

## The Influence of Competence and Locus of Control on Government Internal Auditor Performance: The Role of Job Satisfaction

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### Abstract

*The purpose of this study was to examine and analyze the influence of competence and locus of control on the performance of government internal auditors with job satisfaction as an intervening variable. This research was explanatory research with a quantitative approach. The sample in this study were all internal auditors at the Ende Regency Inspectorate Office. The collection of data and information needed in this study was carried out by field research. The data used were primary data obtained directly from research subjects in the form of respondents' perceptions. The data collection used questionnaires, which were distributed to 37 respondents. The analytical tools used were the path analysis and mediation test with the Sobel test. The results of data testing showed that the competence had a significant positive influence on job satisfaction and internal auditor performance. Locus of control had a positive and significant impact on job satisfaction and internal auditor performance. Job satisfaction had a positive and significant influence on the performance of internal auditors and could not mediate the relationship between competence and internal auditor performance, as well as could not mediate the relationship between the locus of control and the performance of internal auditors.*

**Keywords:** competence; locus of control; job satisfaction; performance of government internal auditors.

### 1. Introduction

Currently, public confidence in the performance of government internal auditors is diminishing. It is due to the poor performance of the government's internal auditor profession in auditing financial statements (Muhammad Taufik, Hardi, & Al Azhar, 2015). As in the recent case of the sting operation (OTT) against BPK's main auditor, Rochmadi Saptogiri, by the Corruption Eradication Commission (KPK) related to the case of granting WTP Opinion to the Kemendes-PDPT (Ministry of Villages, Development of Disadvantaged Areas, and Transmigration) (Republika.co.id, 2017). The alleged practice of bribery to get a positive rating is a violation of the auditor's code of ethics and can damage the governance of state finances because the results of BPK's audit and assessment have the potential to be misleading (Metro News, 2017).

According to Sujana (2012), the Inspectorate's failure to prevent irregularities in the management of regional finances and its failure to save regional wealth from corruption reflects the Inspector's weak performance in the Regions. The weak performance of the Inspectorate and its staff in overseeing financial management in the regions cannot be separated from the individual factors of the inspectorate and its ranks as well as the environmental factors of the local government. The intended environmental factor is the system established and developed by the district concerning the functions and duties of the inspectorate as well as the regulations governing the duties and functions of the inspectorate.

Regional Inspectorate of Ende Regency had 780 (seven hundred eighty) objects of supervision with one type of activity

per auditing, consisting of 51 SKPDs, 278 Villages, 25 UPTDs, 1 RSUD, 425 State Schools (SD, SMP, SMA, and equivalent), and 2 Reports/Complaints, Monitoring, and review on request. Based on the workload calculations by Pusbin BPKP, Ende Regency Regional Inspectorate was included in the C3 group, which consisted of 4 Task Groups so that the Formation of the Functional Auditor's JFA was required as many as 52 PFA (Functional Auditor Functional Officers), plus 2 Main Expert Auditors.

However, it turned out that the addition of the number of auditors did not achieve the implementation of the supervisory work program in the Ende Regency Regional Inspectorate to be better in 2016. Based on the 2016 Government Institution Performance Report (LKjIP) of Inspectorate, it is known that the completion of the Annual Supervision Work Program (PKPT) only reached 76%, meaning that a decrease occurred, compared to the previous year, which reached 100%, as shown in the Table 1.

No.	Description	Year	
		2015	2016
1	Target of PKPT	104	120
2	Number of Auditors	9	38
3	Realization of PKPT	104	92
4	Percentage of Realization of PKPT	100%	76%

Table 1. Realization Comparison of PKPT 2015 and 2016

The implementation of the supervisory work program in the Ende Regency Regional Inspectorate was closely related to the independence and competence of the auditors. Mardiasmo