The Influence of Gender, Audit Experience, Audit Expertise, and Task Complexity on Audit Judgment

(Case Study on BPKP Yogyakarta)

A THESIS

Presented as a Partial Fulfillment of the Requirements

to Obtain Bachelor Degree in Accounting Department

By:

PUTRI AMALIA NOVERITA

Student Number: 13312179

BUSINESS AND ECONOMICS DEPARTMENT

INTERNATIONAL PROGRAM

UNIVERSITAS ISLAM INDONESIA

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A BACHELOR DEGREE THESIS

By

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DECLARATION OF AUTHENTICITY

Herein I declare to the originality of this thesis, I have not presented anyone's work to obtain my university degree, nor have I presented anyone else's words, ideas, or expressions without acknowledgment. All quotations are cited and listed in the reference of the thesis.

If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.

Yogyakarta, December 27th, 2017

Putri Amalia Noverita

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Putri Amalia Noverita

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ABSTRACT

Audit judgment is one of the ways to perceive auditors in respond to information that affects decision making, documentation of evidence, and the auditor's opinion on the financial statements of an entity. The purpose of this study was to analyze the factors that influence the making of audit judgment on BPKP Yogyakarta. Those factors included Gender, Audit Experience, Audit Expertise, and Task Complexity. The study population was auditors who worked at BPKP Yogyakarta. The sampling method used in this research is convenience sampling method. The sample was 40 auditors that worked at BPKP Yogyakarta. The data used primary data through questionnaires. The analysis technique was multiple linear regression analysis.

The results of this reserach proved that gender, audit experience, and audit expertise had significant and positive influence on audit judgment, while task complexity had significant and negative influence on audit judgment.

Keywords: Gender, Audit Experience, Audit Expertise, Task Complexity, Audit Judgment

ABSTRAK

Penilaian audit merupakan salah satu cara untuk melihat auditor dalam menanggapi informasi yang mempengaruhi pengambilan keputusan, dokumentasi bukti, dan pendapat auditor terhadap laporan keuangan suatu entitas. Tujuan dari penelitian ini adalah untuk menganalisis faktor-faktor yang mempengaruhi pengambilan keputusan audit terhadap auditor yang bekerja di BPKP Yogyakarta. Faktor-faktor tersebut meliputi Gender, Pengalaman Audit, Audit Keahlian, dan Kompleksitas Tugas. Populasi dalam penelitian ini adalah auditor yang bekerja di BPKP Yogyakarta. Metode pengambilan sampel yang digunakan dalam penelitian ini adalah metode convenience sampling. Sampel yang digunakan dalam penelitian ini adalah 40 auditor yang bekerja di BPKP Yogyakarta. Data yang digunakan adalah data primer dengan menggunakan kuesioner. Teknik analisis yang digunakan adalah analisis regresi linier berganda.

Hasil penelitian ini menunjukkan bahwa jenis kelamin, pengalaman audit, dan keahlian audit terbukti berpengaruh secara positif dan signifikan pada penilaian audit, sedangkan kompleksitas tugas berpengaruh secara negatif dan signifikan pada penilaian audit.

Kata kunci: Gender, Pengalaman Audit, Keahlian Audit, Kompleksitas Tugas, Penilaian Audit

CHAPTER 1

INTRODUCTION

1.1. Background of Study

According to Zulaikha (2006), Jamilah, Fanani, & Chandrarin (2007), Robin dan Judge (2007), in Januarti & Suci (2013), judgment is one of the critical component needed by auditors in determining an opinion about company's performance, particularly in financial performance. Judgment also could be said as a decision making process. Moreover, Jamilah et. Al (2007) stated that audit judgment is a determination process of audit result about an object (company) in the form of opinion. The emergence of audit judgment is in all aspects of the audit process, namely audit engagement, audit plan, audit performance, and audit reporting as an important aspect. Audit judgment is also needed because audit is not conducted throughout the evidence. In other words, a good quality of judgment is expected by only looking from sample evidence. Those evidence are used for expressing an opinion on the audited financial statements. Thus, it can be said that the audit judgment is taking part in determining the outcome of the audit. In determining the evidence, auditors must use rational basis to form a judgment because it will be used for supporting the audit judgment. Hence, the lower the audit quality, the higher the error of the opinion will occur.

In relation to audit judgment, there was a case existed in Indonesia about audit. This case occurred in 2014. Audit case on the Department of Public Work Fund (Dinas PU) DKI Jakarta related to allegation of a deviate Regional

Government Budget (APBD) amendment in 2013 with the amount of 180 billion rupiahs. Indonesian Supreme Audit Institution (BPK) DKI is requested not to cover up the case of Dinas PU audit regarding the allegation of a deviate APBD Amendment in 2013 with the amount of 180 billion rupiahs. Wherefore, the audit was carried out more than a month and the audit results should have been published. If BPK delay or cover-up the audit result of the case, the BPK is tantamount to have hampered the juristical process. In related with that, however, law enforcement officials cannot process the inquiry and investigation if the BPK does not submit the results of the audit. BPK DKI demanded to be professional in auditing the case. By this reason, the government agency should not have the interests of certain groups or parties, but it should have the interests of the community instead. The Head of Dinas PU Jakarta, Manggas Rudi Siahaan, always argue that the case is being audited by BPK. This indicated that there are allegations of corruption in the case. The case implies that an auditor has violated the principle of objectivity for having sided with one of the parties to argue fraud. Then auditor also violates the principle of competence and professional prudence because the auditor is not able to maintain professional knowledge and skill in conducting the financial audit related to the case of Dinas PU deviation.

Prior research about audit judgment had been conducted. Research conducted in Indonesia by Januarti & Suci (2013) and Pasanda & Paranoan (2013) with the variables of gender, auditors' experience, obedience pressure, task complexity, and client credibility that had an effect on audit judgment. Several research conducted overseas were from Bhattacharjee & Moreno (2013), Litjens, Pinsker, & Van (2015), Naslmosavi, Sofian, & Mohamed (2013), Naslmosavi,

Sofian, Mohamed, & Jahanzeb (2014), and Ríos-figueroa & Cardona (2013) with the variables of ethic, honesty, realism, competent and caring professionals, privacy, manners and professionalism, years of work experience, audit firm's size, human capital, client likability, negative feelings toward elements of the task, mood effects, attitudes, and environment that had an effect on audit judgment.

Concerning the variables stated aforesaid, some of the variables showed consistent result, some others were inconsistent. According to Bhattacharjee & Moreno (2013), Januarti & Suci (2013), and Litjens et al. (2015) audit environment showed a consistent result in affecting audit judgment. Another consistent variable was ethic which was done by Naslmosavi et al. (2014) and Bhattacharjee & Moreno (2013). In contrast with the consistent variable, there were also inconsistent variables resulted from the previous study. Experience is one of the inconsistent variable. A research by Ríos-figueroa & Cardona (2013) had proven that experience does not seem to affect the decision when it is based on professional judgment. In other words, it had negative affect on auditor's judgment. Meanwhile, Januarti & Suci (2013) stated that experience has a positive influence toward auditor's judgment. One other variable, which was inconsistent, was gender. There were two different results from Januarti & Suci (2013) which resulted that gender influence audit judgment. Meanwhile, Pasanda & Paranoan (2013) clearly stated that gender does not affect auditors' judgment.

The limitations from the two variables (gender and experience) were inconsistent with the previous studies. The research limitation according to Pasanda & Paranoan (2013) is due to the limited scope of the implementation. Ríos-figueroa & Cardona (2013) stated that the limitation of the research is on the

emergence of self-selection bias of the participants who decided to respond on the research questionnaire. Januarti & Suci (2013) suggested giving additional variable that has not been described yet for the future research. Pasanda & Paranoan (2013) recommended to add more variables such as audit expertise and task complexity.

Regarding to the limitation and recommendation described above, proposed research is aimed to analyze about gender, experience, audit expertise, and task complexity on audit judgment. Audit expertise and task complexity are the new variables that derived from Pasanda & Paranoan (2013), also give an additional variable in the recommendation of Januarti & Suci (2013) that already analyzed about gender, auditor experience, obedience pressure, and task complexity. In the extent of Ríos-figueroa & Cardona (2013) research, the research questionnaire will be made in a random or general question that will not be realized and anticipated by the participant.

1.2. Problem Formulation

1. Does gender influence audit judgment?
2. Does audit experience influence audit judgment?
3. Does audit expertise influence audit judgment?
4. Does task complexity influence audit judgment?

1.3. Research Objectives

The objective of this study is to:

1. To analyze the influence of gender on audit judgment

2. To analyze the influence of audit experience on audit judgment
3. To analyze the influence of audit expertise on audit judgment
4. To analyze the influence of task complexity on audit judgment

1.4. Research Contributions

1.4.1. Theoretical Contributions

Contributing to the enhancement of knowledge in the areas of accounting behavior and auditing to become a reference for further research, also contributes to BPKP to be even better at taking audit judgments that are not against professional standards, especially for independent auditors in order to raise awareness about the importance of some matters affecting audit judgment such as gender influence, audit experience, audit expertise, and task complexity so as to not make a mistaken audit judgment. Thus it is expected that the quality of auditors in the future will increasingly produce independent auditors that can provide answers and credibility to the public to assess the fairness of a financial statement with applicable criteria.

1.4.2. Practical Contributions

This research is expected to provide benefits for some related parties as follows:

1. Contribute the development of theory, especially those related to auditing and behavioral accounting.
2. Contribute additional empirical evidence in the accounting literature, particularly regarding the influence of gender, audit

experience, audit expertise, and task complexity to the auditor regarding audit judgment.

3. Contribute in providing additional representation of the dynamics that occur within the environment of government auditors, especially BPKP in making audit judgment.

1.5. Systematic of Writing

Chapter I

In this chapter, the background of the research is explained along with the problem formulation, objectives, research contribution and the systematic of writing.

Chapter II

The second chapter discussed about theoretical review related with the research, previous study, theoretical framework, and hypotheses.

Chapter III

The third chapter explained the type of study, population and sample, data collection, research variable, and data analysis.

Chapter IV

The fourth chapter explained the analysis and discussion of the data, hypotheses testing, and results.

Chapter V

The last chapter discussed about the conclusions, the limitations, and recommendations of the research.

CHAPTER II

REVIEW OF RELATED LITERATURE

2.1. Previous Research of Audit Judgment

Audit judgment is auditors' policies to determine the audit result that refers to the formation of idea, opinion, or estimation concerning about an object or event. In performing audit on financial statements of local government and provide an opinion are often required judgment. Judgment is the cognitive process from the behavior of the selection decisions. In making a judgment, auditors will collect relevant evidence in different times and then integrate the information from such evidence. Judgment is an ongoing process in the acquisition of information (including feedback from previous actions), the option to act or not to act, as well as the receipt of further information by the auditor. In performing an audit particularly on financial report of an entity, judgment is frequently needed by auditors. Audit judgment is existing in audit engagement, audit plan, audit performance, and audit reporting as a permanent or essential attribute. The process of audit itself used sampling method which means audit is not conducted throughout the evidence, hence audit judgment is also prescribe the audit execution. While audit judgment is the essential attribute in audit process, judgment affected mostly by situation perception (Zulaikha, 2006; Jamilah et al., 2007; and Robin & Judge, 2007 in Januarti & Suci, 2013).

In conducting the audit, the auditor's judgment will affect greatly on audit results. The auditor's judgment in this case include materiality, risks, costs, benefits, and characteristics of the population size. An auditor should gather and

evaluate evidence that will be used to support a judgment given in which the evidences it provides a rational basis in forming judgments. Therefore, if the auditor is not careful in determining the consideration, an error in the statement of opinion can occur. An auditor in performing his duty to make an audit judgment is influenced by many factors, both technical and non-technical. The aspects of individual behavior, as one of many factors that influence the making of audit judgments, receive attention increasingly from the accounting practitioners or from academics. The worldview of auditors in response to information concerning the responsibility and risk audits that will be faced by auditors are in connection with the judgment made (Pasanda & Paranoan, 2013).

In relation to audit judgment, there are varieties of factor which can influence auditor in making judgment. Several research that have been done previously can provide the information of those factors, for instance research of Bhattacharjee & Moreno (2013), Januarti & Suci (2013), Litjens, Pinsker, & Van (2013), Naslmosavi, Sofian, & Mohamed (2013), Naslmosavi, Sofian, Mohamed, & Jahanzeb (2014), Pasanda & Paranoan (2013), and Ríos-figueroa & Cardona (2013). The identification according to the result of those researches mentioned that it can be concluded in four major factors that can affect audit judgment, namely ethic, audit experience, audit environment, and gender.

Some of the researches show consistent results, including from Naslmosavi et al (2014) in ethic, Bhattacharjee & Moreno (2013) in different variables, and audit environment in Bhattacharjee & Moreno (2013), Januarti & Suci (2013), and Litjens, Pinsker, & Van (2013). In contrast from the first result of research that is consistent, there is also some research that is inconsistent. For

instance a research from Ríos-figueroa & Cardona (2013) has proven that experience does not seem to affect the decision when it is based on professional judgment, in other word it had negative affect on auditor's judgment. Meanwhile the result of the research from Januarti & Suci (2013) and Pasanda & Paranoan (2013) stated that experience has a positive influence toward auditor's judgment, which means higher audit experience will result in a higher increment on audit judgment. In other word, audit judgment will be more accurate. The result for the effect of gender toward audit judgment which was done by Januarti & Suci (2013) and Pasanda & Paranoan (2013) were also inconsistent. In Pasanda & Paranoan (2013), gender does not affect the auditor's judgment. The condition indicates that the gender differences between men and women with the auditor differences in the character and the inherent nature of each individual does not affect the judgment that will be taken. Whereas according to Januarti & Suci (2013), research resulted on female auditors could be more comprehensive and tend to have a better judgment than male auditors.

Ethics are the logical findings about the correctness or incorrectness of behavior or phenomenon (Russell, 1999 in Naslmosavi et al., 2014). Ethical judgment ability was defined as an ability of person to break down why a certain action is taken (Saat, 2010 in Naslmosavi et al., 2014). A suggestion is also intended to all members of profession in order to support audit judgment, should endeavor to the ethical conduct and education improvement (Gunz and McCutcheon, 1998; Li, 2000; and Martinez, 2002 in Naslmosavi et al., 2014). A Company that said to have developed ethical values and standards on their employees will likely to have awareness towards professional ethic that could

give them a competitive advantage because auditors who have alliance with companies with ethical values were more tolerant on social multiplicity (Valentine, and Fleischman, 2000 in Naslmosavi et al., 2014).

Researches about ethic toward audit judgment have been done by Naslmosavi et al. (2014) and Bhattacharjee & Moreno (2013). They make identification on factors that affect audit judgment in professional ethics such as honesty, realism, competent and caring professionals, privacy, manners and professionalism, and client likability. The result of the research stated that honesty influence significantly on audit judgment. It means that professional auditors must be true and righteous. Realism in this research had consistent effect on audit judgment, auditors must only consider the fact in business and the professional judgment and do not allow prejudice, siding, conflict of interest or other word of judgment that affect their work. Consistent results indicated by competent and caring professional in this research proved that it had significant effect on audit judgment. Privacy again has a significant influence on audit judgment because professional audit should protect the provided information of the client in order to secure confidentiality and do not do disclosure without employer permission. Manners and professionalism has a significant impact toward audit judgment, auditors should respect in dealing with others, obeys the rules, and avoid practice discredit his profession (Naslmosavi et al., 2014). Significant influences on audit judgment also come from client likability in the research of Bhattacharjee & Moreno (2013).

Experience is a process of learning and gaining the development of behaves potency. A person that has a broader work experience would be more

adept in doing the job, thus; induce a perfect way of thinking and behaving in order to reach the goal set. Similarly, for auditor, the more experienced an auditor, the higher the ability to produce better performance in examinations. Experienced auditor and inexperienced auditor can be seen from the results of their audit judgment. The auditors who have much more experience will have better judgment in professional tasks (Herliansyah & Meifida, 2006 in Januarti & Suci, 2013). Auditors must accommodate their knowledge or experience in accumulating the evidence and concluded it based on auditors professional judgment (Ashton, Keinmuntz, Sullivan & Lawrence (1988), in Ríos-figueroa & Cardona, 2013). Experienced auditor can easily reason out their judgment compared to less experienced auditors (Ashton and Brown, 1980 in Ríos-figueroa & Cardona, 2013). Auditor with more experiences tend to use different decision-making process than auditors with less experiences, because there is a knowledge gap between more experienced auditors with less experienced auditors (Bedard, 1989 in Ríos-figueroa & Cardona, 2013). Experienced auditors display a comprehensive understanding of the financial statements errors and are adequate to obtain enormous explanatory hypotheses to be explained (Libby & Frederick, 1990 in Ríos-figueroa & Cardona, 2013). More experienced auditors exhibit larger consistency between their responses to relevant information selection and responses to control risk fundamental assessment, hence more experienced auditors have higher level of selective attention to relevant information (Davis, 1996 in Ríos-figueroa & Cardona, 2013). According to Koroy (2005) in Pasanda & Paranoan (2013), this research suggested that less experienced auditors have a higher tendency to eliminate inventory than an experienced auditor.

Several researches examined about experience that had been done by Januarti & Suci (2013), Litjens, Pinsker, & Van (2013), Naslmosavi et al. (2013), and Ríos-figueroa & Cardona (2013). Based on the results of the research, factors that can affect experience are human capital, firm size, audit experience, audit expertise, and year of work. The research result exhibit the human capital and firm size in Naslmosavi et al. (2013) that may improve the auditor's quality or experience that will have a significant influence on audit judgment. Audit experience in Januarti & Suci (2013), demonstrated that higher experience could increase audit judgment, in other word it had consistent and significant effect on audit judgment. Consistent result was also exhibited by audit expertise where as in Januarti & Suci (2013). It proved to have a significant effect on audit judgment because an advanced audit expertise will result in a more accurate judgment. Years of work get inconsistent result in Ríos-figueroa & Cardona (2013), the result of the research does not support the hypothesis. The participants suggested that experience does not seem to affect their decision when they are based on professional judgment and because of the use of university senior students or less experienced auditors does not seem to have a significant difference on audit-related research.

Audit environment based on previous study can be narrowed into internal audit environment namely mood of the auditors and auditors' negative feeling toward the element of the task. The external environment were obedience pressure, task complexity, and foreign environment.

Chung et al. (2008) in Bhattacharjee & Moreno (2013) investigated the effect of different moods (positive, neutral, and negative) on professional

auditors' inventory valuation decisions. A mood is a state of mind or a feeling. While auditors can experience a variety of moods anytime during an audit, with these moods triggered by numerous events within and outside the audit, auditing studies have examined moods that tend to be task-irrelevant.

Kadous (2001) in Bhattacharjee & Moreno (2013) examined how jurors' negative emotional reactions toward negative audit outcomes that influenced jurors' evaluations of auditor negligence. Such outcome effects in audit litigation may be caused by jurors treating their negative emotional reactions to the negative outcome information (i.e., anxiety) as an information cue related to auditor blame worthiness in their evaluation processes.

Obedience pressure generated generally by people who have power. In this case, the pressure of obedience is defined as the pressure received by the junior auditor from senior auditor or supervisor and the audited entity to perform actions that was deviate from the standards of ethics and professionalism. Obedience pressure can be more complex when the auditor comes to the conflict situation. On the one hand, the auditor should be independent in their opinions regarding the fairness of the financial statements, but on the other hand auditor also should be able to meet the demands desired by the audited entity to satisfy the results (Januarti & Suci, 2013).

Restuningdiah & Indriantoro (2000) in Januarti & Suci (2013) stated that complexity can arise from the ambiguity and poor structure, both in the main tasks and other tasks. Audit tasks tend to be a complex task, different and related to each other. The complexity of the audit was based on individual perceptions about the difficulty of a task audit. A foreign environment may deviate from the

auditor's domestic environment in important ways. For example, when US auditors work abroad in an International Financial Reporting Standards (IFRS), principles-oriented setting, and differences in decision environment may infer a different spirit of the accounting standards or different perceptions of litigation risk/practices which may affect judgment (Jamal and Tan, 2010, Donelson et al., 2012, in Litjens, Pinsker, & Van, 2013).

Researches about audit environment are demonstrated in Bhattacharjee & Moreno (2013), Januarti & Suci (2013), and Litjens, Pinsker, & Van (2013). Factors that influence audit judgment from audit environment are mood effect, emotions toward element of the task, obedience pressure, foreign environment, and task complexity. Research result indicated that mood effect in Bhattacharjee & Moreno (2013) influence significantly on audit judgment as a result of participants in a positive mood condition which valued high on the inventory than did those in the negative mood condition, with the neutral mood condition in the middle. Emotions toward element of the task can influence audit judgment (Bhattacharjee & Moreno, 2013). A consistent result was also exhibited by obedience pressure where as in Januarti & Suci (2013) proved to have significant influence on audit judgment. It shows that a higher obedience pressure from supervisors or entity can decrease the audit judgment resulting a less precise judgment. According to Litjens, Pinsker, & Van (2013), foreign environment influence consistently on audit judgment. While according to Januarti & Suci (2013), task complexity had no significant influence on audit judgment which indicate that auditors can apprehend the task without any difficulties.

Gender can be interpreted as to distinguish male and female role both in sexual and sociocultural aspect (Zulaikha, 2006 in Januarti & Suci, 2013). Gender appears due to socio-cultural influences and habits developed in the local community. Male are more being likely orientated on job and are able to behave objectively and independent. In reverse, female is deemed to be more passive, graceful, oriented on consideration and female position in organization responsibility is lower than male. In psychology literature, females are known more efficient and effective in processing an information when there is task complexity in decision making rather than male. In addition, male lack of depth relatively in analyzing the core of a decision. Women generally have a level of moral judgment that is higher than men. Thus, it makes the difference in perception of ethics during the decision-making process (Januarti & Suci, 2013). The findings of cognitive psychological research and marketing literature stated that gender is one of the factors that can affect the performance of required judgment in a variety of task complexity. Gender is thought to be one of the factors that influence the individual level audit judgment (Pasanda & Paranoan, 2013).

A research regarding gender on audit judgment has been done by Januarti & Suci (2013) and Pasanda & Paranoan (2013). Result from Januarti & Suci (2013) indicated that gender has a significant influence on audit judgment, showing that female auditors tend to have a better judgment than male auditors. The result also showed that audit judgment from female auditor is more comprehensive because female auditors are more sensitive and careful in processing the information, thus; it take more comprehensive judgment. Women

are known to be more patient and have a high moral consideration in performing the task. Thus, the results can be more comprehensive. Female auditor will reevaluate the information obtained. It allows female auditor to get better information to support audit judgment process. According to Pasanda & Paranoan (2013), gender does not have significant effect on audit judgment. This shows that the gender differences between male and female with different variety of the nature and the character of each individual does not affect the audit judgment taken by male and female auditors.

Prior research regarding gender, auditors' experience, and client credibility was ever done by Pasanda & Paranoan, (2013) and gave recommendation for future researchers to add new variables, one of them is audit expertise. Prior research of Januarti & Suci (2013) and Ríos-figueroa & Cardona (2013) showed inconsistent result regarding experience on audit judgment. Same goes with gender on audit judgment research which is done by Januarti & Suci (2013) and Pasanda & Paranoan (2013) is also inconsistent.

Hence, pursuant to limitation and description aforesaid, the proposed research aimed to analyze gender, experience, audit expertise, and task complexity on audit judgment. Audit expertise and task complexity are the new variables derived from Pasanda & Paranoan (2013). Experience variable is analyzed due to inconsistent result from Januarti & Suci (2013), Pasanda & Paranoan (2013), and Ríos-figueroa & Cardona (2013). Same goes to experience, gender was analyzed since previous research have inconsistent result (Januarti & Suci, 2013 and Pasanda & Paranoan, 2013).

2.2. Theoretical Framework

2.2.1. Cognitive Theory

The theory of cognitive view on learning as a process gives the function elements of cognition, especially the notion to know and understand the stimulus coming from the outside. According to Piaget (1936), there are three main principles of learning for humans, namely: active learning (element development of knowledge, skills, and initiative of individuals), learning through social interaction (cognitive development that leads to much of a view), and learning through experience alone (Winarto, 2011 cited in Januarti & Suci, 2013). Applications of cognitive theory can be used to examine how auditors take a judgment based on experience and expertise in performing audit engagements. Whenever the auditor conducting the audit, the auditor will learn from previous experience, understand and improve the precision in the audit. The auditor will integrate their audit experience with the knowledge he had. The process of understanding and learning is the process of increasing the expertise of the auditor, such as increasing knowledge of the audit and the increasing ability of the auditor to make an audit judgment.

2.2.2. Theory of Motivation

Motivation is a complex phenomenon. It is a psychological state of mind which directly link to human behavior. Each individual differs by nature. Every individual has different motivational values. One can't predict which factor will motivate whom. Each of us has unique motivational drives, ideas, values and beliefs about what is reasonable (Nakhate, 2016).

According to Ryan and Deci (2000) cited in (Stodolska, Sharaievska, Tainsky, & Ryan, 2014), individuals' actions can be intrinsically or extrinsically motivated, or can lack motivation altogether-being motivated. Intrinsic motivation means doing something for its own sake because the activity is inherently enjoyable and interesting to an individual. Intrinsic motivation refers to being engaged in an activity for itself and for the pleasure and satisfaction derived from participation. Intrinsic motivation is widely concerned to mirror the highest level of motivation, as the place of behavior is completely internal (Grolnick, 2002 in Eymur & Geban, 2011). Herzberg's theory (1959) stated that motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction (Ondabu, 2014).

On the other hand, extrinsic motivation is associated with participation in an activity for the sake of certain outcomes that can be obtained through participation, rather than for the sake of pure enjoyment from participation. Herzberg's theory (1959) also stated hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction (Ondabu, 2014). A motivation is a state in which a person lacks interest and willingness to participate in an activity. The achievement motivation is the desire to perform better in order to have successful interactions with the environment that meet and exceed high standards of excellence (McClelland et al. 1953 in Schüler, Brandstätter, & Sheldon, 2013).

Motivation is an important concept for the auditor, especially in the conduct of the audit. Auditors must have a high motivation to achieve organizational goals and objectives of the audit properly. Auditors who have a

strong motivation will continue to add the knowledge gained from both formal education and training courses to support its performance. Thus, it will have more comprehensive and a growing number of experiences.

2.2.3. Theory of X and Y McGregor (1960)

There are two views about humans proposed by this theory, namely the theory of X (negative) and the theory of Y (positive). Individuals who basically dislike work and try to avoid their responsibilities are categorized as individuals of type X. These individuals have external locus of control. To achieve their goals, they must be forced or threatened with punishment. While individuals of type Y have internal locus of control where they like their work, able to control themselves to achieve goals, being responsible, and are able to make innovative decisions (Robin dan Judge, 2007 in Januarti & Suci, 2013).

2.2.4. Goal Setting Theory

Goal setting theory by Edwin Locke (1960) stated that a clear, particular and difficult goals are greater motivating factors which can lead to greater output and better performance than an easy, general and vague goals (Locke and Latham, 1990 in Januarti & Suci, 2013). This theory assumed that there is a direct link between goal and performance. If managers know what their goals are, they will be more motivated to exert effort that can improve their performance (Locke and Latham, 1990 in Januarti & Suci, 2013). Hence, it can be implied that auditor who can understand what he or she is aiming for and what he or she expects the results of the performance will not be distorted when subjected to pressure from supervisors or audited entities and complex

audit tasks. An understanding of its purpose may help the auditor make a good judgment audit.

2.3. Hypothesis Formulation

2.3.1. Gender

Audit judgment is auditors' policies to determine the audit result that refers to the formation of idea, opinion, or estimation concerning about an object or event. The process of making the judgment of an auditor may differ between men and women. Our behavior and judgments are implicitly shaped by gender stereotypes to the extent that gender is culturally defined as relevant to the situation (Ridgeway and Correll 2004; Ridgeway and Smith-Lovin 1999 cited in Hardies, Breesch, & Branson, 2000). Chung and Monroe (2003) in Pasanda & Paranoan (2013) defined that women are more efficient and effective in processing information with complex tasks than men because women have the ability to differentiate and integrate key decisions. Male is relatively lack of depth in analyzing the core of a decision. The findings of cognitive and marketing psychological literature stated that gender is one of the individual level factors that can affect performance that requires judgment in various task complexities. In addition, it also states that women are more efficient and effective in processing information when there is a complexity of tasks in decision making compared with men (Wibowo, 2010).

Januarti & Suci (2013) explained that women are known to be more patient and have high moral judgment in performing tasks, thus; results can be more comprehensive. Female auditors will re-evaluate the information obtained; it

allows female auditors to obtain more and better information, thus; it can support the making of audit judgment. The research on factors that influence audit judgment by Pasanda & Paranoan (2013) showed that differences in auditors' gender, between men and women as well as differences in the character and nature of each of them, affect the making of judgment. A more rigorous and retentive women tendency toward new and more efficient and effective information in processing information will influence judgment making.

Meyers-Levy (1986) in Sabaruddinsah (2007) developed a theoretical framework to explain the study of differences between women and men in processing information. This theoretical framework is called the "selectivity hypothesis". Differences based on gender issues in information processing and decision-making are based on different approaches that men and women use core information processing in solving problems and making core decisions. In general, men solve problems without using all the information available, and they also do not process information thoroughly, thus; the decisions are less comprehensive. Women are seen as more detailed information processors who process information on most core information using the information thoroughly and re-evaluate the information for decision making or judgment. Thus, the hypothesis can be formulated as follows:

Hypothesis 1: *Gender influences audit judgment.*

2.3.2. Audit Experience

More experience will result in more knowledge. Someone who does the work according to the knowledge will give better results than those who do not have enough knowledge of the task. The result of audit judgment from

experienced auditor is better than inexperienced auditor. Yustrianthe (2010) stated, in particular, the auditor's experience can be seen from the length of time a person works in the same profession as an auditor. It can also be determined by the number of examination tasks that have been performed or the number of audited companies. Further expressed by Ríos-figueroa & Cardona (2013), the research showed how more experienced auditors have an easier time explaining their judgmental decisions than less experienced auditors and will also have a better argument about the judgment. Januarti & Suci (2013) mentioned that auditors that have more experience will adapt easily with the job and produce a better performance in the examination that will affect the way of thinking and behavior to reach the goal set.

According to Siagian, Hardi, & Azhar (2014), the longer the auditor pursue the profession, the better the experience he has, because the tasks performed by auditors repeatedly will provide opportunities for auditors to do it better. A study done by Ariyantini, Sujana, & Darmawan (2014), it stated that experience leads to the learning process and the potential increase in behavior from formal and non formal education. An experienced auditor will be able to hone his sensitivity in understanding information, fraud and misrepresentation of financial statements related to the making of judgment. Yunitasari, Adiputra, & Sujana (2014) who found that auditors with different work experience will differ in viewing and responding to the information and selection of relevant evidence obtained during the examination to conclude on the consideration of a reliable level of materiality.

Pursuant to cognitive theory of Piaget (1936), auditor will integrate its experience in implementing the upcoming tasks. Within the theory of motivation, it can also be implied that when auditors have a tremendous and strong motivation to achieve organizational goals and objectives of the audit in making judgment, auditors will add and likely to continue enhancing their knowledge in order to achieve the motivation set which will automatically increase the experiences as well. Based on the description above, the hypothesis can be formulated as follows:

Hypothesis 2: *Audit experience influences audit judgment.*

2.3.3. Audit Expertise

Audit expertise includes all the skills and knowledge of auditors of the audit world itself derived from both formal and non formal education, also supported by experience in audit practices. Januarti & Suci (2013) defined expertise as an important element an independent auditor must have to work as a professional. Research done by (Margaret & Raharja, 2014) mentioned that the auditor's expertise in conducting the audit shows the level of ability, knowledge, and education possessed by the auditor. With more knowledge that the auditor has in his field of work, the auditor will know more about the problems exhaustively.

Besides, (Artha, Herawati, & Darmawan, 2014) also stated that through its expertise, the auditor will be able to learn actively in dealing with auditing tasks, processing relevant information, and social interaction with fellow auditors, superiors, and entities examined, so as to support the provision of appropriate judgment to determine the quality of audit results and also opinions that will be issued by the auditor. It is in line with Drupadi & Sudana (2015) that stated highly skilled auditor will be able to face the audit task, process relevant information,

analyze audit evidence, and detecting fraud or error to support accurate judgment to determine the quality of the audit result, and also the opinion that will be expressed by the auditor. Suraida (2005) in (Raiyani & Suputra, 2014) indicated that the more often the training, the seminar and the more certificates are owned, auditors are expected to be increasingly able to perform its duties. Furthermore, (Hastuti, 2012) claimed that one of the sources to increase auditor expertise can come from experience in auditing and accounting. The experience can be gained through a gradual process, such as the performance of examination tasks, training or other activities related to the development of auditor expertise.

Cognitive theory of Piaget (1936) can be used to examine how auditors take judgment which does not only based on experience, but also expertise in performing audit engagements. For the application of cognitive theory of Piaget 1936, the process of active learning, learning through social interaction, and learning to experience alone are the process of increasing the audit expertise. The increasing of audit expertise can be from adding knowledge and ability of auditors in making a judgment. Thus, auditors that have higher expertise are likely to have better result in judgment. Pursuant to the description mentioned above, the hypothesis can be formulated as follows:

Hypothesis 3: *Audit expertise influences audit judgment.*

2.3.4. Task Complexity

The auditor may have difficulties in performing his duties which may affect the judgment that the auditor takes especially when the auditor faces complex, many, variety tasks and interrelated with each other. (Margaret & Raharja, 2014) said that task complexity refers to the level of performance of an

auditor in making decisions. The large amount of information that needs to be processed and the stages of work to be done to complete a job indicates the auditor in the position of the level of task complexity. With the complication and complexity of a job, it can encourage a person to make mistakes in his work. In the field of audit, errors can occur when obtaining, processing and evaluating information. These errors will result in improper decision or judgment of the auditor (Yustrianthe, 2010).

Pursuant to the research of (Yendrawati & Mukti, 2015), it is stated that the difficulty level of task and task structure are two aspects of the compiler of task complexity. The difficulty level of the task is always associated with the amount of information on the task, while the structure is related to information clarity. If the task difficulty is greater than the ability of the individual, it will trigger fear of failure in the completion of tasks. Thus, will result in the decreased of motivation and effort to finish the task, thus; its performance decreases. This decrease in performance will also affect the quality of audit judgment generated. The higher the complexity of the task, the less precise the audit judgments will (Ariyantini et al., 2014)

Associated with auditing activities, (Putri, 2015) showed that the high complexity of audits can lead accountants to behave dysfunctional, causing an auditor to be inconsistent and unaccountable. The existence of high task complexity can undermine the judgment made by the auditor. (Suwandi, 2015) identified that auditors who are assigned to perform complex tasks with high levels of difficulty and unclear tasks will result in inaccurate audit judgment because the data obtained is incomplete. The existence of high task complexity

can undermine the judgment made by the auditor. Based on the motivational theory of X and Y, when auditors faced task with high complexity, auditors tend to be in type X. The auditor will have difficulty in completing the task. As a result, the auditor is not able to integrate the information into a good judgment. The goal setting theory also explains that auditors who do not know the purpose of their duties will have difficulty when faced with a complex task. The auditor does not know what targets that should be accomplished in the performance of his duties and the influence of the accuracy of the judgment it takes. Based on this explanation, the hypotheses can be formulated as follow:

Hypothesis 4: *Task complexity influences audit judgment.*

2.4. Research Model

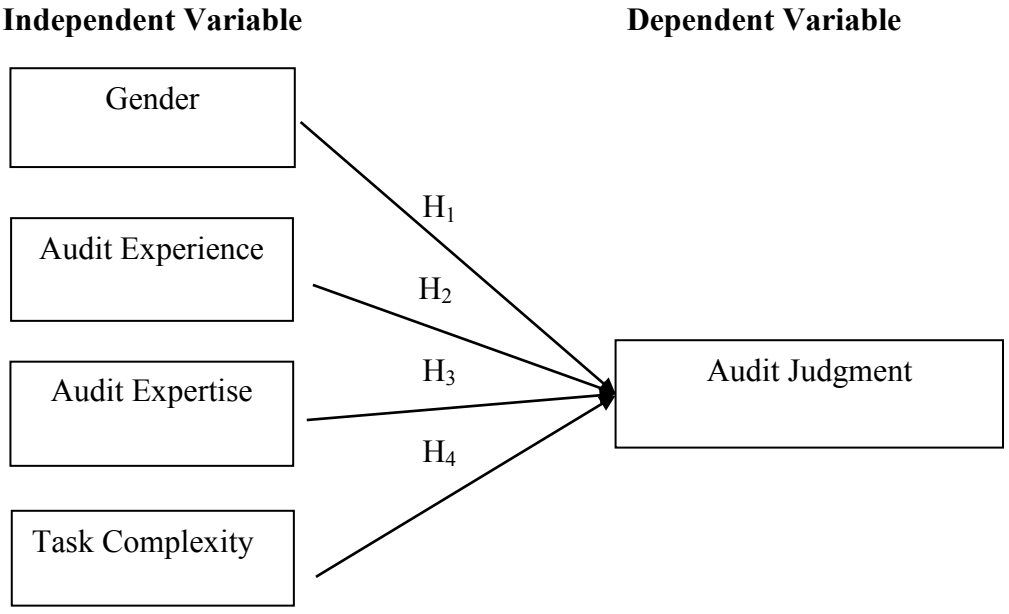


Figure 2.1 Research Model

CHAPTER III

RESEARCH METHOD

3.1. Type of Study

Based on the characteristics of the problems examined, this research was classified as a causal comparative study. A casual comparative design is a research design that seeks to find relationships between independent and dependent variables after an action or event has already occurred (Salkind, 2010). This research used quantitative approach and researchers conducted a survey in Badan Pengawasan Keuangan dan Pembangunan (BPKP) in Yogyakarta by asking questions in the form of questionnaire given to each employee.

3.2. Population and Samples

3.2.1. Population

The population in this research was BPKP in Yogyakarta. The purpose of having BPKP in Yogyakarta as the population was for the smoothness and the easiness of access. In addition, BPKP in Yogyakarta already fulfilled the criteria to do this research.

3.2.2. Sample

Respondents were all auditors who worked in BPKP Yogyakarta. This research used convenience sampling. The sampling technique used convenience sampling because the respondents were willing to be sampled (Acharya, Prakash, Saxena, & Nigam, 2013).

3.3. Source of Data

This research was included as quantitative research. Thus, the source of data was primary data where the data was obtained from respondents by filling questionnaires distributed to auditors who worked in BPKP Yogyakarta.

3.4. Data Collection Method

Data collection method was done by spreading questioner to the auditor who worked at BPKP Yogyakarta, that is collecting primary data in the form of a questionnaire. The questionnaire contained questions to obtain facts and information about gender, audit experience, audit expertise, and task complexity in making audit judgments which was useful for research.

The questionnaires distributed by researchers directly to BPKP Yogyakarta were according to the sample and population that had been selected by the researcher. The questionnaires were filled by the auditor for certain period according to the agreement between the researchers with the respondent.

The questionnaires filling instructions were explained by the researcher in the questionnaire sheet with a brief and clear explanation. Thus, it can be understood by the respondents and assist them in filling the questionnaires. The questionnaires were spread to obtain information on gender, audit experience, audit expertise, and task complexity. The questions in this questionnaires had been used by Jamilah et. al. (2007).

3.5. Research Variable

This research used two categories of variables, independent variable and dependent variable. The independent variable is the antecedent while the dependent variable is the consequent (Kaur, 2013). The independent variables in this research are gender (Zulaikha, 2006), audit experience (Pasanda & Paranoan, 2013), audit expertise (Januarti & Suci, 2013), and task complexity (Artha et al., 2014) while the dependent variable is audit judgment (Jamilah et al., 2007).

3.5.1. Gender

Gender can be interpreted as to distinguish male and female role both in sexual and sociocultural aspect. In the previous research, this variable was measured by using nominal scale. Gender in this research was distinguished into two categories, male and female. Gender as a dummy variable was assigned 1 for male and 0 for women.

3.5.2. Audit Experience

Audit experience in this research indicated the auditors' experience in carrying out their profession as the external auditor of government. The indicator for variable measurement in audit experience was the duration of work as an auditor in BPKP in the unit of year and the number of audit handled during the work in BPKP.

3.5.3. Audit Expertise

In this research, audit expertise was shown by the skills in auditing owned by auditors to support their performance as government's auditor. This variable was measured by indicators with modification (Januarti & Suci, 2013). Audit expertise was measured by instrument that consisted of six items of

questions. The measurement scales used four-point scale, strongly disagree = 1, disagree = 2, agree = 3, and strongly agree = 4.

3.5.4. Task Complexity

The task complexity variables in this research were the difficulty of a task caused by the limited capability, the memory, and the ability to integrate the problems that had been decided (Jamilah et al., 2007). The task complexity variables were measured by 6 question items and assessed using a four-point scale for each question, same goes with audit expertise, which are strongly disagree = 1, disagree = 2, agree = 3, strongly agree = 4.

3.5.5. Audit Judgment

Audit judgment is the auditors' policies in determining the audit results that refer to the formation of an idea, opinion or estimation of an object, status or other events (Jamilah et al., 2007). This variable was measured by 10 question items presented by 5 cases. Each case consisted of 2 questions which was adapted from the research of Jamilah et. al. (2007).

3.6. Data Analysis Method

Data analysis is the way to process the data that had been collected and then provide interpretation. The results of the processed data were used to solve the problems that had been formulated. Testing tools used in this research were test of data quality (validity and reliability test), descriptive statistics, classical assumption (normality test, multicollinearity test, and heteroscedasticity test) and hypothesis test (multiple linear regression test, coefficient of determination R2, F test, and T test).

3.6.1. Test of Data Quality

3.6.1.1. Validity Test

The validity test is intended to measure the quality of the questionnaire. This test is conducted by a factor test analysis that aims to ensure that each question will be clarified on the variables that have been determined. A questionnaire is said to be valid if the statement on the questionnaire is able to reveal something to be measured (Ghozali, 2006). To know whether the variable is valid or not, p-value must be < 0.05.

3.6.1.2. Reliability Test

A questionnaire is said to be reliable if the respondent's answer to the statement is consistent or stable over time (Puspitasari, 2011). A measuring instrument is said to be reliable if Cronbach Alpha > 0.60 for each questionnaire of each variable (Nunnally, 1967 in Ghozali, 2006).

3.6.1.3. Descriptive statistic

Descriptive statistics is intended to provide an overview or description of the data viewed from the mean, standard deviation, variance, maximum, minimum, sum, range, etc. (Ghozali, 2011). In this research, descriptive statistical analysis is used to know the description of audit expertise variables, task complexity, and audit judgment.

3.6.2. Classical Assumption

3.6.2.1. Normality test

The purpose of the normality test is to test whether in the regression model, the intruder or residual variable has a normal

distribution (Ghozali, 2011). The regression model is said to be good if the distribution is normal or close to normal. Normality test in this research is done by one sample Kolmogorov-smirnov test. If the asymptotic significant value is more than 0.05, it indicates the normal distribution. Thus, the multiple linear regression can be done. If the significance value is less than 0.05, the data distribution is not normal.

A variable is said to be normal if the distribution image with data points spreads around the diagonal line and the spread of data points in the direction of the diagonal line (Ghozali, 2011).

3.6.2.2. Multicollinearity test

Multicollinearity test aims to test whether the regression model has correlation among independent variables (Ghozali, 2011). If there is a high correlation among independent variables, then the relationship between independent variables with related variables will be disturbed. The assumption of multicollinearity states that the independent variable must be free from multicollinearity symptoms. In the case of multicollinearity, one of the steps to improve the model is to eliminate the variables from the regression model. Thus, bias is chosen by the best model (Ghozali, 2011).

Multicollinearity test was performed to analyze the value of Variance Inflation Factors (VIF) and tolerance values. If VIF < 10 and tolerance value > 0.10, there is no symptom of multicollinearity (Ghozali, 2011).

3.6.2.3. Heteroscedasticity test

Heteroscedasticity test is used to know whether or not there is a deviation from a classical assumption of heteroscedasticity that is the existence of variant inequality of residual for one observation to another observation in the regression model. If the variant of the residual for all observations is the same, it is called homoscedasticity and if it is different, it is called heteroscedasticity (Ghozali, 2011). A good regression model is homoscedasticity (Ghozali, 2011).

If the variant is static, it is called homoscedasticity and if it is diverse, a heteroscedasticity problem occurs. To detect the presence of heteroscedasticity, this research was done by looking at the presence of a particular pattern (wavy, widened and narrowed) on the scatterplot between the predicted value of the related variables (ZPRED) and its residual (SRESID). If there is no clear pattern occurs and the points spread above and below the number 0 on the Y axis, then this indicates no heteroscedasticity. To predict the presence or absence of heteroscedasticity in a model, it can be seen through the scatterplot image pattern. Regression does not occur on heteroscedasticity if:

a. The data points spread above and below or around the number 0.
b. The data points do not clump at above or below only.
c. The spread of data points should not form wavy, narrow nor wide pattern
d. The spread of data points is otherwise not patterned

3.6.3. Hypothesis Test

3.6.3.1. Multiple linear regression test

Multiple Linear Regression Analysis is an analysis used to see the existence of a relationship and influence between independent variable (X) and dependent variable (Y), namely the influence of gender, audit experience, audit expertise, and task complexity on audit judgment.

In data processing, researchers used a tool in the form of statistical software known as SPSS. The data analysis technique used multiple linear regression analysis. The regression equation is as follows:

$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + e$

Whereas:

Y : Audit judgment

a : Constant

b1..b3 : Regression coefficient

X1: Gender

X2: Audit Experience

X3: Audit Expertise

X4: Task Complexity

e : Error

To analyze the effect of gender (X1), audit experience (X2), audit expertise (X3), and task complexity (X4) on audit judgment (Y), a statistical method was used with the significance level of $\alpha = 0.05$. It means that the degree of error was 5%.

3.6.3.2. Coefficient of Determination (R2)

Coefficient of determination is the amount of diversity (information) in the Y variable that can be given by the regression model obtained. The value of R2 ranges from 0 to 1. If the value of R2 is multiplied by 100%, this shows the percentage of diversity (information) in the Y variable given by the regression model obtained. The greater the value of R2, the better the regression model obtained (Ghozali, 2006).

3.6.3.3. F Test

The statistical test F shows whether all the independent variables included in the regression model have a mutual influence on the dependent variable. The statistical test of F is used to determine the effect of all independent variables included in the regression model collectively on the dependent variable tested at the 0.05 of significance level (Ghozali, 2011).

3.6.3.4. T Test

T test is used to find out whether the independent variables are partially significant or not to the dependent variables. The degree of significance used is 0.05. If the significance value $T < 0.05$, there is a significant influence between independent variable and the dependent variable. If the significance value $T > 0.05$, there is no significant effect between independent variable and dependent variable.

CHAPTER IV

DATA ANALYSIS AND DISCUSSIONS

4.1. Data Descriptions

In this research, the questionnaires were distributed in BPKP Yogyakarta. From 40 questionnaires distributed, only 38 questionnaires were eligible to be analyzed while 2 questionnaires were not returned back. The results of the questionnaire distribution can be seen in the table below:

Table 4.1

Number of Questionnaire

Explanation	Total
Distributed Questionnaire	40
Unreturned Questionnaire	(2)
Incomplete Questionnaire	(0)
Questionnaire that can be analyzed	38

Source : Primary data processed, 2017

4.2. Characteristics of Respondents

4.2.1. Gender

The characteristics of respondents based on gender are as follows:

Table 4.2

Characteristics of Respondent Based on Gender

Gender	Total	Percentage
Female	13	34%

Male	25	66%
Total	38	100 %

Source : Primary data processed, 2017

Based on the above data, it can be concluded that the majority of respondents were 25 male respondents or 66% and there were 13 female respondents or 34%.

4.2.2. Education

The characteristics of respondents based on their education are as follows:

Table 4.3

Characteristics of Respondents Based on Education

Education	Total	Percentage
D3	6	16%
S1	32	84%
S2	0	0%
S3	0	0%
Total	38	100 %

Source : Primary data processed, 2017

From the data obtained, it showed that the majority of respondents with the S1 Degree were 32 respondents or 84%, and the D3 Degree were 6 respondents or 16%.

4.2.3. Audit Assignment

The characteristics of respondents based on audit assignments are as follows:

Table 4.4

Characteristics of Respondents Based on Audit Assignment

Audit Assignment	Total	Percentage
3.00	3	7.9
5.00	1	2.6
8.00	1	2.6
10.00	10	26.3
15.00	3	7.9
20.00	15	39.5
25.00	2	5.3
29.00	1	2.6
30.00	1	2.6
50.00	1	2.6
Total	38	100.0

Source: Primary data processed, 2017

From table 4.4, it can be seen that the majority of respondents were those who had the period of 20 audit assignments of 15 respondents or 39.5%, whereas respondents who had the period of audit assignment of < 20 times as were 18 respondents and respondents who had the period of audit assignment over 20 times were 4 respondents.

4.2.4. Employment

The characteristics of respondents based on the employment are as follows:

Table 4.5

Characteristics of Respondents Based on Employment

Working period	Total	Percentage
1 - 3 years	4	13.2
4 - 6 years	22	57.9
7 - 10 years	7	18.4
>10 years	5	2.6
Total	38	100.0

Source: Primary data processed, 2017

From table 4.5, it can be seen that the majority of respondents that had worked with the period of 4-6 years were 22 respondents or 57.9%, while respondents who had worked with the period of 7 to 10 years were 7 respondents or 18.4%, and respondents who had worked for > 10 years were 5 respondents or 2.6% and respondents who had worked for 1-3 years were 4 respondents or 13.2%.

4.3. Instrument Test

4.3.1. Validity Test

The validity test indicates the extent to which a measuring tool measures what it wants to measure (Kimberlin & Winterstein, 2008). A measuring scale is said to be valid if that scale is used to measure what it should be measured. In this research, validity test is done by using Pearson Correlation by calculating the correlation among values obtained from the questions. If Sig. (2-tailed) obtained had the value below 0.05, it means that the data obtained is valid. The validity test is as follows.

Table 4.6

Validity Test Result

Statement Item	Pearsons's Correlations	Sig. (2-tailed)	Explanation
Audit Expertise			
X3.1	0.733	0.000	Valid
X3.2	0.919	0.000	Valid
X3.3	0.849	0.000	Valid
X3.4	0.786	0.000	Valid
X3.5	0.849	0.000	Valid
X3.6	0.782	0.000	Valid
Statement Item	Pearsons's Correlations	Sig. (2-tailed)	Explanation
Task Complexity			
X4.1	0.940	0.000	Valid
X4.2	0.973	0.000	Valid
X4.3	0.923	0.000	Valid
X4.4	0.964	0.000	Valid
X4.5	0.905	0.000	Valid
X4.6	0.955	0.000	Valid
Audit Jugdment			
Y1	0.622	0.000	Valid
Y2	0.551	0.000	Valid
Y3	0.523	0.000	Valid
Y4	0.792	0.000	Valid
Y5	0.754	0.000	Valid
Y6	0.685	0.000	Valid
Y7	0.840	0.000	Valid
Y8	0.483	0.002	Valid
Y9	0.810	0.000	Valid
Y10	0.409	0.011	Valid

Source : Primary data processed, 2017

The criteria used in finding whether a statement is valid or not is as follows: if the value of sig. (2tailed) < 0.05, the item question is valid. From the table above, it is obtained that all indicators to measure the

variables in this research had the significance value of < 0.05. Thus, these indicators are valid.

4.3.2. Reliability Test

The reliability test shows the consistency of the data collected. A questionnaire is said to be reliable if the answer to one's question is consistent over time (Ghozali, 2011). The amount of alpha coefficient obtained shows the reliability coefficient of the instrument. Reliability of research instrument in this research was tested by using Cronbach's Alpha coefficient. If the value of alpha coefficient is greater than 0.6, the research instrument is reliable (Ghozali, 2011). Reliability test results are as follow:

Table 4.7

Reliability Test Results

Variable	Cronbach Alpha Coefficient	Coefficient Standard	Explanation
Audit Expertise	0.900	0.6	Reliable
Task Complexity	0.975	0.6	Reliable
Audit Judgment	0.852	0.6	Reliable

Source : Primary data processed, 2017

These results indicated that all variables had large Cronbach Alpha which was above 0.60. Thus, it can be said that all the concepts of each variable measurement of the questionnaire was reliable. Beside that, the

next items on each concept of the variable is feasible to be used as a measuring tool.

4.4. Descriptive Analysis

Descriptive statistics helps to simplify large amounts of data in a sensible way. As stated in Investopedia (n.d.), descriptive statistics provides simple summaries about representation of the entire population or sample of it. The most recognized types of descriptive statistics are the mean, standard deviation, minimum, and maximum. The mean is used to estimate the average population size estimated from the sample. Standard deviation is used to assess the average dispersion of the sample. The results of descriptive analysis of research variables are as follows:

Table 4.8

Descriptive Analysis of Research Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Audit Expertise	38	1.67	4.00	3.2105	.50028
Task Complexity	38	1.00	4.00	2.1667	.92350
Audit Judgment	38	1.90	4.00	2.6711	.51722
Valid N (list wise)	38				

Source : Primary data processed, 2017

The process of analyzing descriptive statistics data was using SPSS statistical software version 21. Minimum value resulted from the lowest value of the answers of all respondents while the maximum value was

generated from the highest value of all respondents' answers. The mean and standard deviation values resulted from the calculation of SPSS version 21. The results of descriptive analysis are as follows:

1. The audit expertise variable had the lowest assessment of the answer to the audit expertise of 1.67 whereas the highest assessment was the answer of the audit expertise of 4.00. The average value of audit expertise of 3.2105 that indicated the average level of auditor expertise was 3.2105. While the standard deviation of 0.50028 means that the size of dissemination data of audit expertise variables was 0.50028 from 38 respondents.
2. The task complexity variable had the lowest assessment of the answer to the task complexity of 1.00 whereas the highest assessment of the answer to task complexity was 4.00. The average value of task complexity was 2.1677 that indicated the average level of task complexity was 2.1677. While the standard deviation of 0.9235 means that the size of dissemination data of task complexity variables was 0.9235 from 38 respondents.
3. The audit judgment variable had the lowest assessment of the answer to the audit judgment of 1.90, while the highest assessment of the answer to audit judgment was 4.00. The average value of audit judgment was 2.6711 that indicated the average level of audit judgment was 2.6711. While the standard deviation of 0.51722 means that the size of the dissemination data of the audit judgment variable was 0.51722 from 38 respondents.

4.5. Classical Assumption Test

4.5.1. Normality Test

Normality test aimed to test whether the data used in this research followed the normal distribution pattern or not. Normality test was done because in a parametric statistical analysis, it is assumed that data must be distributed normally or shaped normal distribution. Normality test was done by using the Kolmogorov Smirnov table. If significant value > 0.05, it has normal distribution. The result of normality test by using Kolmogorov-Smirnov test can be seen in table 4.9 below:

Table 4.9

Normality Test Result

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		38
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.36187337
Most Extreme Differences	Absolute	.168
	Positive	.168
	Negative	-.100
Kolmogorov-Smirnov Z		1.033
Asymp. Sig. (2-tailed)		.236

a. Test distribution is Normal.

b. Calculated from data.

Source : Primary data processed, 2017

From the results of Kolmogorov-Smirnov test above, the value of asymptotic significance (2-tailed) was 0.236. The result can be concluded that the residual data in this regression model was normally distributed because the value of Asymp. Sig. (2-tailed) above was 0.05 and the regression model was suitable for further analysis.

4.5.2. Multicollinearity Test

Multicollinearity is a state where independent variables are correlated to one another. Multicollinearity in a regression happens when two or more independent variables have a high correlation rate (Gujarati, 2004). Therefore, the regression equation is said to be good if the equation has independent variables that are mutually uncorrelated.

Table 4.10

Multicollinearity Test Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Gender	.977	1.023
	Audit Experience	.895	1.117
	Audit Expertise	.889	1.124
	Task Complexity	.888	1.126

Source : Primary data processed, 2017

From the calculation results, it is obtained that in the collinearity statistic, the VIF value on all independent variables was smaller than 10 and the tolerance value was above 0.1. These results interpreted that all

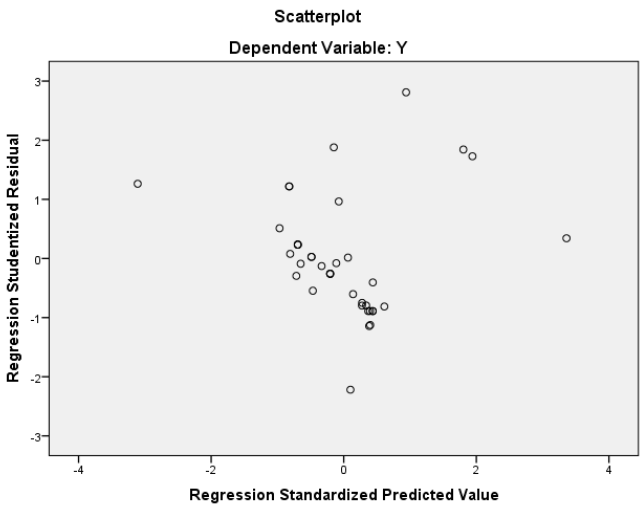
independent variables in this research had no symptoms of multicollinearity.

4.5.3. Heteroscedasticity Test

Heteroscedasticity test is used to know whether or not there is a deviation from a classical assumption of heteroscedasticity that is the existence of variant inequality of residual for all observation in the regression model. If the variant of the residual for all observations is the same, then it is called homoscedasticity and if it is different, it is called heteroscedasticity. A good regression model is homoscedasticity (Ghozali, 2011). It can detect whether or not heteroscedasticity can be seen with the presence or absence of certain patterns on the scatterplot chart. The result of heteroscedasticity test can be seen in figure 4.11 below:

Figure 4.1

Heteroscedasticity Test Results



Source : Primary data processed, 2017

From the result of the analysis of heteroscedasticity test above, there was no clear pattern and also the points were spreading above and below number 0 on Y. The result can be concluded that there was no symptoms of heteroscedasticity in the regression model and could be used for further analysis.

4.6. Hypothesis Test

4.6.1. Multiple Linear Regression Analysis

Multiple regression analysis was used to test the hypothesis. The consideration to use multiple regression analysis models was because this research used dependent variable with one or more independent variables. The results of the analysis of the regression model coefficients are as listed in the following table:

Table 4.11

Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.048	.495		2.118	.042
	Gender	.381	.133	.354	2.875	.007
	Audit Experience	.017	.007	.302	2.350	.025
	Audit Expertise	.441	.134	.426	3.300	.002
	Task Complexity	-.152	.072	-.272	-2.105	.043

Source : Primary data processed, 2017

Based on the above table, the regression model obtained is as follows:

$$\mathbf{Y = 1.048 + 0.381X1 + 0.017X2 + 0.441X3 – 0.152X4}$$

From the linear regression equation, it can be interpreted as follows:

1. The constant (α) of 1.048 gave an understanding that if all independent variables were zero (0), the level of audit judgment had 1.048 units.
2. For gender variable, the coefficient value was 0.381 with positive sign which means if the gender variable of the auditor was female, audit judgment would increase by 0.381 unit with an assumption that other independent variables were in constant condition.
3. For the experience variable, the coefficient value was 0.017 with positive sign means that if the experience variable increased by 1 unit, the audit judgment would increase by 0.017 units with the assumption that other independent variables were in constant condition.
4. For audit expertise variable, the coefficient value was 0.411 with positive sign which means if the audit expertise variable increased by 1 unit, the audit judgment would increase by 0.411 unit with the assumption that other independent variables were in constant condition.
5. For task complexity variables, the coefficient value was -0.152 with negative sign which means if the task complexity variables increased by 1 unit, the audit judgment would decrease by 0.152 units with the assumption that other independent variables were in constant condition.

4.6.2. Coefficient of Determination R^2

Coefficient of Determination R^2 is a coefficient showing the percentage of all independent variable that influences the dependent variable. The percentage indicates the influence of independent variable on the dependent variable. The coefficient of determination is between 0 (zero) and one (1). The small value of the coefficient of determination means that the ability of independent variables to explain the dependent variable is very limited. Conversely, the greater the coefficient of determination the better the independent variable explains the dependent variable. Thus, the resulting regression equation is good for estimating the value of the dependent variable (Ghozali, 2006). The results of the coefficient of determination analysis are as follows.

Table 4.12

Coefficient of Determination Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714[a]	.510	.451	.38318

a. Predictors: (Constant), X4, X1, X2, X3
b. Dependent Variable: Y
Source : Primary data processed, 2017

Adjusted R square had the value of 0.451 means that the ability of the model, in this case, the independent variable in explaining the dependent variable was 45.1%. While the remaining 54.9% influenced by other variables that were not included in the regression model.

4.6.3. F Test

The statistical F test shows whether all the independent variables included in the model have a mutual influence on the dependent variable. The statistical test of F is used to determine the effect of all independent variables included in the regression model collectively to the dependent variable tested at the 0.05 significance level (Ghozali, 2011). The results of the F test analysis are as follows

Table 4.13

F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.053	4	1.263	8.604	.000[b]
	Residual	4.845	33	.147		
	Total	9.898	37			

a. Dependent Variable: Y
b. Predictors: (Constant), X4, X1, X2, X3
Source : Primary data processed, 2017

The significance value of F test of 0.000 < 0.05 means that all independent variables included in the model have a mutual influence on the dependent variable.

4.6.4. T Test

Hypothesis testing in this study using statistical test t. The result of statistic t test can be seen in table 4.14 below:

Table 4.14

Hypothesis Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.048	.495		2.118	.042
	Gender	.381	.133	.354	2.875	.007
	Audit Experience	.017	.007	.302	2.350	.025
	Audit Expertise	.441	.134	.426	3.300	.002
	Task Complexity	-.152	.072	-.272	-2.105	.043

a. Dependent Variable: Y

Source : Primary data processed, 2017

The results of hypothesis testing using T test in this research are as follows:

1. First Hypothesis Testing

The testing of this hypothesis was done by testing the significance of the regression coefficients of gender variable. The magnitude of the gender regression coefficient was 0.381 and the significant value was 0.007. At the level of the significance of α = 5%, the regression coefficient was significant because 0.007 <0.05 which means that gender had significant and positive influence on audit judgment. Thus, the first hypothesis of this research was supported.

2. Second Hypothesis Testing

The testing of this hypothesis was done by testing the significance of the regression coefficient of audit experience variable. The amount of audit experience regression coefficient was 0.017 and the value of significant was equal to 0.025. At the level of the significance of α = 5%, the regression coefficient was significant because 0.025 <0.05 which means that experience had significant and

positive influence on audit judgment. Thus, the second hypothesis of this research was supported.

3. Third Hypothesis Testing

The testing of this hypothesis was done by testing the significance of the regression coefficient of the audit expertise variable. The amount of regression coefficient of audit expertise was 0.411 and the significant value was equal to 0.002. At the level of the significance of $\alpha = 5\%$, the regression coefficient was significant because $0.002 < 0.05$ which means that audit expertise had significant and positive influence on audit judgment. Thus, the third hypothesis of this reserach was supported.

4. Fourth Hypothesis Testing

The testing of this hypothesis was done by testing the significance of the regression coefficient of task complexity variables. The magnitude of regression coefficient of task complexity was -0.152 and the significant value of 0.043. At the level of the significance of $\alpha = 5\%$, the regression coefficient was significant because $0.043 < 0.05$ which means that task complexity had significant and negative influence on audit judgment. Thus, the fourth hypothesis of this research was supported.

4.7. Discussion

4.7.1. The Influence of Gender on Audit Judgment

The results of this research proved that gender had significant and positive influence on audit judgment, that the female auditor was more appropriate in making audit judgment than men. Gender is a cultural

concept that seeks to make distinctions in the roles, behaviors, mentality, and emotional characteristics between men and women (Januarti & Suci, 2013). Gender differences between men and women allegedly encourage auditor objectivity in judgment. These gender differences make a difference in addressing risk and the amount of data or information collected in the audit process. The female auditor is allegedly inclined to fear the risk. Thus, female will gather more information in making the audit judgment than the male auditor.

Men, in the information processing, usually do not use all the available information. Thus, the decisions are less comprehensive. As with women, they tend to process information more carefully by using more complete information and re-evaluate the information and not easily give up. Women are relatively more efficient than men in gaining information. In addition, women also have a sharper memory of new information than men and so the ability to process information is slightly sharper (Jamilah et al., 2007).

These results were consistent with several studies of Untari & Handoyo (2014) and Januarti & Suci (2013) that showed judgment taken by a female auditor can be more comprehensive than that of men which is caused by differences in the nature and character of each individual. Siagian et al. (2014) research also resulted that gender differences of auditors between men and women and the differences in character and nature of each influence the making of judgment. A more rigorous and retentive women tendency toward new, more efficient and effective

information in processing information will influence judgment making. The results of this research were also in accordance with the results of the previous research conducted by Fitriyani (2013) that showed the differences in the nature and individual character of each affect the accuracy of audit judgment. Men are more selective in processing information while women are more thorough or comprehensive in processing information.

4.7.2. The Influence of Audit Experience on Audit Judgment

The results of this research proved that audit experience had significant and positive influence on audit judgment. A better audit experience would improve audit judgment.

Experience is the length of time a person performs a job or a task and includes a person's skills and expertise. Experience is judged to have great benefits or influence on the auditor's performance appraisal. In addition, experience becomes one of the requirements for obtaining permission to become a public accountant. Experience is closely related to knowledge because when experience of a person increases, it will increase his knowledge simultaneously (Pasanda & Paranoan, 2013).

Experience can be seen from all sides. The experience of the auditor can be seen from the length of time a person works in the same profession as an auditor. Auditors who had worked for a long time as his profession will assess more experience in his work. In addition, the number of examination tasks that had been performed or the number of audited companies may also determine the auditor’s experience. The more

variations of work types or types of companies examined, the auditor assessed more experience. The more experienced an auditor in his field, the auditor is judged to have more knowledge in identifying relevant or irrelevant evidence or information to support his audit assignment, including in making his audit judgment (Granberg & Hoglund, 2011).

These results were consistent with several research such as the research of Januarti & Suci (2013) that stated the higher the audit experience that an auditor has, the better and more precise the the auditor's judgment. Research done by Pasanda & Paranoan (2013) found that experienced auditors in making audit judgment of going concern are not affected by the presence of irrelevant information. In line with Dewi (2015), it showed that experience has a significant effect on audit judgment. These are also in accordance with Siagian et al. (2014) that showed the experience of the auditor has a significant effect on the judgment taken by the auditor in determining the opinion of the audit results. Yendrawati & Mukti (2015) indicated that the amount of experience in the field of auditing can assist the auditor in completing tasks that tend to have the same pattern, and Hayati (2011) stated that an auditor who has experience in the field of audit will have an effect in determining the judgment to be taken against the audit results.

4.7.3. The Influence of Audit Expertise on Audit Judgment

The results of this research proved that audit expertise had significant and positive influence on audit judgment. A better audit expertise would improve audit judgment.

According to Artha et al. (2014), audit expertise factors are the expertise of auditors as someone who has extensive knowledge, education and high skills and coupled with audit experience. An auditor's expertise in auditing reflects the level of knowledge, experience, and education that the auditor has. The higher the skill of an auditor, the accurate the judgment generated by the auditor. A highly skilled auditor will be able to face the audit task, process relevant information and analyze audit evidence so as to support accurate judgment to determine the quality of the audit result and also the opinion that will be expressed by the auditor.

These results are in accordance with Margaret & Raharja (2014) and Januarti & Suci (2013) that stated if the audit expertise is high, audit judgment taken by auditors will also be better and more precise. Beside that, the research of Artha et al. (2014) showed that audit expertise has a significant and positive influence on audit judgment in the Inspectorate of Gianyar and Bangli Regency Governments. As well as Drupadi & Sudana (2015) proved that the higher the auditor's expertise the more accurate the audit judgment will be.

4.7.4. The Influence of Task Complexity on Audit Judgment

The results of this research proved that the task complexity had significant and negative influence on audit judgment. A better task complexity would decrease audit judgment.

Difficulty level of task and task structure are the two aspects of the compiler of task complexity. The difficulty level of the task is always

associated with the amount of information about the task, while the structure is related to information clarity (Jamilah et al., 2007).

Jamilah et al. (2007) stated that there are three basic reasons why testing of task complexity for an audit situation needs to be done. Firstly, this task complexity is expected to have a significant effect on the performance of an auditor. Secondly, suggestions and certain decision-making techniques and exercises are alleged to have been conditioned in such a way that researchers understand the oddity with the complexity of audit tasks. Thirdly, understanding the complexity of a task can help the company's audit management team find the best solution for audit staff and audit tasks. In audit assignments, variations in audit complexity may occur in various accounts, number or amount of the account balance.

These results were in accordance with Artha et al. (2014) which indicated that if the complexity of the task increases, judgment taken by the auditor will be less good and not appropriate. Raiyani & Suputra (2014) concluded that the increasingly complex tasks owned by auditors will affect the judgment issued. In the research done by Suwandi (2015) explained that when an auditor gets a lot of work and does not understand the whole of the work, auditor tends to be confused and does not know exactly what evidence he should get, so that the evidence obtained will be inaccurate and not enough. It is in line with Hayati (2011) that stated task complexity significantly affects judgment taken by the auditor.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

The last chapter of research contains the conclusions of the research, the implications of research, and limitations of research, as well as recommendation provided by researcher to the readers or the next researchers who use similar topics.

5.1 Conclusions

This study aims to determine the influence of gender, audit experience, audit expertise, and task complexity on audit judgment. There were results of this research based on the data analysis above. Firstly, the result of this research proved that gender had significant and positive influence on audit judgment at BPKP Yogyakarta and this was supported by the data obtained. Secondly, the result of this research proved that audit experience had significant and positive influence on audit judgment at BPKP Yogyakarta and this was supported by the data obtained. Thirdly, the result of this research proved that audit expertise had significant and positive influence on audit judgment at BPKP Yogyakarta and this was supported by the data obtained. Fourthly, the results of this research proved that the complexity of tasks had a significant and negative influence on audit judgment at BPKP Yogyakarta and this was supported by the data obtained.

5.2 Research Implications

In this research, the theoretical implication is needed to know various factors that influence audit judgment and can be used as the development material and knowledge in the field of accounting especially related to auditing,

particularly in the field of audit judgment. For the development of science in the field of audit judgment, it is necessary to review the performance of the auditor in giving judgment. Thus, new factors that may possibly influence the audit judgment will be known.

The practical implication of this research is for academicians as literature to develop further research as reference material for subsequent research for those who do research in auditing field, especially audit judgment. Thus, the result of research on audit judgment can be more effective with more and even sample, as well as for the auditor as input and reference material especially for everything related to audit judgment.

5.3 Research Limitations

Regardless the results of research that had been presented, this research still have many limitations and shortcomings. Limitations are that are inherent (controllable) and not attached (uncontrollable) had been minimized by the researcher. Firstly, the research was limited to the research object of auditors' profession in BPKP Yogyakarta. Thus, there is a possible difference in results, discussions or conclusions for different research objects. Secondly, the data was collected and analyzed using questionnaire method. Thus, there is a possible mistake in filling the questionnaire that can lead to misleading results. Thirdly, pursuant to the result in coefficient of determination, it showed that the influence of dependent variables was 45.1% out of 100%. It means that there were still 54.9% that can be maximized by other variables that were not included in this research.

5.4 Recommendations

For the development of research on similar or relevant topics, this research may be used as a reference for further research. Based on the limitations of this research, it is suggested that future research can be done by using auditor from Big Four or public auditor as a comparison. Further research can use or add data collection methods in addition to the questionnaire method, such as interview method. It is useful to gather more comprehend data and may reduce the occurrence of bias and misdirection data.

For BPKP, based on this research, it is recommended for BPKP to be able to manage its auditor. BPKP should always develop its auditor skills and knowledge by not only considering technical factors but also considering non-technical factors. For auditors, it is advisable to be able to improve their skills in the field of audit. Thus, it is expected to be able to improve their ability in conducting audit judgment. For the further researcher, it should expand the research sample not only at BPKP in Yogyakarta but other regions in Indonesia. Beside that, it should expand the assessment aspect not only from the scope of the executing auditor but also from the BPKP leadership and may consider adding other factors that may affect the audit judgment.

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APPENDICES