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INDEPENDENCE, PROFESSIONALISM AND AUDITOR'S ABILITY IN DETECTING FRAUD(PT. TELKOM BANDUNG)

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ABSTRACT
The aim of this research is to examine about of auditor independence and professionalism on the ability of auditors to detect fraud at PT. Telkom. This research, using descriptive and verification with explanatory.The ability of auditors will be higher in detecting fraud if auditor independence and professionalism is getting better. The magnitude of the influence of these two variables on the ability of auditors to detect fraud was 61.6% and the remaining 38.4% was influenced by other factors not revealed in this study. There is a weakness of auditor independence in terms of auditor freedom in determining the subject of examinations, access to information and carrying out active cooperation in the process of auditing and reporting on audit results not to cause multiple interpretations. There are weaknesses in the professionalism of auditors in terms of the use of knowledge, ability and experience as a basis for decision making, the ability to safeguard company wealth, independence from management pressure and participation in organizations is still relatively weak. The need to increase discussion and friendship among fellow professions.

Keywords: Independence, professionalism and Fraud.

I. INTRODUCTION
Fraud in accounting has attracted much media attention and has become a prominent and important issue in the eyes of world business players. Tunggal (2012: 1) states that fraud can be said as a form of fraud that is intentionally done so that it can cause losses without being realized by the injured party and provide benefits for the perpetrators of fraud.

BPK inspection (2010) cited by Amrizal (2012) mentions that one case of fraud asset misappropriation that befell SOEs in Indonesia is a case that befalls one BUMN namely PT Barata Indonesia (Persero). This case was carried out by MH (Director of Financial and HR Empowerment of PT Barata Indonesia) who allegedly sold state assets in the form of land together with H (Managing Director of PT Barata Indonesia) and SS. The sale of these assets occurred in 2003-2005. The sale is considered to be in conflict with, among others, RI Law No. 19 of 2003 concerning SOEs and Finance Decree Number 89 / KMK.013 / 1991 concerning Transfer of Fixed SOEs. The Corruption Eradication Commission (KPK) explained that the corruption case was carried out by lowering the Selling Value of Tax Objects of land owned by PT Barata in 2004, the state was disadvantaged by more than Rp. 22,690 billion.

The results of research conducted by KPMG in India's Fraud Survey 2010 show that internal auditors get the highest percentage of 47%, so it can be seen that internal audit is an integral part in an organization that is most effective in detecting. The role of internal auditors in the ethical culture of an organization, which emphasizes that internal auditors must take an active role in supporting the ethical culture of the organization and in this way can help detect misuse of organizational assets (IIA, 2004).

II. THEORY AND HYPOTHESIS
2.1 Independence
Independence according to Arens et al. (2008: 111) can be interpreted to take an unbiased perspective.

The IAI Public Accounting Professional Standards Board (SPAP) through (2001: 220.1) states that: "This standard requires the auditor to be independent, meaning that he is not easily influenced, because he is carrying out his work for the public interest (distinguished in that he practices as an internal auditor). The auditor is not justified in favoring the interests of anyone because no matter how perfect the technical expertise he has, he will lose his impartiality, which is very important to maintain his freedom of opinion ".

According to Arens who was translated by Wibowo (2008: 60) there are several types of independence, namely:

1. Independence infact

The auditor really does not have an economic interest in the company as seen from the actual situation, for example whether he is a director, commissioner, state company, or has a family relationship with those parties.

2. Independence in appearance

The freedom that is demanded is not only from the facts, but also must be free from interests that seem to have a tendency to be owned by the company.

3. Independence in competence

Closely related to the competence or ability of auditors in carrying out and completing their duties.

Auditor independence can be seen from the opinions expressed by Mautz and Sharaf in Widiatuty and Febriyanto (2010: 51) that auditor independence can be seen from three dimensions, namely:

1. Independence of the audit program, which can be measured through the following indicators:

a) Free from managerial interference in determining, eliminating or modifying certain parts of the audit.

b) Free from interference from other parties to develop selected procedures.

c) The preparation of an audit program is free from the efforts of other parties to determine the subject of the examination

2. Investigative independence that can be measured through the following indicators:

a) Freedom of access to information

b) Managerial can work together actively in the inspection process.

c) Free from the company's managerial efforts to determine what activities will be examined

d) Free from personal interests or other parties that can limit the activities of the examiner

3. The independence of reporting can be measured through the following indicators:

a) Free from the interests of other parties to modify the facts reported

b) Free from language that can lead to multiple interpretations.

c) There is no attempt by another party to influence the consideration of the examination of the contents of the report

d) Avoiding practices that can eliminate important events in formal reports

2.2 Professionalism

Professionalism in auditing according to Arens et al (2008: 74) is: "Professionalism means responsibility for conduct that is extended beyond satisfying, this is the visual responsibility and beyond the requirements of our society's law and regulation".

An auditor can be said to be professional if it has met and complied with the ethical code standards set by the IAI (Indonesian Institute of Accountants), including (Wahyudi and Aida, 2006: 28):

1) The principles established by IAI are the ideal standards of ethical behavior that have been set by the IAI as in philosophical terminology.

2) Regulations of behavior such as minimum standards of ethical behavior established as special rules which are a must.

3) The interpretation of behavioral rules is not a necessity, but practitioners must understand it.

4) Ethical provisions such as a public accountant must be obliged to continue to uphold the principle of freedom in carrying out the audit process, even though the auditor is paid by his client.

2.3. Fraud

Tunggal (2012: 169) defines fraud as follows:

"Fraud is a generic term embarcing all the multifarious means which human ingenuity can devise, which are resorted to by one individual, to get an advantage over another by false representation."

Sawyer's translated by Akbar (2006 "340) explains that the elements of legal fraud, or fraud as is known under the law in general are:
1. Incorrect representation of material facts, or opinions in certain cases
2. Made with knowledge of falseness or without having enough knowledge of the subject to be able to provide a representation (often known as a scienter)
3. Someone who acts on that representation
4. So as to cause harm to him ".

Kumaat (2011: 139) states his opinion about the factors driving the occurrence of fraud is as follows:
1. The internal control design is not quite right, so it leaves a "gap" risk.
2. Practices that deviate from the design or custom (common business sense) that apply.
3. Monitoring (control) that is not consistent with the implementation of business processes.
4. Evaluation that does not run on the applicable business process.

2.4 Framework

2.4.1 Effect of Independence on the Auditor's Ability to Detect Fraud
Pristiyanti (2012) show that independence has a positive effect on fraud detection. The same opinion was expressed by the results of research from Widiyastuti and Pamudji (2009) who also mentioned the significant and positive influence of independence on fraud detection.

2.4.2 Effect of Professionalism on the Capability of Auditors in Detecting Fraud
Aprijana's research results (2014) show that professional expertise has a positive effect on fraud prevention and detection of financial statement presentation. Other research conducted by Matondang (2010) proves that professional expertise significantly influences the prevention and detection of fraud in the presentation of financial statements. The results of research from Widiyastuti and Pamudji (2009) also mentioned that independence and professionalism had a positive effect on the ability of auditors to detect fraud.

2.4.3 Effect of Independence and Professionalism on the Auditor's Ability to Detect Fraud
The results of research from Widiyastuti and Pamudji (2009) which states that independence and professionalism have a positive effect on the ability of auditors to detect fraud. Other research conducted by Matondang (2010) proves that independence and professional expertise significantly influence the prevention and detection of fraud in the presentation of financial statements.
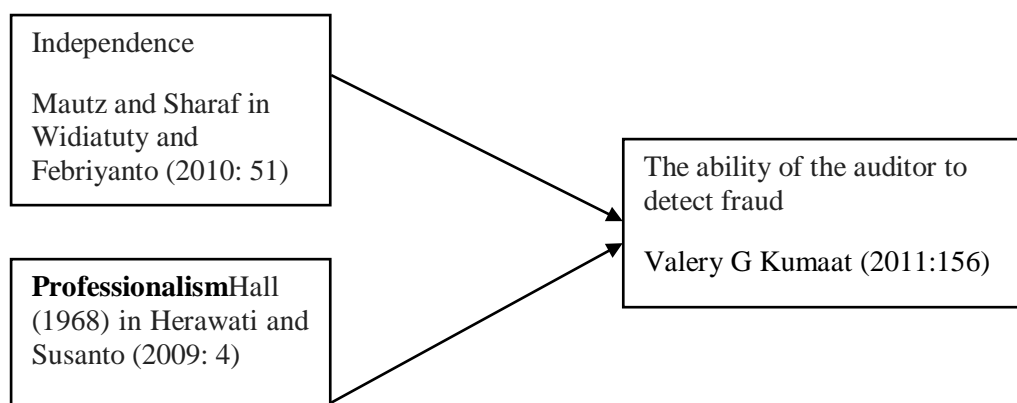
Figure 2.1. Framework

The hypothesis of this study is:
1. Independence influences the auditor's ability to detect fraud
2. Auditor professionalism influences the auditor's ability to detect fraud
3. The independence and professionalism of the auditor influences the auditor's ability to detect fraud

III. RESEARCH METHODOLOGY
This research using descriptive and verification with explanatory.

IV. ANALYSIS
4.1 Validity and Reliability Tests
Based on validity and reliability testresult variable X1 and X2 it is known that the results of the instrument validity test show the total value of the corrected item correlation is above 0.300. This means that all instruments of the variables used in this study are valid and can be used as a measurement tool.
The reliability test results also showed that the two variables each had a Cronbachs's Alpha value of greater than 0.600, which meant that all the question items were reliable.

so is the Y variable known that the results of the instrument validity test show the total value of the corrected item correlation is above 0.300. This means that all instruments of the variables used in this study are valid and can be used as a measurement tool. The reliability test results also showed that the two variables each had a Cronbachs's Alpha value of greater than 0.600, which meant that all the question items were reliable.

4.2 Classic assumption test
1. Normality Test
To test data whether the X and Y variables have been normally distributed. Testing data normality in the study used the Kolmogorov-Smirnov test.

Table 4.1. Data Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		X1	X2	Y
N		50	50	50
Normal Parameters[a,b]	Mean	33.09780	48.59281	18.67583
	Std. Deviation	4.323733	3.886592	3.477705
Most Extreme Differences	Absolute	.086	.098	.074
	Positive	.086	.058	.074
	Negative	-.052	-.098	-.044
Kolmogorov-Smirnov Z		.609	.690	.524
Asymp. Sig. (2-tailed)		.852	.727	.946

a. Test distribution is Normal.

b. Calculated from data.

Table 4.1 shows that all samples can be used to test the normality of K-S values for the X1 variable of 0.852, X2 of 0.727 and Y of 0.946.

All variables used produce Asymp.Sig. (2-tailed) values greater than $\alpha = 0.05$, which means the data used are normally distributed.

2. Multicollinearity Test

To test whether there is a correlation between variable X with the criteria if <10 and> 0.10 then there are symptoms of multicollinearity, if> 10 <0.10 then there are no symptoms of multicollinearity

Based on multicollinearity testing, the variance inflation factor values for each variable are as follows:

Table 4.2. Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.798	1.253
	X2	.798	1.253

a. Dependent Variable: Y

Based on that shown values generated in this study were 1.253 and 1.253, this shows that there was no strong enough correlation between fellow independent variables, where the VIF value of the two independent variables was smaller than 10 and it can be concluded that there is no multicollinearity among the independent variables used in this study.

3. Autocorrelation Test

Durbin Watson is used to test autocorrelation deviations. Durbin Watson's figures are as follows:

Table 4.3. Durbin-Watson Testing

Durbin-Watson	**$\alpha = 5\%$**	
	d_L	d_U

1.910			0.75	1.72

d_L	d_U	dW	$4 - d_U$	$4 - d_L$
ada serial	ragu-ragu		tidak ada	ragu-ragu	ada serial
0	0.75	1,72	1,910	2,28	3,25	4

Figure 4.1. Durbin Watson Test Results at $\alpha = 5\%$

Based on the picture above, it was found that the dW value of 1,910 was between dU and 4 – dU at $\alpha = 5\%$ which, according to the provisions, the Durbin Watson value was located in an area without autocorrelation, so in the model formed there was no serial correlation problem.

4. Heterokedasticity Test
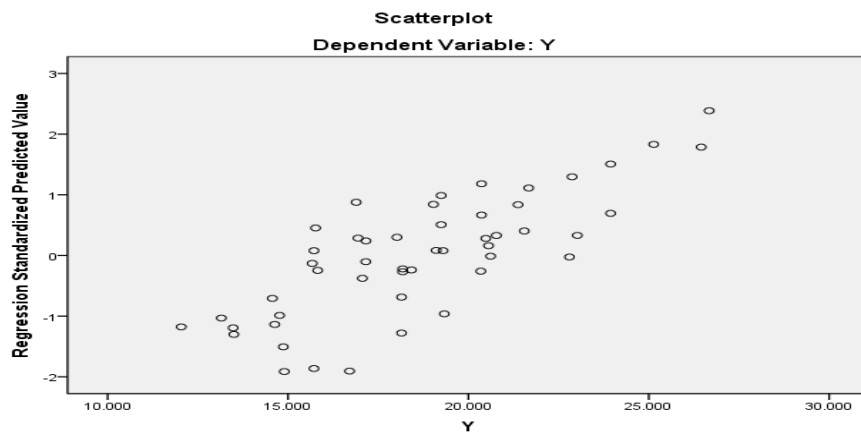Scatterplot graphs are used to determine the presence or absence of heteroscedasticity.

Figure 4.2 Results of Heteroscedastic TestingAt $\alpha = 5\%$

Figure 4.2 shows that the data do not contain heteroscedasticity.

4.2 The Effect of Independence and Professionalism on the Auditor's Ability to Detect Fraud
1. Multiple regression
Data processed using SPSS with results

Table 4.4 Regression results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-13.332	4.005		-3.329	.002
	X1	.386	.081	.480	4.746	.000
	X2	.396	.090	.442	4.376	.000

a. Dependent Variable: Y

Based on Table 4.6, the equation model:

$$Y = -13,332 + 0,386 \, X1 + 0,396 \, X2 + \varepsilon$$

Based on the data above shows
a. Constanta = -13.332, meaning that Fraud can be approached by the ability of auditors is13.332 if the independence and professionalism variables are zero.
b. The regression coefficient value of the independent variable is 0.386, meaning that if the independence score variable is improved, the auditor's ability to detect fraud will increase by 0.386 assuming the other independent variables are constant.
c. The regression coefficient value of the professionalism independent variable is 0.396, meaning that if the professionalism score variable is improved, the auditor's ability to detect fraud will increase by 0.386 assuming the other independent variables are constant.

2. Correlation Analysis
Based on the calculation results obtained correlation values.

Table 4.5. Results of Multiple Correlation Coefficients

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785[a]	.616	.600	2.198996

a. Predictors: (Constant), X2, X1

Table 4.5 shows the multiple correlation coefficient of 0.785 which is included in the strong correlation. These results indicate that independence and professionalism have a strong and positive relationship with the ability of auditors to detect fraud. This means that The more independent and professional an auditor is, the better it is at detecting fraud.

3. Determination coefficient
The coefficient of determination is used to determine how much influence the independence and professionalism of the auditor's ability to detect fraud.
Based on the results of calculations using the SPSS program version 19.0, the coefficient of determination values are obtained as follows:

Table 4.6. The amount of influence of X1 and X2 on Y

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785[a]	.616	.600	2.198996

a. Predictors: (Constant), X2, X1

Based on Table 4.8, the coefficient of determination obtained is 0.616, which means that the influence of independence and professionalism on the ability of auditors to detect fraud is 61.6%.
While the remaining 38.4% is influenced by other factors not revealed in this study the internal control design and others.

4. Hypothesis Testing
to answer problems simultaneously, the F test was used.

Table 4.7 F-Test Results

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	365.355	2	182.677	37.778	.000[a]
	Residual	227.272	47	4.836		
	Total	592.627	49			

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Anova or Ftest test results, obtained Fcount value of 37.777 with a significance level of 0.000, because the probability of 0.000 is far below $\alpha = 0.05$, then the regression model can be used to predict the ability of auditors to detect fraud or it can be said together independence and professionalism influence on the ability of auditors to detect fraud.
Partial testing is done to see the significance or significance of the influence of the independence and professionalism variables on the auditor's ability to detect fraud partially, then it is tested by t-test and the results can be seen in Table 4.10

Table 4.8 T-Test Results

Model		Unstandardized Coefficients			
		B	Std. Error	t	Sig.
1	(Constant)	-13.332	4.005	-3.329	.002
	X1	.386	.081	4.746	.000
	X2	.396	.090	4.376	.000

The results of testing the hypothesis to see the partial effect can be described as follows:

1. The independent variable of independence produces tcount of 4.746 with a significance level of 0.000, because the probability of 0.05 below $\alpha = 0.05$, it can be concluded that independence can detect fraud

2. The independent variable of professionalism produces tcount of 4.376 with a significance level of 0.000, because the probability of 0.05 below $\alpha = 0.05$,

it can be concluded that professionalism influences the ability of auditors to detect fraud.

CONCLUSION

The results of the t test showed that partially the independence has a positive effect on the ability of auditors to detect fraud, because the value of the regression direction coefficient is positive with a significance value of less than 0.05.

The higher the attitude of auditor independence, then an auditor is able to increase the detection of a fraud, so as to minimize the deviations that occur in the company (Mulyadi, 2005: 44)

The results are in accordance with what Elfarini (2007: 27) said "In all matters relating to the engagement, independence in mental attitude must be maintained by the auditor".

This research is in accordance with Pristiyanti (2012) which states that independence has an influence in detecting fraud.

The same opinion was expressed by the results of research from Widiyastuti and Pamudji (2009) who also mentioned the influence of independence on fraud detection. Based on the results of partial hypothesis testing shows that professionalism has a significant effect on the ability of auditors to detect fraud. Professionalism is a reflection of professionalism, and vice versa professional attitude is reflected in professional behavior. Herawaty, et al (2008) states that professionalism has a positive effect on fraud detection.

A person is said to be professional if he meets three criteria, namely having the expertise to carry out duties in accordance with his field, carrying out a profession by setting standard standards in the field of the profession concerned and carrying out his professional duties by complying with established professional ethics (Matondang, 2010).

An auditor must have expertise or get training in the field of accounting so that he is able to carry out the inspection and supervision of the financial system, accounting records and financial reports (Matondang, 2010).

A professional auditor is also required to have adequate knowledge such as administration and access to actual information in auditing standards, methodologies, procedures and techniques.

Professional auditors must be confident in the profession carried out so as to be able to make their own decisions without pressure from other parties in carrying out audit tasks regarding the prevention and detection of fraud that occurs and can be accounted for.

The results of this study support the research conducted by Aprijana (2014) and Matondang (2010) which show that auditor professionalism has a positive effect on fraud prevention and detection.

Based on the results of the simultaneous hypothesis test shows a strong relationship between independence and professionalism with the ability of auditors to detect fraud.

This means that the auditor's ability will be higher in detecting fraud if the auditor's independence and professionalism is getting better. This result is supported by the results of hypothesis testing both simultaneously and partially.

Simultaneously independence and professionalism have a significant effect on the ability of auditors to detect fraud. The magnitude of the influence of these two variables on the ability of auditors to detect fraud was 61.6%.

While the remaining 38.4% is influenced by other factors not revealed in this study the internal control design and others. The results of this study support research conducted by Widiyastuti and Pamudji (2009) and Matondang research (2010) which show that independence and professional expertise significantly influence the prevention and detection of fraud in presenting financial statements.

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