

EFFECT OF EDUCATION, TRAINING, EXPERIENCE, INDEPENDENCE AND PROFESSIONAL ATTITUDE ON THE EFFECTIVENESS OF INTERNAL AUDIT

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ABSTRACT

This study aims to analyze the effect of education, training, experience, independence and professional attitude on the effectiveness of internal audit. The object of this research is the inspectorate auditor of the Maluku Provincial Government and the Ambon City Government inspectorate auditor. Questionnaires were distributed as many as 100 research samples, 47 questionnaires were returned. Data were analyzed using Partial Least Square (PLS) with the help of SmartPLS software version 3.0. The endogenous variables in this study are the effectiveness of internal audit while the exogenous variables are education, training, experience, independence and professional attitude. The results of this study indicate that the variables of experience, independence and professional attitude have a significant positive effect on the effectiveness of internal audit. Meanwhile, education and training variables have no significant effect on the effectiveness of internal audit.

Keywords: Education, Training, Experience, Independence, Professional Attitude, Effectiveness of Internal Audit

INTRODUCTION

Diseases with economic, political, cultural, moral and even religious dimensions, which continue to undermine all aspects of people's lives today, namely the problem of corruption, collusion and nepotism (KKN) have led to increasingly intense demands for the realization of good governance in the public sector. This demand is indeed very reasonable because it wants the creation of a clean, authoritative, orderly and orderly government apparatus in carrying out its duties and functions in accordance with applicable regulations.

The demand for the realization of good governance has caused the accounting profession (especially the government's internal auditors) to be in the spotlight. Internal auditors are people or entities that carry out internal audit activities. Internal audit is an audit conducted by an audit unit which is part of a supervised organization (Mardiasmo, 2005). One of the units that carry out the internal audit function on the running of the government in Indonesia is the inspectorate. According to Ikhsan (2006), the inspectorate has the task of carrying out general supervision activities of the regional government and other tasks assigned by the regional head, so that in its duties the inspectorate is the same as the internal auditor.

The roles and functions of the Provincial, Regency/City Inspectorates are generally regulated in Article 4 of the Regulation of the Minister of Home Affairs No. 64 of 2007 concerning Organizational Technical Guidelines and Work Procedures of Provincial and Regency/Municipal Inspectorates. The article states that in order to carry out the task of supervising government affairs, the Provincial, Regency/City Inspectorate has the following functions: first, planning the supervision program; second, the formulation of policies and monitoring facilities; and third, inspection, investigation, testing and assessment of supervisory duties.

In connection with these roles and functions, the Maluku Provincial Inspectorate as regulated in Maluku Governor Regulation Number 4 of 2007 and later changed to Maluku Governor Regulation Number 24 of 2014, the Maluku Provincial Inspectorate has the task of supervising the implementation of government affairs in the province, the implementation of guidance on administration of district/city government and implementation of government affairs in district/city areas. Meanwhile, the Ambon City Inspectorate as regulated in Ambon Mayor Regulation Number 10 of 2008, has the task of assisting the Mayor in supervising the implementation of city government affairs, implementing guidance on the administration of village/state government and implementing village/state government affairs.

The organizational structure of the Provincial and City Inspectorate consists of the Inspector, Secretariat, Assistant Regional Inspector (Irban), and functional position groups. The implementation of the supervisory duties and authorities is carried out by the inspectorate apparatus who have attended the education and training for the certification of auditor positions. This education and training is carried out by the Financial and Development Supervisory Agency (BPKP) as the supervisory agency for the Functional Auditor (JFA) within the Government Internal Supervisory Apparatus (APIP).

The fulfillment of the performance achievement of the target of regular inspections and special inspections in accordance with the targets can be categorized as good and is something that is mutually expected. The supervision carried out by the internal auditor is expected to provide input to government leaders regarding the results, obstacles, and irregularities in the running of the government so that it has an impact on creating value for the performance of the Government Agencies that are supervised (Lamatenggo, Habbe, Asdar, 2012).

The description above shows that the implementation of an effective internal audit is very important, because an effective internal audit enables the achievement of objectives, creates improvement and prevention and detection of fraud. The above opinion is emphasized by Badara, (2014) that organizations that have an effective internal audit function will have a better place than organizations that do not yet have this function, specifically for fraud prevention and detection. Therefore, the effectiveness of internal audit in the government environment is something that should receive more attention for the implementation and evaluation process.

However, the phenomenon that occurs related to the implementation of an effective internal audit by the Inspectorate apparatus of both Maluku Province and Ambon City is currently felt to be very lacking, this can be explained by the findings in the Regional Government Financial Reports (LKPD) that cause regional losses. Based on the Summary of

Examination Results (IHSP) semester II of 2012, the Regional Government Financial Reports (LKPD) for Fiscal Year 2011, there are several findings. These findings include: one case that caused a loss of Rp. 68.49 million, one case that caused a loss of Rp. 65.73 million, one case caused state losses of Rp. 1,154.90 million, so the total number of cases with a value of Rp. 1,289.12 million.

Furthermore, the Ambon City Local Government Financial Report (LKPD) for the 2011 fiscal year, found 11 cases of losses with a value of Rp. 2,325.31 million, also 1 case of potential loss with a value of Rp. 82.40 million, and 1 case of lack of receipts with a value of Rp. 45.01 million so that the total number of cases is 13 cases with a value of Rp. 2,452.72 million. In addition, there are also many audit findings that are not detected by the inspectorate apparatus as internal auditors.

The reality shows the weak supervision of regional financial management and the ineffectiveness of the government's internal auditor on duty. These findings can actually be avoided when the internal audit supervisory function in this case the Regional Inspectorate is able to provide an optimal role in contributing to the government.

Furthermore, to be able to assess whether the effectiveness of internal audit has been carried out adequately, many factors can be used. This is in line with the opinion of Al-Twajjry et al., (2003) which states that the level of effectiveness of internal audit in organizations, countries and local governments will tend to vary. The main focus of this research is to examine and measure the influence of factors, including: education, training, experience, independence, professional attitude on the effectiveness of internal audit.

Education, according to Ranupandojo (1996) education is an activity to increase a person's general knowledge including increasing mastery of theory and skills to decide issues related to activities to achieve goals. According to Widayarsi (2010), an auditor with a high education will be more motivated to do a better job, achieve better performance, achieve higher job satisfaction and have a higher moral responsibility towards his profession so that the auditor will try to be more productive. and try harder so that the goals of the organization can be achieved. This is in line with the opinion of Ratliff (1996) that in order for the implementation of internal audit to be adequate, the internal auditor must have a high level of education.

Furthermore, training helps employees understand practical knowledge and its application, in order to improve the skills, skills and attitudes needed in the organization to achieve its goals. Albrecht et al., (1988) also stated that adequate training for employees in a department will increase the effectiveness of the department itself. According to Ratliff, (1996) in carrying out an audit so that the implementation of an internal audit is adequate, an internal auditor must have sufficient training.

In addition to the education and training of the auditors, experience is also an important factor that needs to be considered in the effectiveness of internal audit. This is in line with the general standards of the APIP PERMENPAN Auditing Standard (2008) which states that an audit can be carried out by someone who has more ability both in theory and practice in the field of auditing/auditing. Because according to Gaballa and Ning, 2011; Libby and Frederick, 1990; Cohen and Kida, 1989; Intakhan and Ussahawanitchakit, 2010 who both state that when the

auditor has experience, it is an indication that; the auditor knows more about the error; have more accurate knowledge of errors; and the cause of the error itself.

Auditor independence is also the main driver of internal audit effectiveness. The Institute of Internal Auditors through the Research Foundation (2014), states that independence is one of the key elements of the effectiveness of internal audit in the private sector and in the public sector. Independence is the attitude of a person to act honestly, impartially, responsibly and report findings only based on the available evidence, so that independence allows internal auditors to provide various assessments as they are, without prejudice and partiality to either party and this is very important for implementation. proper inspection.

A professional attitude is not enough to just "be able to do" but also have the ability to "solve problems" (trouble shooting) in their field. This enables the auditor to quickly and deftly develop and demonstrate new and different working knowledge in relation to issues, people and work situations as well as the execution of audit assignments performed.

Previous research on the effectiveness of internal audit was mostly conducted in the realm of private organizations which are profit-oriented organizations. However, there are also studies that have been conducted related to internal audit in the public sector, for example: Ahmad, et al., (2009) conducted in the public sector in Malaysia, namely in government agencies, both central and regional, showing that there are factors factors that influence internal audit in public sector institutions, both personal and organizational factors. Alzeban (2012), which was conducted on Saudi Arabian public sector organizations, by looking at the perceptions of managers and internal auditors on the factors that affect the effectiveness of internal audit. Badara and Saidin (2014), based on the perspective of Nigeria, also show evidence of factors that influence the effectiveness of internal audit. These studies provide knowledge about various factors that can affect the internal audit function in public sector institutions.

Meanwhile, in Indonesia, not too many similar studies have been carried out, for example: Judhistira (2014), Rendro (2011), but none of these studies directly measure the factors that influence the effectiveness of internal audit. Therefore, it is felt that it is very important to conduct research on the factors that influence the effectiveness of internal audit for the Indonesian context, specifically in the local government organizational environment.

Through this study, the researcher formulated 5 problems, including: (1) Does education affect the effectiveness of internal audit? (2) Does training affect the effectiveness of internal audit? (3) Does experience affect the effectiveness of internal audit? (4) Does independence affect the effectiveness of internal audit? and (5) Does professional attitude affect the effectiveness of internal audit? The research objectives include measuring, analyzing and providing empirical evidence of the effect of: (1) education on the effectiveness of internal audit; (2) training on the effectiveness of internal audit; (3) experience on the effectiveness of internal audit; (4) independence on the effectiveness of internal audit; and a professional attitude towards the effectiveness of internal audit.

THEORETICAL FRAMEWORK

Social Cognitive Theory

Social cognitive theory (social cognitive theory) was first introduced by Albert Bandura (1986), a psychologist from Stanford University. This theory is based on the proposition that both social and cognitive processes are central to the understanding of human motivation, emotion and action. Using a behavioral and social learning framework, Bandura (1998) introduces this theory which recognizes aspects of cognitive and social assessment. In this theory, Bandura seeks to combine the origins of human thought and action (what individuals learn to become part of society), and cognitive processes for human motivation, attitudes and actions (what individuals recognize is the influence of the contribution of thought processes) (Stajkovic and Luthans, 1998).

Social cognitive theory (Bandura, 1982; 1986) is a theory that proposes the premise that environmental influences such as (social pressure or characteristics of special situations), personal factors (cognitive), and behavior are mutually influencing each other. This theory views that humans are not driven by internal forces or are formed and controlled automatically by external stimuli but are human functioning.

The reciprocal cause-and-effect relationship (P) – (B) reflects the interaction between thought, effect and action. Expectations, beliefs, self-perceptions, goals and intentions give shape and direction to behavior. What people think, believe, and feel influences how they behave (Bandura, 1986; Bower, 1975; Neisser, 1976). The natural and extrinsic effects of actions, in turn, determine patterns of thought and emotional reactions. Personal factors also include the nature of the biological organism. Physical structures and nervous and sensory systems influence behavior and impose limits on abilities. Sensory systems and brain structures, in turn, are modified by behavioral experience (Greenough, Black, and Wallace, 1987).

In the reciprocal causal relationship (E) – (P) relates to the interactive relationship between personal characteristics and environmental influences. Human expectations, beliefs, emotional determination and cognitive competencies are developed and modified by social influences that convey information and activate emotional reactions through modeling, instruction and social persuasion (Bandura, 1986). People also elicit different reactions from the social environment through physical characteristics, such as age, size, race, gender, and physical attractiveness, regardless of what they say and do (Lerner, 1982). People also activate different social reactions depending on their given role and social status. So, with social status and observed characteristics people can influence the social environment before they say or do something. Social reactions also influence accepted conceptions of self and others (experience) in the best way that reinforces or changes environmental biases (Snyder, 1981).

Furthermore, the causal relationship (B) – (E) is a two-way influence between behavior and the environment. According to Bandura (1986) that in everyday transactions, living behavior changes environmental conditions and, in turn, behavior is changed by environmental conditions created. The environment is not a fixed entity that definitely disturbs the individual. Aspects of the potential environment into the actual environment depends on how the individual behaves.

Dittenhofer, (2001) states that an effective internal audit is considered as an instrument to improve the government structure because it has an important role in assessing the effectiveness of an organization's control measures, therefore Al-Shetwi1, et al., (2011) together The same concludes that an effective internal audit function can easily increase the effectiveness of an organization's operations and thereby add value to the organization effectively. Another study by Radu, (2012) Omar et al., (2012) Corama and Moroney, (2006) also similarly states that organizations that have an effective internal audit function will have a better place than organizations that do not yet have an effective internal audit function. This function is specifically in terms of fraud prevention and detection. This shows that an effective internal audit is very important.

Internal Audit Effectiveness

Effectiveness according to different researchers, for example Arena and Azzone (2009) define effectiveness as the ability to get results that are consistent with objective targets, while according to Dittenhofer (2001) effectiveness as the ability to achieve goals and objectives. Effectiveness can also be interpreted as a measurement of success in achieving predetermined goals. Effectiveness is the main element to achieve the goals or objectives that have been determined in each organization. Effectiveness is also called effective, if the achievement of predetermined goals or objectives.

The Institute of Internal Auditors defines internal audit effectiveness “as the level (including quality) to which goal setting can be achieved. This means that the effectiveness of internal audit is the ability of the internal auditors to achieve the goals set in the organization. Thus, the objectives must be set comprehensively, accompanied by the adequacy of the resources provided by the organization to achieve the objective needs.

In the effectiveness of internal audit, a program can be said to be effective if the results are in line with its objectives (Ahmad et al., 2009; Mihret et al., 2010). In relation to the achievement of objectives, according to Pungas (2003), the effectiveness of internal audit means the ability of internal auditors to achieve the goals set through the internal audit function in local governments. According to Al-Twajry et al., (2003), the purpose of the internal audit of each organization depends on the goals set by the organization's management. Thus, the objectives of internal audits in local government should also be in line with the objectives set by the management board.

Education

According to Djoyonegoro (2000:36) the notion of education is knowledge possessed by a person based on the level of education he has, which comes from known scientific disciplines, which form a comprehensive knowledge insight in shaping attitudes and character in achieving the desired goals. According to Hasan (2003: 12) the importance of education in improving human resources is very necessary. Given that education contributes to organizational empowerment or community empowerment. Education is inseparable from four variables, namely the level of education observed, the insight that increases due to studying through

education, the formation of character as a philosophy possessed by educated people. The description above shows that education will shape and increase one's knowledge to be able to do things more quickly and precisely. In connection with the opinions of the experts mentioned above, the education/knowledge possessed by the Maluku Provincial Inspectorate Supervisory Apparatus is an absolute requirement in carrying out their work activities.

Training

According to Mathis (2002: 5), training is a process where people achieve certain abilities to help achieve organizational goals and is part of education that involves the learning process to acquire and improve skills outside the applicable education system in a relatively short time with the method which prioritizes practice over theory. Therefore, this process is filled with various organizational goals, training can be viewed narrowly or broadly. On a limited basis, training provides employees with employee-specific and recognizable knowledge that is used in the current job.

The main reason for any organization to carry out training is to ensure that the organization gets the best return on the capital invested in the most important resource, namely its employees. Therefore, the purpose of the training is to change work behavior and employee loyalty, so that employees are able to perform optimally, so as to increase employee productivity through efficiency, effectiveness and work quality.

Experience

Experience according to the Big Indonesian Dictionary (2002) is something that has been experienced, lived, felt, borne and so on. While Loehoer, (2002:2) defines experience as a combined accumulation of all that is obtained through dealing and interacting repeatedly with fellow natural objects, circumstances, ideas, and sensing. Another opinion also provides a definition, experience as a process of learning and increasing the potential for behavior development from both formal and non-formal education or can be interpreted as a process that leads a person to a higher pattern of behavior. A learning also includes a relatively appropriate change of behavior resulting from experience, understanding and practice (Knoers and Haditono, 1999).

Purnamasari (2005) concludes that an employee who has high work experience will have advantages in several ways including: (1) detecting errors; (2) understand the error; and (3) find the cause of the error. These advantages are beneficial for skill development. Various kinds of experiences that individuals have will affect the implementation of a task. An experienced person has a more detailed, complete and sophisticated way of thinking than someone who is not experienced (Taylor and Tood, 1995). A person's work experience shows the types of work that a person has done and provides a great opportunity for someone to do a better job. The wider a person's work experience, the more skilled they are at doing the work and the more perfect the pattern of thinking and attitude in acting to achieve the goals that have been set (Puspaningsih, 2004). Work experience can deepen and broaden work skills. The more often a person does the same job, the more skilled he is and the faster he gets the job done. The more kinds of work a

person does, the richer and wider his work experience will be, and it allows for increased performance (Simanjuntak, 2005).

The auditor's knowledge of auditing will grow with increasing work experience. Work experience will increase along with the increasing complexity of work. In the opinion of Tubbs (1992) in Noviyani (2002:483) if an auditor is experienced, then the auditor (1) becomes aware of many errors, (2) has fewer misunderstandings about errors, (3) becomes aware of errors that occur. unusual, and (4) matters related to the cause of the error of the department where the error and violation occurred and the purpose of internal control became relatively more prominent.

Independence

Arens, et al., (2000) defines independence in auditing as "The use of an unbiased perspective, both in the implementation of audit tests, evaluating the results of these tests, and reporting audit findings". Another opinion by Mulyadi (1992) defines independence as "a state of being free from influence, not controlled by other parties, not dependent on others" and an independent public accountant must be a public accountant who is not influenced and not influenced by various forces that come from outside himself. the auditor in considering the facts found in the examination.

An auditor must have independence in conducting an audit in order to provide an opinion or conclusion as is without any influence from interested parties (BPKP, 1998). The second general statement of the State Financial Auditing Standard (SPKN) is that in all matters relating to audit work, the organization of the examiner and examiner must be free in mental attitude and appearance from personal, external, and organizational disturbances that may affect their independence.

Based on the statement of general standards, the audit organization and its examiners are responsible for maintaining their independence in such a way that the opinions, conclusions, considerations or recommendations from the results of the audits carried out are deemed impartial by any party. The SPKN details three types of interference with independence:

1. Personal annoyance

Is a disorder of independence originating from the examiner concerned. This disorder can be influenced by family relationships, work experience, and certain interests between the examiner and the entity being examined (Par 19 PSP 01).

2. External disturbance

Is a disorder of independence experienced by the examiner and or the examining organization originating from an external auditor organization (Par 23 PSP 01).

3. Organizational disruption

Is a disorder of independence that is influenced by the position, function and organizational structure of the examiner (Par 25-25 PSP 01).

Independence is an absolute requirement that must be met by the examiner. Independence greatly determines the credibility of the examiner and the audit report produced by the examiner.

The examiner must indeed have the ability and expertise in accordance with the field needed to examine, but if the examiner is not independent, then how great the report on the results of the examination is, in the end users of the report will still doubt the credibility of the report (SPKN, 2008: 18).

Professional Attitude

Arifin Lubis (2009) states that professional attitudes are specific abilities and expertise in certain fields that a person has chosen. A professional attitude is not enough to just "be able to do" but also have the ability to "solve problems" (trouble shooting) in their field. This allows the auditor to quickly and deftly develop and demonstrate new and different working knowledge in relation to issues, people, work situations in carrying out audit assignments.

Indicators that can be used to measure the professional attitude of the inspectorate apparatus (investigators) are:

1. *Skills and expertise*

Examiners are also required to be able to use their professional skills carefully and thoroughly (due professional care). This is very important because basically the job of the examiner is to assess the work of others. For this reason, in order to be able to provide an accurate assessment, the examiner must work carefully and thoroughly (SPKN, 2008:20). The examiner's accuracy and thoroughness in carrying out the examination includes the principles of public service, determining the type, method and scope of the examination, the application of professional skepticism, the examiner's attitude towards the honesty of the party being examined, and the application of audit standards (Par 28-32 PSP 01).

2. *Social Skills (Relationship)*

In government, especially in the field of supervision and inspection, the ability to build relationships (socialize) with other people will determine the success of performance. No wonder a number of scientific studies conclude that 85% of the keys to success are determined not from technical expertise/skills but rather from proficiency in establishing good relationships with other people. If you want to be a professional at work, whatever your goals and fields you choose, it has become a demand to be able to establish good relationships with many people from various circles. Because society may still be able to accept people who do not have special skills but they find it difficult to accept people who cannot relate well to other people. How far and deep a relationship can be established is determined by communication. A professional must be able to communicate something clearly and right on target.

Research Hypothesis:

H1: Education has a positive effect on the Effectiveness of Internal Audit

H2: Training has a positive effect on the Effectiveness of Internal Audit

H3: Experience has a positive effect on the Effectiveness of Internal Audit

H4: Independence has a positive effect on the Effectiveness of Internal Audit

H5: Professionalism has a positive effect on Internal Audit Effectiveness

METHOD

The scope of research

This research is a causal research, which is the type of research to identify the cause and effect relationship between the variables studied based on the hypothesis testing that has been formulated previously. So in this study, researchers look for the actual type of facts to help understand and predict the relationship, then develop a research model that aims to test research hypotheses according to the existing model. Based on the research model that has been developed, it is hoped that it will explain the relationship between variables as well as create an implication that can be used for forecasting or prediction. Therefore, based on this, this study uses a quantitative approach.

Population, Sample and Sampling Technique

The population in this study were all local government auditors at the Inspectorate of Maluku Province and Ambon City, which amounted to 100 people. Due to the relatively small population, the samples taken in this study were all auditors at the Inspectorate of Maluku Province and Ambon City. The sample selection technique in this study uses a non-probability sampling method with a saturated sampling technique or better known as the census technique.

Data source

The type of data in this study is quantitative data. Quantitative data is numerical research data that can be counted. Based on the source, the data used in this study is primary data, namely data obtained directly from the original source and not through intermediary media (Sugiyono, 2004). The data was obtained from the respondents' answers, namely the answers to a series of questionnaire questions posed by researchers regarding the factors that affect the effectiveness of internal audit.

Data collection technique

This study uses a questionnaire as a tool for data collection. The questionnaire contains the background regarding the characteristics of the respondents as general information about the respondents and questions concerning each variable studied. The questions and statements in the questionnaire are related to education, training, experience, independence and professional attitude.

Each variable that is formed cannot be measured directly or is called a latent variable or construct (unobserved variable) (Ghozali, 2011:47). In measuring the construct that can be measured is the indicator through the question items in the questionnaire. The question indicators

in this research questionnaire are taken from several previous studies that are in accordance with the variables to be tested.

Research Variables and Operational Definitions of Variables

Tabel 1. Variabel dan Definisi Operasioal Variabel

Variable	Definition	Dimension	Scala
Internal Audit Effectiveness	The ability of internal auditors to achieve the objectives set through the internal audit function of local governments.	Planing Implementation Report Evaluation Recomendation	Likert Scala
Education	The knowledge possessed by an auditor is based on the level of education possessed, which comes from scientific disciplines, which form a comprehensive knowledge insight in shaping attitudes and characters to achieve the desired goals.	Education Level Compatibility	Likert Scala
Training	An activity to assist employees in understanding a practical knowledge and its application, in order to improve the skills, skills and attitudes needed by the organization to achieve its goals.	Training Materials Training Types Training Frequency	Likert Scala
Experience	The level of mastery and understanding of the auditor's work on the assigned tasks.	the length of time someone has worked as an auditor the number of audit assignments that exist	Likert Scala
Independence	The examiner is free from intervention and has the support of the highest leadership; have a neutral and unbiased attitude; can avoid conflicts of interest in planning, implementing and reporting audit results	Personal annoyance External disturbance	Likert Scala
Professional Attitude	The auditor's specific abilities and expertise in certain areas are shown by attitude	skills and expertise in the field social skills of the Inspectorate apparatus	Likert Scala

Methods of Data Analysis and Hypothesis Testing

Structural Equation Model (SEM) Analysis

The hypothesis in this study was tested using the SEM analysis method. This method of analysis is one type of multivariate analysis in the social sciences. Multivariate analysis is the application of statistical methods to analyze several research variables simultaneously or simultaneously. (Sholihin and Ratmono, 2013). Furthermore, the purpose of this multivariate analysis is to confirm (primarily confirmatory). This analysis is used to test hypotheses that will

be developed based on existing theories and concepts. In addition, SEM is also able to analyze variables that cannot be measured directly (unobserved variables) and can take into account the measurement error (Ghozali, 2011). Variables that cannot be measured directly in SEM terminology are called latent variables or constructs but can be measured by indicators or manifests. In addition, it does not require a large sample size, can estimate complex models with several latent and manifest variables, does not require normality, is suitable for prediction-oriented research, and can handle reflective and formative indicators, as well as measurement models.

Latent variables are divided into two, namely: (1) exogenous, this variable value is determined by other variables outside the model and (2) endogenous, this variable value is determined by variables by other variables in the model. Exogenous variables in this study consisted of education, training, experience, independence and professional attitude. While the endogenous variable in this study is the effectiveness of internal audit.

Testing and proving the hypothesis in this study is related to the presence or absence of the influence of exogenous variables on endogenous variables. Hypothesis testing to be carried out is testing the null hypothesis (H_0) which states that the correlation coefficient is not significant or significant, while the alternative hypothesis (H_a) states that the correlation coefficient is significant or significant.

Reliability Test

The reliability test aims to find out the results of the measurements made are consistent if measurements are made using the same measuring instrument (Ghozali and Latan, 2012). An instrument will produce a consistent measure at different times even though the instrument is used repeatedly in measuring an instrument, thereby indicating that the instrument meets the reliability requirements.

According to Ghozali and Latan (2012) in PLS-SEM using SmartPLS, to measure the reliability of a construct can be done in two ways, namely Cronbach's Alpha and Composite Reliability. The use of Cronbach's Alpha in testing the reliability of the construct will give a lower value (under estimate) so it is more advisable to use Composite Reliability in testing the reliability of a construct.

Validity test

The validity test aims to determine whether each measuring instrument in the research variable is valid or not. A valid instrument shows that the instrument is able to measure what is being measured (Ghozali, 2011). Latan and Ghozali, (2012) explain that validity consists of external validity which shows the results of a study are valid so that they can be generalized to all different objects, situations and times and internal validity which shows the ability of research instruments to measure what should be measured from a concept. The validity test with the SamrtPLS program is known with a loading factor value > 0.7 for confirmatory research, while a value > 0.6 is still acceptable in exploratory research with an average variance extracted (AVE) value > 0.5 .

Model Conceptualization

Conceptualization of theory-based models, this stage is the development of hypotheses based on theory as a basis for connecting the variables that are connected based on the indicators. The conceptualization of this model must be able to reflect the measurement of latent variables through measurable indicators.

Forming a Flowchart

The framework model that has been built is then transformed into a path diagram to describe the relationship of the constructs. In this study, there are five exogenous variables, namely: education, training, experience, independence and professional attitude while for the endogenous construct is the effectiveness of internal audit.

The theoretical model that has been built will be described in a path diagram, which will make it easier to see the effect you want to test. In the path diagram, the influence between constructs will be represented by arrows. Straight arrows indicate a direct influence between one construct with another construct.

The indicators used in the research are all reflective. The reflexive indicator model was developed based on classical test theory which assumes that the variation in construct measurement scores is a function of the true score plus error. So the latent construct affects the measurement variation and the assumption of a causal relationship from the latent construct to the indicator

According to Fornell and Bookstein (1982) that constructs such as "personality" or "attitude" are generally seen as factors that give rise to something we observe so that the indicators are reflective. The following is a table that will explain the indicators in a construct (shown in table 3.2).

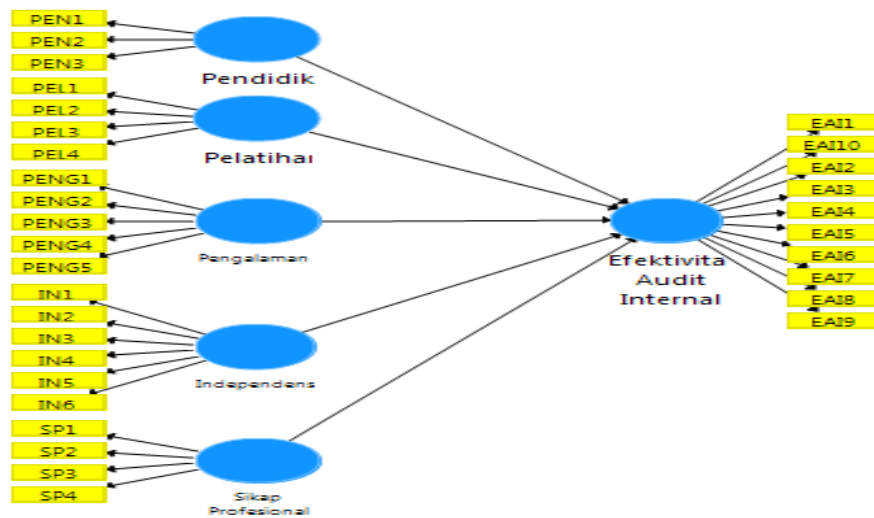


Figure 3. Flowchart

Outer Model (Outer relation or measurement model)

Outer Model is the stage of defining how each indicator block of each variable relates to its latent variable. Blocks with reflective indicators can be written as follows:

$$\text{Exogenous latent variable : } x = x\xi + x$$

$$\text{Endogenous latent variable : } y = y\eta + y$$

Where x and y are indicators for exogenous (ξ) and endogenous (η) latent variables. Meanwhile, x and y are loading matrices that describe a simple regression coefficient that relates the latent variable to the indicator. Residuals measured by x and y can be interpreted as measurement error or noise.

Combined loadings and Cross – Loadings

The PLS evaluation model is based on non-parametric predictive measurements. The measurement of the outer model with reflective indicators is evaluated with convergent or discriminant validity of the indicator and composite reliability for the indicator block.

Dimana η menggambarkan vektor variabel endogen (dependen), ξ adalah vektor variabel laten eksogen dan ζ adalah vektor residual (unexplained variance). Oleh karena PLS didesain untuk model rekursif, maka hubungan antar variabel laten, berlaku bahwa setiap variabel laten dependen, atau sering disebut causal chain system dari variabel laten dapat dispesifikasikan sebagai berikut:

Latent Variable Coefficients

In SmartPLS Latent Variable Coefficients analysis shows the estimation results, among others:

1. The coefficient of determination uses R-squared which shows what percentage of the variance of the endogenous/criterone construct can be explained by the construct that is hypothesized to affect it (exogenous/predictor). The higher the R-squared indicates a good model. R-squared only exists for endogenous constructs;
2. Q-squared (Stoner-Giesser Coefficient) is a nonparametric measure obtained through a blindfolding algorithm. Q-squared is used to assess the predictive validity or relevance of a set of predictor latent variables on the criterion variable. Models with predictive validity must have a Q-squared value greater than zero (0);
3. Full Collinearity VIF is the result of full collinearity testing which includes vertical and lateral multicollinearity. Vertical or classical collinearity is the collinearity between predictor variables in the same block. Lateral collinearity is the collinearity between predictor latent variables and criteria. The criteria for the full collinearity test is that the value must be lower than 3.3.

Inner Model (Inner relation or structural model or substantive theory)

Inner Model describes the relationship between latent variables based on substantive theory, with the equation model can be written as below:

$$\text{Equation model: } = +\Gamma\xi + \zeta$$

$$\text{Equation Model: } j = i j i + i j b + j$$

Where γ_i and γ_j are path coefficients connecting endogenous predictors and exogenous latent variables and along the index range i and b and j is the inner residual variable. The magnitude of the p value in the index range is the basis of the significance of the relationship between exogenous and endogenous latent variables where $p\text{-value} > 0.05$ is said to be insignificant, and $p\text{-value} < 0.05$ is said to be significant. The p value is used in accepting and rejecting the hypothesis, the real rate is $p\text{ value} > 0.05$ then the hypothesis is rejected while $p\text{ value} < 0.05$ then the hypothesis is accepted. (Latan and Ghozali, 2012).

Hypothesis test

To test the hypothesis regarding causality developed in this model, the amount of p value in the index range is the basis of the significance of the relationship between exogenous and endogenous latent variables where $p\text{-value} > 0.05$ is said to be insignificant, and $p\text{-value} < 0.05$ is said to be significant. The p value is used in accepting and rejecting the hypothesis, the real rate $p\text{ value} > 0.05$ then the hypothesis is rejected while the $p\text{ value} < 0.05$ then the hypothesis is accepted. (Latan and Ghozali, 2012).

DISCUSSION

The Effect of Education on the Effectiveness of Internal Audit

The results of statistical testing of educational variables on the effectiveness of internal audit variables show that there is no positive relationship with the coefficient value of 0.103. P -values of 0.323 are greater than 0.05 and t -statistics of 0.996 are smaller than 1.96. Thus, the first hypothesis (H1) in this study was rejected. These results indicate that education which is defined as the knowledge possessed by an auditor based on the level of education possessed, which comes from scientific disciplines, which forms a comprehensive knowledge insight in shaping attitudes and characters to achieve the desired goals, does not necessarily affect the effectiveness of internal audit. .

Furthermore, the results of this study do not support one of the assumptions of the social cognitive theory proposed by Albert Bandura (1986). One of the main assumptions states that environmental (E)-personal (P) causal or reciprocal relationships relate to interactive relationships between personal characteristics and environmental influences. The results of this study can be understood that education which is a person's level of education, be it a bachelor's degree (S1), second degree (S2), or third degree (S3) cannot guarantee that the practice of implementing audit examinations can effectively be achieved, without the support of the following factors: other factors such as training, experience and so on.

Pengaruh Pelatihan terhadap Efektivitas Audit Internal

The results of statistical testing of training variables on the effectiveness of internal audit show that the coefficient value is 0.183, p -values are 0.242 greater than 0.05 and t -statistics is 1.171 less than 1.96. This shows that training has no significant effect on the effectiveness of internal audit or in other words H2 is rejected. These results indicate that training which is defined as training which is defined as an activity to assist employees in understanding a practical knowledge and its application, in order to improve the skills, skills and attitudes needed

by the organization to achieve its goals, does not necessarily affect the effectiveness of internal audit.

The results of this study can be understood that training which is an activity to assist employees in understanding practical knowledge and its application, in order to improve the skills, skills and attitudes needed by the organization to achieve its goals cannot guarantee the practice of implementing audit audits effectively can be achieved. Based on the respondent's profile, the training attended by the auditors in the last two years is divided into three categories: 1) 1-5 times, 2) 6-10 times and 3) >10 times. The calculation results show that most of the auditors, which amounted to 47 people (87.2%), had the amount of training in the last two years of 1-5 times, this indicates that the amount of training for auditors who have been followed is felt to be very minimal or not enough.

The Effect of Experience on the Effectiveness of Internal Audit

The results of statistical testing of the experience variable on the effectiveness of internal audit show that the coefficient value is 0.269, the p-values are 0.028 less than 0.05, this result is supported by the t-statistics value of 2.203 and greater than 1.96. This shows that experience has a significant effect on the effectiveness of internal audit or in other words H3 is accepted. These results indicate that experience, which is defined as the level of mastery and understanding of the auditor's work on the assigned tasks, has an impact on the higher effectiveness of internal audit. On the other hand, if the experience of the auditor is felt to be lacking, the effectiveness of the internal audit will decrease.

The results of this study are in accordance with research conducted by Badara and Saidin (2014) which states that audit experience has a significant positive effect on the effectiveness of internal audit. Auditors who have experience or high flying hours, both in terms of length of work or the large number of examinations carried out will find it easier to carry out their duties. In this case the auditor will easily complete his work quickly and well. In addition, the auditor will find it easier to detect existing errors.

Most of the auditors of the Maluku Province Inspectorate and Ambon City Inspectorate already have sufficient experience in terms of time and work. On average, respondents have worked as auditors for more than 5 years at the Maluku Provincial Inspectorate and Ambon City Inspectorate. Of course, this will make it easier for auditors to realize the effectiveness of internal audits.

The Effect of Independence on the Effectiveness of Internal Audit

The results of statistical testing of independence variables on the effectiveness of internal audit show that the coefficient value is 0.313, p-values are 0.022 less than 0.05, this result is supported by the t-statistics value of 2.294 and greater than 1.96. This shows that experience has a significant effect on the effectiveness of internal audit or in other words H4 is accepted.

These results indicate that independence is defined as the attitude of the examiner who is free from intervention and has the support of the highest leadership; have a neutral and unbiased attitude; can avoid conflicts of interest in planning, implementing and reporting audit results, resulting in higher internal audit effectiveness. On the other hand, if the independence attitude of the auditor is felt to be lacking, the effectiveness of internal audit will decrease.

The results of this study support the research conducted by Baharud-din, Shokiyah, and Ibrahim, (2014) on Factors that Contribute to the Effectiveness of Internal Audit in the Public Sector. However, the results of this study also do not support the results of research by Shewamene (2014), regarding Determinants of internal audit effectiveness in the public sector, case study in selected ethiopian public sector offices.

The Effect of Professional Attitude on the Effectiveness of Internal Audit

The results of statistical testing of the professional attitude variable on the effectiveness of internal audit show that the coefficient value is 0.270, the p-values are 0.010 less than 0.05, this result is supported by the t-statistics value of 2.203 and greater than 1.96. This shows that professional attitude has a significant effect on the effectiveness of internal audit or in other words H5 is accepted.

These results indicate that professional attitude, which is defined as the auditor's specific abilities and expertise in certain areas indicated by attitude, has an impact on the higher effectiveness of internal audit. On the other hand, if the auditor's professional attitude is felt to be lacking, the effectiveness of internal audit will decrease.

CONCLUSION

Based on the results of data analysis and discussion that has been described, there are several conclusions raised in this study, including:

1. Education has no significant effect on the effectiveness of internal audit;
2. Training has no significant effect on the effectiveness of internal audit;
3. Experience has a significant effect on the effectiveness of internal audit;
4. Independence has a significant effect on the effectiveness of internal audit;
5. Professional attitude has a significant effect on the effectiveness of internal audit.

Furthermore, based on the results of the research that has been carried out, suggestions that can be given for consideration and guidance as well as input for conducting further research include:

1. Future research should increase the sample by expanding observations in several districts/cities in the Maluku Provincial Government, in order to be able to show good analysis results so that later they can be generalized;
2. Future research should add and even use other variables such as competence, effectiveness of internal control, risk management, management support and an effective internal control system, to obtain new findings that are more useful in developing knowledge.

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