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## **The Influence of Objectivity and Independence on Internal Audit Performance at the Regional Supervision Inspectorate of the North Sulawesi Regional Police**

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**Abstract.** The aim of this study is to describe and analyze the objectivity and independence of auditors/examiners on the performance of internal auditors within the North Sulawesi Regional Police Supervision Inspectorate. The method used is a quantitative research method. The results of the research that the researchers obtained were: There is a positive effect of objectivity on the performance of internal auditors. The higher the objectivity of the internal auditors, the higher the performance produced by the internal auditors. Conversely, the lower the objectivity of the internal auditors, the lower the performance produced by the internal auditors. The contribution of objectivity to the performance of internal auditors is 41.9%. There is no effect of independence on the performance of the internal auditors. Due to the results of testing the second hypothesis, the effect of independence on the performance of internal auditors obtained a regression value of 1.955 with a p value of 0.058 ( $p < 0.01$ ) so the second hypothesis was rejected. There is a significant influence simultaneously between objectivity and independence on the performance of internal auditors. Based on the results of the multiple linear regression analysis above, the results obtained from the third hypothesis test between objectivity and independence variables on the performance of the internal auditor ITWASDA POLDA of North Sulawesi obtained an F value of 16.621 ( $p < 0.01$ ), so the third hypothesis is accepted, namely there is a significant influence between interest career and perceptions of career information services on career decision making. The effective contribution of career interest and perceptions of career information services to career decision-making is 47.3% and the remaining 52.7% is influenced by other factors not examined in this study.

**Keywords.** Objectivity, Independence, Audits

### **A. Introduction**

Regulation of the Indonesian Chief of Police Number 1 of 2021 concerning Performance Audits and Audits with specific objectives, in article 20 paragraph (1) it is stated that Performance Audits and Audits with specific objectives are carried out by POLRI's internal supervisors. The performance audit is an audit of the management of state finances and the implementation of the duties and functions of the Police to achieve aspects of thrift, efficiency, and effectiveness. Meanwhile, a specific purpose audit is an audit that is carried out with a special purpose, outside of a performance audit[1]. Furthermore, article 20 paragraph (4) states

that the task of Performance Audit and Audit with a specific purpose is carried out by officials at the ITWASDA POLDA, consisting of field inspectors, examining officers, auditors and officials or staff appointed by the Regional Supervision Inspector in accordance with the order of the Regional Police Chief[1].

Furthermore, the internal performance audit function carried out by the North Sulawesi Regional Police Inspectorate, is as an elaboration of the duties of the Government Internal Supervisory Apparatus (APIP), in carrying out the process of auditing, reviewing, evaluating, monitoring and other supervisory activities on the implementation of organizational duties and functions aiming to provide adequate confidence that activities have been carried out in accordance with the benchmarks that have been set effectively and efficiently for the benefit of the POLRI organization in realizing good governance, so that it is expected to have objectivity and independence, meaning free from the influence of any party[1].

Internal auditors must have an objective mental attitude, be impartial and avoid the possibility of a conflict of interest. Therefore, an internal auditor is required to have objectivity. In addition to competence and objectivity, internal auditors must also have independence and performance in carrying out their duties. Independence means that the internal auditor must be free from situations that threaten his objectivity. Internal auditors must be free both as individuals in carrying out their duties as well as in function and organization[2]. Indonesia's Corruption Perception Index (CPI) for 2020 fell 3 points to 37 from 40 points in 2019[3]. If in 2019 Indonesia was in position 85, then in 2020 Indonesia was in position 102 out of 180 countries surveyed[3]. It was stated that when compared to other Southeast Asian countries, Indonesia's GPA is in fifth position under Singapore (85), Brunei Darussalam (60), Malaysia (51) and Timor Leste (40). With the decline in Indonesia's IPK, of course, this also proves that there is still a lack of government commitment in preventing corruption. This raises questions about the independence of the auditors at the Supreme Audit Agency of the Republic of Indonesia (BPK-RI), the Development and Finance Audit Agency (BPKP), Internal Auditors at the Inspectorate of Ministries / institutions to the Inspectorate at the regional government. Within the Police organization itself, around 2012, there was a stir in the sim simulator case carried out by Kakorlantas POLRI. This happened because of weak control by the internal supervisory apparatus in disclosing irregularities that occurred in the activities of government agencies.

The internal auditor of the ITWASDA POLDA Of North Sulawesi in carrying out their functions is guided by the standards set out in the KAPOLRI Regulation Number 1 of 2021 concerning Performance Audits and Audits for specific purposes within the National Police, Article 3 letter f that the principle implemented in carrying out performance audits is independence, namely that the audit staff is independent. independent, and unaffected by other parties in letter (i) objectivity, i.e conducting an audit based on facts and existing criteria of findings, not the auditor's own perception or analysis[1]. This allows internal auditors to face a dilemma when dealing with findings that may be unfavorable in assessing management performance and will influence auditor behavior. Based on the background above, the researcher draws the formulation of the problem in this study. How big is the influence of objectivity and independence on internal audit performance at the North Sulawesi Regional Police Supervision Inspectorate?.

Etymologically, the hypothesis comes from two words hypo which means "less than" and thesis which means opinion. So, the hypothesis is an opinion or conclusion that is not final, which must be tested for truth[4]. Based on the formulation of the problem and framework that has been stated previously, the research hypothesis is formulated as follows:

1. Objectivity has a positive and significant effect on the performance of the Internal Auditor of the ITWASDA POLDA of North Sulawesi.
2. Independence has a positive and significant effect on the performance of the Internal Auditor of the ITWASDA POLDA of North Sulawesi.
3. Objectivity and independence have a positive and significant effect on the performance of the internal auditors of the ITWASDA POLDA of North Sulawesi.

Arens and Loebbecke[5] said that objectivity is a belief, a quality that gives value to the services or services of the auditor. Meanwhile, Sawyer, et.al stated that objectivity means that what is reported is material, a problem that deserves the attention of a busy manager[5]. Mabururi and Winarna stated that the higher the objectivity of the auditor, the better the quality of the audit [6]. Meanwhile, Independence namely justice and equality in fulfilling the rights of stakeholders that arise based on agreements and laws and regulations[7].

According to Alvin A. Arens, Randal J. Elder, Mark S. Beasley was translated by Herman Wibowo [8] definition of independence, namely: "Independence is the first rule of conduct. Independence in auditing means taking an unbiased viewpoint. The auditor must not only be independent in facts but must also be independent in appearance. According to Louwers, Ramsay, Sinason, Strawser [8] the definition of independence is: "you may be wondering how internal auditors employed by the company being audited can classify themselves as independent and objective. Although internal auditors employed by the entity under audit cannot be associated with their employers in the eyes of the public, they seek organizational and individual independence. According to Abdul Halim in Trainanda Hanum Hartan, there are three aspects of an auditor's independence: 1.Independence in fact (Independence in fact) the auditor must have a high attitude of honesty in every audit process carried out; 2.Independence in appearance (Independence in appearance) appearance is the view of other parties towards the auditor himself relating to the implementation of the audit, and the auditor must maintain his position so that other parties will trust his attitude and independence; 3. Independence from the point of expertise (independent in competence) Independence from the point of expertise related to the competence or ability of the auditor in carrying out and completing the audit task[9]. Mangkunegara stated that performance can be defined as the result of work in quality and quantity that can be achieved by a person[10].

## **B. Method**

This study uses a quantitative approach due to the use of numbers, starting from data collection, interpretation of the data, as well as the appearance of the results and is described by deduction departing from general theories, then by observation to test the validity of the applicability of the theory conclusions are drawn. Then it is described descriptively, because the results are directed to describe the data obtained and to answer the formulation[11].

Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, collecting data using instruments. research, data analysis is quantitative/statistical in nature, with the aim of testing the established hypotheses. This method is called the positivistic method because it is based on the philosophy of positivism. This method is a scientific method because it has met scientific principles, namely concrete/empirical, objective, measurable, rational and systematic. This method is called a quantitative method because the research data is in the form of numbers and the analysis uses statistics[11].

Operational Variables are the main limitations of the problems that are observed and researched in accordance with the formulation of the problem to be determined. The variables

that will be the focus of this study are the Effects of Objectivity and Independence on the Performance of the Internal Auditor of the North Sulawesi Regional Police Inspectorate. There are 2 X independent variables, namely objectivity and independence, the dependent variable (the dependent variable) is the auditor's performance. The operational definitions of the three variables can be seen in Table 1.1 below:

**Table 1. Variable Operational Definition**

No	Variable	Definition of Variable	Indicator	Scale
1	Variable Objectivity X1	Objectivity is a quality that gives value to services provided by members. The principle of objectivity requires members to be fair, impartial, intellectually honest, not prejudiced or biased and free from conflicts of interest or being subordinate to other parties.[12]	1. Belief 2. Be honest 3. No compromise 4. Material problems	Likert
2.	Variable Independence X2	Independence means being free, and not bound so that his opinion can be accepted by all parties, Fauzi in Akhsan[13]. The concept of independence is extremely important for auditors who have broad responsibilities to third parties. According to Simamora in Soebagio[14], Independence means that the auditor must be impartial and not biased toward the financial information being audited as well as towards the preparers and users of the financial statements. Therefore the auditor must be independent in fact (in fact) and in appearance (in appearance)[15].	1. Independence in fact. 2. Independence in appearance 3. Independence from the perspective of expertise	Likert
3.	Variable Internal Auditor Performance Y	Auditor performance is the embodiment of work done in order to achieve better or more prominent work results toward achieving organizational goals. Achieving better auditor performance must be in accordance with certain	1. Timeliness of completion 2. Quality of work 3. Efforts to overcome difficulties (problems) in work	Likert

standards and within a certain period of time.

### Research Instruments

The scale used in this study is the Likert scale, which is a scale that contains attitude statements. An attitude statement is a statement about an attitude object that uses the response distribution as the basis for determining the scale value. In the Likert scale, there are two attitude statements, namely statements that are supportive/positive (pleasant) and statements that are not supportive/negative (unpleasant)[11]. In this research questionnaire, all statements amounted to 45 items. 12 items liked and 33 items disliked.

The answers from each instrument using a Likert scale have a gradation from very positive to very negative [3].

**Table 2. Table Scale Likert**

Scale	Answer	Step
Sangat Tidak Setuju (Strongly Disagree)	STS	1
Tidak Setuju (Don't agree)	TS	2
Ragu-ragu (Doubtful)	RR	3
Setuju (Agree)	S	4
Sangat Setuju (Strongly Agree)	SS	5

*Source: Sugiyono[11]*

### C. Result

After testing the normality and linearity tests than testing the hypothesis using simple linear regression correlation analysis for testing hypotheses 1 and 2 and multiple regression analysis for testing hypothesis 3. The results of simple regression correlation analysis are as follows:

**Table 3. Results of Simple Linear Regression Analysis**

Variable Y	Variable X	Value	
		t	p (Sig.)
Internal Audit Performance	Objectivity	4,647	0,000
	Independence	1,955	0,058

Based on the results of simple linear regression analysis, the results will be presented as follows:

a. The results of testing the first hypothesis, the effect of objectivity on internal audit performance at the ITWASDA POLDA North Sulawesi office obtained a regression value of 4.647 with a p-value of 0.000 ( $p < 0.01$ ) so the first hypothesis is accepted. This value indicates that there is a significant influence between the objectivity variable on the performance of the internal auditors with an effective contribution of 41.9%.

b. The results of testing the second hypothesis, the effect of independence on the performance of internal auditors obtained a regression value of 1.955 with a p value of 0.058 ( $p < 0.01$ ) so the second hypothesis was rejected. This value indicates that there is no significant influence between independence on the performance of internal auditors.

After conducting a simple linear regression analysis to prove the first and second hypotheses and to analyze the percentage influence of each independent variable on the dependent variable. The next step is to test the third hypothesis, namely using multiple linear regression analysis, the results of which can be seen in the following table:

**Table 4. Results of Multiple Linear Regression Analysis**

Value R Square	F	Value Signifikansi (p)
0,473	16,621	0,000

Based on the results of the multiple linear regression analysis above, the results obtained from the third hypothesis test between objectivity and independence variables on the performance of the internal auditor ITWASDA POLDA o North Sulawesi obtained an F value of 16.621 ( $p < 0.05$ ), so the third hypothesis is accepted, namely there is a significant influence between interest career and perceptions of career information services on career decision making.

The effective contribution of career interest and perceptions of career information services to career decision-making is 47.3% and the remaining 52.7% is influenced by other factors not examined in this study.

#### D. DISCUSSION

Based on the results of testing the hypotheses in this study, the three hypotheses were accepted. The first hypothesis is that there is a significant influence between objectivity and internal auditor performance. The second hypothesis is that there is a significant influence between independence on the performance of internal auditors. The second hypothesis is that there is a significant influence between the perception of career information services on career decision-making. The third hypothesis, there is a jointly significant effect of objectivity and independence on the performance of internal auditors.

Variable Y	Variable X	Value	
		t	p (Sig.)
Internal Audit Performance	Objectivity	4,647	0,000
	Independence	1,955	0,058

Based on the results of simple linear regression data analysis, the results will be presented as follows: The results of testing the first hypothesis, the effect of objectivity on internal audit performance at the ITWASDA POLDA North Sulawesi office obtained a

regression value of 4.647 with a p-value of 0.000 ( $p < 0.05$ ), so the hypothesis first received. This value indicates that there is a significant influence between the objectivity variable on the performance of the internal auditors with an effective contribution of 41.9%.

The first hypothesis is that there is an influence between objectivity and internal auditor performance. The higher the objectivity, the higher the performance of the internal auditors. The results showed that the value of simple regression analysis explains that objectivity has a significant influence on the performance of internal auditors with a regression analysis value of 4.647 with a p-value of 0.000 ( $p < 0.05$ ). It can be concluded that the higher the objectivity, the higher the internal auditor's performance. Conversely, the lower the objectivity value, the lower the internal auditor's performance.

### **E. Conclusion**

Based on the results of the research and discussion in this study, it can be concluded that:

1. There is a positive effect of objectivity on the performance of internal auditors. The higher the objectivity of the internal auditors, the higher the performance produced by the internal auditors. Conversely, the lower the objectivity of the internal auditors, the lower the performance produced by the internal auditors. The magnitude of the contribution of objectivity to the performance of the internal auditors is 41.9%.

2. There is no effect of independence on the performance of the internal auditors. Due to the results of testing the second hypothesis, the effect of independence on the performance of internal auditors obtained a regression value of 1.955 with a p-value of 0.058 ( $p < 0.01$ ) so the second hypothesis was rejected.

3. There is a jointly significant effect of objectivity and independence on the performance of the internal auditors. Based on the results of the multiple linear regression analysis above, the results obtained from the third hypothesis test between objectivity and independence variables on the performance of the internal auditor ITWASDA POLDA of North Sulawesi obtained an F value of 16.621 ( $p < 0.01$ ), so the third hypothesis is accepted, namely there is a significant influence between interest career and perceptions of career information services on career decision making. The effective contribution of career interest and perceptions of career information services to career decision making is 47.3% and the remaining 52.7% is influenced by other factors not examined in this study.

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