



THE EFFECT OF SELF EFFICACY AND PROFESSIONAL DEVELOPMENT ON THE WORK QUALITY OF INTERNAL AUDITOR

Erlina and Iskandar Muda

Universitas Sumatera Utara, Medan, Indonesia

Correspondence Author : erlina@usu.ac.id

ABSTRACT

The quality of the internal audit is considered to be relatively low, as seen from many findings of the Audit Board of the Republic of Indonesia while reviewing the financial statements of local government. The results of research conducted on 4 local governments showed that self-efficacy and professional development have great effect on the quality of work. Low self efficacy results in the low confidence of the auditors so that the results of their work are also less maximum. Internal auditors hope that they are always given in-house training and discussion opportunities with colleagues for information and knowledge sharing.

Keywords: Maturity Level, Self Efficacy, Professional Development, Internal Audit Quality.

Cite this Article: Erlina and Iskandar Muda, The Effect of Self Efficacy and Professional Development on the Work Quality of Internal Auditor, International Journal of Civil Engineering and Technology, 9(5), 2018, pp. 1292–1304.

<http://www.iaeme.com/IJCIET/issues.asp?JType=IJCIET&VType=9&IType=5>

1. INTRODUCTION

The quality of internal auditors of local government is currently in the spotlight of various parties. There are many findings obtained by the Audit Board of the Republic of Indonesia (BPK RI) when conducting audit that showed that the quality of audits conducted by internal auditors, in this case the local government inspectorate are inadequate. Concerning this condition, President Joko Widodo hopes that by 2019 all APIP in the Local Government Environment will have a maturity level 3. The improvement of APIP's capability towards level 3 is quite hard because there are many APIP that have maturity level 1 currently. There is a need to find solutions for improving the capability value to level 2 fully in 2017, and level 3 fully in 2019. The main and strategic issue arising from the Inspectorate in the Regency/Municipal Environments as the efforts to improve the value of APIP's capability is the difficulty of improving the values of some elements of the Internal Auditor Capability Model (IACM) tools, particularly the role and service elements, as well as the professional practice element which is the field of auditors and part of APIP management. The problem that arises is the phenomenon of an approach that prioritizes the quantity of planning in the

form of annual supervisory work program (PKPT), rather than the quality of the supervisory program itself, which is the direction of local government management to expand the scope of supervision by slightly ignoring the capacity of the resources of the inspectorate indirectly, both in terms of the amount of human resources, time, and audit techniques that are still below the standards.

The technical implementation of the supervision should also be changed to be more focused, according to audit standards, and having integrated conclusions, so that the efficiency of the use of internal auditor resources and quality of supervision can be further improved and can provide added value for Local Government as reflected in the achievement of visions and missions of the Head of Region. With the better macro planning and technical implementation of the supervision, the achievement of level 2 fully in 2017 and level 3 in 2019 on APIP capability is not only a dream. Factors that can improve audit quality include (1) intensive training (Knechel *et al.*, 2013; Dalimunthe *et al.*, 2017; Nurlina & Muda, 2017; Hutagalung *et al.*, 2017; Erlina *et al.*, 2017a & 2017b & Pohan *et al.*, 2018); (2) audit specialization and error detection, procedural analysis, audit risk evaluation, and internal control deficiency findings (Stephens, 2011), (3) knowledge and skills in making professional decisions (Knechel 2010; Bobek *et al.*, 2012); and (4) auditors' professionalism (Nagy 2012). Specialization becomes more important in the current auditing environment, and the characteristics of the audit team have evolved into one of the important factors for audit quality. In today's dynamic and demanding economic environment, professional auditors need to maintain their competencies and knowledge of current developments in order to act with sufficient skills. Professional Development enables professional auditors to develop and maintain their capability to always perform competently in a professional environment (Badara *et al.* 2013; Sihombing *et al.*, 2017; Sadalia *et al.*, 2017; Muda *et al.*, 2017; Sirojuzilam *et al.*, 2018 & Nasution *et al.*, 2018). This study wanted to see and analyze what factors that will have some effect on the quality/capability of internal auditors. Based on the temporary observation, internal auditors in the local government environment have less improvement on their *self efficacy* and professional development so that they cannot perform competently at work.

2. LITERATURE REVIEW

2.1. Audit Quality

Audit quality is the attitude of the auditor in performing his duty as reflected in the results of his examination which should be reliable in accordance with applicable standards. The results of the audit on the implementation of local financial management are said to be qualified if the results can increase the weight of accountability and can provide evidence whether there is any deviation from auditing standards in the government sector or not. Elfarini (2007) states that the measurement of the audit quality is centered on auditor performance and compliance with the outlined standards.

Bierstaker (2001) defines audit quality as an ability that can be provided by the auditor in (a) finding any violation in the client's accounting system and (b) reporting the violation. Some experts emphasize that, for auditors, audit quality implies that the audit has been conducted in accordance with the methodology or guidelines established by the audit authority. As for audit authorities, audit quality means that audit reports can respond to challenges in court (Knechel *et al.*, 2013). In order to measure the quality of internal audits conducted by the Inspectorate, this study used the audit standard of the Government Internal Supervisory Apparatus (APIP), namely the Regulation of the Minister of Administrative Reform Number PER/05/M.PAN/03/2008 on Audit Standards of the Government Internal

Supervisory Apparatus as seen from the standards of implementation and reporting. The standards of implementation describe the nature of auditing activities and provide a framework for carrying out and managing audit work by the auditors. In the APIP's audit standards, the audit report (LHA) is the final result of the assessment process which is useful for communicating the results of the assessment to the auditee and other authorized parties based on the legislation, avoiding misunderstanding on the audit results, being the materials to take corrective action for the auditee and relevant agencies and facilitating the follow-up monitoring to determine the effect of corrective action taken. The study conducted by Tawaf (1999) perceived that a high-quality audit can be seen from its supervision, as according to Tawaf (1999), in order to have a high-quality audit, the supervision must be done continuously from the beginning to the end of the audit. Meanwhile, the study conducted by Malan showed that it is a systematic process of obtaining and evaluating the evidence on the assertion of economic actions and events objectively, to be in accordance with the established standards and then to communicate to the user. From the above definition, the conclusion is that a competent auditor is an auditor who "is able" to find any violation and "wants" to disclose the violation. According to *Pusdiklatwas BPKP*, Quality is the probability of an auditor (in this case, *BPKP* in Indonesia) to be able to find and report a fraud occurring in an agency or government. The probability of the finding and fraud depends on the technical capability of the auditor (*BPKP*) and the probability of reporting mistakes depends on the auditor's independence and competence to disclose the fraud.

2.2. Self-Efficacy

An auditor does not work independently in carrying out his or her work. It is important to understand how the interaction between people, duties, and the environment and the auditor will have some effect on the auditor's performance. Bandura (1977) states that individual behavior is the result of interaction between environment and personal factors. Although *self-efficacy* is a person's subjective view of his ability, it has great influence on his actions, motivation, persistence, and behavior (Bandura 1991). Gist and Mitchell (1992) suggest that *self-efficacy* is an important motivational construct. It has an effect on individual choice, goals, emotional reactions, effort, problem solving, and perseverance. *Self-efficacy* is related to individual performance. *Self-efficacy* has a positive impact on performance because the high *self-efficacy* allows people to make effective behavioral arrangements through a series of cognitive, motivational, and affective decision processes (Bandura 1997). *Self-efficacy* is an important construct that can increase energy, provide direction, and stimulate persistence (Porter, *et al.*, 1974). In fact, *self-efficacy* plays an important role for all professionals, including auditors. Hayati *et al.*, (2014) state that the five job characteristics including variation of skills, task identity, task significance, feedback and authority play an important role in improving work motivation. Since auditing is a profession that provides services based on knowledge and experience with human resources as the key element, motivation and ability of an auditor to achieve a goal is a strong advantage. An auditor with higher *self-efficacy* tend to continue investing in goal achievement behaviors. Therefore, *self-efficacy* affects behavior by affecting motivation and confidence to overcome adversity and improve performance. Some of determinant factors of *self-efficacy* are the well-known and related factors (ie, effort, ability, task difficulty). Buraura (1986) shows that persistence and level of effort mediate the relationship between *self-efficacy* and performance. Bandura (1989) states the belief that is resulted from successful work have a positive impact on performance. Individuals with high *self-efficacy* approach difficult tasks as challenges that must be solved, not as threats to avoid. These individuals set their goals to challenge, defend their strong commitment against the goals, and persist in their efforts in case of failure. Successful experiences do not only increase personal expectations on the control and maturity of related

actions, but also provide a source of *self-efficacy* for further challenges. Many studies have shown that the level of *self-efficacy* can predict work behavior, job training, work performance, job satisfaction, educational development, and knowledge sharing (Randhawa 2004; Cabrera *et al.*, 2006; Hsu *et al.* 2007; Hoy and Miskel 2001). Therefore, *self-efficacy* is widely regarded as one of the important factors in determining how much efforts and resources a person invests in facing challenges. *Self-efficacy* is expressed as a person's belief by which he can perform a task at a certain levels, therefore, *self-efficacy* is believed to be one of the influencing factors on personal activity towards the achievement of the task (Bandura, 1993).

2.3. Professional Development

Professional development is a learning process that can encourage personal growth, improve auditing skills, revolutionize work procedures, and improve the quality of audit reports. Due to the uncertainty of the audit process and the characteristics of outcomes that can not be observed, the audit specialization proved to be related to error detection capacity, procedural analysis, audit risk evaluation, and internal deficiency disclosure (Stephens 2011). Knowledge is the key input factor in generating audits. Audit quality depends on the quality of the auditor's assessment during all stages of the audit, including risk assessment, internal control evaluation, testing, and review. Many studies have shown a positive effect of the process of control and a good review of audit quality (Epps and Messier 2007; Bedard *et al* 2008). Professional maintenance determines audit procedures, and professionalization provides an advantage in client disputes. Maintenance of professional competence requires continuous awareness and understanding of relevant technical, professional and business developments. One strategy for advancing better performance is to utilize modern technology. Technological advancements allow auditors on engagement teams to conduct electronic reviews of client work at their offices or from remote locations (Brazel *et al.*, 2004). The audit software reduces the time required for preparing the paperwork. Dodgson (1993) found that the value of knowledge can increase exponentially as the network, reused, and quickly integrated into business practices and processes. Such applications include decision support and expert systems, expert knowledge for specific issues, and point-to-point knowledge. Staff members can access industry best practices, studies, surveys, statistics, and expert knowledge on specific issues (Silvi 2002).

Auditors can advance their personal development through continuous learning to enhance knowledge, open minds, sensitivity to fraud detection, set career goals, and promote peer learning. The auditor's learning of the work and their professional service choices together affect the quality of the audit. The effect of learning has a positive effect on audit quality (Low 2004). When auditing from time to time, auditors collect client-specific knowledge so that their beliefs about clients are updated and become more precise. Bobek *et al.*, (2012) indicates that audit team communications, auditor-client negotiation strategies, and the usefulness of prior audit experience are significantly related to successful resolution of audit challenges. In addition, Bierstaker and Wright (2001) find that both ability and experience are the determinants of performance on unstructured analytic review tasks and unstructured internal control audit tasks. Structured problems are routinely found in auditing. In order to solve the unstructured problems, the problem solver must take advantage of experience, knowledge, and cognitive abilities. Vera-Muño *et al.* (2006) emphasizes the importance of auditing the effectiveness of audit team members to share knowledge and expertise with each other to influence the results of sound audits. Over time, auditors get more client-specific knowledge, which is comparable to audit performance (Beck and Wu 2006). Auditor knowledge and expertise are also associated with superior performance in audits (Nelson and

Tan 2005). In addition, experience provides an opportunity to gain additional knowledge which when combined with ability-affects performance positively (Libby and Luft 1993). Industrial specialization has become an element that not only provides audit quality but also maintains competitiveness (Miguel 2013). An organization can promote long-term efficacy and survival development through appropriate knowledge management. Knowledge is important to maintain competence. Similarly, knowledge is an eternal advantage that is always stimulated and accumulated to evaluate new experiences and integrate information (Davenport and Prusak 1998). Due to audit risk and the specific nature of audit engagement, Nelson (2009) suggests that auditing requires skills, such as, industrial specialization or high-level audits. Auditor knowledge and expertise have a direct effect on audit quality. The auditor gathers knowledge and experience from the client to make professional judgments. In terms of industry characteristics and client industry characteristics, auditors with strong knowledge in the audit industry are better able to detect fraud and more likely to allocate resources for recruitment, training, technology, and audit techniques to improve the quality of audit services (Green 2008). In addition, if the audit authority does not provide sufficient information and knowledge about a particular industry, the industry will be underrepresented, so that the auditor can not gather audit experience for the industry, leading to low audit quality.

Conceptual Framework and Development of Hypothesis

Based on the previous description, the framework of this study is as follows:

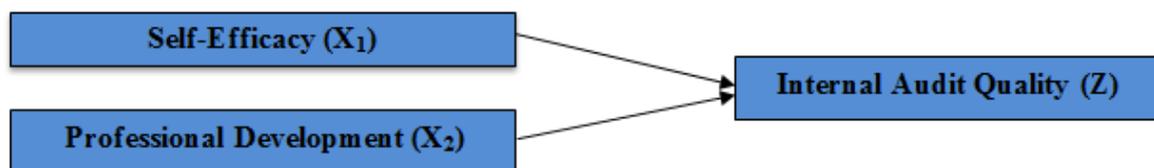


Figure 1 Conceptual Framework

3. RESEARCH METHOD

This study was conducted by using qualitative and quantitative approaches. The qualitative approach was used for the first problem formulation, while for the second problem formulation, the researcher team tried to use a quantitative approach where the factors were hypothesized from previous studies (Achmad *et al.*, 2017; Badaruddin *et al.*, 2017; Erlina, 2017; Handoko *et al.*, 2017; Ferine *et al.*, 2017 & Tripriyono *et al.*, 2018). The population used in this study was the internal auditors in the Local Governments of Serdang Bedagai, Dairi Regency, Tebing Tinggi City and Medan City. The samples were a part of the population. The sampling was conducted by using sample random sampling technique (random sample). This study used primary data which were collected through questionnaires and interviews. The variables of this study were self-efficacy, professional development, and internal audit quality. Audit quality is an ability that can be given by the auditor in finding the violation, reporting the violation and performing the audit according to the set guidelines. Self efficacy is a person's belief in which he can perform a task at a certain levels. Professional Development is a learning process that can encourage personal growth, improve auditing skills, revolutionize work procedures, and improve the quality of audit reports. The analyses used for answering hypothesis testing were descriptive statistics and *Structural Equation Model* (SEM) analysis. The analysis of the data collected in this study was conducted by using the computer technology assistance, namely PLS.

4. RESULTS AND DISCUSSION

4.1. Result

Based on the results of tabulation of data on 93 questionnaires that shows that self-efficacy, professional development, internal auditor quality and local government performance in Local Apparatus Organization are good enough based on the respondents' perception in this study.

Table 1 Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Category
Self Efficacy (X ₁)	93	3,00	5,00	3,9882	Good
Professional (Development X ₂)	93	3,42	5,00	4,0975	Good
Internal Auditor Quality (Y ₃)	93	3,39	5,00	4,0715	Good

Source : SmartPLS Result (2018).

After conducting data characteristics processing and descriptive statistics in general, then the researcher conducted further analysis by using *Structural Equation Model* (SEM). The data analysis in this study was conducted by using *Partial Least Square* (PLS) approach. The test of outer model was started by making an estimation or parameter estimation (Muda & Naibaho, 2018; Muda *et al.*, 2018f & 2018g). The calculating the PLS *algorithm* with the following results:

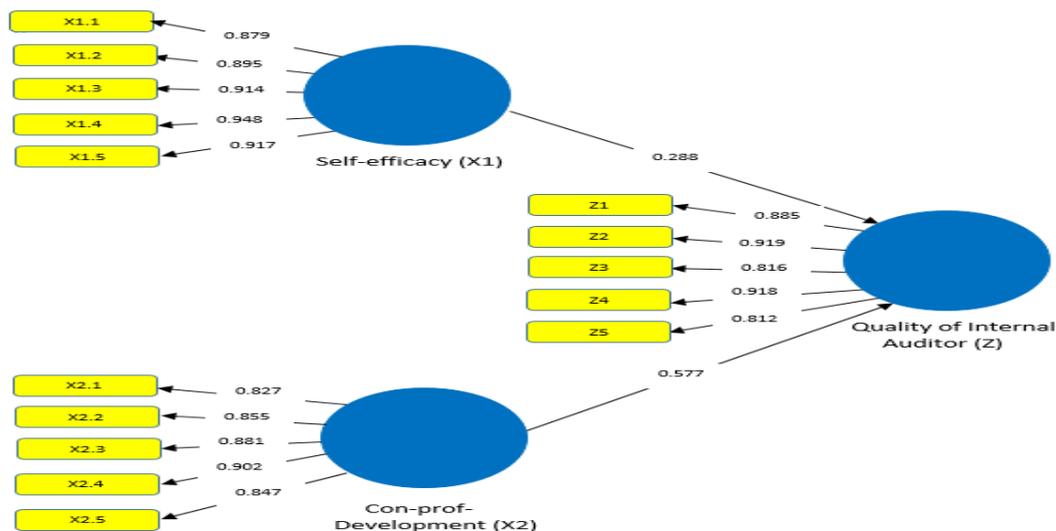


Figure 2 The *Output* of PLS Calculation *Algorithm*

Based on Figure 2, it can be seen that all indicators were stated valid, as seen from the *loading factor* value greater than 0,7. Then, the reliability test was conducted with *composite reliability* (Lubis *et al.* 2017; Lubis *et al.*, 2018; Muda & Hutapea, 2018; Kesuma *et al.*, 2018a & 2018b & Muda *et al.*, 2018). The results of reliability test on each variable in the following Table :

Table 2 Composite Reliability Values

Variable	Composite Reliability	Information
Self Efficacy (X ₁)	0.914	Reliable
Professional Development (X ₂)	0.949	Reliable
Audit Quality (Y)	0.920	Reliable
Local Government Performance (Z)	0.916	Reliable

Source : SmartPLS Result (2018).

Based on Table 2, it can be seen that the value of the *composite reliability* of each construct is above 0.70, so it can be stated that the indicators used in this study are *reliable*. Structural model in PLS is evaluated by using R-square for the dependent variables and the path coefficient value for the independent variable which then is assessed for its significance based on the t-statistic value of each path (Burhan *et al.*, 2015a & 2015b; Azlina *et al.*, 2017; Hasan *et al.*, 2017; Muda *et al.*, 2017a; 2017b; Nasir *et al.*, 2017; Syahyunan *et al.*, 2017; Muda *et al.*, 2018a, 2018b, 2018c & 2018d). The results of PLS *Algorithm* in assessing the values of *path* coefficient and *R-square* can be seen in Figure and Table 3:

Table 3 Path Coefficient Values

Variable	Local Government Performance (Y)
Self Efficacy (X ₁)	0.316
Professional Development (X ₂)	0.223

Source : SmartPLS Result (2018).

Based on the table, the resulted structural equation is as follow:

$$\text{Audit Quality} = 0,288 \text{ Self efficacy} + 0,577 \text{ Proffesional Development}$$

Self Efficacy and professional development variables have good positive coefficients on audit quality. It means that if the Self Efficacy and professional development increase, the audit quality and local government performance will also increase. Based on the results of PLS *Algorithm* output in the figure, it can be seen that the *R-square* value of 0,674 means that the variation of internal audit quality can be explained by the constructive variables (Self efficacy and professional development), for 67,4% while the rest 30,4% is influenced by the other variables which are not found in the research model. Hypothesis test was conducted by looking at the value of *t-statistics* generated from the *bootstrapping* process (Muda *et al.*, 2018a; 2018b & 2018c). The results of the *Smart PLS* program *bootstrapping* process can be seen in Table 4 below:

Table 4 t-Statistics Values

Exogenous	-->	Endogenous	Path	t Statistics	p Values	Conclusion
Self Efficacy (X ₁)	-->	Internal Audit Quality (Z)	0,288	2,569	0,010	Accepted
Professional Development (X ₂)	-->	Internal Audit Quality (Z)	0,577	5,499	0,000	Accepted

Source : SmartPLS Result (2018).

4.2. Discussion

4.2.1. *The Effect of Self Efficacy on Internal Audit Quality*

Based on hypothesis test that has been conducted, it can be concluded that self efficacy variable has positive and significant effect on Internal audit quality. The results of this study support the results of previous studies. Self-confidence or self-efficacy is an individual's belief in his or her ability to mobilize motivation, cognitive resources and necessary actions for the situations he or she faces (Bandura, 1986). Self Efficacy is an individual's belief in his or her ability to mobilize motivation, cognitive resources and necessary actions for the situations he or she faces. Lee, 2013 argues that self-efficacy, has a significant impact on management and auditor performances. The study conducted by Kuang (2009) shows that there is a significant and positive relationship between self-efficacy and internal auditor work involvement. Auditors with high self efficacy will be able to develop a strong personality, reduce stress and will not be easily affected, so that they can have good performances. Self efficacy is related to individual belief about the competence and ability of a person. Self efficacy can specifically demonstrate the auditor's confidence in its ability to complete a given task. Individuals with a high level of self efficacy will feel confident in their performance capabilities. The most important factor in self-efficacy is past experience. If in a period an auditor can complete a task and succeed in his performance, then he will tend to build confidence and high confidence in his ability to complete the task successfully. Self efficacy can be weak if repeatedly fails to perform a task well. Auditors need to have an understanding of emotional quotient in order to manage the emotions that arise in their performances, while auditors who have high self efficacy will be able to develop a strong personality, reduce stress and not easily affected so that they can have good performances. The study conducted by Lee (2013) proved that self-efficacy has a significant impact on management and auditor performances.

4.3. *The Effect of Professional Development on Internal Auditor Quality*

The results of the study concluded that professional development has a positive and significant impact on the quality of work of internal auditors. In the framework of professional development, the level of formal education in each individual will improve the ability and value of the individual. The auditors cannot meet auditing standards without proper formal education and experience in the field. In addition, the level of education, work experience is definitely an added value for every individual. Auditors with a high academic degree are assumed to work better by implementing their knowledge and intellectual potential with their skills and expertise. Cheng (2009), Hirshleifer believes that educational attainment guarantees the quality of his workforce, while Stiglitz considers the role of additional education as a method of reducing the difference between actual productivity and productivity predictions. In connection with that, Meinhardt *et al.* in Cheng (2009) suggests that educational outcomes from auditors can help improving the quality of government audits. After completing the educational requirements, most of the professionals enter their careers as assistants in accounting firms. They continue to learn and gain expertise through direct practice. In general, the average length of experience for partners, managers, seniors or "in charge" auditors, and assistants, is about 10 years, 5–10 years, 2-5 years, and 0-2 years, respectively (Arens and Loebbecke in Cheng, 2009). Therefore, practice directly generates experience, as it will shape the individual ability.

According to Libby and Federick in Cheng (2009), most experienced auditors are more likely to detect more reasonable mistakes and less unreasonable mistakes when compared to inexperienced auditors. In addition, auditors who have more experience make less mistakes in financial reporting. In the findings of Libby and Federick in Cheng (2009) and Erwin *et al.*, (2018), work experience can add and accumulate the basic knowledge of auditors in the

mistakes of financial statements and audit techniques. Some knowledge can guarantee many companies have good audit quality. Experience is an important element in improving the quality of auditors and *human capital*, especially on auditors who sell services. Therefore, it will be analyzed on the relationship between experience and quality of the auditors. Professional Development is a combination between approaches and techniques that will help managing individual development and learning. The focus of Professional Development is on the outcome. Professional Development can also be defined awareness to renew and develop professional competence through a professional person's working life (Chartered Institute of Professional Development, 2000). Cheng *et al.*, (2009) argues that an appropriate and cost-effective way to improve the competence and professional ability of auditors is through Professional Development. Professional Development serves to maintain and enhance the knowledge, capability and quality of a professional individual. As explained before that every individual in a company, agency or organization is the greatest asset, so the company is not only looking for superior seeds or competent personnel, but also to preserve them. In BPK, there is a Training and Education Center of BPK-RI. *Pusdiklat* is a training center for all BPK auditors accross Indonesia to develop the competence and ability of employees. *Pusdiklat* BPK RI has a vision to make Education and Training Center of BPK-RI as role model in developing professional auditors in public sector in Indonesia. *Pusdiklat* BPK-RI provides various types of education and training tailored to the needs and level of each auditor. Daily, the agency has a training schedule for auditors. Monthly, each regional BPK sends its auditors to participate in the programs provided by the education and training center, so that the development of auditors in each region is maintained and monitored. Meanwhile, in local government, there is no training or education for local government inspectorate. So that, the continuing professional development is gained from experiences and discussions with colleagues.

5. CONCLUSIONS AND SUGGESTIONS

The results of this study concluded that self efficacy and continuing professional development have positive and significant effect. The results showed that the self efficacy of the respondents is not high relatively as well as the continuing professional development. This is one of the causes of the quality of their audit is also not high relatively, which ultimately has an impact on the local government performance. Based on the results, it indicates that self efficacy and continuing professional development have some effect on audit quality, so that, in this study, the local governments should improve self efficacy and develop the professionalism of internal auditors in local government continuously. Self efficacy can be improved by giving motivation and increasing confidence from internal auditors. In addition, through the in-house training that should often be done, the professional development of internal auditors will be better.

REFERENCES

- [1] Achmad, N; & Muda, I. 2017. Economic Activities of Karo Older Adults in Lingga Village, Tanah Karo Regency, North Sumatera, Indonesia. *International Journal of Economic Research*. 14(17). 377-388.
- [2] Azlina, N. Amir Hasan, Desmiyawati & Muda, I. 2017. The Effectiveness of Village Fund Management (Case Study at Villages in Coastal Areas in Riau). *International Journal of Economic Research*. 14(12). 325-336.
- [3] Badara, Mu'azu Saidu & Saidin, Siti Zabedah. 2013. Antecedents of Internal Audit Effectiveness: A Moderating Effect of Effective Audit Committee at Local Government Level in Nigeria. *International Journal of Finance and Accounting* 2013, 2(2): 82-88.

- [4] Badaruddin; Revida, E; Ermansyah & Muda, I. 2017. Village Governance with Implementation of Law Number 6 of 2014 On The Village and Village Administration. *International Journal of Economic Research*. 14(17). 389-402.
- [5] Bandura, A. 1997. *Self Efficacy: The Exercise of Control*. New York: W.H. Freeman dan Company.
- [6] Bierstaker, J. L., & S. Wright. 2001. A Research Note Concerning Practical Problem Solving Representation Shifts on Auditor Decision Processes. *Auditing. Journal of Practice & Theory*. 18, 49-59.
- [7] Burhan, J., Erlina, Sirojuzilam, N.Y.Kahar, R. T. Mohamad and A. A. Zulkefle. 2015a. An analysis of the effects of electrical energy distribution on the economic growth of kota Medan. *International Journal of Applied Engineering Research*. 10(17). 38271-38273.
- [8] Burhan, J., Sirojuzilam, Erlina, N.Y.Kahar. 2015b. Regional planning and development of kota Medan: Effect on electrical power distribution (case study on Medan city development area). *International Journal of Applied Engineering Research*. 10(17). 38286-38290.
- [9] Dalimunthe, D.M.J., & Muda, I. (2017). The Empirical Effect of Education and Training to The Performance of Employees. *International Journal of Economic Research*. 14(21). 403-413.
- [10] Davenport, T.H., & Prusak, L. 1998. *Working Knowledge: How Organizations Manage What They Know*. Boston: Harvard Business School Press.
- [11] Dodgson, M. 1993. *Organizational Learning: A Review of Some Literatures*. *Organization Studies*, 14(3). 375-394.
- [12] Erwin, K., Abubakar, E., Muda, I. 2018. The relationship of lending, funding, capital, human resource, asset liability management to non-financial sustainability of rural banks (BPRs) in Indonesia. *Journal of Applied Economic Sciences*, Volume XIII, Spring.2(56).520–542.
- [13] Elfarini, Eunike Christina. 2007. *Influence of Competence & Auditor Independence to the Audit Quality*. Unpublished Research. State University of Semarang.
- [14] Erlina, A. Saputra & Muda, I. 2017a. Antecedents of Budget Quality Empirical Evidence from Provincial Government In Indonesia. *International Journal of Economic Research*. 14(12). 301-312.
- [15] Erlina. 2017. Conflict of interest impact: Factors analysis affecting the budget quality in Medan City. *International Journal of Economic Research*. 14(8). 135-145.
- [16] Erlina. A. Saputra & Muda, I. 2017b. The Analysis of the Influencing Factors of Budget Absorption. *International Journal of Economic Research*. 14(12). 287-300.
- [17] Ferine, K. Farida; Ermiaty, C. & Muda, I. 2017. The Impact of Entrepreneurship and Competence On Small Medium Enterprises Tangan Di Atas Medan Entrepreneurs' Work Performance. *International Journal of Economic Research*. 14(16). 380-393.
- [18] Gist, M. E., dan Mitchell. 1992. Self efficacy: a theoretical analysis of its determinants and malleability, *Academy of Management Review*, 17(2). 183-211.
- [19] Hamzah, B. Uno. 2008. *Motivation Theory and Analysis of Measurement in Education Area*. Jakarta : Bumi Aksara Publishers.
- [20] Handoko, B. Sunaryo & Muda, I. 2017. Difference Analysis of Consumer Perception of Motorcycle Product Quality. *International Journal of Economic Research*. 14(12). 363-379.

- [21] Hasan, A., Gusnardi & Muda, I. 2017. Analysis of Taxpayers and Understanding Awareness Increase in Compliance with Taxpayers Individual Taxpayers. *International Journal of Economic Research*. 14(12). 75-90.
- [22] Hutagalung, B., Dalimunthe, D.M.J, R., Pambudi, A.Q. Hutagalung & Muda, I. 2017. The Effect of Entrepreneurship Education and Family Environment Towards Students' Entrepreneurial Motivation. *International Journal of Economic Research*. 14(20). 331-348.
- [23] Kesuma, S, I., Erlina & Muda, I. 2018a. Influence of Beverages and Tobacco Export and Raw Material Export on the Economic Growth. *Emerald Reach Proceedings Series*. 1. 335–341. DOI 10.1108/978-1-78756-793-1-00060.
- [24] Kesuma, S, I., Erlina & Muda, I., 2018b. Influence of Natural Rubber Latex Export and Food and Animals Export to the Economic Growth. *Emerald Reach Proceedings Series*. 1. 607–613. DOI 10.1108/978-1-78756-793-1-00061.
- [25] Libby, R. dan Luft, J. 1993. Determinants of judgement performance in accounting settings: ability, knowledge, motivation and environment. *Accounting, Organizations and Society*. 18: 425-450.
- [26] Lubis, A., Rustam & Muda, I. 2017. Factors Affecting The Cost of Agency of Village Owned Enterprise (BUMDES) in Indonesia. *International Journal of Economic Research*. 14(21). 151-166.
- [27] Lubis, A., Rustam & Muda, I. 2018. Analysis of Ownership and Stock Composition of Vocational Business Enterprises (BUMDES) and Its Impact on "Omset" of Business Owned Enterprises. *Advances in Economics, Business and Management Research (AEBMR)*, 46. 274-277.
- [28] Muda, I & A.A.F.Hutapea. 2018. Influence of capital expenditure and income original region to the income per capita in Indonesia. *IOP Conference Series: Earth and Environmental Science*. 2018. 126 doi:10.1088/1755-1315/126/1/012065.
- [29] Muda, I, F Roosmawati, H S Siregar, Ramli, H Manurung & T. Banuas. 2018a. Performance Measurement Analysis of Palm Cooperative Cooperation with Using Balanced Scorecard. *IOP Conference Series : Materials Science and Engineering 2017*. 288. doi:10.1088/1757-899X/288/1/012081.
- [30] Muda, I, M. Ismail & Marhayanie. 2017a. Impact Allocation Capital Expenditure on The Improvement of the Local Government Assets in North Sumatra and Effect on Local Revenue Sustainability. *International Journal of Economic Perspectives*. 11(2). 110-123.
- [31] Muda, I, Rahmanta, Marhayanie & A.S Putra. 2018b. Institutional Fishermen Economic Development Models and Banking Support in the Development of the Innovation System of Fisheries and Marine Area in North Sumatera. *IOP Conference Series : Materials Science and Engineering*. 2017. 288. doi:10.1088/1757-899X/288/1/012082.
- [32] Muda, I, Rahmanta, S. Adi & Marhayanie. 2017b. The Role of Working Capital, Productivity, Applied Technology and Selling Market Prices on Fisherman's Revenues. *International Journal of Economic Research*. 14(20). 85-97.
- [33] Muda, I., H S Siregar, S A Sembiring, Ramli, H Manurung and Z Zein. 2018c. Economic Value of Palm Plantation in North Sumatera and Contribution to Product Domestic Regional Bruto. *IOP Conference Series : Materials Science and Engineering 2017*. 288. doi: 10.1088/1757-899X/288/1/012080.
- [34] Muda, I. 2018c. The Effect of Allocation of Dividend of the Regional Government-Owned Enterprises and the Empowerment Efforts on the Revenue of Regional Government: The Case of Indonesia. *European Research Studies Journal*. XX(4B). 244-259.

- [35] Muda, I., & R. Naibaho. 2018. Variables influencing allocation of capital expenditure in Indonesia. *IOP Conference Series: Earth and Environmental Science*. 2018. 126. doi:10.1088/1755-1315/126/1/012066.
- [36] Muda, I., 2018a. Influence of Assets and Investments on Investment Yield Sharia Insurance in Indonesia. *Emerald Reach Proceedings Series*. 1. 563–569. DOI 10.1108/978-1-78756-793-1-00059.
- [37] Muda, I., 2018b. Influence of Gross Domestic Product and Population on the Investment Yield Sharia Insurance in Indonesia. *Emerald Reach Proceedings Series*. 1. 517–522. DOI 10.1108/978-1-78756-793-1-00055.
- [38] Muda, I., A.H. Harahap, Erlina, S.Ginting, A.Maksum & E.Abubakar. 2018d. Factors of quality of financial report of local government in Indonesia. *IOP Conference Series: Earth and Environmental Science*. 2018. 126 doi:10.1088/1755-1315/126/1/012067.
- [39] Muda, I., M. Khaddafi., & A. Kholis., 2018e. Influence of Sharia Stock and Corporate Sukuk on the Investment Yield Sharia Insurance in Indonesia. *Emerald Reach Proceedings Series*. 1. 473-479. DOI 10.1108/978-1-78756-793-1-00054.
- [40] Muda, I; M. Weldi; Siregar, H.S, & Indra, N. 2018f. The Analysis of Effects of Good Corporate Governance on Earnings Management in Indonesia with Panel Data Approach. *Iranian Economic Review*. 22(2). 657-669.
- [41] Muda., I., R. B., Nasution., Erlina., H. S. Siregar., & S. Katircioglu. 2018g. The Effect of The Existence of Large and Medium Industries on The Absorption of Labor in Sumatera Utara. *Advances in Economics, Business and Management Research (AEBMR)*, 46.253-257.
- [42] Nasir, Azwir. Y. M. Basri, Kamaliah & Muda, I. 2017. Effectiveness of Potential Tax Region as the Real Local Revenue Sources in Riau Coastal Area. *International Journal of Economic Research*. 14(12). 313-324.
- [43] Nasution., R.B., Muda., I., Erlina., H.S.Siregar., & S.Katircioglu., 2018. Variaton of Industrial Type Contributions on Working Performance. *Advances in Economics, Business and Management Research (AEBMR)*. 46. 258-262.
- [44] Nelson, M. 2009. A Model and Literature Review of Professional Skepticism in Auditing”. *Auditing: A Journal of Practice and Theory*, 28(2). 1-34.
- [45] Nelson, M. and Tan, H.T. 2005. Judgement and Decision Making Research in Auditing: A Task, Person, and Interpersonal Interaction Perspective. *Auditing. Journal of Practice & Theory*, 24. 41-71.
- [46] Nurlina & Muda, I. 2017. The Analysis of The Effects of Capital Expenditure and Human Development Index on Economic Growth and Poverty in East Aceh Regency. *International Journal of Economic Research*. 14(17). 415-428.
- [47] Pohan., N, Badaruddin., R.F Dalimunthe., A.Purwoko., & Muda, I. 2018. The Effects of Human Resource Development and Institutional Arrangements on Performance, Service Quality and Area Development in Indonesia. *QualityAccess to Success*. 19(163). 94-102.
- [48] Porter. L. W., R. M. Steers., R. T. Mowday., and P. V. Boulin. 1974. Organizational Commitment, Job Satisfaction and Turnover Among Psychiatric Technicians”. *Journal of Applied Psychology*. (October). 603-609.
- [49] Regulation of the Minister of Administrative Reform of the State Number: PER/05/M.PAN/03/2008 on Audit Standards of Government Internal Supervisory ApparatusPP No. 58 Year 2005. Republic of Indonesia.
- [50] Sadalia, .I; N. A.B. Rahamani & Muda, I. 2017. The Significance of Internet Based Financial Information Disclosure on Corporates’ Shares in Indonesia. *International Journal of Economic Research*. 14(12). 337-346.

- [51] Sihombing, M., Muda, I, E. Jumilawati & A. Dharsuky. 2017. Factors Affecting The Success of Local Innovation Systems with Government Programs As Moderators. *International Journal of Economic Research*. 14(21). 272-289.
- [52] Sirojuzilam., S. Hakim., & Muda, I, 2018. Role of Planning and Budget to The Development of Agropolitan Area. *Advances in Economics, Business and Management Research (AEBMR)*. 46. 138-142.
- [53] Syahyunan, Muda' I, Siregar, H.S, Sadalia, I. & Chandra' G. 2017. The Effect of Learner Index and Income Diversification on The General Bank Stability In Indonesia. *Banks and Bank Systems*. 12(4). 171-184.
- [54] Tawaf, Pjukria Prihadi. 1999. *Bank Internal Audit, Review and Its Implementation Instructions*. Book 2. Jakarta: Salemba Empat.
- [55] Tripriyono., A., Erlina & Muda, I, 2018. The Effect of The Political Environment and The Economic Environment on The Welfare of Community. *Advances in Economics, Business and Management Research (AEBMR)*. 46. 49-53.
- [56] Usang, Obal Usang Edet & Salim, Basariah. 2015. A conceptual perspective of internal audit quality and local government performance in Nigeria. *International Conference on Accounting Studies (ICAS) 2015*.
- [57] Zahra, F., Rohman, A., Chariri, A., & Karim, F. (2017). Does E - Procurement Solve Indonesia Local Government Budgetary Slack Through It Adaptive Culture?. *International Journal of Civil Engineering and Technology*, 8 (8), 1001 - 1010
- [58] Novita Sari, Imam Ghozali, Tarmizi Achmad, The Effect of Internal Audit and Internal Control System on Public Accountability: The Empirical Study in Indonesia State Universities. *International Journal of Civil Engineering and Technology*, 8(9), 2017, pp. 157 – 166
- [59] Dr. B .Chandra Mohan Patnaik, Dr. Ipseeta Satpathy, D.Litt, Mr. Chandrabhanu Das. Effectiveness of Outsourcing of Internal Audit and Financial Reporting by the Corporate, *International Journal of Advanced Research in Management (IJARM)*, 5(1), 2014, pp. 53 – 58