



Influence of Professional Commitment and Locus of Control on the Ethical Sensitivity of Auditors



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Abstract

This article is intended to explore the influence of professional commitment and locus of control on the Ethical Sensitivity of the Auditors in the inspectorate sector in the regencies or city, especially in Flores Island. It promotes the issue of the influences of professional commitment and locus control to the ethical sensitivity of the auditors who dedicate to the inspectorate sector of the regencies or city. It is assumed that supervision and inspection is the task of the inspectorate in the Regencies or City. The results of supervision and inspection can increase public financial accountability and improve good governance. The purpose of the study was to determine the effect of professional commitment and locus of control on the ethical sensitivity of auditors who work in the Inspectorate sectors in three regencies in Flores island. The population and sample in this study were 46 auditors who work in the Inspectorate in Flores island. The sample used is a saturated census in which the entire population is sampled. Multiple linear regression analysis was used in this study. The results of the study prove that professional commitment and locus of control have a significant effect on the ethical sensitivity of auditors in Flores.

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1 Introduction

The influence of professional commitment and locus control is the central theme of this article. It raises the problems or issues of professional commitment and locus control can influence the ethical sensitivity of the auditors. As a result, if the auditors have ethical sensitivity- high commitment- can improve his progress of the work, and consequently, they get high appreciation from the public. By means, it can be created a good government. On the other hand, this article will convey several purposes such as: auditors who have professional commitment can be more sensitive to work based on the professional accountants well as based on the ethical standard to support the aim and professional norms. The second purpose is an auditor can take priority to be more responsible for the work that his private interest and he tries to work based on the regulations, beside that he is very sensitive to face the problems.

Moreover, this article will give several benefits to governments, particularly the inspectorate sector in each district and auditors themselves (Zhanget al., 2007; Schneider & Church, 2008). First, hopefully, it provides some solutions offered to the government of three districts as stated earlier. It is suggested that the government should select the auditors as well as possible. It means that the auditors should have ethical sensitivity. To know this, provided the psychological test for the candidate auditor. The results of the research prove that an auditor who has professional commitment and locus of control- how the auditor individually sees the problems that he or she is facing at the time and being able to control or overcome by himself or not- strongly influences the ethical sensitivity. This term is an internal ability of the auditor to know the ethical issues.

2 Materials and Methods

The location where a team conducted the research consists of three areas such as Ngada regency, Nagekeo regency, and Ende regency. Those districts are located in East Nusa Tenggara Province- Eastern Indonesia. Then, the population was selected from the functional auditors in each area of research (DeZoort et al., 2003; Shu, 2000; Aditya & Kusuma, 2019). The total number of the functional auditors less than a hundred people, therefore, the sample of respondents in this research so-called saturated sample. This study was carried out in 2019 in three districts in Flores as mentioned earlier and 46 respondents.

However, this article is written based on the study done by the team. This study is used a quantitative approach which completed with the survey method. In the way of collecting data, the technology, team provided a questioner as a tool to record the respondents' answers. These answers might become data collection. In terms of the questioner, the team must consider two variables such as dependent variable and independent variable. One is the dependent variable that is the ethical sensitivity of the auditors who work in the inspectorate sector of Ngada district, Nagekeo district, and Ende district coded as Y. On the other hand, the independent variable which defined as professional commitment (X1) and locus control (X2). The data resources can be divided into two types, like secondary data and primary data. The secondary data is from the auditors in each regency such as Ngada, Nagekeo, and Ende regency which are located in Flores island, included in East Nusa Tenggara Province. Whereas, primary data is taken from the responses of the respondents.

Method of data analysis

First of all, data have been collected through the survey method by contributing the questioner to the functional auditors of three districts as mentioned earlier. The second point is the writers analyze the answers of the respondents based on the Likert scale model (Sari, 2015). Sari claims that this model consists of five points such as very disagree, disagree, neutral, agree, and very agree. After that, the answers of the questioners quantitatively are analyzed by using the SPSS model of analysis. The first step is to exam the questioners as an instrument of data collection, particularly to examine the validity and reliability of the instrument. Then, to examine the classical assumptions in order the results of the research in *regresi* are possible to be managed in the next step. Test of classical assumptions is in form of test of normality, heteroscedasticity, multicollinearity. This test is intended to examine the valuable accuracy of the parameter produced by the model. The last step is the data are analyzed with multiple regressive linear formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Notes:

Y = Sensibility of Auditor in Ngada, Nagekeo, and Ende Regency

X1 = Professional Commitment

X2 = *Locus of control*

β_1 = Coefisien regresi X1

β_2 = Coefisien regresi X2

α = Constanta

e = Error

3 Results and Discussions

The implementation of regional autonomy allows the regional district to empower its district and to improve community welfare. This should be based on the constitution 24 the year 2014. The term of regional autonomy encourages the government to have public accountability or trust in the undertaking, organizing and supervising the programs of the government in that district. Regional autonomy is designed to create good governance. For this reason, [Mardiasmo \(2007\)](#), claims that there are three aspects to support a good government such as supervision, control, and checking. The government has prepared a special unit to do supervision and audit in each regency or town is regional inspectorate. This unit is given the responsibilities for the general supervision and other jobs given by the chief of the district. Consequently, its job is recognized as the same as an internal auditor.

The work performance of the government which carries out the task as the government internal supervisory apparatus- according to Government Regulation number 60 of 2008-has become the hope of the community at various levels, both in districts or cities and provinces or at the central level. On that basis, supervisory duties must be carried out by people who are competent in the field of supervision. So that the results of his work can be following the description of the tasks he has carried out. The task is usually undertaken by the internal auditors ([Adler & Aranya, 1984](#); [Patel & Millanta, 2011](#)). Currently, an internal auditor is required to carry out professionally his audit duties.

In general, the accounting profession is bound by a professional code of ethics. The inspectorate auditors as a part of the government internal supervisory apparatus carry out their duties which should be following the code of ethics stipulated in the regulation of State Minister for Utilization of State Apparatus number: PER/04/M-PAN/03/2008 regarding the code of conduct for the government internal supervisory apparatus which states that to realize quality supervision and professional auditors as the main duty of the government internal supervisory apparatus, required an ethical culture in the profession of required an ethical culture in the profession the government internal supervisory apparatus to prevent unethical behavior in carrying out auditor duties, to create a credible auditor with optimal performance in the implementation of the audit. The independent and professional auditor necessarily needs advanced competency and have strong commitment. Besides he has a good character to influence his ethical sensitivity so that he can do his job as well as possible. Then, ethical sensitivity, or the ability to understand and sensitive to ethical issues is the foundation of the practice of accountants ([Ponemon, 1992](#)). In addition, ethical sensitivity plays a key role in all areas of accounting ([Lowers et al, 1997](#)). These two ideas remind auditors to recognize the importance of ethical issues in performing their duties, so that sensitivity becomes the initial stage in making ethical decisions related to their works. Several types of research show that Professional accountants who are committed to their profession will behave ethically in carrying out their professional duties ([Marriott & Marriott, 2000](#); [Windsor & Auyeung, 2006](#)). In addition, professional commitment will improve the independence and sensitivity of auditors ([Kaplan & Whitecotton, 2001](#); [Tsui & Gul, 1996](#); [Banda & Mahfud Sholihin, 2012](#)).

Moreover, they claim that professional commitment can improve someone's progress in his work and as well as to improve his initiatives to be successful in doing his jobs. Besides that, the professional commitment can show him as a responsible person to finish his job. This term is closely related to the ethical behavior of someone. An accountant who has high professional commitment would ethically behave in doing his job rather than the accountant who has a low commitment to his profession. Herewith this idea found that the professional commitment of accountants is closely and positively related to ethical behavior ([Aranya et al., 1982](#); [Lachman & Aranya, 1986](#)).

According to [Asana et al. \(2013\)](#), quoted from [Westra \(1986\)](#), said that an auditor who has personal commitment and locus of control where he undertakes an internal audit usually face two problems such as one side, he must be loyal to his boss, while another side he must report his results of the audit to the public. This situation is very dilemma,

however, the ability to make judgments and act ethically is an absolute prerequisite for the auditor to identify ethical issues (Shaub,1993).

The results of the previous research indicate two controversial pieces of evidence such as the professional commitment and locus of control did not influence the ethical sensitivity of the auditors (Sari, 2015). Sari's claim is based on the research done in DKI Jakarta Province which the location of the research is in the oil and gas manufacture company in 2015. While other results of the research indicate that the professional commitment and locus of control strongly influence the ethical sensitivity of the auditors (Mahendra, 2014; Dewi et al., 2015; Trevino, 1986). More than that, two studies show contradictory information dealing with how far the locus of control influences the ethical sensitivity of the auditors. Firstly, the study conducted by Zhikr Masruuraa Adi (2018), indicated that locus of control can influence the ethical sensitivity of the auditors. In contrast with the study done by Anjelina (2019), indicated the locus of control did not influence to auditor's ethical sensitivity.

The last study was conducted by the section of Inspectorate of three regencies in Flores Island, East Nusa Tenggara Province such as Ngada district, NageKeo district, Ende regency. This research shows that the auditors of three districts as the internal auditors of the government should perform their progress of the task given by the leader and very important thing is they should obey the ethical guideline to maintain the good governmental commitment, especially to show the good management of the regional finance. It is important to present the respondents, before presenting the results of the research. The questioners are contributed to 46 questioners of three locations of the study as stated earlier. It was taken for two days. After that, the questioners were collected and all of them were classified and analyzed. As well it can be presented that all the questioners were submitted by all respondents or it is 100%. The 46 respondents have been participated by filling in the questioners. The following will be drawn the analysis of the results.

First is the result of the instrument test. It shows that the validity of data is because the total scores of the questions are bigger than 0,30 and reliability of it is because of the value's *Cronbach's Alpha* > 0,60. The results of the instrument test have been successful (validity and reliability test) and then it will be continued to the next test is that the test of classical assumptions. The second test is the result of the classical assumption test. The results of the normality test show that the value of *Kolmogrov-Smirnov* (K-S) is 0,077 while *asym.sig* on sig produced value 0,200>0,05. Based on this result, it can be concluded that data were normally distributed. On the other hand, the results of multidisciplinary linearity show that tolerant value of all independent variability that is professional commitment 0,920 and locus of control is 0,899 are bigger than 0,1 and value of VIF is 1, 087 and 1,112 is less than 10 so that this can indicate that there is no problem with multicollinearity.

On the other hand, The result of the normality test shows that the value of *Kolmogrov-Smirnov* (K-S) is 0,077 while *asym.sig* on sig produced value 0,200>0,05. Based on the analysis, it can be concluded, that is the distributed data is normal. And then, according to the result of the multicollinearity test indicated the tolerant value of all independent variables- professional commitment is 0,920 and locus of control is 0,899. Both are more than 0,1, as well as the value of VIF is 1, 087, and 1,112 that indicated less than 10. Therefore, it can be said that there is no multicollinearity problem. Lastly, the result of *heteroscedasticity* indicates that both variables, professional commitment, and locus of control have significant values such as 0,775 and 0,229. It means that both are more than 0,05. This thing also does not indicate a problem of heteroscedasticity. Besides that, there is a Multiple Regression Analysis used to know the influence of professional commitment and locus of control toward the ethical sensitivity of auditors in three districts as Ngada, Nagekeo, and Ende. The analysis is in form of software PSS 16.0 for Windows. The results are presented in the following table 1:

Table 1
The result of multiple regression analysis

Variables	Coefficient Regression	Value t –hitung	significances
Constant	8,899		
Professional Commitment	0,388	2,739	0,010
<i>Locus of control</i>	0,41	0,426	0,000
R-square (R2)		0,366	
Adjusted R-square		0,282	
F-Hitung		4,335	
Significance		0,007	

Source: Team of analysis, 2019

The analysis shows that the coefficient value of determination so-called “adjusted R square” is 0,282 or 28,2%. This means that 28,2% of the ethical variant sensitivity of auditors in three locations is influenced by professional commitment and locus of the control variable. While 72,8 % of the ethical sensitivity of auditors is influenced by others or variables that come from outside of model fit. Besides that, the table shows that the significant value of the appropriate model by using the F test is 0,007 which less than 5%. It draws that professional commitment and locus of control are simultaneously influenced toward the ethical sensitivity of the auditors in three regencies. This research is intended to test two hypotheses such as the influence of professional commitment toward the ethical sensitivity and locus of control to ethical sensitivity of auditors in three districts. The analysis as shown in table 1 can be divided into two steps of analysis are Hypothesis 1 Test (H1t) and Hypothesis 2 (H2t).

H1t

This test is related to see how far the professional commitment is influenced to the ethical sensitivity of auditors in three districts such as Ngada, Nagekeo, and Ende district. It can be seen at the table in which coefficient regression is 0,388 and significant value is $0,010 < 0,05$. From the results of the regression analysis, it can be concluded that professional commitment has significant to the ethical sensitivity of auditors. Interestingly, the ethical sensitivity of auditors is not only influenced by the two variables that are professional commitment and locus of control but also influenced by other factors, for example, socio-cultural context. This statement is highlighted by the results of the research was conducted by Mahendra (2014), and another one was done by (Dewi et al., 2015). They conclude that an auditor who has a sensitivity to the ethical issues in his profession is strongly influenced by his culture. In addition, auditors are viewed as internal auditors of government must have high integrity, objective view, competence, keep secret. All these things are ethical code which must be obeyed by auditors when they control and inspect. Then, they must commit to their profession. If it is so, the ethical sensitivity of auditors will be improved.

H2t

This analysis is drawn the influence of locus of control on the ethical sensitivity of the auditors in the research locations (Ngada district, Nagekeo district, and Endedistrict). Based on the table 1, it can be seen that coefficient regression is 0,41 and significant value is $0,000 < 0,05$. It is less than 0,05. This indicates that the locus of control a little bit influences the ethical sensitivity of auditors. So, the ethical sensitivity of auditors in three areas is determined by their competencies, integrities, objectivities, and self-confidence to control their works. This statement is supported by Adi and Haajar (2018). They claimed that the internal and external power of the auditors will produce positive behavior and with that positive attitude, they do not want to do disrespectful things.

4 Conclusion

Based on the discussions and findings as stated previously, the team would like to draw some conclusions. First is that the professional commitment strongly influences the ethical sensitivity of the auditors. This can lead them to consider as well as possible when they face ethical problems. The higher the commitment to the profession, the more the editor's ethical sensitivity will be. Then the auditors are aware that there are ethical problems in carrying out their work and are responsible for improving their works to achieve good government. The auditors will work honestly to fulfill the expectation of their leader and the expectations of society. On the other hand, auditors will work honestly to meet the expectations of their superiors and the expectations of society in creating public financial accountability. Second, locus of control affects the sensitivity of auditors. The second thing is that the cultural environment or locus of control influences the ethical sensitivity of the auditors. This study shows that the auditors believe that their works can be controlled by the surroundings like job descriptions given by their superiors or leaders and expectations of the societies in the order they should work honestly, especially when they do supervision, control, and examination.

Suggestion

It is said that the professional commitment and locus of control strongly influence the ethical sensitivity of the auditors. Based on this concluded statement, on this occasion, the team would like to give suggestions to several parties such as the inspectorate office and particularly the auditors in the three districts in Flores Island, even for all inspectorate office throughout East Nusa Tenggara Province. It is suggested that the result of the study can support the superior or leader in the inspectorate office to improve his ethical sensitivity in doing his job. Then, his staff also are inspired and

motivated to increase their self-confidence and professional commitment to become an internal auditor of government. The next suggestion is addressed to researchers. Honestly, the team hopes that the next research could investigate the same theme from different angles and different locations in East Nusa Tenggara province to give meaningful ideas to the government in East Nusa Tenggara Province.

Conflict of interest statement

The authors declared that they have no competing interests.

Statement of authorship

The authors have a responsibility for the conception and design of the study. The authors have approved the final article.

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