



The Effect of Professional Education, Experience and Independence on the Ability of Internal Auditors in Detecting Fraud in the Pharmaceutical Industry Company in Central Jakarta

Hamilah Hamilah^{1*}, Denny², Evi Handayani³

Universitas Persada Indonesia YAI. Jakarta, Indonesia. *Email: hamilahlmilla@rocketmail.com

Received: 20 July 2019

Accepted: 02 September 2019

DOI: <https://doi.org/10.32479/ijefi.8602>

ABSTRACT

This research focuses on the problem that is suspected to have an important influence, namely the ability to detect fraud (fraud), from professionalism, experience, independence, and professionalism, the size of the research is internal audit working in pharmaceutical industry companies in Jadebotabek. The population in this study is the enterprise of pharmaceutical industry in Central Jakarta which amounted to 20. Sampling technique used is purposive sampling with sample size 20 companies which produce 100 respondents. The research model used is descriptive method using the classic assumption test, multiple regression analysis, multiple correlation analysis, determination analysis, while testing uses the t-statistical hypothesis test to test partial influence and F-statistics to test the simultaneous effect with a significance level of 5%. Based on the four classical tests, the normality test, the multicollinearity test, the autocorrelation test and the heteroscedasticity test, no variables were found that deviate from the classical assumptions. For testers of this study using the SPSS application version 25.0. The results of the study stated that professionalism had a significant effect on the ability to detect fraud; audit experience has a significant effect on the ability to detect fraud; audit independence has a significant effect on the ability to detect fraud; Professionalism, audit experience, and audit independence together have a significant influence on the ability to detect fraud.

Keywords: Profession, Experience, Independence, Ability of Internal Auditors, Fraud

JEL Classifications: E10, E32, E60

1. INTRODUCTION

Currently, almost all countries in the world experience the era of globalization, including Indonesia. Globalization is an era that has now become a challenge for the Indonesian people to be able to survive in the globalization process which is full of competition. Specifically in the economic field, globalization is a process of economic activity and trade in which countries throughout the world become a market force that is increasingly connected with the country's territorial barriers without so-called free trade. Economic globalization requires the removal of all restrictions and barriers to the flow of capital, goods and services. When

economic globalization occurs, the boundaries of a country will become blurred and the link between the national economy and the international economy will be even tighter. Globalization of the economy on the one hand will open up market opportunities for products from domestic to international markets competitively, but on the contrary also opens opportunities for the entry of global products into the domestic market (Said et al., 2014).

To face global competition, a good corporate governance is needed in both the public and private sectors. This is because, various analyzes suggest that there is a link between economic crises, financial crises and prolonged crises in various countries with

poor management (bad governance) in most economic actors in the public and private sectors. One form of poor management is the increase in corruption cases, which have a negative impact on the Indonesian economy (Frinces, 2015).

With the rise of demands for the realization of good governance and good corporate governance, the profession of auditors, especially internal auditors, has received much attention. The highlight is mainly related to the task of internal auditors in the company, because the purpose of the audit carried out by internal audits is to assist all company leaders (managers) in carrying out their responsibilities by providing analysis, assessment, advice and comments regarding the activities that they inspect (Roghé et al., 2012).

The main decision that must be determined by each auditor is related to the amount of sufficient supporting evidence to be collected, so that the auditor feels confident that the elements of the financial statements and other reports are made fairly. In the examination process, the amount of evidence collected affects the outcome of the decision. Because obtaining little evidence will increase the likelihood of material failure (Guo et al., 2016).

In the world of pharmaceutical development of medicinal drugs of very significantly with the advancement of knowledge and technology. The pharmaceutical industry in Indonesia is one of the industries that has developed quite rapidly compared to Southeast Asian countries. The development of drugs is increasingly widespread due to the growing market and the large population of Indonesia so that the availability of drugs is increasingly needed. This makes it a great potential for drug development in Indonesia (Blankenhorn, 2007).

The amount of competition in the pharmaceutical business, spurred pharmaceutical companies to continue to increase sales figures. The pressure gained from this competition was felt by employees in the pharmaceutical company, especially in the sales and marketing division in obtaining consumers. For this, triggering sales and marketing using various methods so that targets can be achieved (Alesina and La Ferrara, 2005).

The phenomenon that has occurred is that BPJS partner pharmacy fraud has been dismantled by the Ombudsman. The Ombudsman of the Republic of Indonesia (ORI) NTB representative revealed his findings related to fraud committed by several pharmacies in the city of Mataram. The fraud was carried out for profit, even at the expense of patients participating in the Social Security Organizing Agency (BPJS) (Lee et al., 2007).

NTB Representative ORI Chair Adhar Hakim said the National Health Insurance (JKN) program was implemented by the government with the aim of easing the burden on the community or providing assistance to the community in the field of health services. The disclosure of fraud committed by the pharmacy, started from a public report. "The Ombudsman is in accordance with its authority in Law Number 37 of 2008, namely overseeing the implementation of public services." We have received reports from the public regarding suspected fraudulent practices by BPJS

partner pharmacies in distributing medicines for BPJS participants (Materials et al., 2009).

Following up on the report, the Ombudsman then conducted a closed investigation from April to May 2018. "Many facts of fraud have been found in the field." A number of pharmacies that are BPJS partners are allegedly carrying out inappropriate practices by refusing to sell certain brands of drugs. The reason the drug stock runs out, is not in accordance with the findings of the Ombudsman. The Ombudsman found these pharmacies, instead sold certain brand drugs to the general public who were not BPJS participants. "The pharmacies are not able to show the fact that certain brand drugs are out of stock. Because at the same time continue to serve the sale of the same brand of drugs to general buyers or non-participating BPJS (National Geographic, 2014).

In fact, based on the provisions stipulated in PMK number 28 of 2014 concerning Manlak JKN, drugs that already have the JKN label are only intended specifically for BPJS participants.

With the above background regarding the importance of professional education, experience, independence and professionalism in detecting fraud, the authors are interested in taking the title of research on the Effect of Professional Education, Experience and Independence on the Internal Auditor's Ability in Detecting Fraud (Fraud) in Pharmaceutical Industry Companies in Central Jakarta.

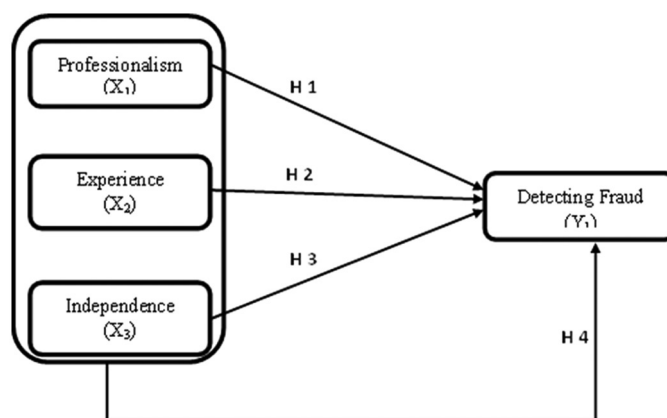
2. THEORITICAL REVIEW

2.1. Professionalism of Internal Auditors

Professional internal auditors must have the independence to fulfill their professional obligations, provide opinions that are objective, unbiased and not restricted, and report problems as they are, not report as desired by the executive or the institution (King, 2004). To find out whether an internal auditor is professional in carrying out his duties, it is necessary to have a performance evaluation.

According to (Young and Conboy, 2013) argued that to increase professionalism, an accountant must show his professional behavior, namely: responsibility, community interests, integrity, objectivity, independence, equality, scope and nature of services.

Figure 1: Design framework for thinking



In Figure 1, indicators of professionalism according to (Belyaev et al., 2005) there are five dimensions of professionalism, namely: devotion to the profession, social obligations, independence, confidence in professional regulations, relationships with fellow professionals.

Based on these statements can show that auditor professionalism is an attitude to provide an objective opinion, not biased, not limited, and report the problem as it is (Natsir et al., 2018), and according to (Suzana, 2017) professional behavior in the form of responsibility, integrity, objective, independence and equality. Indicators of professionalism according to (Oliveira and Panyik, 2015) are devotion to the profession, social obligations, independence, confidence in professional regulations, and relationships with fellow professionals.

2.2. Audit Experience

According to (McDaniel et al., 2002), a person with more experience in a field has more things stored in his memory and can develop a good understanding of events. And experienced auditors make better judgment in professional tasks than in experienced auditors. This is confirmed by (Watts and Zimmerman, 1978) who found that the audit experience that auditors have played a role in determining the considerations taken.

According (King, 2004) identify the experience that is the experience of auditors in conducting audits viewed from other aspects of working as an auditor and the number of audit tasks that have been carried out. Experience is a skill and knowledge obtained by someone after doing a thing.

According to (Hirshleifer and Teoh, 2003) identifying experience is a process of learning and the development of behavioral potential increases both from formal and non-formal education or can be interpreted as a process that brings someone to a higher pattern of behavior. A learning also includes a relatively appropriate change of behavior that results from experience, understanding and practice.

Based on this statement, it can be concluded that experienced auditors make better judgment in professional tasks than inexperienced auditors. Factors that become indicators of auditing practice are professional training, education and length of work.

2.3. Independence

According to (Carcello and Nagy, 2004) independence is an impartial perspective in carrying out testing, evaluating the results of audits and preparing audit reports.

According to (Jin et al., 2016) stated that independence is the attitude expected of an auditor to have no personal interest in carrying out his duties, which is contrary to the principles of integrity and objectivity. Each auditor must maintain integrity and objectivity in his professional duties and each auditor must be independent of all conflicting interests or improper influence. Based on the explanation it can be concluded that independence is a person's attitude to act honestly, impartially and report findings only based on available evidence.

According to (Carcello and Nagy, 2004) Auditor Independence is an auditor who is not influenced by various forces that come from outside the auditor in considering the facts he encountered in the audit. Independence is more determined by factors outside the auditor's self.

Based on these statements can show that independence is an impartial attitude or the ability to act based on integrity and objectivity, free from any influence so that fraud in the company being audited can be detected properly.

2.4. Detecting Fraud

Fraud is a deliberate fraud carried out that can cause losses unnoticed by the injured party and provide benefits for perpetrators of fraud. In everyday terms fraud is given a different name, such as theft, seizure, extortion, exploitation, embezzlement, counterfeiting and others. Fraud generally occurs because there is pressure to misuse or encouragement to take advantage of opportunities that exist and there is justification (generally accepted) for these actions.

According to (Költzsch, 2006) in its standards describing fraud, namely "Fraud encompasses an array of irregularities and illegal acts characterized by intentional deception. It can be perpetrated for the benefit of the organization and by the person outside as well as the organization."

With the translation as follows, fraud covers an irregularity and illegal actions that are characterized by intentional fraud. It can be done for the benefits and or losses of the organization by someone outside or within the organization.

According to Statements of Internal Standard Auditing No. 3 in (Anggraeni, 2014), fraud is cheating covering a series of unfamiliarities and or illegal actions that are characterized by intentional fraud. Fraud can be done for the benefit or loss of the organization and by people outside or within the organization.

Based on the above statement, it can show that fraud is cheating covering a series of unfamiliarities and or illegal actions that are characterized by deliberate fraud. Fraud can be carried out for the benefit or loss of the organization and by people outside or within the organization (Statements of Interna Standard Auditing No. 3 in (Barth and Schipper, 2008)).

The ability of auditors to detect fraud is the ability of an auditor to find or determine illegal actions that result in material misstatements, weaknesses in the organizational structure of the company, and abuse of authority. Indicators for the ability to detect fraud are material misstatement, organizational structure weaknesses, and abuse of authority (Carcello and Nagy, 2004).

In the theory of Internal Audit (Van Beest et al., 2009) explains that a professional internal auditor must have independence, provide an objective opinion, not biased and not limited to this. In the theory of the auditor's experience according to (Birachi et al., 2013), namely the length of work, training, and education. In the auditor independence theory according to (King, 2004)

that is the auditor is not influenced by various forces that come from outside the auditor in considering the facts he encountered in the audit. In the theory of cheating according to the Black Law Dictionary (8th Ed), namely intentionally wrong statements, misrepresentation or erroneous, concealment of material facts or reckless/uncalculated presentation that affects others to act or act in an adverse manner. The figure below shows the framework that was made in the research model regarding the effect of education, experience and independence on the ability to detect fraud.

3. METHODOLOGY

The research method used is a survey method that aims to get data from certain natural places. Research conducts data collection such as distributing questionnaires, tests, structured interviews and so on. According to the analysis of the type of data, this study uses quantitative data, while the type of research used is the type of comparative causal research. Comparative causal research is a study that involves the act of collecting data to determine whether there is a relationship and the degree of relationship between two or more variables. This study is useful for analyzing the causal relationship between two or more variables, or how a variable affects other variables.

The data used in this study are primary data. Primary data were obtained using a questionnaire, by gathering information from internal auditors at pharmaceutical industry companies in Central Jakarta in this study.

The population in this study were 20 pharmaceutical industry companies in Central Jakarta. The company criteria used in the sampling of this study are:

- a. Manufacturing company that manufactures medicines (pharmaceuticals)
- b. Head Office (Head Office) is in Central Jakarta
- c. Have an Internal Audit structure.

Respondent criteria used in the sampling of this study were:

- a. Aimed at Internal Audit with the positions of manager, assistant manager, supervisor, and staff
- b. Have work experience or hold an internal audit position for at least 3 years of work
- c. Have a minimum educational background of S1
- d. Ever found a case of cheating while working in a pharmaceutical industry company.

Based on these criteria, 20 pharmaceutical industry companies were selected, and of the 20 companies 100 respondents were obtained.

4. RESULT AND DISCUSSION

4.1. Descriptive Statistics

Descriptive statistics show the mean (mean), standard deviation and range for each variable in this study are as follows. Based on the data obtained by the author using descriptive statistics that function to describe or provide an overview of the object under

study and through the study sample data, as well as from the results of processing SPSS Version 25.0 in Table 1 obtained:

4.1.1. Ability to detect fraud (KMK)

For the variable of detecting fraud the mean value is 25.37, the range value is 17, this value reflects that the ability to detect fraud is high. For the deviation of 3.454, which is smaller than the mean value reflects that the variable data the ability to detect cheating is normally distributed.

4.1.2. Professionalism (PF)

For the professionalism variable, the mean value is 44.44, the range value is 28, this value reflects that the ability to detect fraud is high. For the deviation of 5.470, which is smaller than the mean value reflects that the professionalism variable data is normally distributed.

4.1.3. Audit experience (PA)

For the audit experience variable the mean value is 12.73, the range value is 8, this value reflects that the ability to detect fraud is high. For a deviation of 1.720 which is smaller than the mean value reflects that the audit experience variable data is normally distributed.

4.1.4. Audit independence (IA)

For the audit independence variable, the mean value is 50.38, the range value is 24, this value reflects that the ability to detect fraud is high. For deviations that are 5.369, which is smaller than the mean value reflects that the audit independence variable data is normally distributed.

From Table 1 the regression model that can be formed is $KMK = -1.940 + 0.286 PF + 0.422 PA + 0.187 IA$

Table 1: Descriptive statistics

Sample	Statistics			
	PF	PA	HE	KMK
N				
Valid	73	73	73	73
Missing	0	0	0	0
The mean	44.44	12.23	50.38	25.37
Std. deviation	5.470	1.720	5.369	3.454
Range	28	8	24	17

Source: SPSS Version 25.0 for windows

Table 2: Data normality test results

One-sample kolmogorov-smirnov test		
Normal test		Unstandardized residual
N		73
Normal parameters ^{a,b}	The mean	0.000000
	Std. deviation	1.80909851
Most extreme differences	Absolute	0.063
	Positive	0.063
	Negative	-0.054
Statistical test		0.063
Asymp. sig. (2-tailed)		0.200 ^{c,d}

^aTest distribution is normal. ^bCalculated from data. ^cLilliefors significance correction.

^dThis is a lower bound of true significance. Source: SPSS Version 25.0 for windows

Table 3: Multiple regression analysis

Model		Coefficients ^a				t	Sig.
		Unstandardized coefficients		Standardized coefficients			
		B	Std. error	Beta			
1	(Constant)	-1.940	2.118			-0.916	0.363
	PF	286	0.063	0.454		4.569	0.000
	PA	0.422	0.184	0.210		2.301	0.024
	HE	0.187	0.058	0.290		3.207	0.002

^aDependent variable: KMK Source: SPSS Version 25.0 for windows

4.2. Data Normality Test

Guidelines for making decisions about the data approaching or constituting a normal distribution can be seen from:

- a. Sign value, or significant or probability <0.05, the data distribution is not normal
- b. Sign value, or significant or probability >0.05 then the data distribution is normal.

Through the Kolmogorov-Smirnov Test One-Sample output in Table 2, it can be seen that the data from the application of the questionnaire is normally distributed because of the Asymp results. The independence and dependent variable is >0.05.

4.3. Hypothesis Testing

Depend on Table 3, by referring to the regression equation obtained, the regression model can be interpreted as follows:

1. The value of the constant coefficient (a) is as large as -1.940 this means that if the value of the independent variable is 0, then the level or magnitude of the dependent variable is -1.940
2. The coefficient value for Professionalism (PF) $\beta_1 = 4.569$ means that if for professionalism (PF) increases by 1, while other independent variables remain then the ability to detect fraud (KMK) will increase by 4.569 and vice versa if for professionalism (PF) occurs a decrease of 1, while other independent variables remain, then the ability to detect fraud (KMK) will decrease by 4.569
3. The coefficient value for audit experience (PA) $\beta_1 = 2.301$ means that if for audit experience (PA) increases by 1, while other independent variables remain then the ability to detect fraud (KMK) will increase by 2.301 and the same if for audit experience (PA) decreased by 1, while other independent variables remained, the ability to detect fraud (KMK) would decrease by 2.301
4. The coefficient value for audit independence (IA) $\beta_1 = 3.207$ means that if for audit independence (IA) increases by 1, while other independent variables remain, the ability to detect fraud (KMK) will increase by 3.207 and vice versa if for audit independence (IA) a decrease of 1, while other independent variables remain, then the ability to detect fraud (KMK) will decrease by 3.207.

4.3.1. First hypothesis

From the results of the partial correlation analysis in Table 4 the correlation between professionalism (PF) and the ability to detect fraud (KMK) where audit experience (PA), and audit independence (IA) are controlled (made permanent) is 0.482. Value of $t_{arithmetic} = 4.5696 > t_{able} = 1.99495$. The probability of significance is $0.000 < 0.05$. This shows that there is a significant

Table 4: Partial correlation professionalism (PF) with the ability to detect fraud (KMK)

Correlations				
Control variables		PF	KMK	
IA and PA	PF	Correlation	1.000	0.482
		Significance (2-tailed)		0.000
		Df	0	69
KMK	KMK	Correlation	0.482	1.000
		Significance (2-tailed)	0.000	
		Df	69	0

Source: SPSS Version 25.0 for windows

Table 5: Partial correlation audit experience (PA) with the ability to detect fraud (KMK)

Correlations				
Control variables		PA	KMK	
IA and PF	PA	Correlation	1.000	0.267
		Significance (2-tailed)		0.024
		df	0	69
KMK	KMK	Correlation	0.267	1.000
		Significance (2-tailed)	0.024	
		df	69	0

Source: SPSS Version 25.0 for windows

relationship between professionalism (PF) with the ability to detect fraud (KMK) where audit experience (PA) and audit independence (PA) are controlled (made permanent). While the direction of the relationship is positive because the value of r is positive, meaning that the higher the professionalism (PF), the higher the ability to detect fraud (KMK). This shows that H_1 is accepted and H_0 is rejected.

For a significant test of partial regression can be seen from the results of significant testing and t-test. The results can be seen in Table 4 with a coefficient of professionalism (PF) of 0.286, which indicates that professionalism (PF) has a negative influence on the ability to detect fraud (KMK). $T_{count} = 4.5397 < t_{abel} = 1.99495$ and the significant value of $0.000 < 0.05$, which means professionalism (PF) has a significant effect on the ability to detect fraud (WCL). Based on the results above, the H_a received H_o rejected, meaning professionalism (PF) has a significant effect on the ability to detect fraud (KMK) partially. Thus the hypothesis H_1 is proven.

4.3.2. Second hypothesis

From the results of the partial correlation analysis in Table 5, the correlation between audit experience (PA) with the ability to detect fraud (KMK) where professionalism (PF), and audit independence (IA) is controlled (made permanent) is 0.267. Value of $t_{arithmetic} = 2.3014 > t_{able} = 1.99495$ The probability of significance

is $0.024 < 0.05$. This shows that there is a significant relationship between audit experience (PA) with the ability to detect fraud (KMK) where professionalism (PF) and audit independence (IA) are controlled (made permanent). While the direction of the relationship is positive because the value of r is positive, meaning that the higher the audit experience (PA), the higher the ability to detect fraud (KMK). This shows that H_2 is accepted and H_0 is rejected.

For a significant test of partial regression can be seen from the results of significant testing and t-test. The results can be seen in Table 5 with the audit experience coefficient (PA) value of 0.422 which indicates that the audit experience (PA) has a positive effect on the ability to detect fraud (KMK). Value of $t_{arithmetic} = 2.2935 > t_{able} = 1.99495$ and a significance value of $0.024 < 0.05$ which means that audit experience (PA) has a significant effect on the ability to detect fraud (KMK). Based on the results above, the H_a received H_0 rejected, meaning the experience of audit (PA) has significant influence on the ability to detect fraud (KMK) partially. Thus the hypothesis H_2 is proven.

4.3.3. Third hypothesis

From the results of the partial correlation analysis in Table 6. obtained correlation between audit independence (IA) with the ability to detect fraud (KMK) where professionalism (PF), and audit experience (PA) is controlled (made permanent) is 0.360. Value of $t_{arithmetic} = 3.2053 > t_{able} = 1.99495$ Significance probability $0.002 < 0.05$. This shows that there is a significant relationship between audit independence (IA) and the ability to detect fraud (KMK) where professionalism (PF) and audit experience (PA) are controlled (made permanent). While the direction of the relationship is positive because the value of r is positive, meaning that the higher the independence of the audit (IA), the higher the ability to detect fraud (KMK). This shows that H_2 is accepted and H_0 is rejected.

For a significant test of partial regression can be seen from the results of significant testing and t-test. The results can be seen in Table 6. with the value of the audit independence coefficient (IA) of 0.187, which indicates that audit independence (IA) has a positive influence on the ability to detect fraud (KMK). Value

Table 6: Partial correlation audit independence (IA) with the ability to detect fraud (KMK)

Correlations				
Control variables			KMK	HE
PF and PA	KMK	Correlation	1.000	0.360
		Significance (2-tailed)		0.002
		df	0	69
HE	HE	Correlation	0.360	1.000
		Significance (2-tailed)	0.002	
		df	69	0

Source: SPSS Version 25.0 for windows

Table 7: Multiple correlation test results

Model summary ^b					
Model	R	R square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0.852 ^a	0.726	0.714	1.848	2.067

^aPredictors: (Constant), IA, PA, PF ^bDependent Variable: KMK Source: SPSS Version 25.0 for windows

of $t_{arithmetic} = 3.2241 > t_{able} = 1.99495$ and a significance value of $0.002 < 0.05$ which means that audit independence (IA) has a significant effect on the ability to detect fraud (KMK). Based on the results above, the H_a received H_0 is rejected, it means that the independence of the audit (IA) has significant influence on the ability to detect fraud (KMK) partially. Thus the hypothesis H_3 proven.

4.3.4. Fourth hypothesis

Depend on Table 7, By looking at F_{table} $df = 4$ (k) and $df 2 = 69$ (nk-1) and at a significant value of 0.05, an F_{table} value of 2.737 is obtained. By knowing F_o and F_{table} , it can be concluded that $F_o = 60.9417 > F_{table} 2.737$ with a significance value of $0.000 < 0.05$ which means professionalism (PF), audit experience (PA), and Independence (IA) have a significant relationship together with the fourth hypothesis (H4) accepted.

In Table 8, for the partial regression significant test can be seen from the results of significant testing and F test. The results can be seen in Table 7 that $F_o = 60.9417 > F_{table} = 2.737$ with a significance value of $0.000 < 0.05$ which means professionalism (PF), experience audit (PA) and audit independence (IA) together have a significant effect on the ability to detect fraud (KMK) simultaneously. Thus the H5 hypothesis is proven.

4.3.5. Coefficient of determination

Based on Table 9, it states that the adjusted R-Square value is 0.726, meaning that the magnitude of the coefficient of determination is 0.726. This states that the independent variable explains the dependent variable at 72.6%. The remaining 27.4% is influenced by other variables outside the regression model in this study.

5. DISCUSSION

1. First hypothesis (H1)

The coefficient of professionalism is 0.286, which indicates that professionalism has a positive influence on the ability to detect fraud. $T_{count} = 4.5696 > t_{table} = 1.99495$ and the significant value of $0.000 < 0.05$, which means that professionalism has significant influence on the ability to detect fraud. The results of the study stated that professionalism has a significant effect on the ability to detect fraud. The auditor is responsible for planning and carrying out audits to obtain adequate confidence in the ability to detect fraud.

2. Second hypothesis (H2)

The coefficient value of audit experience is 0.422 which indicates that audit experience has a positive influence on the ability to detect fraud. Value of $t_{arithmetic} = 2.3014 > t_{table} = 1.99495$ And the significance value of $0.024 < 0.05$ which means that the audit experience has a significant

Table 8: Test F (ANOVA)

ANOVA ^a						
Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	623.369	3	207.790	60.844	0.000 ^b
	Residual	235.644	69	3.415		
	Total	859.014	72			

^aDependent variable: KMK ^bPredictors: (Constant), IA, PA, PF Source: SPSS Version 25.0 for windows

Table 9: Summary of research results

No	Hypothesis	T _{count} or F _{count}	T _{table} or F _{table}	Information
1	Ha ₁ : X ₁ ...Y	4.5696	1.99495	Significant
2	Ha ₂ : X ₂ ...Y	2.3014	1.99495	Significant
3	Ha ₃ : X ₃ ...Y	3.3014	1.99495	Significant
4	Ha ₄ : X ₁ , X ₂ , X ₃ ...Y	60.9417	2.737	Significant
Coefficient of determination				72.6%

Source: Primary data if 2019

influence on the ability to detect fraud. With the results of these studies prove that the more experienced an auditor, the higher or better the ability to detect fraud.

- Third hypothesis (H3)
Audit independence coefficient value of 0.187 which indicates that the audit experience has a positive influence on the ability to detect fraud. Value of $t_{arithmetic} = 3.2053 > t_{table} = 1.99495$ And the significance value of $0.002 < 0.05$, which means the independence of the audit has a significant effect on the ability to detect fraud. With the results of these studies demonstrate that the independence of the auditor high, it will be higher or improved in the ability to detect fraud.
- Fourth hypothesis (H4)
Value $F_o = 60.9417 > F_{table} = 2.737$ with a significance value of $0.000 < 0.05$, which means professionalism, audit experience, and audit independence together have a significant effect on the ability to detect fraud. R-square value of 0.726 means that the magnitude of the coefficient of determination is 0.726, this states that the independent variable explains the dependent variable by 72.6%, the remaining 27.4% is influenced by other variables outside the regression model in this study.

6. CONCLUSION

This study aims to determine the effect of professionalism, experience and independence on the ability of internal auditors to detect fraud. The respondents of this study were 73 internal auditors working in the pharmaceutical industry in Central Jakarta. Based on the data that has been collected and tests that have been carried out on the problem using multiple regression models, the conclusions can be drawn as follows:

- The coefficient of professionalism is 0.286, which indicates that professionalism has a positive influence on the ability to detect fraud. Value of $t_{arithmetic} = 4.5696 > t_{table} = 1.99495$ And a significance value of $0.000 < 0.05$ which means professionalism has a significant influence on the ability to detect fraud.
- The coefficient value of audit experience is 0.422 which indicates that audit experience has a positive influence on

the ability to detect fraud. Value of $t_{arithmetic} = 2.3014 > t_{table} = 1.99495$ And the significance value of $0.024 < 0.05$ which means that the audit experience has a significant influence on the ability to detect fraud.

- Audit independence coefficient value of 0.187 which indicates that audit independence has a positive effect on the ability to detect fraud. Value of $t_{arithmetic} = 3.2053 > t_{table} = 1.99495$ And the significance value of $0.002 < 0.05$, which means the independence of the audit has a significant effect on the ability to detect fraud.
- Value $F_o = 60.9417 > F_{table} = 2.727$ With a significance value of $0.000 < 0.05$, which means professionalism, audit experience, and audit independence together have a significant effect on the ability to detect fraud. The adjusted R-Square value of 0.726 means that the magnitude of the coefficient of determination is 0.726. This states that the independence variable explains the dependent variable by 72.6%, the remaining 27.4% is influenced by other variables outside the regression model in this study.

REFERENCES

- Alesina, A., La Ferrara, E. (2005), Ethnic diversity and economic performance. *Journal of Economic Literature*, 43(3), 762-800.
- Anggraeni, R.D. (2014), Increasing lecturer competence as the quality assurance of lecturer performance. *Management Studies*, 2(5), 309-329.
- Barth, M.E., Schipper, K. (2008), Financial reporting transparency. *Journal of Accounting, Auditing and Finance*, 23(2), 173-190.
- Belyaev, A., Leroy, C., Mehdiyev, R., Pukhov, A. (2005), Leptoquark single and pair production at LHC with CalHEP/CompHEP in the complete model. *Journal of High Energy Physics*, 1, 25.
- Birachi, E., Karume, K., Kyamuhangire, W., Chiuri, W., Mugabo, J., Tumwesigye, K.S., Kamugisha, R. (2013), Expanding market access and value addition in selected agricultural value chains: the role of IAR4D in the lake kivu pilot learning site. *African Journal of Agricultural and Resource Economics*, 8, 135-144.
- Blankenhorn, S.U. (2007), Seaweed Farming and Artisanal Fisheries in an Indonesian Seagrass Bed: Complementary or Competitive Usages? Thesis.
- Carcello, J.V., Nagy, A.L. (2004), Audit firm tenure and fraudulent financial reporting. *Auditing*, 23(2), 55-69.
- Frinces, Z.H. (2015), Membangun ekonomi daerah di indonesia. *Ekonomi*, 4(2), 177-191.
- Guo, J., Huang, P., Zhang, Y., Zhou, N. (2016), The effect of employee treatment policies on internal control weaknesses and financial restatements. *Accounting Review*, 91(4), 1167-1194.
- Hirshleifer, D., Teoh, S.H. (2003), Limited attention, information disclosure, and financial reporting. *Journal of Accounting and Economics*, 36(1-3), 337-386.
- Jin, S., Seo, M.G., Shapiro, D.L. (2016), Do happy leaders lead better? Affective and attitudinal antecedents of transformational leadership. *Leadership Quarterly*, 27(1), 64-84.
- King, D.M. (2004), Trade-based carbon sequestration accounting. *In Environmental Management*, 33(4), 559-571.
- Költzsch, G. (2006), Innovative methods to enhance transaction security of banking applications. *Journal of Business Economics and Management*, 7(4), 243-249.
- Lee, H.J., Goss, R.C., Beamish, J.O. (2007), Influence of lifestyle on housing preferences of multifamily housing residents. *Housing and Society*, 34(1), 11-30.

- Materials, S.I., Aria, F., Pbmcs, R., Taqman, A.B.I., Scientific, F., Tech, S.C., Cd, T. (2009), Supporting information. *Journal of Experimental Medicine*, 10(3), 520-27.
- McDaniel, L., Martin, R.D., Maines, L.A. (2002), Evaluating financial reporting quality: The effects of financial expertise vs. Financial literacy. In *Accounting Review*, 77(1), 139-167.
- National Geographic, I. (2014), Pahami Masyarakat Ekonomi ASEAN (MEA) 2015. Geopolitik. Retrieved from: <http://nationalgeographic.co.id/berita/2014/12/pahami-masyarakat-ekonomi-asean-mea-2015>.
- Natsir, M., Widodo, A.A., Wudianto, W. (2018), Technical efficiency of fish aggregating devices associated with tuna fishery in kendari fishing port indonesia. *Indonesian Fisheries Research Journal*, 23(2), 97-105.
- Oliveira, E., Panyik, E. (2015), Content, context and co-creation: Digital challenges in destination branding with references to portugal as a tourist destination. *Journal of Vacation Marketing*, 21, 53-74.
- Roghé, F., Toma, A., Kilmann, J., Dicke, R., Strack, R. (2012), *Organizational Capabilities Matter*. Boston: Boston Consulting Group. p24.
- Said, M., Hassan, F., Musa, R., Rahman, N.A. (2014), Assessing consumers' perception, knowledge and religiosity on Malaysia's halal food products. *Procedia-Social and Behavioral Sciences*, 130, 120-128.
- Suzana, A. (2017), Pengaruh organizational citizenship behavior (ocb) terhadap kinerja karyawan (studi di : Pt. Taspen (persero) kantor cabang cirebon). *Jurnal Logika*, 19, 42-50.
- Van Beest, F., Braam, G., Boelens, S. (2009), *Quality of Financial Reporting : Measuring Qualitative Characteristics*. Nijmegen Center for Economics (NiCE) Working Paper 09-108.
- Watts, R.L., Zimmerman, J.L. (1978), Towards a positive theory of the determination of accounting standards. *The Accounting Review*, 1978, 112-134.
- Young, M., Conboy, K. (2013), Contemporary project portfolio management: Reflections on the development of an Australian competency standard for project portfolio management. *International Journal of Project Management*, 31(8), 1089-1100.