and avoids deviant behavior or manipulating audit activities, it will be able to improve the auditor's work performance. Effect of Audit Quality on Auditor Performance. Audit Quality has a positive and significant effect on Auditor Performance. This means that as the increasing quality of the audit carried out by an auditor, the auditor's performance will increase. And also the better the quality achieved by an internal auditor, the better the audit performance. The *first* path analysis test shows that the intervening variables in this study can strengthen the relationship between Internal Auditor Competence and Internal Auditor Performance. The *second* path analysis test shows that the intervening variables in this study can strengthen the relationship between Auditor Dysfunctional Behavior and Internal Auditor Performance

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INTRODUCTION

Increasing demands for the realization of *good governance have implications for an accountable and transparent financial management system*. This is inseparable from the existence of a control and supervision system in every government agency which systematically consists of planning, implementation, monitoring, and accountability processes in an effective, efficient, and controlled manner, Mardiasmo (2009; 18). Achievement of the target is following efforts to create a good management climate, namely a government that can carry out the mandate of the people both in serving and organizing government that can operate efficiently and responsively to the aspirations of the community, and is accountable for the implementation of this mandate to the people.

This can create transparency which can generate trust in the government, and the public wants to participate in the implementation of national development. Supervision carried out by government auditors has a very important role in creating national efficiency, so government auditors must maintain and constantly improve professionalism, and competence and avoid dysfunctional audit behavior so that they can achieve quality government audit performance, Mulyono (2009). One factor that can influence this is educational expertise in accounting, Ayuningtyas and Sugeng (2012). Due to education in the field of accounting, an auditor can gain knowledge and understanding about carrying out audit assignments. Inspeção Geral do Estado, República Democrática de Timor Leste (RDTL) was established in June 2000, by the UN transitional government in Timor Leste during the transitional period, to

supervise, control, and control the activities of the public administration of the government of the Democratic Republic of Timor Leste. Based on the status *Inspecção Geral do Estado, Republika Demokratica de Timor Leste (RDTL)*, mandate of *Decreto Lei Organik no. 22/2009*, to ensure the full implementation of general control activities in public administration, the government provides (IGE) with the proper legal framework, gives full power and authority to IGE, as internal audit under the prime minister of Timor Leste, functions as inspection body and activities audit as well as transparency and sense of responsibility in financial activities and management of public administration. In this context the Timor Leste government decided on the Organic IGE Law, affirming its high-level control over public administration services, directed towards the analysis of legality and financial regularity, budgetary resources, state assets, and seeking good governance in public administration.

IGE internal auditor supervision is the entire process of auditing, reviewing, evaluating, monitoring, and other supervisory activities on the implementation of organizational duties and functions to provide adequate assurance that activities have been carried out under established benchmarks effectively and efficiently for the benefit of the leadership in realizing good governance, *State Accounting (2007;4)*. Whether or not the quality of the internal auditor's work will affect the auditor's conclusions and will indirectly influence whether or not the decisions to be taken are appropriate. So that the auditor is required to have a sense of responsibility (accountability) in carrying out his work and have a professional attitude, increase competence, and try to avoid dysfunctional audit behavior in reducing violations or irregularities that can occur in the auditing process, so that auditor competence is an important element that must be possessed by an auditor, so on must avoid dysfunctional behavior, namely storing or manipulating audit reports in inspection activities that will impact on auditor performance. achievement of internal control objectives. The performance of internal auditors is said to have the professional ability if they can provide guarantees or assurances that the technical and educational backgrounds of the internal auditors are following the examinations to be carried out, must also have or obtain knowledge, and skills from various disciplines needed to carry out audit responsibilities. However, internal audit remains an integral (inseparable) part of the company's organizational structure, where its role is to provide continuous monitoring and assessment, Agoes, (2017; 218). Internal auditors must reflect professional expertise and thoroughness, and professional ability as a responsibility in the internal audit section. Work performance or performance is a work result that is achieved by someone in carrying out the tasks assigned to him, which is based on skills, experience, sincerity, and time, Hasibuan (2009:94). Furthermore, Auditor Performance is an expression of the auditor's work potential in the form of work behavior of an auditor in carrying out work assignments to achieve optimal work results, which can be measured through objective factors (work results and work discipline) and subjective factors (initiative, cooperation, and loyalty), Elya (2008). The phenomenon that occurs in the State General Inspectorate is sometimes the performance is less professional in conducting audits because competence in auditing is less professional and less competent.

Internal audit quality is the probability, of finding and subsequently reporting violations of the accounting system to its clients. The probability of discovery of a violation depends on the ability and technical competence of the auditor and the independence of the auditor himself, so internal audits must be carried out expertly and with thorough competence. Competence and freedom from dysfunctional behavior must be possessed by every internal auditor, according to each examination, the internal audit leader must assign people who jointly or as a whole have the knowledge and ability, Arfan and Ishak (2008:43). Audit quality is a systematic process to objectively obtain and evaluate evidence regarding statements about economic activities and events, to determine the degree of conformity between these statements and predetermined criteria, and to convey the results to users. those who have an interest Mulyadi (2008: 9). The phenomenon that occurs sometimes is that the internal auditor has not received an audit finding in a violation because there is no capability

and technical competence of the auditor and the independence of the auditor himself in the State General Inspectorate. Reliable accounting information must have neutrality criteria, honest presentation, verifiable. Thus the accounting information provided by the auditor can be trusted so that it is far from dysfunctional audit behavior. Dysfunctional audit behavior is an auditor's action in implementing an audit program that can reduce audit quality directly or indirectly. Donnelly et al (2003) in Annisa Fatima (2012), auditor dysfunctional behavior as an act of reporting audit time in a shorter total time than the actual time changes the procedures that have been established in conducting audits in the field and completing audit steps that are too early without complete the entire procedure, therefore an auditor must need to correct this dysfunctional behavior to improve its performance to produce reliable audit products for those who need it. from the generally accepted standards, which will have an impact on decreasing audit quality (Harini: 2010). The phenomenon that occurs in the State General Inspectorate is that sometimes the internal auditor takes actions that report audit time in a shorter total time than the actual time, and sometimes the internal auditor completes audit steps too early without completing the entire procedure. The government sector needs to build a professional quality internal audit so that it can prevent corruption by having high competence. Because a high-competent internal audit will be a distinct advantage for a government agency as well as a supporter of competitiveness in the era of globalization that faces the work environment and social conditions of society. those who experience dynamic changes in carrying out each job, especially in terms of internal audits which are based on regulations as guidelines in work, employee competence is needed to understand and obtain and evaluate evidence objectively and be able to communicate the results to interested parties in an agency. Internal auditor competence is one of the internal factors that play an important role in the success of an institution in achieving goals so it is necessary to direct an effective and efficient inspection, Hiro Tugiman (2006: 27). So that internal audit has a high work ethic, is skilled, and is trained to conduct training, education, and guidance for an auditor. It's just to produce high work performance and achievement because whether or not an institution develops is determined by the members or personnel themselves. In supporting its performance, the Auditor must have sufficient competence to carry out his work. As a relationship, how each individual utilizes his knowledge, skills, and behavior at work. Competence is embodied in performance. So, competence can be linked to matters relating to certain types of contextual tasks, namely regarding what must be done, and how well the work is done (Sawyer's, 2009:17). With this, competence is obtained through education and experience, each member must make efforts to achieve a level of competence that will ensure that the quality of services provided meets the high level of professionalism as required by ethical principles, Mulyadi (2009:58). The phenomenon is that if an internal auditor lacks competency, then audit quality is likely to be low. The phenomenon that occurs at the State General Inspectorate is that sometimes the Internal Auditor lacks extra training to improve his competence in financial audit reporting, and sometimes the internal auditor lacks training and high knowledge in detecting fraud. So the internal auditors are less professional in conducting audits because competence in human resources is less professional and less competent.

Auditor dysfunctional behavior is a discreet behavior carried out by an auditor in the form of manipulation, fraud, or deviation from auditing standards. Dysfunctional behavior is also a behavior that can reduce audit quality which is dysfunctional behavior that is considered to reduce audit quality, (Gustati, 2012). One of the main forms of dysfunctional audit behavior is audit quality reduction behavior. Audit quality reduction behavior is any action taken by the auditor during the implementation of audit procedures that reduces the effectiveness of the audit evidence collected. Audit quality reduction behavior can be carried out in various ways including premature termination of audit procedures, namely the act of terminating audit procedures or not completing the required audit procedures, but the auditor dares to express an opinion on the financial statements audited or continues to deliver audit results even without competent evidence.

The results of previous research indicate that there is a threat of decreased audit quality as a result of dysfunctional audit behavior that is sometimes performed by auditors in auditing practices (Alderman and Deirtick, 1982; Kelley and Margheim, 1990; Pierce and Sweeney, 2004). Dysfunctional audit behavior is any action taken by the auditor during the implementation of the audit program that can reduce audit quality (Kelley and Margheim, 1990; Otley and Pierce, 1996). Behaviors that reduce audit quality are carried out through actions such as premature termination of audit procedures, superficial *reviews of client documents, not extending testing when irregularities are detected, and not examining the appropriateness of the accounting treatment applied to clients* (Kelley and Margheim, 1990; Otley and Pierces 1996). Actions such as those mentioned above directly reduce audit quality and have an impact on the performance of internal auditors because the auditor chooses not to carry out all stages of the audit program carefully and thoroughly (Malone and Robert, 199; Otley and Pierce, 1996; Herrbach, 2001; Pierce and Sweeney 2004). Therefore, from the background of the existing problems, the researcher intends to take the research title the Influence of Internal Auditor Competence, Internal Auditor Dysfunctional Behavior on the Quality of Internal Auditors and the Implications for Internal Auditor Performance (Study on the State General Inspectorate/ Inspeccão Geral do Estado Dili Timor Leste).

Problem Statement: The formulation of the problem is a question that will be answered through data collection. (Sugiono 2013). Based on the problems described in the background, the researchers formulated the problems in this study as follows:

- Auditor Competence Affects the Quality of Internal Auditors at the Government Inspectorate of Dili Timor Leste?
- Does the Auditor's Dysfunctional Behavior Affect the Quality of Internal Auditors at the Dili Timor Leste Government Inspectorate?
- Does Auditor Competence Affect Internal Auditor Performance at the Dili Timor Leste Government Inspectorate?
- Does the Auditor's Dysfunctional Behavior Affect the Internal Auditor's Performance at the Government Inspectorate of Dili Timor Leste?
- Does Auditor Quality Affect Internal Auditor Performance at the Dili Timor Leste Government Inspectorate?
- Does Internal Auditor Competence Affect Internal Auditor Performance Through Auditor Quality at the Dili Government Inspectorate of Timor Leste?
- Does the Auditor's Dysfunctional Behavior Affect the Internal Auditor's Performance Through the Quality of Internal Auditors at the Government Inspectorate of Dili Timor Leste?

Literature Review

Internal Auditor Performance: An internal auditor is required to provide suggestions and recommendations for the progress of the organization so that the performance of an internal auditor becomes one of the most important things for the progress of the organization because the good performance of the organization's internal auditors will result in recommendations and good inspection results. Performance is the result of quality work. and the quantity achieved by an employee in carrying out his duties by the responsibilities given to him. According to Mangkunegara (2008:67) Etymologically, performance comes from the word performance. "The term performance comes from the words job performance or actual performance (actual work achievements or achievements achieved by a person), namely the results of work in quality and quantity achieved by an employee in carrying out his duties under the responsibilities given to him". Still, Mangkunegara (2015) expressed his opinion that individuals who have high performance have several characteristics, namely achievement-oriented, self-confident, self-controlled, and competent. Performance as a result of a job related to organizational goals such as quality, efficiency, and several other effectiveness criteria. Meanwhile, Hasibuan (2009: 94) argues that work performance or performance is a result of work achieved by someone in carrying out the tasks assigned to him, which are based on skills,

experience, sincerity, and time. Performance appraisal aims to evaluate the goals and performance targets set with the actual implementation to be able to provide information on whether the effectiveness of an organization has fulfilled the work set. Next Trisnarningsih (2007), Performance (work achievement) can be measured through certain measurements (standards), where quality is related to the quality of work produced, while quantity is the amount of work produced within a certain time, and timeliness is the suitability of the time has been planned In line with the above opinion according to Otley (1999), performance *can* be said to be something related to activities in carrying out a job and getting the desired results. Auditor performance is an act or implementation of an audit task that has been completed by the auditor within a certain time. Ahmad (2002) argues that performance is a tool used to assess how successful the implementation of a strategy is. On the other hand, according to Otley (1999), performance *can* be said to be something related to activities in carrying out a job and getting the desired results. Performance appraisal aims to evaluate the goals and performance targets set with the actual implementation to be able to provide information on whether the effectiveness of an organization has fulfilled the work set.

According to Budiani in Wiriawan (2017), there are six criteria for assessing performance, namely:

- Quality is the degree to which the process or adjustment is an ideal way in carrying out activities or fulfill activities as expected.
- Quantity is the amount produced and realized through the currency value, the number of units, or the number of activity cycles that have been completed.
- Timeliness is the degree to which activities have been completed in a shorter time than specified and maximize the time available for other activities.
- Cost-effectiveness is the degree to which the use of company resources in the form of human, financial, and technology is maximized to obtain the highest yield or reduction of losses from each unit.
- The need for supervision is the degree to which an employee can do his job without asking for help or guidance from his superiors.
- The interpersonal impact is the degree to which an employee feels confident, has good intentions, and cooperates with colleagues.
- Furthermore, Ahmad (2002) argues that performance is a tool used to assess how successful the implementation of a strategy is. In line with the above opinion according to Otley (1999), performance can be said to be *something* related to activities in doing a job and getting the desired result.

Meanwhile, according to Mahsun (2002: 25), that performance *is* a description of the level of achievement of the implementation of an activity or program, or policy in realizing the goals, objectives, mission, and vision of the organization contained in the planning strategy of an organization. According to Watkins (2007: 1) Defining performance is the result to be achieved. Furthermore, O'Toole and Meier (2014) define performance for the public sector, namely the achievement of programs and organizational goals in terms of output and results achieved. Based on the definition of performance stated above, it can be concluded that performance is the result achieved through an activity carried out in an organized manner in a group within an organization. Russel (1984) defines managerial performance as the systematic integration of effort, supervision, evaluation, finance, and employee performance within an explicit framework related to organizational goals. Furthermore, Esya (2008) argues that the performance of the Internal Auditor is an expression of the auditor's work potential in the form of the work behavior of an auditor in carrying out work assignments to achieve optimal work results, which can be measured through objective factors (work results and work discipline) and subjective factors (initiative, cooperation, and loyalty). Mulyadi and Kanaka (1998: 116) in Naryanto (2016) the performance of an internal auditor is an auditor who carries out an objective audit assignment of the financial statements of a company or organization to determine whether the financial statements present fairly or vice versa.

On the other hand, Tinangon (2012) in Maturidi (2016) internal auditor performance is an expression of the auditor's work potential in the form of the work behavior of an auditor in carrying out his duties to achieve optimal work results, which can be measured through objective factor dimensions, namely work results and work discipline and dimensions subjective factors, which include initiative, cooperation, and loyalty. Auditor performance according to Mulyadi (1998: 11) in Trisnaningshi (2007) the performance of an internal auditor is an accountant who carries out an objective audit assignment on the financial statements of an organizational company, intending to determine whether the financial statements present fairly under applicable accounting principles general public, in all material respects, the financial position and results of operations of the company. Based on the definition of internal auditor performance stated above, it can be concluded that the performance of an internal auditor is the work achieved by an auditor in carrying out the tasks assigned to him in quality and quantity based on skills, experience, and seriousness of time as measured taking into account the quantity, quality, and timeliness. Furthermore, Goldwasser (1993) explains that the performance of internal auditors is the embodiment of work done to achieve better or more prominent work results toward achieving organizational goals. The achievement of better auditor performance must be per certain standards and timeframe, namely:

Quality of Work, namely the quality of work completion by working based on all abilities and skills, as well as the knowledge possessed by the auditor

- Quantity of Work, namely the amount of work that can be completed with targets that are the responsibility of the auditor's work, as well as the ability to utilize facilities and infrastructure to support work
- Timeliness, namely the accuracy of completing work within the time available

An internal auditor is required to provide advice and recommendations for the progress of the company, so the performance of an internal auditor becomes one of the most important things for the progress of the company because good performance from the company's internal auditors will produce good recommendations and inspection results.

Whereas Tinangon (2012) in Maturidi (2016) the performance of internal auditors is an expression of the auditor's work potential in the form of the work behavior of an auditor in carrying out his duties to achieve optimal work results, which can be measured through objective factor dimensions, namely work results and work discipline and factor dimensions subjective which includes initiative, cooperation, and loyalty. On the other hand, the performance of internal auditors according to Mulyadi and Kanaka (1998: 116) in Naryanto (2016) is an auditor who carries out an objective examination assignment of the financial statements of a company or organization to determine whether the financial statements present fairly according to with generally accepted accounting principles, in all material respects, the financial position and results of operations of the company. AIPCA (The American Institute Of Certified Public Accountants) is quoted by Hery (2010: 68) that to evaluate the performance and effectiveness of the internal audit team, several questions can be asked regarding audit experience, audit procedures, the knowledge possessed, audit reports, follow-up recommendations, and annual and long-term audits. Performance appraisal is a useful tool not only for evaluating an employee's performance but also for developing and motivating employees. This assessment will also have a positive impact and enthusiasm in employees to be of higher quality and produce optimal performance. Meanwhile, Mangkunegara, (2005; 67) in Chairunnisa (2014), the performance of internal auditors is an act or implementation of audit tasks that have been completed by the auditor within a certain time. Auditor performance is a result achieved by an auditor in carrying out the tasks assigned to him based on skills, experience, and seriousness of time as measured by considering the quantity, quality, and timeliness in assessing the results of the audits carried out. A person's performance is a combination of abilities, efforts, and opportunities that can be assessed from the results of his work. Performance is divided into two, namely individual and

organizational performance. Individual performance is the work of employees in terms of both quality and quantity based on predetermined work standards, while organizational performance is a combination of individual and group performance so organizational performance is highly dependent on its employees in Husnaetal (2012:9). Related to the definition above, the internal auditor's performance is the work potential possessed by an auditor to achieve optimal performance. Performance appraisal is a determinant of employee effectiveness periodically based on predetermined standards, targets, and criteria. Performance appraisal is useful for continuing to achieve company goals and improving performance for the better in the future. Furthermore, according to I Gusti Agung Rai (2010: 40) the performance of the auditor, namely: the results of an evaluation of the work that has been done compared to the criteria that have been set together in carrying out their duties by the abilities, commitment, and responsibilities given to him. Meanwhile, according to Mahsun, Firma, and Heribertus (2009: 145) Auditor performance, namely: Performance (performance) is a picture of the level of achievement of the implementation of an activity/program/policy in realizing the goals, objectives, mission, and vision of the organization contained in the strategic planning of an organization. Based on the above understanding, it can be said that performance is the responsibility of the work that has been produced by someone in carrying out tasks with responsibilities that are under the ability or success in carrying out a task, to achieve certain goals according to predetermined criteria. Auditor performance is an act or implementation of an audit task that has been completed by the auditor within a certain time (Mangkunegara, (2005; 67) in Chairunnisa (2014). Auditor performance is the result achieved by an auditor in carrying out the tasks assigned to him which is based on skills, experience, and sincerity of time as measured by considering the quantity, quality, and timeliness in assessing the results of audits conducted. A person's performance is a combination of abilities, efforts, and opportunities that can be assessed from the results of his work. Performance is divided into two, namely individual and organizational performance. Individual performance is the work of employees in terms of both quality and quantity based on predetermined work standards, while organizational performance is a combination of individual and group performance so that organizational performance is very dependent on its employees in Husna et al (2012: 9)

Auditor performance is human behavior in an organization that meets the established standards of behavior to achieve the desired results. According to Mangkunegara (2009), performance is the result of work both in quality and quantity achieved by someone in carrying out tasks according to the responsibilities given. Performance is influenced by several factors, including the effectiveness of the balance between work and the environment that is nearby and includes individuals, resources, clarity of work, and feedback. In the process of assessing the implementation of work, benchmarks are needed as a comparison of the methods and results of carrying out the work of an employee. This benchmark is called a work standard that must be made if the results of a job analysis are no longer suitable for use because most or all of the tasks and how they are carried out have undergone changes or developments, as a manifestation of job dynamics (Nawawi, 2013).

Internal Audit Quality: Audits or checks are generally at the end of the financial management cycle. Public sector audits are specifically related to state financial audits. State financial audit is a process of problem identification, analysis, and evaluation carried out independently, objectively, and professionally based on auditing standards, to assess the truth, accuracy, credibility, and reliability of information regarding the management and responsibility of state finances. An audit is an activity of collecting and evaluating evidence that supports the quantitative information of an entity to determine and report the extent to which the conformity of the quantitative information with the established criteria. In the audit process, the inspection/audit report has an important role, because the audit report is the output of the audit process. An audit must be carried out by a competent and independent institution or person because the results of an audit of the financial statements of the auditor will be used by users

of financial statements to make economic decisions. Therefore, audit quality is an important thing that must be considered by the auditor in the audit process. A public sector audit is a process of activities in service objectively with accurate and complete tests presented in a report to compare the conditions found with a criterion by a set systematic process. An internal audit is an independent assessment function established within an organization to review and evaluate organizational activities as a form of service provided to the organization. The definition of internal audit according to Sukrisno Agoes (2012: 204) is an examination carried out by the company's internal audit section, on the company's financial statements and accounting records as well as adherence to top management policies that have been determined by government regulations and the provisions of applicable professional associations. Furthermore, according to the IIA (Institute of Internal Auditor), quoted by Arens (2015: 432) and translated by Herman Wibowo, an Internal audit is an independent activity, which provides guarantees of assurance and consulting designed to provide added value and improves activities organizational operations. Internal auditing assists the organization in its efforts to achieve its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and organizational management and control processes. Understanding According to the AICPA (American Institute of Certified Public Accountants), Internal Control includes the organizational structure and all methods and provisions that are coordinated and adhered to within the company to protect its assets, check the accuracy and how far accounting data can be trusted, increase business efficiency and encourage compliance outlined company policies.

Meanwhile, Internal Audit according to Hery (2017: 238) is: "Internal audit is a research function that is developed freely within the organization to test and evaluate activities as a form of service to corporate organizations. Internal audit carries out independent research activities within an organization to review activities in accounting, finance, and other operational fields as a basis for providing services to management. Meanwhile, according to Mulyadi (2014: 28), Internal Audit is an auditor working in a company (state company or private company) whose main task is to determine the policies and procedures established by top management to comply with, safeguard organizational assets, efficiency and effectiveness of organizational activity procedures, and the reliability of the information generated by various parts of the organization". Then the definition according to Sawyer's translated by Desi Andhariani (2009:10) internal audit is a systematic and objective assessment carried out by internal auditors on operating controls within the organization to determine whether (1) financial and operating information is accurate and reliable, (2) The risks faced by the company have been identified and accepted (3) Satisfactory operating criteria have been fulfilled (4) Resources have been used efficiently and economically, and (5) Organizational objectives have been achieved effectively. All this is done to consult with management and assist members of the organization in carrying out their responsibilities effectively. From the definition above, it can be explained that an internal audit is an activity carried out by the company's internal audit section of financial reports and must comply with the rules determined by top management to ensure the achievement of the goals and objectives of an organization, under the findings and analysis carried out on various activities. operationally independently and objectively in the form of findings and recommendations or suggestions aimed at organizational needs. Mulyadi (2002: 63) Internal Audit is an audit executor/auditor who carries out tasks within the company to find out how far the procedures and policies that have been formed previously are complied with, determine whether the management of organizational/company assets has been carried out properly, determine how effective and efficient the procedures for organizational activities are. /company, as well as assessing the effectiveness of the information produced by each unit within the organization/company. The definition according to Sukrisno (2000: 134) internal audit is an examination carried out by the company's internal audit unit on the company's accounting reports and reviews

compliance with policies determined by top management, government regulations, and provisions from professional associations. The definition according to Lawrence B. Sawyer In a book entitled "Internal Audit Sawyer" stated that an internal audit is a sequential and objective assessment process carried out by internal auditors for different operational and control activities within the organization. Internal audits are carried out to determine whether:

- Information regarding the company's finances and operations are accurate and reliable.
- Possible obstacles that the company will face are known and minimized.
- Regulations for external companies and internal policies can be accepted and complied with.
- Operational activities have been satisfactory.
- The use of company resources is used effectively and efficiently.
- The goals of the organization/company are achieved effectively. This is discussed with management and assists in the form of advice to members to carry out their duties as effectively as possible.

Internal audit is an inspection activity carried out by the internal audit unit to determine the extent to which procedures and policies that have been previously established are complied with, and determine how effective and efficient the procedures for organizational/company activities are, as well as assessing the effectiveness of information by each unit within the organization. Public sector internal audits are audits conducted within organizations/institutions engaged in the provision of public goods and services, namely goods and services needed by the general public or society in general, such as roads, houses, schools, hospitals, places of worship, defense, and security, lighting, and so on. Public sector internal audit, the audit task is carried out by the Financial and Development Supervisory Agency (BPKP), Inspectorate General/Primary Inspectorate, Provincial Inspectorate, or Regency/City Inspectorate. The internal auditor functions as a quality assessor (quality assurance) who assists the government in administering government management to ensure efficiency and effectiveness are achieved as well as meeting the requirements for frugality. good (internal audit). According to Indra Bastian (2014: 10), "Public sector internal auditors can be defined as a systematic process carried out within an organization or institution (internal auditor) objectively to test the accuracy and completeness of the information presented in a public sector organization's financial reports." Definition According to I Gusti Agung Rai (2008:29) Internal audit of the public sector is an activity aimed at internal corporate entities that provide services and supply of goods whose financing comes from tax revenues and other state governments intending to compare the conditions found with the criteria set. set". From the statement above, it can be perceived that a public sector internal audit is a process of activities carried out by internal organizations or institutions in service objectively with accurate and complete tests presented in a report to compare the conditions found with a criterion by a systematic process set. The quality of audit results in the public sector is solely determined not only by the examiner/auditor implementing the auditor must be independent, objective, competent, and have high integrity, but the quality of the audit results is also influenced by the party being audited/auditee which to internal control weaknesses and deviations from laws and regulations and by not providing limitations and transparency to the auditor during the audit so that the auditor can evaluate and provide recommendations in full. De Angelo (1981), explains that audit quality is the possibility that the auditor will find and report violations in the accounting system with the knowledge and expertise of the auditor. While the reporting of violations depends on the encouragement of the auditor to disclose the violation. This encouragement will depend on the independence possessed by the auditor. To fulfill good audit quality, the auditor in carrying out his profession as an examiner must be guided by the accountant's code of ethics, professional standards, and applicable financial accounting standards. Auditors must maintain integrity and objectivity in carrying out their duties by acting honestly, decisively, and without pretensions

so that they can act fairly, without being influenced by certain parties to fulfill their interests (Khomsiyah and Indriantoro, 1998). In line with the above understanding, it can be interpreted that audit quality is the implementation of audits carried out under auditing standards and auditors must be competent and independent to find violations and so on to be able to reveal these violations. According to *the AAA Financial Accounting Standard Committee* (2000) in Maulana (2015) audit quality is determined by two things, namely competence, and independence, both of which have a direct effect on audit quality and potentially influence each other. Meanwhile, Tan and Alison Nugrahini (2015), state that audit quality is related to how well the established criteria can be implemented by the auditor in completing a job. On the other hand, according to Ida Rosnidah (2010: 9), audit quality, namely: Implementation of an audit carried out following standards so that the auditor can disclose and report if a client commits a violation. Furthermore, according to Mulyadi (2008: 9), audit quality is A systematic process to objectively obtain and evaluate evidence regarding statements about economic activities and events, intending to determine the degree of conformity between these statements and predetermined criteria. determined, as well as the delivery of the results to interested users. Based on the statement above, it can be said that audit quality is a systematic measurement process to support the level of conformity with established criteria, then provide information to interested parties. Furthermore, according to Randal J. Elder et al (2011: 450), an internal audit is carried out by someone who comes from within the organization concerned, which is called an internal auditor. The existence of the internal auditor profession within an organization helps the company achieve its goals with a systematic and rigorous approach to be able to evaluate and increase the effectiveness of risk management, control, and governance processes. Internal audit is an independent appraisal function within an organization in reviewing or studying and assessing company activities to provide suggestions to management. Internal audit has the main task of determining the extent to which policies and procedures set by top management have been complied with, determining whether or not the care of organizational assets is good, determining the efficiency and effectiveness of organizational activity procedures, and determining the reliability of information produced by various parts of the company's organization. Audit quality according to De Angelo (in Duff 2004) is the probability that the auditor can disclose and report a violation in the client's accounting information system. The standards for field work of financial audits in the Professional Standards for Public Accountants (2011) state that the auditor is responsible for being aware of the characteristics and types of potential material irregularities related to the field being audited. The auditor may plan the audit to provide reasonable assurance in detecting such material irregularities. Furthermore, according to Efendi (2010), audit quality can be measured through process quality (accuracy of professional findings, skepticism), quality of results (recommendation value, report clarity, and audit benefits), and follow-up of audit results. Next Nahaiah et al. (2005) stated that audit quality is influenced by knowledge of accounting, auditing, financial reporting, knowledge of the client's industry, and the ethics of the accounting profession. One way to measure the quality of the auditor's work is through the quality of the decisions taken. According to Bedard and Michelene (1993) in Wibowo and Rossietta (2007) there are two approaches used to evaluate a decision in general, namely *outcome-oriented* and *process-oriented*.

For a process-oriented approach, Li Dang (2004) and OKeefe et al (1994) argue that in the context of the United States, the quality of decisions is measured by: first, the level of auditor compliance with General Acceptance of Auditing Standards (GAAS); both the level of specialization of the auditor in a particular industry. For a result-oriented approach, Francis (2004) measures audit quality through audit results. There are two observable audit results, namely: (i) audit report; and (ii) financial reports. The measure that can be observed in audit reports is the auditor's tendency to issue a going concern opinion when a company goes bankrupt (Carey and Simnett 2006, Mutchler et al 1997) in Wibowo and Rossietta (2007). While the measure that can be observed in the financial statements is the quality of earnings.

Furthermore, Ely Suhayati (2010: 37) audit quality, namely: Public accounting professional standards are auditing standards that are minimum work criteria or guidelines that have legal force for auditors in carrying out their professional responsibilities. According to Ida Rosnidah (2010: 9), audit quality, namely: Implementation of audits carried out following standards so that auditors can disclose and report if there is a violation committed by the client. According to Mulyadi (2008: 9), audit quality is the process of obtaining evidence and evaluating evidence objectively regarding statements regarding activities, and economic events, intending to adjust these statements to the established criteria, as well as the delivery of the results interested users. Based on the statement above, it can be said that audit quality is the process of reporting and finding violations by a public accountant that occur in his client's accounting system. Alim et al., 2007, Audit quality is the possibility of finding and reporting violations by auditors in auditing accounting systems. Furthermore, according to Kusharyanti (2003), audit quality is the possibility that an auditor will find and report violations in his client's accounting system. In connection with the definition of the theory above, it is explained that audit quality is the possibility of finding and reporting violations by the auditor by the results of the auditor's work in the form of reliable audit reports following applicable standards. And on the other hand, some factors can affect audit quality such as experience, audit fees, ethics, and motivation.

The Importance of Audit Quality: Deis and Giroux (2010), four things that are considered important and have a relationship with audit quality, namely:

- The length of time the auditor has conducted an audit of a company, the longer an auditor has conducted an audit on the same client, the lower the quality of the audit will be less.
- The number of clients, the greater the number of clients, and the better the quality of the audit, because auditors with a large number of clients will try to maintain their reputation.
- The client's financial health, the healthier the client's financial condition, and the tendency for the client to pressure the auditor not to follow the standards.
- Review by third parties, audit quality will increase if the auditor knows that the results of his work will be reviewed by a third party.
- Audit quality is a probability because the auditor can find and provide information about an error made by a client in the accounting information system, which can be seen through the audit results of a reliable auditor according to applicable standards.

Governmental Audits: Malan (2005), Governmental audit is divided into 3 basic elements namely Financial and compliance aims to determine whether financial operations are carried out properly, whether the financial reports of an audited entity are presented fairly, and whether the entity has complied with applicable laws and regulations

- Economy and efficiency, to determine whether the entity has managed resources (*personnel, property, space, and so forth*) economically, efficiently, and effectively including management information systems, administrative procedures, or an adequate organizational structure
- Program results determine whether the desired results or benefits have been achieved.

These three things are carried out by the auditor in carrying out examinations to achieve good audit quality. And based on several opinions it can be considered that good audit quality is an audit that is based on the implementation of an independent Value For Money (VFM) audit, adequate expertise, judgment, and experience. Mardiasmo (2004) Value For Maney is an expression of the implementation of public sector institutions which are based on three basic elements, namely economics, efficiency, and effectiveness.

Purpose and Scope of Internal Audit: The purpose of an internal audit is to assist members of the organization in carrying out their responsibilities effectively. The purpose of an internal audit is to assist management within an organization to carry out its duties and authorities systematically and effectively by providing analysis, evaluation, recommendations, consultation, and information regarding the activities it examines. According to Henry (2010: 39), the purpose of an internal audit is as follows: Internal audit generally has the goal of assisting all members of management in completing their responsibilities effectively, by providing them with analysis, assessment, suggestions, and objective comments regarding activities or things to check." The purpose internal audit according to Sukrisno Agoes (2013: 205) says that the purpose of inspections carried out by internal auditors is to assist all company leaders (management) in carrying out their responsibilities by providing analysis, assessment, suggestions, and comments regarding the activities being examined. To achieve these objectives, the internal auditor must carry out the following activities: Reviewing and assessing the goodness and adequacy of the implementation of the management control system, internal controls, and other operational controls and developing effective controls at not-too-expensive a cost Ensuring adherence to policies, plans, and procedures established by management Ensuring how far company assets are accounted for and protected from the possibility of all forms of theft, fraud, and abuse

- Ensuring that data management developed within the organization can be trusted
- Assessing the quality of the work of each section in carrying out the tasks assigned by management
- Advise operational improvements to increase efficiency and effectiveness".

Meanwhile, Lawrence B. Sawyer (2005) says that: the purpose of internal audit is to assist organizations in planning and conducting audits, as well as evaluating the follow-up of audit results. Identify all possibilities for improving the efficiency of resource use as well as recommending objective improvements to internal control and system operations. Ensuring compliance with laws, regulations, and policies that apply in the organization. According to Henry (2010: 39) that to achieve these overall objectives, the internal auditor must carry out several activities (the scope of the internal audit), namely as follows :

- Examine and evaluate the good and bad controls over financial accounting and other operations.
- Examine the extent to which the executors are related to the established policies, plans, and procedures.
- Examine the extent to which the company's assets are accounted for and guarded against various forms of loss.
- Checking the accuracy of bookkeeping and other data generated by the company.
- Assess the work performance of officials/executors in completing assigned responsibilities.
- Still, according to Henry (2010: 40) the activities of the internal audit mentioned above are classified into two types, including:

Financial Auditing: These activities include checking the accuracy and correctness of all financial data, preventing errors or fraud, and safeguarding company assets.

Operational Auditing: This inspection activity is more aimed at operations to be able to provide recommendations in the form of improvements in work methods, control systems, and so on. The scope of the internal audit must be carried out as well as possible to assist management in monitoring and evaluating the running of an organization. The purpose of internal audit is carried out by internal auditors who assist the organization in planning and conducting audits, as well as evaluating the follow-up of audit results and then assist all members of management in completing their responsibilities effectively. According to Sawyer (2009:10) the scope of an internal audit is a systematic and objective assessment carried out by internal auditors on the operations and controls of different organizations to

determine whether (1) financial and operational information is accurate and reliable; (2) the risks faced by the company have been identified and minimized; (3) acceptable external regulations and internal policies and procedures have been followed; (4) satisfactory operating criteria have been met; (5) resources have been used efficiently and economically; and (6) organizational goals have been achieved effectively-all done to consult with management and assist members of the organization in carrying out their responsibilities effectively." It can be interpreted that the scope of the internal audit includes an assessment of internal control, an assessment of the recording of company reports, and an assessment of the results of all company activities. Internal audits must also assure that the records of reports and the implementation of company activities have been carried out properly.

Internal Audit Component: According to Mulyadi (2014: 28) included in the internal audit component are the policies and procedures established by top management to comply with, security of organizational assets (assets), efficiency and effectiveness of organizational activity procedures, and reliability of information generated by various parts of the organization. Explanation of internal audit components is explained according to the International Standards for Professional Practice of Internal Auditing point 2130 (2017:25), namely:

"Policies and procedures are set to be followed: Internal auditors should review the systems in place to ensure the implementation of policies, plans, procedures, laws, laws and regulations, and agreements that may have a marked impact on activities and reports and determine whether the organization is complying with them.

2. Safeguarding the assets (assets) of the organization

Internal auditors must review tools to protect assets, provide recommendations and prove their existence as well as examine and evaluate the extent to which company assets are accounted for and protected from various forms of loss.

3. Efficiency and effectiveness of organizational activity procedures
Internal auditors must improve the efficiency and effectiveness of the use of resources. By examining and assessing the merits of controls over financial accounting and other operations as well as checking the accuracy of bookkeeping and other data generated by the company. In addition, internal auditors must evaluate the potential for fraud and how the organization manages this risk.

4. Information Reliability

Internal auditors need to ascertain whether senior management and the board have a clear understanding that the reliability and integrity of information are management's responsibility. This responsibility includes all of the organization's important information, regardless of how that information is stored. Reliability and integrity information here including accuracy, completeness, and security.

Internal Audit function and role: An internal audit is a tool for management to assess the efficiency and effectiveness of the implementation of the company's internal control structure, then provides suggestions or recommendations and added value for management which can be used as a basis for making decisions or further actions. The internal audit function stated by Ardeno Kurniawan (2012: 53) that the internal audit function is to provide various kinds of services to organizations including performance audits and operational audits which will be able to assist senior management and the board of commissioners in monitoring the performance produced by management and personnel at within the organization so that internal auditors can provide an independent assessment of how well the organization is performing. The Public Accountant Professional Standards (SPAP) issued by IAI (2012) are as follows: "The internal audit function is established in business units to examine and evaluate the adequacy and effectiveness of other internal control structure policies and procedures, the establishment of an effective internal audit function includes consideration authority and reporting relationships, staff qualifications, and resources. While the internal audit function according to Mulyadi (2010: 211), says that the internal audit function can be explained as follows:

- The internal audit function is to investigate and assess internal control and the efficiency of carrying out the functions of various organizational tasks. Thus the internal audit function is a form of control whose function is to measure and assess the effectiveness of other internal control elements.
- The internal audit function is an independent appraisal activity, which exists within the organization, and is carried out by examining accounting, financial and other activities, to provide services for management in carrying out their responsibilities. By presenting analysis, evaluating recommendations, and important comments on management activities, internal auditors provide these services. Internal auditors are related to all stages of company activities, so they are not only limited to units of accounting records.

Meanwhile, Sawyer (2006: 28) argues that the internal audit function is a free appraisal function within an organization, to examine or study and assess company activities to provide suggestions to management. The aim is to assist management levels so that responsibilities are carried out effectively." Furthermore, according to the Consortium of internal audit professional organizations (2004) quoted by Rusdiana and Aji Saptaji (2018: 256) said that the person in charge of the internal audit function must manage the internal audit function effectively and efficiently to ensure that the activities of this function provide added value to the organization. In general, the internal audit function is to examine and evaluate the evaluation of the effectiveness of control within the organization. Internal audit functions not only search for the accuracy and truth of accounting records but must also research various operations that occur in the company. This is to the commitment that the internal audit function is to assist in overseeing the running of the organization. Under the definition above, it can be concluded that the internal audit function is to examine and evaluate the evaluation of the effectiveness of control within the organization. Internal audit functions not only search for the accuracy and truth of accounting records but must also research various operations that occur in the company. According to Sukrisno Agoes (2004), the purpose of inspections carried out by internal auditors is to assist all company leaders (management) in carrying out their responsibilities by providing analysis, research, suggestions, and comments regarding the events of the activities being examined. Then it was said by Effendi (2007) that the internal audit profession experienced significant developments in the early 21st century, as evidenced by the fact that the internal audit profession is increasingly being valued in organizations. To achieve this objective, the internal auditor carries out the following activities: Reviewing and assessing the goodness, adequacy, and implementation of the management control system, internal control structure, and other operational controls as well as developing effective controls at not-too-expensive cost. Ensuring adherence to policies, plans, and procedures established by management Ensuring how far company assets are accounted for and protected from the possibility of all forms of theft, fraud, and misuse. Ensuring that data management developed within the organization can be trusted. Assessing the quality of the work of each section in carrying out the tasks assigned by management. Advise operational improvements to increase efficiency and effectiveness. From the activities carried out, it can be concluded that the internal auditor, among others, has a role in:

- Fraud Prevention
- Fraud Detection
- Fraud Investigation

The role of the internal auditor in finding indications of fraud and conducting fraud investigations is very large. If the internal auditor finds indications and suspects fraud in the company, then he must notify the top management. If the indication is strong enough, management will assign a team to investigate. The team usually consists of internal auditors, lawyers, investigators, security, and specialists from outside or within the company (eg computer experts, banking experts, and others). The team's investigation results must be reported in writing to top management which includes facts, findings,

conclusions, suggestions, and corrective actions that need to be reported.

Authority and Responsibilities of Internal Audit: The authorities and responsibilities of internal auditors according to Hudri Chandry (2009:10) quoted by Rusdiana and Aji Saptaji (2018:257) say that the authorities and responsibilities of internal auditors in an organization must also be clearly defined by the leadership. This authority must give the internal auditor the flexibility to audit records, property, ongoing operations /activities, and employees of the business entity. Meanwhile, according to IAI (Indonesian Association of Accountants) cited by Rusdiana and Aji Saptaji (2018: 257) says that the internal auditor is responsible for providing analysis and evaluation services, providing assurance, recommendations, and information to entity management and the board of commissioners or other parties with equal authority and the responsibility. Internal auditors maintain their objectivity about the activities they audit. Meanwhile, Amin Widjaja (2012: 21) reveals that the responsibility of the internal auditor is to implement the internal audit program, direct the personnel and activities of the internal audit department, prepare an annual plan for inspection of all company units, and present the program that has been made for approval. Next Hiro Tugiman (2006:53), the responsibilities of internal auditors are defined as follows: internal auditors are responsible for planning and carrying out inspection tasks, which must be approved and reviewed or reviewed *by* supervisors "

Regarding the authority and responsibility of internal audit, the Consortium of Internal Audit Professional Organizations (2004:15) states that: "The objectives, authorities, and responsibilities of the internal audit function must be stated formally in the Internal Audit Charter, consistent with the Internal Audit Professional Standards (SPAI), and obtain approval from the Leaders and Supervisory Board of the Organization ". The statement is intended so that objectives, authorities, responsibilities, and responsibilities must be stated in a formal written document. In general, the responsibilities of an internal auditor in carrying out their duties are as follows:

- Provide information and suggestions to management or the weaknesses it finds.
- Coordinate activities within the company to achieve audit objectives and organizational or company goals.

Sawyer (2006) states that: "*Standards for the professional practice of internal auditing (standards)*" states the responsibility of internal auditors is where the internal auditors should carry out professional accuracy and thoroughness in carrying out internal audits, where the professional accuracy and thoroughness expected of Internal auditors here are prudent, careful, and competent accuracy and thoroughness in the same situation. In carrying out professional accuracy and thoroughness, the internal auditor must be aware of the possibility of indications of internal fraud. The Indonesian Institute of Accountants (IAI) states in more detail regarding the responsibilities of internal auditors in the Professional Standards for Public Accountants (SPAP) (2001) internal auditors are responsible for providing analysis and evaluation services, providing assurance, recommendations, and information to entity management and the board of commissioners or other parties equal authority and responsibility. The internal auditor maintains objectivity about the activity being audited. According to Amin W. Tunggal (2010), the responsibility of the internal auditor is to implement the internal audit program, direct personnel, and the activities of the internal audit department also prepare an annual plan for inspection of all company units and present the program that has been made for approval. In general, the responsibilities and responsibilities of an internal auditor in carrying out their duties are as follows:

- Provide information and suggestions to management on the weaknesses it finds.
- Coordinate activities within the company to achieve audit objectives and organizational or company goals.

The position of the internal auditor in the organizational structure greatly influences the success of carrying out their duties, so this position allows the internal auditor to carry out his functions properly and work flexibly in the sense of being independent and objective. The organizational structure of determining the internal auditor's division accompanied by a clear job description will have a positive impact on the communication process between the internal auditor and the company owner or manager. On the other hand, an unclear placement will hinder the flow of reporting from the internal auditor, because it is necessary to determine the position of this internal auditor explicitly. Internal auditors in every implementation according to Amin W Tunggal (2010) are required to apply basic principles which include:

- The integrity of internal auditors establishes trust to provide a basis for relying on their judgment.
- The objective of the internal auditor displays the highest professional objectivity in collecting, evaluating, and communicating information about the activity or process being tested. Internal auditors make a balanced assessment of all relevant conditions and are not influenced by their interests or those of other parties in making the judgment.
- Confidentiality Internal auditors respect the value and ownership of the information they receive and do not disclose information without proper authorization unless there is a legal or professional obligation to do so.
- Competence Internal auditors use the knowledge, skills, and experience needed in the performance of internal audit services.

Internal Audit Implementation and Reporting

Implementation of Internal Audit

Implementation of an internal audit according to the Internal Audit Professional Organization Consortium is to identify information, analyze, evaluate, and document sufficient information to achieve the objectives of the assignment. The internal audit implementation process includes:

Audit Planning: The audit planning stage is the earliest step in the implementation of internal audit activities. Planning is made aiming at determining the object to be audited/audit priority, audit direction and approach, resource and time allocation planning, and planning matters related to the audit process. Hiro Tugiman (2002) quoted by Rusdiana and Aji Saptaji (2018: 261) said that an internal audit must plan for each inspection. Therefore, the plan must be documented and must include:

- Determination of audit objectives and scope of work
- Basic information about the activities to be examined
- Determination of the various personnel needed to carry out the audit
- Notification to the parties deemed necessary
- Conducting surveys to identify required activities, risks, and controls
- Writing audit programs
- Determine how, when, and to whom the audit results will be communicated
- Approval for the audit work plan".

Information Testing and Evaluation

At the testing and evaluation stage, internal audit information must collect, analyze, and interpret and verify the correctness of the information to support audit results. According to Hiro Tugiman (2002) quoted by Rusdiana and Aji Saptaji (2018: 263) said that the process of testing and evaluating information is:

- Collecting various information on all matters relating to the purpose of the inspection and scope of work

- The information must be encompassing, competent, relevant, and useful to form a sound basis for audit findings and recommendations
- Existence of audit procedures, including testing techniques
- Supervision is carried out in the process of collecting, analyzing, interpreting, and verifying the correctness of information
- Examination working papers are made.

Submission of Examination Results

The internal audit report is intended for the benefit of management and is designed to strengthen internal audit control, to determine whether the procedures/policies set by management have been adhered to or not. Internal audit must report to management if some irregularities/irregularities occur in the company and provide suggestions/recommendations for improvement. According to Hiro Tugiman (2006) cited by Rusdiana and Aji Saptaji (2018: 263) said that an internal audit must report the results of the audit carried out in writing with the following report provisions:

- Signed by the head of the internal audit
- Objective, clear, concise, structured, and timely
- State the purpose, scope, and results of the inspection
- Include various recommendations
- Include the views of the parties examined regarding various conclusions or recommendations
- Approval of the audit leader to review and approve the audit report.
- Follow up on Examination Results

Internal audit continuously reviews/follows up to ensure that appropriate actions have been taken against the reported audit findings. Internal audit must ensure that corrective action has been taken and delivered the expected results or whether senior management or the board has accepted the risk of not taking corrective action on the reported findings.

Internal Audit Reporting: The final result of the implementation of the internal audit is outlined in the form of a written report through a good and orderly preparation process. This report is an important tool for conveying accountability to management. According to Arens, et al (2008) quoted by Rusdiana and Aji Saptaji (2018: 264) said that the final stage in the audit process is to submit an audit report that conveys the auditor's findings to users. This report should inform the reader of the degree of correspondence between the information and the established criteria. Reports also take different forms and vary from the highly technical type usually associated with financial statement audits to the simple verbal reports in operational audits of the effectiveness of a small department. According to Boyton, et al (2001), which was translated by Paul, et al and quoted by Rusdiana and Aji Saptaji (2018: 265), it was revealed that the final results of the implementation of the internal audit were outlined in the form of a written report through a good preparation process. Reports on the results of internal audits are an important tool for conveying accountability for work results to management, namely media information to assess the extent to which assigned tasks can be carried out. The content or material of the internal audit report, namely:

- Objective, clear, concise, constructive, and timely
- State the objectives, scope, and results of the audit and where appropriate, the report also contains a statement of the auditor's opinion
- Include recommendations for potential improvements and recognize satisfactory performance and corrective actions.

Internal Auditor Techniques: According to Sawyer (2014), an internal audit examines documents, transactions, conditions, and processes to obtain facts and reach conclusions. The term audit includes both measurement and evaluation. Internal auditors have many techniques to help them achieve their objectives. Internal

auditors can use techniques in the field when auditing, namely as follows:

Observing For internal auditors: Observing means seeing, paying attention, and not missing things that are considered important. This implies exercising a careful and knowledgeable look at people, facilities, processes, and goods. It also means a visual inspection that has a purpose, a sense of comparison with standards, and an evaluative view. Observing is different from analyzing in that analysis means assigning, organizing, and interpreting data. Observing on the other hand means looking and taking notes and deliberating. This observation can be made on document records, diagrams, or charts, because all audit procedures including observing mostly contain measurements, proper observation is one of the most difficult audit techniques.

Asking question: Asking questions is the most pervasive technique for internal auditors. Questions asked during the audit can be done orally or in writing. Oral questions are the most frequently used 14 but the most difficult to ask. Obtaining information can be an art in itself. Getting the facts without offending the client is sometimes not an easy task. If clients feel they are being stalked or feel they are being cross-examined, they are likely to stick around and be reluctant to play a role in uncovering the truth. If internal auditors understand how most of their co-workers (clients) view them as a potential threat to their position and can change their attitude to reduce fear, the chances of obtaining useful information will increase.

Analyze: To analyze means to examine in detail, that is to say, to break down a complex entity into its small parts to determine its true characteristics. This term also means to look deeper into some of the functions, activities, or groups of transactions that determine the relationship between each. The analysis is intended to determine the quality, causes, impacts, motives, and possibilities, often as a facilitator for further research or as a basis for consideration.

Verify: To verify means to confirm the truth, accuracy, authenticity, or validity of something. This is the oldest facility owned by internal auditors. This method is most often used to obtain the truth of facts or details in an account or a subject being audited. This implies a deliberate attempt to determine the accuracy or validity of 15 reports of what is being audited by testing them, as well as comparing known facts and genuine data with existing standards. Verification includes confirmation and comparison, namely statements from a person confirmed through discussions with other people, or another valid document. Verification also includes confirmation, which means eliminating all doubts through independent validation by objective parties.

Investigate: Investigating is a term that is generally applied to conducting debriefing to discover hidden facts and seek the truth. This implies a systematic search for information that the internal auditors are expected to know. This method is not limited to investigative investigations but is deeper and more extensive to detect errors. Investigation means trying to find evidence of an error. Therefore, the investigation has more clues than analysis and verification, which means reviewing data whose characteristics are relatively unknown until examined. In particular, the investigator here, the auditor must be careful not to exceed his authority.

Evaluate: Evaluating means going to a judgment, which means weighing what has been analyzed and determining its adequacy, efficiency, and effectiveness. This is a step that falls between analysis and verification on the one hand and audit opinion on the other. This is the conclusion generated by the internal auditors based on the facts that have been gathered. Evaluation implies professional judgment and is a series that runs through the entire audit process. In the early stages of audit examination, internal auditors must evaluate a specific risk, namely the risk of omitting an activity from their review compared to audit risk. Within an audit program, the auditor must evaluate the need for tests of details instead of surveys. Auditors must evaluate the accuracy and level of confidence needed to achieve the sample

reliability they believe is required. Internal audit is an activity providing independent objective assurance and consulting activities carried out to provide added value and improve the operating performance of the organization. These activities help the organization achieve its objectives by implementing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, adequacy, control, and governance processes.

Standards and Guidelines for Internal Audit Practices

The Consortium of Internal Audit Professional Organizations issues Internal Audit Professional Standards (SPAI). This SPAI is expected to be a guideline for internal auditors in carrying out their duties. According to the Internal Audit Professional Organization Consortium (2004:5), SPAI consists of 3 standards, namely:

- **Attribute Standards** Attribute standards relate to the characteristics of the organization, individuals, and parties who carry out Internal Audit activities.
- **Performance Standards** Performance standards describe the nature and activities of Internal Audit and are a measure of the quality of audit work, as well as providing best practices in auditing from planning to follow-up monitoring.
- **Implementation Standards** Implementation standards only apply to one particular assignment. Implementation standards that will be issued in the future are implementation standards for assurance activities, implementation standards for consulting activities, implementation standards for investigative activities, and implementation standards for Control Self Assessment (CSA).

Internal Auditor Work Stages

The internal audit work stage according to Amin W. Tunggal (2010) consists of six processes:

Audit Planning and Risk Analysis: In this stage, the audit process focuses on planning what should be done, where, and when it is done. The important points in this stage are analyzing audit assessments, gathering facts about the audit area, analyzing performance risk, identifying audit evidence, writing down in detail the object being audited, developing an audit work program, determining schedules, and dividing work among staff.

Preliminary Survey: In this stage, an auditor determines all aspects of the audit area consisting of programs, functions, entities, or those being audited. The important points in this stage are: knowing background information, exploring areas of activity, determining all possible reasons and documentation, and using survey results effectively.

Field Work Audits: Fieldwork audit, namely the efforts made by internal auditors in forming an opinion and presenting, as well as recommending the audit area. In this stage, there are two main things: evaluating the internal control system and designing audit tests.

Audit Findings and Recommendations: The existence of a finding is a statement of conditions stating a fact. Good audit findings depend on the quality of an auditor's fieldwork and are accompanied by working papers. There are four important points in this stage: developing audit findings, documenting audit findings, and closing.

Reporting Reporting: Is the most important part of the internal audit process stage. Many can write a report, but no one can write it properly. Four important points in this stage: outline the report, write the initial draft, edit the draft, and write the final report.

Follow Up: In this stage, corrections are made to the weak controls that have been identified by the internal audit and reported to management. There are two important things at this stage: the need for follow-up or follow-up and follow-up on the audit.

Furthermore, De Angelo (1981), explains that audit quality is the possibility that the auditor will find and report violations in the accounting system with the knowledge and expertise of the auditor. While the reporting of violations depends on the encouragement of the auditor to disclose the violation. This encouragement will depend on the independence possessed by the auditor. To fulfill good audit quality, the auditor in carrying out his profession as an examiner must be guided by the accountant's code of ethics, professional standards, and applicable financial accounting standards. Auditors must maintain integrity and objectivity in carrying out their duties by acting honestly, decisively, and without pretensions so that they can act fairly, without being influenced by certain parties to fulfill their interests (Khomsiyah and Indriantoro, 1998). Meanwhile, according to *the AAA Financial Accounting Standard Committee* (2000) in Maulana (2015), audit quality is determined by two things, namely competence, and independence, both of which have a direct effect on audit quality and potentially influence each other. Meanwhile, Tan and Alison in Nugrahini (2015), state that audit quality is related to how well the established criteria can be implemented by the auditor in completing a job. On the other hand, according to Ida Rosnidah (2010: 9), audit quality, namely: Implementation of an audit carried out by standards so that the auditor can disclose and report if a client commits a violation. Furthermore, according to Mulyadi (2008: 9), audit quality is A systematic process to objectively obtain and evaluate evidence regarding statements about economic activities and events, to determine the degree of conformity between these statements and predetermined criteria. determined, as well as the delivery of the results to interested users. In line with the above understanding, it can be interpreted that audit quality is the implementation of audits carried out by auditing standards and auditors must be competent and independent to find violations and so on to be able to reveal these violations.

Auditor Dysfunctional Behavior: The dysfunctional Behavior of an Auditor in each of his assignments as an auditor always involves behavior, both appropriate and deviating from the applicable norms and regulations. Human behavior from a biological point of view is the action or activity of the man himself which has a very broad expanse such as walking, talking, crying, working, and so on. Robbins (2008) explains that behavior is a component of attitude. Attitude is an evaluative statement, both favorable and unfavorable, towards an object, individual, or event. Attitude contains three components, namely: awareness, feelings, and behavior. Behavior also applies in the context of an audit and greatly influences the quality of the audit produced by the auditor in carrying out his work duties. Meanwhile, Lestari (2010) explains that to produce a quality audit report, the auditor must carry out several audit procedures which are a series of steps that must be carried out in carrying out the audit. In the context of auditing, manipulation will be carried out in the form of dysfunctional behavior. The following is the definition of dysfunctional behavior according to some experts, namely the understanding of dysfunctional behavior of auditors according to Basuki and Mahardani (2006), namely the behavior of individuals who have a basic conflict with organizational goals. The understanding according to Kelley and Margheim (1990) states that dysfunctional audit behavior is every Soobaroyen (2006), dysfunctional behavior is actioned when a subordinate tries to manipulate the elements of an existing control system for his own sake. actions were taken by the auditor in implementing audit programs that can reduce or reduce audit quality directly or indirectly. On the other hand Harini et al (2010), audit deviation behavior is the behavior of the auditor in the audit process that is not by a predetermined audit program or deviates from predetermined standards. From the definitions above, it can be concluded that every individual activities related to the implementation of an audit in an organization has its interests or goals, whether the goals are in line with or not with the goals of the organization. Furthermore Lestari (2010), Dysfunctional audit behavior is any action taken by the auditor during the implementation of an audit program that can reduce audit quality either directly or indirectly. Meanwhile, Kelley and Margheim (1990), and Otley and Pierce (1996), the auditor's attitude toward accepting dysfunctional behavior is an indicator of actual dysfunctional behavior.

Therefore dysfunctional behavior is a tool for the auditor to manipulate the audit process to achieve individual performance goals that can affect the resulting audit quality. The reduction in the quality of audits carried out from these activities may be seen as a sacrifice for individuals to survive in an audited environment. Before carrying out an audit, the auditor is required to prepare and develop an audit program to obtain competent and sufficient audit evidence. The audit program is a list of audit procedures for all audits of a particular element. Audit procedures are detailed instructions for collecting certain types of audit evidence that must be obtained at certain times in the audit. According to Mulyadi (2013: 86-104), dysfunctional audit behavior is an action taken by an auditor in carrying out an audit program that can reduce or reduce quality audits. Donnelly, et al (2003) explained that SAS No. 82 discusses the attitude of auditors who accept deviant behavior in auditing as an indicator of actual dysfunctional behavior. Deviant behavior in an audit is a reaction to the environment, therefore dysfunctional audit behavior is a form of manipulation of the process so that the auditor can obtain personal benefits from this action. Furthermore Harini, Wahyudin, and Anisykurillah (2010), dysfunctional behavior means that an auditor performs a form of manipulation, fraud, or deviation from auditing standards that can affect audit quality either directly or indirectly. According to Bik (2010: 38) and previous studies, Donnelly, et al (2003), Nadsisyah and Zuhra (2009), Warno (2010), Harini, Wahyudin, and Anisykurillah (2010), and Hidayat (2012), behaviors that are considered to be harmful to audit quality include premature signing off, underreporting of time, and replacement of audit procedures. Donnelly et al. (2003) argued that "the auditor's dysfunctional behavior is the behavior of the auditor in carrying out any actions during the audit program implementation process that can reduce audit quality either directly or indirectly. The existence of dysfunctional audit behavior implies that the auditor will tend to produce audits that are of less quality and can mislead the users of the report. Dysfunctional or deviant behavior of the auditor greatly affects the audit process, because in carrying out audit procedures an auditor must follow predetermined paths and procedures, such as finding misstatements or discrepancies in the recording. An auditor must trace the causes of errors in financial statements, whether they are intentional errors or pure human errors by gathering related evidence. An auditor cannot decide without following audit procedures because this will greatly affect the audit report. Meanwhile, Harini, et al (2010), revealed that dysfunctional behavior is: Dysfunctional behavior referred to here is deviant behavior carried out by an auditor in the form of manipulation, fraud, or deviation from auditing standards. Through the definition above it can be explained that the auditor's dysfunctional behavior is the behavior of an auditor in carrying out the audit process which can reduce audit quality directly or indirectly. Or an auditor performs a form of manipulation of auditing standards which will have an impact on the quality of the audit itself. Auditor dysfunctional behavior is deviant behavior by the auditor which can directly or indirectly reduce audit quality.

Internal Auditor Competency

Definition of Competence: Auditor competence is an auditor who, with sufficient and explicit knowledge and experience, can conduct an audit objectively, carefully, and thoroughly. Competence is an ability to carry out or carry out a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. Competence is a person's ability to produce at a satisfactory level in the workplace also shows the characteristics of knowledge and skills possessed or needed by each individual that enables them to carry out their duties and responsibilities effectively and raise professional quality standards in work. Competence in internal audit means that every internal auditor must carry out his professional services with care, competence, and diligence, and should maintain professional knowledge and skills at the level needed to ensure that clients or employers benefit from competent professional services based on the latest developments in practice, legislation, and techniques. According to HiroTugiman (2006:27), the meaning of internal audit competence is as follows: Internal auditor competence is the knowledge, abilities, and various disciplines needed to carry out proper and appropriate

examinations. Meanwhile, according to Sawyer (2006: 560), translated by Ali Akbar, the competence of internal auditors can be briefly explained as follows: Competence of internal auditors uses the knowledge, skills, and experience needed in the performance of audit services and must continuously improve expertise and effectiveness as well as the quality of their services." Meanwhile, according to Muh. Nizarul Alim (2009), the competence of internal auditors is defined as follows: The personal aspects of an internal auditor that enable him to achieve superior performance. These aspects include traits, motives, value systems, attitudes, knowledge, and skills where competence will direct behavior, while behavior will affect performance results. Internal audit collectively must have adequate professional skills to carry out inspection tasks. In all organizations, inspectors are responsible for ensuring that each inspection is carried out by inspectors who collectively have the knowledge, expertise, and experience required to carry out the task. Therefore, inspection organizations must have procedures for recruiting, appointing, continuing development, and evaluating examiners to assist inspection organizations in retaining examiners who have adequate competence. Competence is obtained through education and experience. Internal auditors should not portray themselves as having credentials or experience that they do not have. In all assignments and all its responsibilities, each internal audit must make efforts to achieve a level of competence that ensures that the quality of services provided meets the high level of professionalism required by ethical principles. Internal auditors must have strong personal ethics and work commitments. when sent to several locations for review, internal auditors must maintain a professional attitude and do their job honestly and ethically. This is basic and necessary to build a key competency of internal auditors as a skill needed to build a good competency. An auditor is said to have the professional ability if he can provide guarantees or assurances that the technical and educational backgrounds of the internal auditors are following the audit to be carried out, must also have or gain knowledge, and skills from various disciplines needed to carry out audit responsibilities. Internal auditors must reflect professional expertise and rigor, as said by HiroTugiman (2006:27), "The ability of professional competence is the responsibility of internal audit and every internal audit. The leader of the internal audit in each inspection must assign people who collectively or as a whole have the knowledge, skills, and skills from various disciplines needed to carry out audits properly and appropriately.

Competence of internal auditors can be achieved if in carrying out inspections, internal auditors have the expertise, apply professional rigor, and improve their technical capabilities through continuous education. Thus the auditor will have more and more knowledge about the field he is involved in so that he can find out various problems in depth. Internal auditors are also required to master other disciplines that support their work and have skills in dealing with others and communicating effectively. An internal auditor must always know the latest developments in matters of expertise and must recognize new developments so that he can immediately contact an expert within the company when faced with a special problem. For an internal auditor, it must be made a habit to always know every development and company event from day to day. If an internal auditor looks more broadly into society, then the internal auditor must broadly increase knowledge about humanity and social sciences. The need for internal auditor competence is indeed seen from the knowledge and experience of the auditors themselves, but the author will explain several factors that influence competence which will be explained as indicators of the competence itself. Internal auditors are said to have the professional ability if they can provide guarantees or assurances that the technical and educational backgrounds of the internal auditors are by the audit to be carried out, must also have or obtain knowledge, and skills from various disciplines needed to carry out audit responsibilities. Internal auditors must reflect professional expertise and rigor, as stated by Tugiman (2006:27), Professional capability is the responsibility of the internal audit section and the internal audit leader in each examination must assign people who jointly or as a whole know, abilities from various disciplines knowledge necessary to carry out inspections properly and fairly.

Internal audit competence is the knowledge and expertise required to carry out the duties of an internal auditor. Internal audit must have the knowledge, skills, and various disciplines needed to carry out their audit needs. Criteria for the expertise and technical training required by an internal auditor must be met to obtain the desired quality of audit results. Therefore, internal auditors must be placed in a situation and condition that allows them to carry out their duties properly. Competence is a combination of skills, personal attributes, and knowledge that is reflected through performance behavior (job behavior) that can be observed, measured, and evaluated. The first general standard of the SA in the Professional Standards for Public Accountants (2011) states that an audit must be carried out by a person who has sufficient expertise and technical training as an auditor. Several components of auditor competence are personal qualities, general knowledge, and special skills. The Professional Standards of Public Accountants (2011) requires auditor competence through the assignment of accounting and auditing standards, insight into the company, and increased expertise. On the other hand, the first general standard (SA section 210 in SPAP, 2001) states that an audit must be carried out by one or more people who have sufficient technical expertise and training as an auditor. Furthermore, according to Hiro Tugiman (2006:27), the meaning of internal audit competence is knowledge, ability, and various scientific disciplines needed to carry out an examination properly and fairly. Meanwhile, according to Sukrisno Agoes (2014: 146), competence is as follows: "A skill and ability to carry out a job or profession. Competent people mean people who can carry out their work with good quality results. In a broad sense, competence includes adequate knowledge and skills. and have the appropriate attitude and behavior to carry out the work or profession.

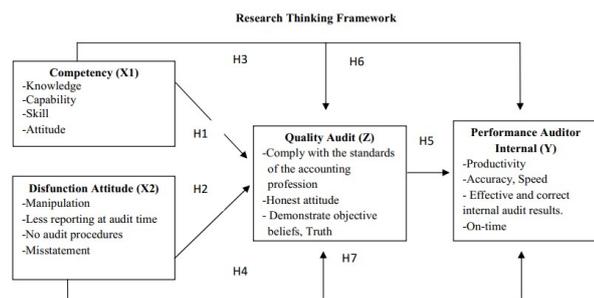
Furthermore, Suraida (2005) Auditor competence is measured by the number of diplomas/certificates held and the number/amount of participation concerned in pieces training, seminars, and symposiums. The more certificates you have and the more often you attend training or seminars/symposiums, it is hoped that the auditor concerned will be more proficient in carrying out his duties. Meanwhile, according to Sawyer et. al., (2005:17), the competence of internal auditors can be interpreted as a way of utilizing each internal auditor's knowledge, expertise, and behavior at work. Competence in this case is the continuity between the knowledge, expertise, and behavior of the auditor. Meanwhile, according to Arens (2003), competence is a personal quality that must be owned by an auditor obtained through a formal educational background in auditing and accounting, adequate job training in the profession and always following continuing professional education. From several explanations of the definitions of internal auditor competence above, it can be concluded that internal auditor competence is the ability and expertise possessed by the auditor through working knowledge. Internal auditors are said to have professional capabilities if they can provide guarantees or assurances that the technical and educational backgrounds of the internal auditors are under the audit to be carried out, must also have or obtain knowledge, and skills from various disciplines needed to carry out audit responsibilities. Internal auditors must reflect professional expertise and rigor, as stated by Tugiman (2006:27), as follows: "Professional ability is the responsibility of the internal audit department and every internal audit. The internal audit leader in each examination must assign people who collectively or as a whole know, skills from various disciplines needed to carry out audits properly and appropriately. Internal audit competence is the knowledge and expertise needed to carry out the duties of internal auditors. Internal audit must have the knowledge, skills, and various disciplines needed to carry out their audit needs. Criteria for the expertise and technical training required by an internal auditor must be met to obtain the desired quality of audit results. Therefore, internal auditors must be placed in a situation and condition that allows them to carry out their duties properly. The SPAI Internal Audit Professional Organization Consortium (2004:9) regarding competence states "assignments must be carried out with due regard to professional expertise and accuracy." Competence is a combination of skills, personal attributes, and knowledge that is reflected through performance behavior (job behavior) that can be observed, measured, and evaluated.

The first general standard of SA section 210 in the Professional Standards for Public Accountants (2011) states that an audit must be carried out by a person who has sufficient expertise and technical training as an auditor. Several components of auditor competence are personal quality, general knowledge, and special expertise. Professional Standards for Public Accountants (2011) require auditor competence through mastery of accounting and auditing standards, insight into companies, and increased expertise. The first general standard (SA section 210 in SPAP, 2001) states that an audit must be carried out by one or more people who have sufficient technical expertise and training as an auditor, whereas according to HiroTugiman (2006:27), the meaning of internal audit competence is as follows: following: "The competence of internal auditors is the knowledge, abilities, and various scientific disciplines needed to carry out proper and appropriate examinations." Furthermore, according to SukrisnoAgoes (2014: 146), competence is as follows: "A skill and ability to carry out a job or profession. Competent people mean people who can carry out their work with good quality results. In a broad sense, competence includes adequate knowledge and skills. and have the appropriate attitude and behavior to carry out the work or profession.

Characteristics of a Competent Internal Auditor: In general, internal auditors must be sensitive to the problems that are happening in the organization at all levels. Sensitivity is one of the characteristics that the internal auditor is competent. In addition, internal auditors must also try to make all parties willing to be open about all matters related to the scope of the audit. Competent internal auditors according to Amin Widjaya Tunggal (2012:22) must have the following characteristics:

- The nature of curiosity
- Perseverance
- A constructive approach
- Entrepreneurial instinct and understanding
- Cooperation / Cooperation

Research Thinking Framework: The conceptual framework is built from a thinking process framework, which is useful for facilitating understanding of the course of research and as a formulation of hypotheses. To understand the flow of this research, the research framework presented below can be made.



Source DesiPurnama Sari Handayani 2019 and SantiSetiawan (2012)

Hypothesis

H1: Auditor Competence Affects Internal Audit Quality.

Based on the theory, of NurFadjrih Fun (2019), an auditor who has high competence will be able to improve the achievement of proper audit quality.

H2: Auditor Dysfunctional Behavior Affects Audit Quality.

Based on theory, Lestari (2010), based on theory explains that to produce a quality audit report, the auditor must carry out several audit procedures which are a series of steps that must be carried out in carrying out an audit. In the context of auditing, manipulation will be carried out in the form of dysfunctional behavior.

H3: Auditor competence affects the performance of internal auditors. Santi Setiawan (2012), internal audit performance can be achieved if the auditor has competence, namely experience, and knowledge to be able to improve auditor performance. Internal auditors as the spearhead of carrying out internal audit duties must always improve the knowledge they already have so that the application of knowledge can be maximized in practice so that effective auditor performance can be achieved. The higher the competence achieved by an auditor, the performance of an internal auditor will be increased

H4: Auditor Dysfunctional Behavior affects Internal Auditor Performance

I Convenient GedeAryaDiatmika, (2020), and DesiPurnama Sari Handayani (2019), that the higher the dysfunctional audit behavior the worse the auditor's performance.

H5: Audit Quality Affects Internal Auditor Performance. Al Matarneh (2011), the better the audit quality achieved by an internal auditor, the better the auditor's performance.

H6: Auditor Competence Affects Auditor Performance Through Audit Quality. Restu and Nastia (2013), Competence assists the auditor in completing audit work effectively, internal audit performance can be achieved if the auditor's competence can achieve proper audit quality. And the better the competence achieved by the auditor, the better the quality of the auditor who can be able to improve the achievement of the auditor's performance

H7: Auditor Dysfunctional Behavior Affects Auditor Performance Through Audit Quality Kinicki and Kreitner (2003), dysfunctional behavior reduces auditor performance and threatens audit quality and organizational interests.

RESEARCH METHODS

Research methods: The research method is a scientific way to obtain data to be able to describe, prove, develop, and discover knowledge, and theory, to understand, solve, and anticipate problems in human life, (Sigiyono, 2012).

Research Characteristics: In this study the characteristics of research using a quantitative descriptive approach. The quantitative approach is data that emphasizes *numerical data* (numbers) processed by statistical methods, (Fauzi, 2009).

Types of research: The type of research used in this research is a survey, which is quantitative descriptive research using the same structured questions for everyone, then all the answers obtained by the researcher are recorded, processed, and analyzed.

Population and Sample: Based on the existing research design, the researcher uses the population and sample as a matter for determining the object and the characteristics of the respondents to be studied by the researcher, then defining the population and sample as follows.

Population: The population is a collection of data used or collected by objects regarding an issue as a whole. Sudjana, (2009: 6) that the population is the totality of all possible values, the results of calculating or measuring, quantitative and qualitative regarding certain characteristics of all members of a complete and clear collection whose properties you want to study. The population that the researcher will use is all employees who work as internal auditors at the General Inspectorate of the State of Dili, Timor Leste.

Sample: According to Nawawi in Pasolong (2016: 100), states that the sample is part of the population which is the actual source of data in a study. So the sample of this study, researchers used employees as internal auditors who were the object of research, with a total of 63 internal auditors working at the State General Inspectorate (InspesaunJeral do Estado) in Dili, Timor Leste. The sample in this study used a census.

Types and Data Sources: The type of data used in this study is quantitative descriptive, with primary and secondary data sources Data Collection Techniques. To obtain the expected research results, data and information are needed to support this research using the following collection methods: (Sugiono 2013), namely Observations (direct observations), Interviews, and Documentation Questionnaires.

Data analysis technique: In quantitative research, data analysis activities are divided into two, namely the activities of describing data and conducting statistical tests (inference). The activity of describing data is describing existing data to obtain real forms from respondents so that it is easier for researchers or other people who are interested in the results of the research to be understood. The activity of describing data can be done by measuring descriptive statistics.

In this study, the software used is SPSS 21 with data analysis as follows:

Validity and Reliability Test: Validity and reliability tests were carried out to test whether the questionnaire was feasible to be used as a research instrument.

Validity test: A valid research instrument means that the measuring instrument used to obtain the data is valid. Validity is a measurement that shows the level of accuracy (validity) of an instrument's measurement of the concept under study. An instrument is appropriate to be used as a measure of a concept if it has a high level of validity. Conversely, low validity reflects that the instrument is not appropriate to apply. 63 The validity test is carried out by comparing the value of r count with the r table for the degree of freedom (df) = $n-2$ where n is the number of samples. If the r count is greater than the r table, the data is said to be valid. The validity test in this study was carried out using item analysis. Decision-making conditions :

- If the r count is positive and r count > r table then the question items are valid.
- If the r count is negative or r count < r table then the question items are invalid.

Reliability Test: Reliability is a tool for measuring a questionnaire which is an indicator of a variable or constructs. The reliability of an instrument shows the measurement results of an instrument that do not contain bias or are free from measurement errors (error files), thus guaranteeing a consistent and stable measurement (not changing) over time and various items or points (points) in the instrument.

Classic assumption test: The classical assumption test was carried out to determine the feasibility of a regression model. Before carrying out the regression analysis, the classical assumption test was carried out first. In this study, the classic assumption test used includes :

Normality test: The normal distribution test is a test to measure whether our data has a normal distribution so that it can be used in parametric statistics. 79 One method that can be used to detect normality problems is the Kolmogorov-Smirnov test which is used to find out whether the sample comes from a normally distributed population. Testing the normality of data in research uses the One-Sample Kolmogorov-Smirnov test, which is the basis for decision-making as follows:

- If the significance value is > 0.05, then the data is normally distributed
- If the significance value is <0.05, then the data is not normally distributed

Multicollinearity Test: Multicollinearity arises due to causation between two or more independent variables or the fact that two or more explanatory variables are jointly influenced by a third variable that is outside the model. To detect the existence of multicollinearity, Nugroho states that if the Variance Inflation Factor (VIF) value is not more than 10, the model is free from the multicollinearity test.

Heteroscedasticity Test: The heteroscedasticity test aims to find out whether, in the regression model, there is an inequality of variance from the residual of one observer to another observer. If the residual variance from 1 observer to another observer remains, it is called homoscedasticity and if it is different it is called heteroscedasticity.

Multiple Linear Regression Test: Multiple Linear Regression Analysis, the regression model is a model used to analyze the effect of various independent variables on one dependent variable (Ferdinand, 2006). The formula for multiple linear regression is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where :

Y	= Internal Auditor Performance
a = Constant	
X1	= Internal Auditor Competency
X2	= Internal Auditor Dysfunctional Behavior
Z	= Audit Quality

b_1 = Regression Coefficient for the Internal Auditor Competency Variable

b_2 = Regression Coefficient for Internal Auditor Dysfunctional Behavior Variable

e = Error 2.

Coefficient of Determination (R²): The coefficient of determination (R²) essentially measures how far the model's ability to explain the variation in the dependent variable. The value of the coefficient of determination is between zero and one. A small R² value means the ability of the independent variables to explain the limited variation of the dependent variable. A value that is close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. In general, the coefficient of determination for cross-sectional data is relatively low because there is true variation between each observation. Meanwhile, time series data usually has a high coefficient of determination (Ghozali, 2009).

Partial Test (Statistical t-test): The t-statistical test is intended to show how far the influence of one independent variable has on the dependent variable by assuming the other independent variables are constant (Imam Ghozali, 2009:17). To decide whether the independent variable partially affects the dependent variable is by comparing the calculated t value with the t table value according to the significance level used (5%). If the calculated t value is greater than the t table value, then the decision is to reject the null hypothesis (H₀). That is, the independent variable (X) partially has a significant influence on the dependent variable (Y).

RESULTS AND DISCUSSION

General Description of the Research Object: This research was conducted at the General Inspectorate of the State of Dili Timor Leste/Inspeção Geral Do Estado. The Inspectorate General of the State of Timor Leste was established in 2000 by the UNAMET Transitional Administration of the United Nations under the name of the office of Inspectorate General, providing a legal mandate to control and supervise Public Administration under the direct responsibility of the Transitional Administrator for the United Nations. With the restoration of independence of Timor Leste in 2002, the Office of General Inspection became the higher internal control and oversight body of the Government, integrated with direct dependence on the Prime Minister, in his capacity as head of Government. The new designation as general inspection of the country-IGE was granted within the scope of the Act Law No.22/2009, gives it the power and authority to inspect and audit, and ratify its status as a high-level control service in public administration, with technical independence and administrative autonomy and directly dependent on the prime minister. According to article 15 of the law governing the administration of constitutional administration VII, which was passed by decree law No.35/2017, dated November 21, a general inspection of the state is included in the direct dependence of

Data Quality Test. Test the Data Validity of Auditor Competency Variables Item-Total Statistics

Instrument	Corrected Item-Total Correlation	Validity Standard	Information
Item 1	0.641	0.30	Valid
Item 2	0.693	0.30	Valid
Item 3	0.558	0.30	Valid
Item 4	0.522	0.30	Valid
Item 5	0.760	0.30	Valid
Item 6	0.641	0.30	Valid

Primary data sources processed with SPSS version 16.0

the prime minister in his capacity as head of government. From the appearance of the SPSS output of the Auditor Competency variable (X_1), which consists of 6 indicator items tested, it turns out that all items provide a high level of validity, where the *corrected total item correlation value* for all items in the Auditor Competency variable gives a value greater than 0.30. So that all question items raised in this study are valid.

Test the Data Validity of Auditor Dysfunctional Behavior Variables Item-Total Statistics

Instrument	Corrected Item-Total Correlation	Validity Standard	Information
Item 1	0.642	0.30	Valid
Item 2	0.459	0.30	Valid
Item 3	0.517	0.30	Valid

Primary data sources processed with SPSS version 16.0

From the display of the SPSS output of the Auditor Dysfunctional Behavior Variable (X_2), which consists of 3 indicator items tested, it turns out that all items provide a high level of validity, where the corrected total item correlation value for each question item on the Auditor Dysfunctional Behavior Variable gives a value greater than 0.30. So it can be concluded that all the question items raised in this study are valid.

Test the Data Validity of Audit Quality Variables Item-Total Statistics

Instrument	Corrected Item-Total Correlation	Validity Standard	Information
Item 1	0.676	0.30	Valid
Item 2	0.603	0.30	Valid
Item 3	0.710	0.30	Valid
Item 4	0.332	0.30	Valid

Primary data sources were processed with SPSS version 16.

From the display of the SPSS output of the Audit Quality Variable which consists of 4 question items tested, it turns out that all question items provide a high level of validity, where the *corrected total item correlation value* for each question item on the Audit Quality Variable gives a value greater than 0.30. So it can be concluded that all the question items raised in this study are valid.

Test the Validity of Auditor Performance Variable Data Item-Total Statistics

Instrument	Corrected Item-Total Correlation	Validity Standard	Information
Item 1	0.641	0.30	Valid
Item 2	0.693	0.30	Valid
Item 3	0.558	0.30	Valid
Item 4	0.522	0.30	Valid
Item 5	0.760	0.30	Valid

Primary data sources were processed with SPSS version 16.

From the SPSS output display of the Auditor Performance variable which consists of 5 indicator items tested, it turns out that all items provide a high level of validity, where the *corrected total item correlation value* for each question item on the Auditor Performance

variable gives a value greater than 0.30. so that it can be concluded that all the question items raised in this study are valid.

Reliability Test

Auditor Competency variable reliability test, Auditor Dysfunctional Behavior, Audit Quality, and Auditor Performance.

Table 4.5

Variables	Cronbach's Alpha	Reliability Standards	Information
Auditor Competency	0.892	0.60	Reliable
Auditor Dysfunctional Behavior	0.710	0.60	Reliable
Audit Quality	0.772	0.60	Reliable
Auditor Performance	0.821	0.60	Reliable

Primary data source SPSS version 16.0

From the display of the SPSS output for Auditor Competency Variables, Auditor Dysfunctional Behavior, Audit Quality, and Auditor Performance with their level of reliability indicated by *Cronbach alpha values* all are greater than 0.60. Therefore, the instrument for measuring variables in this study is reliable in the very satisfying reliability category.

Classic assumption test Multicollinearity Test

Variables	tolerance	VIF
Auditor Competency	0.678	1,475
Dysfunctional Behavior	0.678	1,475
Audit Quality	1,000	1,000

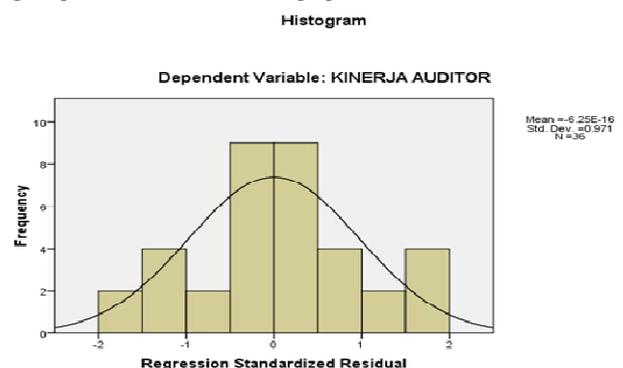
Based on the SPSS output display, the VIF value and *Tolerance* value indicate that there is no serious multicollinearity. The VIF values of the three variables 1.086 and 1.000 do not exceed 10 and the tolerance values 0.921 and 0.800 are less than 0.10. This is also reaffirmed by the results of the correlation between the independent variables that there is a quite serious correlation.

Autocorrelation Test: The SPSS output display above shows the magnitude of the Durbin-Watson value as follows

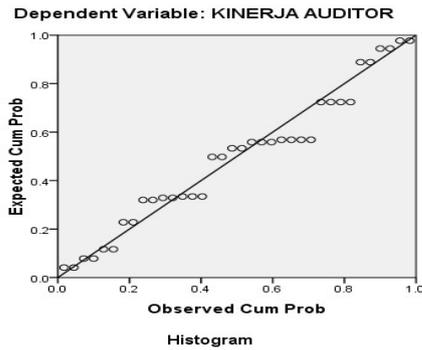
Auditor Competency, Auditor Dysfunctional Behavior, Audit Quality	1940
Auditor Competency, Auditor Dysfunctional Behavior, Auditor Performance	1898
Audit Quality, Auditor Performance	2004

Heteroscedasticity Test: *scatterplot*graph, it can be seen that the points are spread randomly (Random) both above and below the number 0 on the Y axis. It can be concluded that there is no Heteroscedasticity in the regression model.

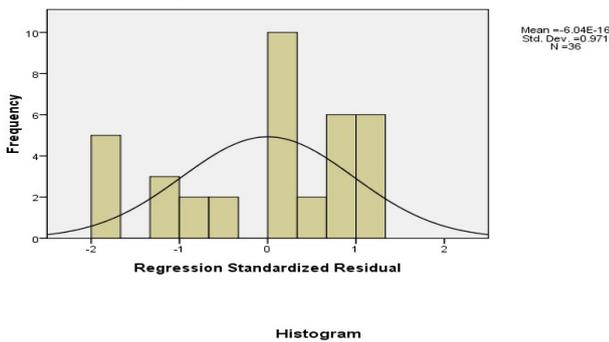
Residual Normality Test: By looking at the appearance of the Histogram graph and the normal P-Plot graph, it can be concluded that the Histogram graph gives a distribution pattern that is slanted straight up, this indicates that the graph is normal.



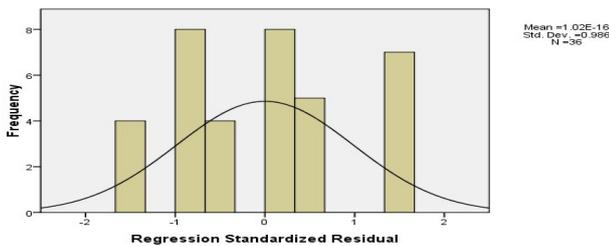
Normal P-P Plot of Regression Standardized Residual



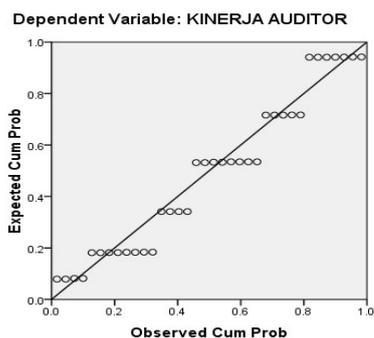
Dependent Variable: KUALITAS AUDIT



Dependent Variable: KINERJA AUDITOR



Normal P-P Plot of Regression Standardized Residual



Meanwhile, on the P-Plot graph, it can be seen that the dots spread around the diagonal line, and the spread is slightly away from the diagonal line. Thus it can be concluded that the two graphs show that the regression model violates the assumption of normality.

Data analysis technique: The following is the result of SPSS processing of regression equation 1 and regression equation 2, as a basis for analysis of the coefficient of determination, simple linear regression analysis (regression equation model 1), multiple regression equation (regression equation model 2), and path analysis (path analysis) on the influence of competence Auditor (X1) Auditor Dysfunctional Behavior (X2), on Auditor Performance and Audit Quality (Z) as Intervening variables. Furthermore, statistical results in the analysis of linear regression equations 1 and 2, are shown in full in Table 4.7 below:

Coefficient of Determination: The coefficient of determination (R²) measures how far the model's ability to explain the dependent variables. The coefficient of determination (*R Square*) is used to determine how much the independent variable can explain the dependent variable. The determination value is determined by the *Adjusted R square* value for both pers. reg 1 and pers.reg 2. Based on data processing using SPSS ver.20, the coefficient of determination for the two research models is obtained in table 4.7 above. In table 4.7 it can be seen the results of the regression equation 1 test are used to analyze the effect of Auditor Competence (X1) and Auditor Dysfunctional Behavior (X2), on Audit Quality (Z). Shows the value of *adjusted R square* of 0.589. This means that 58.9 % of Audit Quality can be obtained from Auditor Competence and Auditor Dysfunctional Behavior. While the rest (100% -58.9%) = 41.1% is explained by other variables outside the one being studied. The second equation is to analyze the effect of Auditor Competence (X1) and Auditor Dysfunctional Behavior (X2), on Auditor Performance (Y). Shows the *adjusted R square* value of 0.508. This means that 50.8 % of Auditor Performance can be explained by Auditor Competence and Auditor Dysfunctional Behavior. While the rest (100% -50.8%) = 49.2% is explained by other variables outside the one being studied.

Multiple Regression Analysis (pers.reg.1): Testing the first regression equation model in this study, namely using multiple regression which uses each of the two independent variables and one dependent. The variables tested in the regression equation model 1, namely Auditor Competency and Auditor Dysfunctional Behavior, on Audit Quality. The results of the regression analysis use a probability with a significant level of 5%. Based on table 4.7 above, it can be seen that the value of the regression coefficient (B) is positive, which shows that the independent and dependent variables have a positive relationship so that the regression model equation 1 is formed, as follows;

$$Z = a + b_1 X_1 + b_2 X_2 + e_1 \text{ Audit Quality} = 0.506 + 0.445 \text{ Auditor Competence} + 0.457 \text{ Dysfunctional Behavior} + 2.321 \text{ errors}$$

The results of the regression equation show Auditor Competency (X1) and Dysfunctional Behavior (X2) have a positive coefficient toward Audit Quality as intervening variables. The regression equation shows the value of Audit Quality before being influenced by Auditor Competence and Auditor Dysfunctional Behavior of 0.506 and with each increase in Auditor Competence increases by one, it will increase Audit Quality by 0.506, where the value of Dysfunctional Behavior remains. Likewise, if an increase in Auditor Dysfunctional Behavior increases by one, it will increase Audit Quality by 0.506, where the Auditor Competency value remains constant. Based on this, the two independent variables can affect audit quality.

Multiple Regression Analysis (pers.reg.2): In contrast to the first test testing the second regression equation model in this study, namely using multiple regression, where testing of the dependent variable can use two or more independent variables and is required to meet the BLUE (Best Linear *Unbiased Estimator*) criteria. Based on the results of the classic assumption test that has been carried out above, the data in the study met the criteria or in other words, there was no multicollinearity, free of autocorrelation, no heteroscedasticity, and normally distributed. Therefore, the data meets the requirements for multiple linear regression. Based on regression analysis using a significance level of error tolerance of 5% and a truth confidence level of 95%, a multiple regression equation is obtained, as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + Z$$

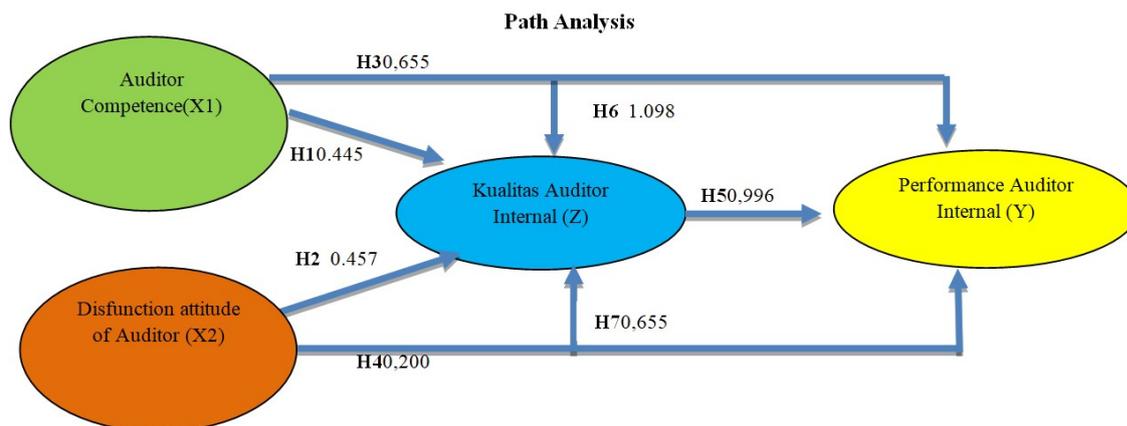
$$\text{Auditor Performance} = 1.547 + 0.655 \text{ Auditor Competency} + 0.200 \text{ Dysfunctional Behavior} + 0.996 \text{ Audit Quality} + 3.297 \text{ error2}$$

The results of the regression equation show Auditor Competency, Dysfunctional Behavior, and Audit Quality have a positive coefficient in direction. This shows that increasing Auditor Competency, Dysfunctional Behavior, and Audit Quality will also increase the value of Auditor Performance.

Regression Equation Test Results

Model	Independent Variable	Dependent Variable	B	Path Coefficient (Beta)	t-count	Sig.	F. Count	Sig.	Adjusted R. Square
Pers. Reg 1	Auditor Competency	Audit Quality	0.445	0.580	4,275	0.000	23,600	0.000a-	0.589
	Auditor Dysfunctional Behavior		0.457	0.271	2001	0.000			
Pers. Reg 2	Auditor Competency	Auditor Performance	0.655	0.557	4,430	0.000	17,050	0.000	0.508
	Auditor Dysfunctional Behavior		0.200	0.092	0.617	0.541			
	Audit Quality	Auditor Performance	0.996	0.766	6,959	0.000			

(Source: Primary Data Processed, 2022)



Total Influence of Auditor Competence (X1) to Internal Auditor Performance (Y) through Internal Auditor Quality (Z):

• Direct implication from X1 to Y	= 0,655
• Indirect implication from X1 to Y through Z = 0,445 X 0.996	= 0,443
• Total Implicate	= 1,098

Total Effect of Auditor Dysfunctional Behavior (X2) on Internal Auditor Performance (Y) through Auditor Quality (Z):

• Direct implication from X2 Ke Y	= 0,200
• Indirect implication from X2to Y through Z= 0,457X 0.996	= 0,455
• Total implication	= 0,655

Although the value of Auditor Performance before being influenced by Auditor Competence, Dysfunctional Behavior, and Audit Quality is positive by 1,574 this is supported by each increase in Auditor Competence will also increase Auditor Performance by 1,574, where the value of Auditor Dysfunctional Behavior remains. Likewise, each increase in one unit of Dysfunctional Behavior will increase Auditor Performance by 1,574 where Auditor Competence and Audit Quality remain.

Hypothesis test

Effect of Auditor Competence (X1), Auditor Dysfunctional Behavior (X2), on Internal Auditor Quality (Z)

Effect of Auditor Competence on Internal Audit Quality: The results of the individual parameter significance test (t-test) regression equation 1, show that the t_{count} value of 4,275 is greater than t_{table} 2,030, with a significant probability of 0,000 the probability is less than 0,05, it can be said that Ho is rejected and Ha is accepted. Thus, the Auditor Competency variable has a positive influence on Auditor Quality.

The Influence of Auditor Dysfunctional Behavior on Internal Audit Quality: The results of the individual parameter significance test (t-test) regression equation 1, show that the t-value of 2,001 is smaller than the t- table of 2,030, with a significant probability of 0.054, the probability is greater than 0.05.

So it can be said that Ho is accepted and Ha is rejected. Thus, the Dysfunctional Behavior variable does not have a positive and insignificant effect on Audit Quality.

Effect of Auditor Competence (X1) and Auditor Dysfunctional Behavior (X2) on Internal Auditor Performance (Y): Effect of Auditor Competence on Internal Auditor Performance. The results of the individual parameter significance test (t-test) regression equation 2, show that the t_{count} value of 4,430 is greater than t_{table} 2,030, with a significant probability of 0.000 the probability is less than 0.05, so it can be said that Ho is rejected and Ha is accepted. Thus, the Auditor Competency variable has a positive and significant effect on Auditor Performance.

Effect of Auditor Dysfunctional Behavior on Internal Auditor Performance: The results of the individual parameter significance test (t-test) regression equation 2, show that the t value is 0.617 which is less than t_{table} 2.030, with a significant probability of 0.541 the probability is greater than 0.05, so it can be said that Ho is accepted and Ha is rejected. Thus, the Dysfunctional Behavior variable has a negative and insignificant effect on Auditor Performance. The Influence of Audit Quality on Internal Auditor Performance. The results of the individual parameter significance test (t-test) regression equation 2, show that the t_{count} value of 6,959 is greater than t_{table} 2,030,

with a significant probability of 0.000 the probability is smaller than 0.05, so it can be said that H_{a1} is accepted and H_0 is rejected. Thus, the variable Audit Quality has a positive and significant effect on Auditor Performance.

Path analysis (path analysis): Testing this research also uses path analysis (*path analysis*) which is an extension of multiple linear regression analysis. Both equation models use multiple regression analysis to determine the strength of the relationship of the independent (independent) variable to the mediating (intervening) variable and also the strength of the relationship of the independent (independent) variable to the dependent (dependent) variable. The results of this path analysis are based on the output of the two regressions to obtain the beta coefficient and find a direct and indirect relationship. Path analysis is used to examine the effect of the intervening variables. Path analysis is an extension of multiple linear regression analysis, or path analysis is the use of regression analysis to estimate causal relationships (causal models) between variables that have been previously determined based on theory (Ghozali, 2006: 210). Path analysis in this study can be described as follows:

Based on Figure 4.4 above, it can be seen that the influence between the variables is good directly or indirectly, which include:

DISCUSSION

Effect of Auditor Competence on Audit Quality: Testing hypothesis 1, shows the influence and significant variable of Auditor Competency on Audit Quality. This means that the more competence of an auditor, the better the quality of the audit carried out by the auditor. HiroTugiman (2006:27), based on the theory of competence of internal auditors, namely the knowledge, abilities, and various disciplines needed to carry out proper and appropriate examinations. Because auditors who have the knowledge, skills, and various scientific disciplines can carry out inspections appropriately. The results of testing this hypothesis support and are consistent with research from Naomi Olivia Haryanto (2018), namely competence affects the quality of internal auditors. In this case, the internal auditor must have strong personal ethics and work commitment. When conducting a review, internal auditors must maintain a professional attitude and perform their work honestly and ethically. This is fundamental and necessary to build competency. Key internal auditors as the skills needed to build good competency, (SukrisnoAgoes, 2014). An auditor who has high competence will be able to improve the achievement of appropriate audit quality.

Effect of Dysfunctional Behavior on Audit Quality: Hypothesis 2 testing shows a negative and insignificant effect of Dysfunctional Behavior on Audit Quality. This means that the absence of dysfunctional behavior by internal auditors will be able to improve audit quality. Lestari (2010), based on the theory explains that to produce a quality audit report, the auditor must carry out several audit procedures which are a series of steps that must be carried out in carrying out the audit. In the context of auditing, manipulation will be carried out in the form of dysfunctional behavior. Dysfunctional audit behavior is any dysfunctional behavior that actions when a subordinate tries to manipulate the elements of an existing control system for his own sake, Kelley and Margheim (1990). The results of testing hypothesis 2 support and strengthen research from Ahimsyah Wahyu Pratama (2016), which says that dysfunctional audit behavior has a negative and insignificant effect on audit quality. Internal auditors at Inspeção Geral do Estado for auditor dysfunctional behavior variables do not affect audit quality. This means that there is no dysfunctional behavior of internal auditors at Inspeção Geral do Estado. The absence of dysfunctional behavior carried out by internal auditors will be able to improve audit quality at these agencies. Likewise, the conclusions of this study are in line with the conclusions of Dina Purnama Sari (2013), the results show that the dysfunctional behavior of internal auditors has no effect and is not significant on audit quality. However, the results of testing this second hypothesis do not support and are inconsistent with research by Ida Perwati (2016) and Baiq ArmianaMalahayati (2019), where the

conclusions of these two researchers show a positive and significant effect of internal auditor dysfunctional behavior variables on audit quality.

The Influence of Auditor Competence on Internal Auditor Performance: Testing hypothesis 3 shows that Auditor Competence has a positive and significant effect on Internal Auditor Performance. These results explain that if an internal auditor has full competence, namely knowledge, experience, and independence, he will be able to improve the auditor's performance. Santi Setiawan (2012), internal audit performance can be achieved if the auditor has competence, namely experience, and knowledge to be able to improve auditor performance. Internal auditors as the spearhead of carrying out internal audit duties must always improve the knowledge they already have so that the application of knowledge can be maximized in practice so that effective auditor performance can be achieved. Maximum application of knowledge will certainly be in line with the increasing experience possessed. Experience will also have an impact on whether every decision taken is the right decision. This indicates that the longer the working period of the auditor, the better the audit performance will be (Alim, 2007:16). The results of this study are following Elfarini (2007), Alim (2007), and Castellani (2008) that competence affects the performance of internal auditors. The results of this study are also following Indah (2010) that competence in the form of auditor experience and knowledge has a positive effect on the performance of internal auditors. Testing this third hypothesis also supports the results of research from EdySujana (2012) and LutfiSetiadi (2016), the test results show that there is a significant effect of the auditor's competence variable on the performance of internal auditors

Effect of Auditor Dysfunctional Behavior on Internal Auditor Performance: Testing hypothesis 4 shows that Dysfunctional Behavior has no positive and insignificant effect on Internal Auditor Performance. This means that the auditor at the agency carries out its function as an independent auditor by producing quality audit reports to improve performance as an internal auditor. The results of this study are supported by research from I Convenient Gede Arya Diatmika, (2020), and Desi Purnama Sari Handayani (2019) which proves that dysfunctional audit behavior harms auditor performance. This means that the higher the dysfunctional audit behavior, the worse the auditor's performance will be. The results of this test are under research conducted by Cook et al, 1988, Otley and Pierce, 1995 and Soebarayan and Chengabroyan, 2005, that there is a negative effect of dysfunctional auditor behavior on the performance of internal auditors. Dysfunctional audit behavior can lead to poor personnel decisions, mask the need for budget revisions, and result in unknown future audit times. There is an auditor's view that performance evaluation and career promotion in auditing are closely related to the ability to complete audit assignments under time and budget, which requires the auditor to be able to complete all assignments and audit procedures as a basis for giving an opinion on the fairness of financial statements. Auditors tend to choose to strive to achieve the set budget when faced with a tight and difficult budget. This is due to the importance of achieving the budget by the auditor as a performance evaluation in carrying out his duties which greatly influences his career (Monoarfa, 2006).

Effect of Audit Quality on Auditor Performance: Testing hypothesis 5 shows that audit quality has a positive and significant effect on auditor performance. This means that increasing audit quality will be able to improve the auditor's performance. The results of this study are supported by research from Indriyanti Linting 2013. Research findings indicate that audit quality has a positive effect on the performance of internal auditors. Measurement of audit quality is centered on the performance carried out by the auditor and adherence to the standards outlined, Moizer in Irawati (2011), while Sari (2011), namely good audit quality in principle can be achieved if the auditor applies the standards and principles audit, be free without taking sides (independent), obey the law and adhere to the professional code of ethics. The achievement of the quality of the internal auditors will result from their work affecting the achievement of the performance

of the internal auditors. The better the quality achieved by an internal auditor, the better the audit performance (AIMatarnah, 2011). The results of testing the fifth hypothesis are also in line with research from Indal Lestari, 2020 and Harvita Naibaho 2019, that variables for audit quality have a positive influence on auditor performance.

Direct and Indirect Effects of Auditor Competence on Internal Auditor Performance Through Audit Quality as an Intervening Variable: The first path analysis test shows that there is a direct relationship between Auditor Competence (X1) and Internal Auditor Performance (Y), because the H3 value = 0.655, greater than $(H1 * H6) = 0.443$, where 0.443 is the result of an indirect relationship directly between Auditor Competence (X1) on Internal Auditor Performance (Y) and Auditor Quality (Z) as Intervening Variables. Thus, the results of this study prove audit quality as an intervening variable. This also means that the intervening variable in this study can strengthen the relationship between internal auditor competence and internal auditor performance.

Direct and Indirect Effects of Auditor Dysfunctional Behavior on Internal Auditor Performance through Audit Quality as an Intervening Variable: The second path analysis test shows that there is a direct relationship between Auditor's Dysfunctional Behavior (X2) and the Internal Auditor's Performance (Y), indirectly between Auditor Dysfunctional Behavior (X2) on Internal Auditor Performance (Y) and Auditor Quality (Z) as intervening variables. Thus, the results of the study prove Auditor Quality is an intervening variable. This also means that the intervening variable in this study can strengthen the relationship between Auditor Dysfunctional Behavior and Internal Auditor Performance.

CLOSING: In closing this thesis, three main points will be presented which are presented as the meaning of research in an integrated manner, for all the research results that have been obtained. The three main points consist of (1) Research conclusions, (2) Suggestions in explaining implications which include theoretical implications, applied implications, and further research implications, and (3) Recommendations.

CONCLUSION

Based on the results of the research and discussion, the researchers draw the following conclusions:

- Auditor Competency influences Internal Audit Quality.
- This means that more competence of an auditor can improve the quality of the audit carried out by the auditor.
- Auditor Dysfunctional Behavior does not affect Internal Audit Quality.
- The results showed a negative and insignificant influence of dysfunctional behavior on audit quality. This means that the auditor at the agency carries out its function as an independent auditor, producing quality audit reports.
- Auditor Competence affects Internal Auditor Performance. Auditor competence has a positive and significant effect on auditor performance. This means that if an internal auditor is given full competency with high and independent knowledge, he will be able to improve the auditor's performance.
- Effect of Dysfunctional Behavior on Auditor Performance.
- The results of the study show that Dysfunctional Behavior has no positive and insignificant effect on Auditor Performance. This means that if the auditor's behavior shown by an auditor is based on his function and complies with applicable auditing standards and avoids deviant behavior or manipulating audit activities, it will be able to improve the auditor's work performance.
- Effect of Audit Quality on Auditor Performance.

Audit Quality has a positive and significant effect on Auditor Performance. This means that as the increasing quality of the audit carried out by an auditor, the auditor's performance will increase. And

also the better the quality achieved by an internal auditor, the better the audit performance.

- Path analysis test shows that the intervening variables in this study can strengthen the relationship between Internal Auditor Competence and Internal Auditor Performance.
- Path analysis test shows that the intervening variables in this study can strengthen the relationship between Auditor Dysfunctional Behavior and Internal Auditor Performance

Suggestion

Suggestions that can be conveyed from the research results obtained are as follows:

- Based on the results of research on Auditor Competency, it is necessary to maintain the competence possessed by an auditor in carrying out the duties of auditing activities within agencies, so that they can improve and produce audit quality appropriately
- Based on the results of research on the dysfunctional behavior of internal auditors, shows that the behavior of current auditors needs to be maintained because all auditors carry out their functions properly.
- Based on the results of research on auditor competence in internal auditor performance, shows that in achieving performance by an auditor, it is necessary to maintain competence to be able to produce effective audit performance.
- Based on the results of research on auditor dysfunctional behavior on internal auditor performance, shows that to achieve auditor performance, it is necessary to avoid dysfunctional behaviors in conducting audit activities to be able to improve auditor performance in conducting audits.
- Based on the research results for audit quality on the performance of internal auditors, it shows that it must be able to maintain the quality achievement of internal auditors from their work because it will be able to achieve professional internal auditor performance. Therefore, the better the audit quality achieved by an internal auditor, the better the audit performance.

Future Research Recommendations

- Researchers should also use the *interview method* in addition to the questionnaire to obtain more credible data.
- For future researchers, it is hoped that they will be able to expand the population and sample so that the research results can be generalized even more broadly. In addition, future researchers are expected to be able to develop this research by involving other variables that might affect the performance of internal auditors in the Dili Timor Leste government institutions. So that the results obtained can be generalized.

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