

The Influence of Independence, Expertise And Experience In Audit on The Accuracy In Providing Audit Opinion To The Financial Report of Local Government In North Sumatera Province

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Abstract: The purpose of this study is to know and to prove empirically whether the independence, expertise and experience in audit directly and indirectly influence the Accuracy of Providing Audit Opinion. This study is conducted at the State Audit Board/*Badan Pemeriksa Keuangan (BPK)* of the Republic of Indonesia as Representative of North Sumatera Province. Type of research approach is causality associative approach. The technique of data collection is a questionnaire and documentation study. The sample selection is done by Probability Sampling method, that is Simple Random Sampling. The sample is the Auditor of *BPK RI* as Representative of North Sumatera Province as many as 50 people. The analysis technique is path analysis with significance of 0.05 and is using SPSS 18.0 version as a tool in the calculation. The result of hypothesis test shows that simultaneously, the variables of independence, expertise and experience in audit have an influence on the accuracy in providing audit opinion. Partially, the variable of expertise in audit have an influence on the accuracy in providing audit opinion while the variables of independence and experience in audit do not have influence on the accuracy in providing audit opinion.

Keywords: Accuracy in Providing Audit Opinion, Independence, Expertise and Experience in Audit.

INTRODUCTION

Local government financial statements/*Laporan keuangan pemerintah daerah (LKPD)* is a form of responsibility for resource management and implementation of policies that are entrusted to units of government organizations in order to achieve the objectives that have been established through the financial statements of the government periodically. The financial statements of local government are useful to interested parties, then the information which is presented must meet the qualitative characteristics that are presented fairly and in accordance with accounting principles that are generally accepted in Indonesia [1].

Auditing process is required to know the information in the Financial Statement whether it has been presented fairly and in accordance with Accounting Principles that are generally accepted, or not. Auditing is a systemic process for obtaining and evaluating objective evidence on a statement about an activity or an economic event to determine the level of conformity between the statement and the criteria that has been determined, and communicating the results to the parties that are concerned [2]. The purpose of an

audit on the financial statements is to express an opinion about fairness, in all material respects, financial position, results of operations, changes in equity and cash flows in accordance with accounting principles that are generally accepted in Indonesia (*PSA No. 02 SA Section 110 paragraph 01*).

The audit report is very important in an audit or other attestation process because it informs you about what the auditor is doing and the conclusions he obtains. Audit opinion should be based on auditing standards and its findings (*IAI, 2001: SA Section 508, paragraph 03*) [3].

An independent auditor is required to assess the quality of financial statements that are presented in the financial statements of local government. The auditor is responsible for planning and conducting the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether it is caused by error or fraud (*PSA No. 02 SA Section 110 paragraph 02*). According to Law/ *UU No.15 of 2006 Article 1 paragraph 1* states that "State Audit Board/*Badan pemeriksa keuangan* hereinafter is abbreviated as *BPK*, is a state institution which is

tasked to examine the management and responsibility of state finances as it is referred to in the 1945 Constitution/*Undang-Undang Dasar* of the Republic of Indonesia" and is continued in Article 2 that *BPK* is a free and independent state institution in examining the management and responsibility of state finances.

Audit opinion which is generated by *BPK RI* becomes a benchmark (indicator) to assess the accountability of a government entity. The opinion of *BPK RI*, in terms of both academic and applications in field, can increase stakeholder confidence in the reporting which is presented by the party in this case is government entity. The opinion presenting of the fairness in the financial statements shall be based on Government Accounting Standards/*Standar Akuntansi Pemerintah* as it is stipulated in Government Regulation/*Peraturan Pemerintah* No. 71 of 2010, which is *SAP* based on Accruals. The presenting of opinion on the fairness of the financial statements shall be based on *SAP*, adequate disclosure, compliance with laws and effectiveness of Internal Control.

According to Law/*UU* no. 15 of 2004 there are 4 types of opinion which are given by *BPK*, they are Unqualified Opinion, Qualified Opinion, Adverse Opinion, Disclaimer.

The opinions that are generated based on the audits by the auditor indicate whether the financial statements which are prepared by the local government are in accordance with applicable standards, or not. From some types of opinions, Unqualified opinion (*WTP*) is the best opinion. The opinion of *WTP* indicates that the auditor has been convinced on the audit evidence which is collected, the financial statements are free from material mistakes or misstatement. As Bahrullah Akbar said on *Tempo.co* website that *BPK* as the authorized agency examines the financial statement of the government encourages the region to gain *WTP* opinion for Accountability and Transparency to be built.

The practice of the opinion hunting becomes unavoidable. Various efforts are made by justifying all means. As it is the case in 2009, a bribery which is committed by the government in Bekasi City amounts to IDR 400 million to *BPK* auditors to provide *WTP* opinion on the 2009 Financial statement of the Government of Bekasi City. This becomes a mode, since the expenditure is relatively small compared to the incentives of billions of rupiah that will be received from the Minister of Finance if the *WTP* opinion is received.

The incentive policy which is given by the Minister of Finance has been submitted through the activities of the National Conference on Combating Corruption/*Konferensi Nasional Pemberantasan*

Korupsi in 2016. The Policy of Regional Incentive Fund/*Dana Insentif Daerah (DID)* is a policy that rewards well-performing regions that will encourage regions to perform better. Allocation policy according to the main criteria is the Opinion which is given by the State Audit Board. As it is obtained by the Government of Gunung Kidul Regency, *DIY*, they receive a Regional Incentive Fund of IDR 51.8 billion as a reward for Unqualified opinion from *BPK* (*Republika.co.id*).

Another phenomenon is said by Kotot Gutomo as the Middle Auditor of *BPKP* in Central Java Province that the absence of a definite formula, with a certain degree of error will get qualified opinion (*WDP*) or vice versa at another level will get unqualified opinion (*WTP*) because qualitative considerations are influenced by the subjectivity element of the Auditor. As it is in North Sumatra, although they reach the *WTP* opinion, but there are still many findings which are felt less supportive in gaining the opinion such as a number of notes, among others, the potential of losses in three Regional Work Units/*Satuan Kerja Perangkat Daerah (SKPD)* in the Government of North Sumatra Province in TA 2012 which reaches 5.673 Billion (*medan.bpk.go.id*). In the second semester of 2015, Sapto Amal Damandari, Vice Chairman of *BPK RI*, there are 447 findings with 986 recommendations are worthed IDR 518.65 billion. The obligation of tax transfer on province tax return to the district is worthed more than 1.61 Trillion Rupiah which is not obeyed by the government of North Sumatera province.

In *Kompasiana* edition 02 in Agustus 2012 which is written by Kamira Sanjaya says that *BPK* auditors are felt very minimal in doing a test of control which at the end can increase the audit risk then it will be very high risk of wrong opinions. Including wrong with their *WTP* opinion. Fraud/Corruption Practices that occur in North Sumatra mainly due to weak supervision and control in the audited entity. In 2015, the case of Gatot Pudjo Nugroho, Former Governor of North Sumatra who is made a suspect on the grant and social assistance case when at that time *LKPD* of North Sumatra Province gains *WTP*. As it is happened in some areas in North Sumatera which initially receive *WDP* opinion but for the next year is *TMP* for the districts of Mandailing natal, Simalungun, the towns of Tanjung Balai and Tebing Tinggi.

In giving opinion to the fairness of a financial statement, an auditor must have an attitude of independence. According to the American Institute of Certified Public Accountants (AICPA) that Members in public practice must be independent in carrying out their professional services as it is required by the standards that are established by the institutions which are established by the council.

Auditor independence is now starting to be questioned. Dedi Haryadi, Deputy of Secretary General of Indonesia International Transparency in *Kompas* daily on Wednesday, May 11, 2016 in the *medan.bpk.go.id* site states that based on peer review which is conducted by Poland CPC [4] to *BPK RI*, it is considered that *BPK RI* has not adhered to the code of ethics which requires independent of the influence from the institutions political that it audits. Less independent and denser conflicts of interest are what causes distortions in the audit process and results.

The research on the independence of auditors has been done. In the article of Chow and Rice [5], based on the research results of Bennink and Spoelstra [6] and Benbasaat and Dexter 1982 says that independence is a factor that influences the opinion of auditors. But in the research which is conducted by Dika Mira [7] Expertise is also a factor influencing the accuracy of opinion that will be given by the auditor. The auditor must have certain qualifications in understanding the criteria which is used and must have the expertise to know the type and the amount of evidence that must be collected to reach the right conclusions after the audit evidence has been tested [8]. Audits should be carried out by someone or more who has sufficient technical expertise and training as an auditor (SA Section 210). Formal education as an auditor is regulated by Law/UU No. 34 of 1954 which requires public accountants to undergo adequate technical training in accounting practices and audit procedures. Formal education in the field of accounting and sustainable professional education is useful to make the auditors become more and more experts so that they have qualifications in doing their work. For example, it is said by Secretary General of *BPK-RI*, Hendar Ristriawan, on *economy.okezone.com* media in *medan.bpk.go.id* site in 2012, the State Audit Board admits the lack of accountant to check the financial statements because there are only 1200 of 3500 inspection personnels who passed the accountant profession. That means there are still many personnel who have the status of education level that has not been qualified ..

Audit experience is an important thing that must be owned by the auditor considering high work experience will have advantages in some ways, including: Detecting errors, Understanding errors, and Finding the cause of the error. The research which is conducted by Choo and Tromant states that experienced auditors will remember more items than similar items, while inexperienced auditors remember more similar items. The above research is not in line with that is done by Hafidin [9] shows that experience does not have significant influence on the accuracy in providing audit opinion. An experienced auditor will be more sensitive in understanding any relevant information in relation to the judgment to be taken,

will be more sensitive to misstatements of financial statement presentation and will be more understanding of matters which are related to the errors that are found.

LITERATURE REVIEW

Supporting Theory

Theory of Virtue

According to Bertens [10] in Indira Januarti [11] that the theory of virtue is from humans. The character of the main trait can be defined as the disposition of a trait or character that has been attached or possessed by a person and allows him to always behave that is morally judged good. Bertens exemplifies the trait of virtues i.e. policy, justice and humility. As for the business actors, the main characteristics are: honesty, fairness, trust and tenacity. According to this theory, an auditor is required to be perfect. An auditor in carrying out his duty is expected to have the trait of honest and full of fairness with a way to remain objective in making audit decisions.

Therefore, the Auditor should be able to maintain the independence that is in him and is also expected to be able to maintain the trust which is given to him and to be tenacious in carrying out the audit process so as to generate a good audit opinion.

Theory of Planned Behavior

According to Ajzen [12] which is quoted from Jogyanto [13] that Theory of Planned Behavior that a person does or does not conduct a behavior depends on the intention which is owned by him. The examples are attitudes to intuition, to others and to objects. In this case, the auditor attitude to the environment in which he works (office), against his boss or to the explanation of his client, and of course on giving opinion on the financial statements.

The example is the experience of auditors in performing audit procedures until providing an opinion on financial statements. Therefore, this theory can help explain the experience and expertise of auditors to the accuracy in providing audit opinions

Accuracy in Providing Audit Opinion

The final step in the audit process is the auditor express opinion of fairness on financial statements based on the compilation of preparation on financial statements in accordance with General Accounting Principles/*Prinsip Akuntansi Berlaku Umum (PABU)*.

Audit opinion has been arranged in Standard of Professional Public Accountant/*Standar Profesional Akuntan Publik (SPAP)*. Audit opinion is included in the part of the audit report. Audit opinion is a symbol of public confidence in the credibility and reliability of information which is contained in a

financial statement. Audit opinion should be based on auditing standards and its findings (IAI, 2001: SA Section 508, paragraph 03) [3].

Based on Statement of Audit Standards/*Pernyataan Standar Pemeriksaan (PSP)* of 2008 which is prepared by the Committee of State Audit Standards/*Komite Standar Pemeriksaan Keuangan Negara (KSPKN)* on four types of opinion which are given by examiners: Unqualified Opinion, Qualified Opinion, Adversed Opinion, Disclaimer Opinion. Unqualified Opinion (*WTP*) states that financial statements have been presented and expressed fairly and reasonably, in all material respects. In other words, the financial information that is presented and disclosed in the financial statements can be used by users of financial statements.

Qualified opinion states that Financial Statements have been presented and disclosed fairly and reasonably, in all material respects, except for the impact of matters relating to the excluded. Adversed opinion (*TW*) states that financial statements are not presented and disclosed fairly and reasonably, in all material respects. This condition which causes the examination to express *TW* opinion is that when the examiner, having obtained sufficient proof of examination, concludes that the misstatements are found, both individually and in aggregate, are material and persuasive in the financial statements. The trait of persuasive can be seen from the absolute value, the number of accounts and the number of reports that are affected.

Disclaimer opinion states that financial statements can not be checked in accordance with inspection standards. In other words, the examiner can not provide confidence that the financial statements are free from misstatement material.

INDEPENDENCE

Independence is the auditor attitude who is free from any attachment and does not depend on others. According to Mulyadi and Puradireja [14] independence is a free state of influence, is not controlled by others, and is not dependent on others.

In PSA no. 04 SA Section 220 on The second General Standard/*Standar Umum Kedua* paragraph 01 reads as follows:

"In all matters relating to engagement, independence in the mental attitude must be maintained by the auditor"

Rule of 101 The Code of Professional Behavior of American Institute of Certified Public Accountants (AICPA) on independence is as follows:

"Members in public practice shall be independent in carrying out their professional services as it is required by standards that are established by the agencies which are established by the councils."

It is affirmed in the code of ethics as an attitude that must be owned by the accountant in carrying out his profession, and in the audit standard also establishes independence as a must to be maintained. Independence is essentially an attitude of one's conscience which is characterized by an approach of integrity and objectivity of his professional duties. This is in line with the American Institute of Certificate Public Accountants (AICPA) and Kell *et al.*, [15] in the article of Pincus [16] states that independence is an ability to act on integrity and objectivity.

However, according to Halim [17] there are three aspects of an auditor independence as follows:

- Independence in fact, which means auditor must have a high degree of honesty, a close connection with objectivity.
- Independence in appearance, which means the other party views on the auditor himself in connection with the audit implementation.
- Independence in competence, which means that independence from the point of expertise is closely related to the professional skills of the auditor.

The above explanation shows that independence which is possessed and must be owned by the auditor is very important. All public judgment lies with the auditor or the public accounting firm. If an independent auditor or *KAP* is negligent or fails to maintain its Independent attitude, then generally the public will judge that all auditors or *KAPs* are independent and it will result in the reduce or even loss of credibility from the public to the Auditor Profession.

EXPERTISE

Audit expertise is something that the auditor must have in auditing the financial statements. Expertise according to Big Indonesian Dictionary/*Kamus Besar Bahasa Indonesia*, it is derived from the word expert which means people who are proficient, very understood in a science (versatility); very adept.

In the PSA No.04 SA Section 210 the first paragraph is as follows:

"The audit should be carried out by someone or more who has sufficient technical expertise and training as an auditor"

The first general standard affirms that no matter how high a person ability in other fields, he can not meet the requirements that are set forth in this

standard, if he does not have adequate education and experience in auditing.

Expertise is an important element which should be owned by an independent auditor to work as a professional. Based on the Regulation of the Minister of Administrative Reform. No.Per/05/M.Pan/03/2008 dated March 31, 2008 stating that Auditor/examiner must have the knowledge, expertise and other competencies that are required to perform the responsibilities.

AUDIT EXPERIENCE

According to Choo and Tromant research in Caecilia Sri Haryanti [18] states that experienced auditors will remember more types of items than similar items, while inexperienced auditors remember more similar items.

It is very important for a public accountant, because an auditor who has experience in the field of auditing in long enough time has more knowledge of his work, and has a variety of discoveries in each examination that can influence decision-making to provide the right opinion. The Standards of Public Accounting Audit (SA Section 210: 01) also provides for the auditor who will perform the audit in its first general standard statement which reads:

"An audit should be conducted by one or more who have sufficient technical expertise and training as an auditor"

In United States, AICPA since 2000 requires that a person who will become a Certified Public Accountant (CPA) has an education in accounting with a minimum credit of 150 credits. Even in some states requires a CPA to have certain experience, usually one or two years of working experience with an accounting firm [19].

DEVELOPMENT OF HYPOTHESES

The Influence of Independence on the Accuracy in Providing Audit Opinion

Audit opinion is a statement which is issued by the auditor on the audit results that is conducted on the financial statements. Audit opinion is influenced by independence and expertise [1].

The Theory of Virtue explains about the traits or characteristics that a person must have to be called a primary human being. According to this theory, an auditor is required to be perfect. An auditor in carrying out his duty is expected to have the trait of honest and full of fairness with a way to remain objective in making audit decisions.

According to Knapp [20] says that influencing the providing audit opinion is the ability of the auditor

to be independent despite pressure from the management. In the article Chow and Rice [5], based on the research results of Bennink and Spoelstra [6] and Benbasaat and Dexter 1982 says that independence is a factor that influences the auditor opinion.

H1: Independence influences the accuracy in providing audit opinion

The Influence of Experience on the Accuracy in Providing Audit Opinion

Praptomo [21] states that Auditor should have the necessary expertise in his job, this expertise includes the expertise of the audit which includes: planning the inspection work program, preparing the inspection work program, conducting the inspection work program, preparing the inspection paper, and inspection result report.

Theory of planned behavior explains how audit expertise can influence professional auditors in making decisions. Therefore, a highly skilled auditor will behave appropriately in accordance with the perceptions and expectations of others and the environment in which the auditor works.

H1: Expertise influences the accuracy in providing audit opinion

The Influence of Audit Experience on the Accuracy in Providing Audit Opinion

Theory Planned of Behavior states basically the attitude is a positive or negative belief to display a certain behavior, so the intention to behave is determined by attitude.

Kriswandari [22] and Lawrence [23] conclude that experienced auditors are able to explain the extensive audit results. In line with Azwar [24] states that among the factors that influence the formation of attitudes is personal experience. The establishment of an attitude is important because it will influence audit procedures that are undertaken by auditor so that the opinion which is given will be appropriate.

H1: Experience influences the accuracy in providing audit opinion

RESEARCH METHODS

This study is a qualitative research by using analysis approach of causality associative. This study uses three independent variables, namely Independence (X1), Audit Expertise (X2), and Auditor Experience (X3) which are factors of accuracy in providing audit opinion at Auditor of *BPK RI* as Representative in North Sumatera Province and one dependent variable that is Audit Opinion (Y) by using measurement scale that is Interval scale. Population in this study is 99 Auditors who work at *BPK RI* as Representative in

North Sumatera. The number of samples is 50 respondents and the samples which are studied is the Auditors at the *BPK RI* as Representative in North Sumatra and the calculations by calculating the questionnaires that are returned by the respondents. The type of questionnaire in this study is a direct questionnaire, it is directly delivered to the Auditor respondents at *BPK RI* as Representative in North Sumatra Province. Measurement of variables uses a closed question instrument. The researcher prepares the instrument and asks how far they agree with the three skills that are considered as literature before becoming an important skill of an Auditor. The answer rating is made in 5 Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree).

The variables of this study, both independent and dependent, are variables that are measured using measurements that describe changing values to show

the diversity of results from measurements based on a certain scale or range [25]. The conceptual scheme which is analyzed in this study consists of several independent and dependent variables which are all measured in continuous measurements, therefore the path analysis is used to test this hypothesis.

RESULT AND DISCUSSION

Results of Data Analysis

To obtain the data, researchers distribute as many questionnaires as possible so that reasonable amount of research data can be obtained and analyzed. The final number of questionnaires that are received is 46 respondents who successfully complete the survey. The characteristics of respondents can be seen in appendix of hypothesis 1 to 5 which is tested by using path analysis. Path analysis results can be seen in table 1 below:

Table-1:

Model Summary ^b					
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	,470 ^a	,200	,142	2,475

b. Dependent Variable: OPINION

In the Summary model table, it is obtained 1 path analysis model with partial correlation coefficient (R) value is 0.470, the coefficient of determination (R Square) is 0,200 (20%). The R Square value is 20%, it shows that by using path analysis model, it is obtained

whereby exogenous variables: Independence (X1), audit expertise (X2), and Audit experience (X3) have influence to variable of accuracy in providing audit opinion (Y) equal to 20%. The coefficient value and t count value can be seen in table-2 below:

Table-2:

Coefficients ^a				
Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		3,297	,002
	Independence	-,149	-1,034	,307
	Audit Expertise	,386	2,784	,008
	Audit Experience	,189	1,309	,198

a. Dependent Variable: Opinion

Because $t_{count} > t_{table}$, $(-1.034 < 2.015)$, then H_0 is accepted, so it can be concluded that the coefficient of Independence does not have significant influence on the accuracy in providing audit opinion. It is seen that the probability value in Sig column is 0.307 or the probability is above 0.05 ($0.307 > 0.05$) so it has the same conclusion with t test that the coefficient of independence does not have significant influence on the accuracy in providing audit opinion.

Because $t_{count} > t_{table}$, $(2.704 > 2.015)$, then H_0 is rejected, so it can be concluded that the coefficient

of audit expertise has a significant influence on the accuracy in providing audit opinion. It is seen that the probability value in Sig column is 0.008 or the probability is below 0.05 ($0.008 < 0.05$). Thus H_0 is rejected, so it has the same conclusion with the t test that the coefficient of audit expertise has a significant influence on the accuracy in providing audit opinion. The following is the direct and indirect influence to the influence of Independence, Expertise and Experience on the Accuracy in Providing Audit Opinion, it can be seen in table 3 below:

Table-3: Direct Effect and Non Direct Effect Independence, Expertise And Experience In Audit On The Accuracy In Providing Audit Opinion To The Financial Report

Variabel	Direct Effect	Non Direct Effect			Total
		Independence	Expertise	Experience	
Independence	2.10%		-0.14%	-0.79%	1.17
Expertise	14.90%	-0.14%		0.60%	15.36
Experience	3.57%	-0.79%	0.60%		3.38
Total					20.00%

DISCUSSION OF RESEARCH RESULTS

The Influence of Independence on the Accuracy in Providing Audit Opinion

Based on the research results of the independence on the accuracy in providing audit opinion in Financial Statement of the Local Government at North Sumatra Province states that $t_{count} < t_{table}$ with $-1.034 < 2.015$ value, this indicates that t_{count} is in the reception area of H_0 or in other words H_1 is rejected. This means that Independence does not have influence on the accuracy in providing audit opinion. The absence of independent influence on the accuracy in providing audit opinion is due to several factors. The first thing is there are still auditors who choose inappropriate answers. From the 8 questions that are posed, there are 5 questions that the auditors answer is Less agree (KS), Disagree (TS) and Strongly Disagree (STS). For example, the question of independence about "not all client errors are reported because of good relations" and about "colleagues never influence the affairs". For questions "not all client errors are reported due to good relationships", there are 19 auditors choose disagree (TS) with 41.3% percentage and 8 auditors choose strongly disagree (STS) or with 17.4% percentage. In this case, the selection of the answer adequately influences the measure of auditor independence. Furthermore, for questions about "colleagues never influence", there are eight auditors choose less agree or with 17.4% percentage. Whereas for the measure of independence, all questions should be answered with Strongly Agree (SS). Furthermore, the possibility of independence in this regard does not influence the accuracy in providing audit opinion because there are some respondents who do not answer in the right manner. This means that there are respondents who do not see carefully the contents of the questions that are posed.

The Influence of Expertise on the Accuracy in Providing Audit Opinion

Based on the research results on the expertise to the accuracy in providing audit opinion at the financial statements of the government in North Sumatra province states that $t_{count} > t_{table}$ with $2.704 > 2.015$ value and this indicates that t_{count} is in rejection of H_0 in other words H_1 is accepted. This shows that there is an influence between audit expertise and the accuracy in providing audit opinion at the financial statement of the government in North Sumatera province.

Based on the identity of respondents in questionnaires that are distributed by Auditor of *BPK RI* as Representative in North Sumatra Province, most auditors who have taken Strata 1 education are 33 people or with 71.74% percentage. And who have certificate of Accountant expertise (Ak) are 12 people or 26,09% and CA are 5 people or 10.87%. This shows that good education and expertise have been owned by most *BPK* auditors. The research results are in line with the research results that are conducted by Arfin Adrian [26] which concludes that expertise influences the accuracy in providing audit opinion by the auditor of *BPK RI* as Representative in Riau Province.

The Influence of Audit Experience on the Accuracy in Providing Audit Opinion

Based on the research results of Audit Experience on the accuracy in providing audit opinion of government report in North Sumatra province states that $t_{count} < t_{table}$ with $1.309 < 2.015$ value and this indicates that t_{count} is in the reception area of H_0 or in other words H_1 is rejected. It states that there is not influence between the audit experience on the accuracy in providing audit opinion on the financial report of the Government in North Sumatera Province. This is also supported by the identity of the respondents in the research questionnaire which mostly have work experience under 10 years, between 3-10 years. Furthermore, most auditors have certification of the role as junior team member that reaches 18 people with 39,13% percentage. This means the auditor of *BPK RI* as Representative in North Sumatra Province has experience under 10 years.

The Influence of Independence, Expertise and Experience of Audit simultaneously on the Accuracy in Providing Audit Opinion

Based on F test which simultaneously test that is whether the three independent variables i.e. independence, expertise and experience of audit have significant influence to dependent variable that is accuracy in providing audit opinion hence it is obtained value from $F_{count} = 3.491$ with significance = 0.24 and $F_{table} = 2.83$ with significance 0.05 because the value of F_{count} (3.491) > the value of F_{table} (2.83) then H_0 is rejected which means there is a significant influence between independence, expertise and experience on the accuracy in providing audit opinion. This explains that to be able to provide the right opinion, then the auditor must have 3 elements of

attitudes above: independence, expertise and experience. An auditor from the R-square table shows that there is a total influence of 20%. This means that the variables of independence, expertise and experience of audit contribute only 20% to the accuracy in providing audit opinion. Furthermore, there is an 80% chance that there may be other aspects that influence the accuracy in providing audit opinion.

CONCLUSION AND SUGGESTION

CONCLUSION

The result of hypothesis test shows that: simultaneously, the variables of independence, expertise and experience of audit have an influence on the accuracy in providing audit opinion. Partially, expertise of audit variables have an influence on the accuracy in providing audit opinion while the variables of independence and experience of audit do not have influence on the accuracy in providing audit opinion. Then the results of empirical tests can be used for the benefit of organizations such as recruiting auditors in the public sector, training interests to improve audit skills, to improve the ability and performance of auditors to facilitate the audit of local financial statements in order to achieve the best financial statement opinion.

SUGGESTION

Suggestions for further research:

- For the auditors of *BPK RI* as Representatives in the Sumatra Province should improve their skills in terms of personal quality, general knowledge and special skills to the accuracy in providing audit opinion on *LKPD* of North Sumatra province.
- Auditors need to attend trainings such as accounting training, seminars or the like in order to improve the expertise of auditors
- The auditors of *BPK RI* as Representative in North Sumatra Province need to improve experience in terms of formal education, to have sustainable profession and to recruit auditors who have qualified and good experience in audit industry.
- The independence of auditor on auditors of *BPK RI* needs to be improved especially *BPK RI* as Representative in North Sumatra for the realization of a transparent government.

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