

THE IMPACT OF PROFESSIONALISM AND COMPETENCE ON AUDITOR PERFORMANCE WITH WORK MOTIVATION AS MODERATION VARIABLES IN PUBLIC ACCOUNTING FIRM MEDAN CITY

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Abstract

The accountability of these financial statements will make stakeholders believe in the company's management to provide the best for the company. Financial statement accountability will all stakeholders work together and work hard to develop the company to be bigger, therefore good auditor performance is strongly demanded so that all parties interested in financial reports do not make wrong decisions and policies for their companies. The purpose of this study is to see the impact of professionalism and competence on auditor performance which is moderated by the work motivation. Data collection is done by survey method with questionnaires. The population of this study is the Auditor in Public Accounting Firm Medan City. Primary data is obtained through the spreading of questionnaires. Hypothesis testing in this study used Moderating Regression Analysis. The results of this study indicate that professionalism and competence have a positive and significant effect on auditor performance, and work motivation is a moderating variable that can strengthen the effect of professionalism on auditor performance, but work motivation is not a variable that can moderate the effect of competence on auditor performance.

Keywords: *Professionalism, Competence, Work Motivation, Auditor Performance*

1. INTRODUCTION

The audit should be conducted by an external auditor who does not have any interest in the management of the company and the company's activities. Because the audit results will produce one auditor's opinion (audit opinion) which will determine whether a financial statement is prepared in accordance with regulations or not. An auditor will know whether a financial statement has been manipulated and cheated or not. Therefore, the role of an auditor is very large to provide confidence to all parties in the accountability of a company's financial statements. Thus it is very clear that an auditor must have integrity, be independent and free from all important issues, uphold the truth, technical ability or good competence and professionalism must continue to be maintained based on high morality in himself (Wulandari & Prasetya, 2020).

An auditor works must be in accordance with the accountant's code of ethics, because the public is able to judge an auditor who works well from the ethical standards of accountants and the code of ethics of the auditor profession (Wulandari & Suputra, 2018). It is emphasized that auditors work in accordance with accountant ethical standards because the results of an auditor's work are the ultimate goal in an audit activity that he carries out (Hakim et al., 2020). The final result of the auditor's work will determine the policy that will be decided by an entity to carry out the activities of that entity in order to survive in a business competition, therefore it is the auditor who has good performance who should be the one who performs the audit task. An auditor will have good performance when able to do work quickly, quality, high accuracy, a good level of

physical endurance at work, able to complete audit tasks well, and on time to complete work in accordance with his authority (Dessler, 2015). It is undeniable that each auditor has the ability

to achieve different performances (Nuraini, 2017). But that doesn't mean an auditor isn't capable of surpassing each other's performance. An auditor will strive to provide the best possible results for the sustainability of the entity he examines, as well as will shape his integrity and capability in front of the public. However, not a few problems with the performance of these auditors are questioned by the public. International cases related to auditor performance can be shown in the case of PwC Public Accounting Firm which failed to detect fraud on British Telecom in Italy, while examples of cases of poor auditor performance such as in the case of Purwantono Public Accounting Firm, Suherman & Surja who are partners of Ernst & Young Public Accounting Firm, also failed to detect fraud that occurs in financial statements, as well as published audit results turns out to be without accurate evidence. Another example in North Sumatra occurred at the Hasnil M. Yasin Public Accounting Firm which ended with the imprisonment of the head of the Public Accounting Firm (Fachruddin & Rangkuti, 2019). This can give a clear picture of how important the auditor's performance is. The poor performance of auditors will only provide a lot of difficulties for entities that use their audit services.

Many studies have been conducted to look at variables that can have a bad impact on auditor performance. The professionalism of auditors is one of the very important variables to be studied to see the impact on auditor performance. The professionalism of auditors has been studied the most in the period from 2017 to the present (Afifah et al., 2015; Alfianto & Suryandari, 2015; Dali & Mas'ud, 2014; Dwiyanto & Rufaedah, 2020; Fachruddin & Rangkuti, 2019; Hakim et al., 2020; Kusnadi & Suputhra, 2015; Prabayanthi & Widhiyani, 2018; Ratnawati, 2020; Wulandari & Suputra, 2018; Wulandari & Prasetya, 2020). Professionalism is the key for an auditor to work according to the applicable rules. Unprofessional auditors can be sure to work not in accordance with predetermined audit standards. Even an auditor will act outside the reason of the audit such as conducting an audit that can benefit the management of the entity he is examining.

Another important variable that needs to be known as one of the variables that causes low auditor performance is the auditor's self-competence (Ariani & Badera, 2015; Dwiyanto & Rufaedah, 2020; Eviyany & Lapoliwa, 2014; Ratnawati, 2020; Snow et al., 2014; Sujana, 2012; Ulfah & Lukiastuti, 2018; Wulandari & Tjahjono, 2011). It cannot be said that there are few studies that examine competence as one of the important variables that have an impact on auditor performance. From some of these studies, the competence of auditors has long been studied to see the impact on auditor performance. Because it is realized that the competence of the auditor is one of the variables that can determine the results of the audit in accordance with the set or not. Auditors who do not have good competence will find it difficult to complete their audit tasks on time. Not only that, but the auditor will also provide audit results whose results are doubtful.

Many studies measure the professionalism of auditors and the competence of auditors as important variables in influencing auditor performance. Only research Hadisantoso et al. (2017) states that auditor professionalism does not significantly affect auditor performance. But most of the studies state that both variables have the most significant impact compared to other variables. The results showed that competence is the key to the auditor's ability to complete his job properly according to the ordered audit task, while the auditor's professionalism as the auditor's attitude to provide quality audit performance with a high level of accountability, as a reflection of the auditor's self-integrity and high capability (Afifah et al., 2015; Dali & Mas'ud, 2014; Dwiyanto & Rufaedah, 2020; Fachruddin & Rangkuti, 2019; Sujana, 2012; Wulandari & Suputra, 2018; Wulandari &

Tjahjono, 2011). However, there are not many studies that consider the variables of auditor motivation when working on audit tasks.

Research Sidik & Safitri (2020) states that auditor motivation as a variable that can strengthen organizational commitment, leadership style and ambiguity to auditor performance. The study did use to relate auditor motivation as a variable that can strengthen the professionalism and competence of auditors in influencing auditor performance. Other studies have made auditor motivation a mediating variable to see its effect on auditor performance (Iskandar et al., 2012; Sinaga & Sinambela, 2013). The variables used are also different from the ones this study used. Motivation will be a motive for an auditor to work by using the competence he has to produce good performance as expected by all stakeholders, besides that motivation can also be used as a proving tool for auditors that with their professionalism, auditors are not easy to intervene by any party, so it will be easy to produce quality audit outputs. The motivation of auditors as a moderating variable on the relationship between the variables of auditor professionalism and auditor competence is the first research conducted in Indonesia, especially in Medan. As previously explained, auditor motivation as a moderating variable for the relationship of organizational commitment, leadership style and ambiguity to auditor performance (Sidik & Safitri, 2020).

2. LITERATURE REVIEW

2.1 Auditor Professionalism

Professionalism reflects a person's attitude to his profession. In simple terms, professionalism can be said to be the behavior, means, and qualities that characterize a profession. A person is said to be professional if his job has the characteristics of technical or ethical standards of a profession. The term professional it applies to all professions from the upper level to the lower level. Therefore, professionalism is considered as an ability and skill of a person in doing work according to their respective fields and levels (Saputra, 2020). If so, professionalism will be related to the degree of compatibility between the abilities possessed by a person and the needs of the task, fulfilling the match between the ability and the need of the task is a condition for the formation of a professional person.

The professionalism of the auditor being the measure of an auditor will be said to be good or not. The higher the attitude of professionalism of the auditor, the better he will be seen by the public. Because a professional auditor will have independence in providing his audit opinion, without fear of pressure that can change his audit opinion to be non-objective. Every auditor is required to always prioritize his professionalism in carrying out his audit duties. Therefore, every auditor must comply with the auditor's code of ethics ratified by the Indonesian Institute of Accountants (Hakim et al., 2020). Thus, auditors with a high level of professionalism will be able to make a great contribution to the company that assigns audit tasks to it (Ratnawati, 2020).

An auditor's awareness of the importance of professionalism in himself will have a good impact on the sustainability of providing audit services to every client, this at the same time creates great responsibility to clients, the community, colleagues as a form of good moral attitude for every audit work carried out. This attitude of professionalism will be able to eliminate the intervention of people who have an interest in the results of the audit. Professionalism will lead to the independence and freedom of the auditor in giving his audit opinion which will ultimately show good auditor performance.

2.2 Competence

Auditors are expected to have good competence. The competence possessed by auditors is very necessary to produce good audit performance. Basically, competence is a basic characteristic that a person has to be able to work effectively with very good results at a job (Wulandari & Tjahjono, 2011). So the competence of the auditor is needed when the audit task is carried out. An auditor must understand everything of the work he does in detail, it can be done if an auditor has competence. Auditors with good competence will very easily understand what they must do to complete their work in accordance with the tasks and functions that are their responsibility (Sujana, 2012).

The competence of auditors is synonymous with formal education in higher education, in addition to continuous training and experience when carrying out audit tasks (Eviyany & Lapoliwa, 2014). Auditors will be said to be competent when they have formal education in accounting and are declared to have graduated in accordance with the scientific field they get. To add self-competence, an auditor must also attend a lot of training related to auditing science. The development of audit science requires all auditors to attend training. Then experience when carrying out audit duties will further strengthen the self-competence of an auditor.

2.3 Work Motivation

Everyone needs motivation in carrying out a certain activity. Without motivation, the person will find it difficult to carry out the activities he will do. If so, then it can be said that motivation is a strong impulse for a person to perform a certain action that he wants (Sujana, 2012). Likewise, for an auditor, motivation is a very decisive part of carrying out audit tasks that are the responsibility of his work. Motivation will be one of the factors that will cause him to do his best at his job or vice versa cheat on his job.

It is well realized that motivation is a factor that exists in the individual of each auditor which certainly has a very big influence on an auditor to do something on his work. The auditor's motivation will greatly encourage the auditor to work as well as possible and quickly complete his work in accordance with the demands of his responsibilities by providing neglected work results (Temaja & Utama, 2016). Conceptually, basically motivation becomes the impetus for auditors to commendable or acts of disrepute. When an auditor has good motivation, then his performance will also be good. On the other hand, when the auditor's motivation is not good, then his performance will also not be good.

2.4 Auditor Performance

An auditor is required to have good performance. Auditor performance is the result of work carried out by auditors in the form of checking the financial statements of a certain entity (Fachruddin & Rangkuti, 2019).s. The auditor's performance will be assessed as good and quality when the audit output he conducts provides great benefits for all stakeholders (Dwiyanto & Rufaedah, 2020). The auditor's performance essentially largely determines progress for the entity it examines. When the results of the examination carried out are in accordance with the correct procedures, the management of the entity will make the correct policy which will ultimately provide positive things for the progress of the entity. But on the contrary, when the results of the examination he carried out were not in accordance with the procedure and even tended to be

fraudulent committed, then the management of the entity will make the wrong policy, and in the end, it will provide negative things for the progress of the entity.

3. HYPOTHESIS DEVELOPMENT

3.1 The Relationship between Auditor Professionalism and Auditor Performance

Professional auditors tend to work as well as possible in accordance with the audit procedures applicable. Not only that, an auditor who upholds his professional ethics as a professional auditor, is not easily intervened by anyone when carrying out audit duties (Afifah et al., 2015; Dali & Mas'ud, 2014). If it undergoes intervention, it will not affect the results of the audit conducted. If so, then auditors who carry out audit duties professionally will provide quality audit results, then it can be ensured that the auditor's performance will be very good. On the other hand, when the auditor performs unprofessional audit duties, it is certain that the auditor's work becomes bad (Dwiyanto & Rufaedah, 2020; Hakim et al., 2020; Ratnawati, 2020; Wulandari & Prasetya, 2020). From this explanation, the research hypothesis can be compiled as follows:

H1 : There is a positive and significant relationship of auditor professionalism to auditor performance.

3.2 Relationship of Auditor Competence with Auditor Performance

Competence is an individual auditor's ability and expertise that can be obtained through formal, non-formal education such as training or from experience when carrying out audit duties. Therefore, it is absolutely necessary for the auditor to have it, because with the competence that an auditor will be able to properly complete the audit task properly and on time (Afifah et al., 2015; Dali & Mas'ud, 2014; Sujana, 2012; Wulandari & Tjahjono, 2011). With his competence, it is hoped that auditors will be able to produce the right audit outputs in accordance with good rules and procedures. A good audit output or result will automatically reflect the good performance of the auditor. Therefore, the better the auditor's competence, the better the auditor's performance and vice versa, if the auditor's competence is inadequate, the auditor's performance is also not good (Dwiyanto & Rufaedah, 2020; Fachruddin & Rangkuti, 2019; Wulandari & Suputra, 2018). From this explanation, the research hypothesis can be compiled as follows:

H2 : There is a positive and significant relationship of auditor competence to auditor performance.

3.3 The Relationship Between Auditor Professionalism and Auditor Performance in Auditor Work Motivation Moderation

Everyone who works has his own motivation, and the auditor is no exception. When accepting and carrying out audit duties an auditor must have a certain motivation to achieve it. Motivation will be one of the causes of the higher level of professionalism of the auditor, because it wants to show self-existence in everyone. But it is not impossible to happen that, the motivation possessed by the auditor will reduce or even eliminate the attitude of professionalism of an auditor. If motivation can improve the professionalism of the auditor, the auditor's performance will also increase, but if the motivation turns out to reduce or even eliminate the auditor's professionalism, then it is certain that the auditor's performance will also decrease. From this explanation, the research hypothesis can be compiled as follows:

H3 : The auditor's work motivation significantly moderates the influence of auditor professionalism on auditor performance.

3.4 The Relationship Between Auditor Competence and Auditor Performance in Auditor Work Motivation Moderation

Motivation becomes important for an auditor when he first gets or receives and carries out audit duties. Because basically an auditor will tend to want to show his identity and existence as an auditor who has good competence. The goal, of course, is to show that the client or entity that appointed him as an auditor who performs audit duties did not choose the wrong person. In this section, the auditor will improve his competence to provide the best and quality audit results, so thatga will automatically be assessed as an auditor with good performance. However, if the auditor's motivation tends to financial matters, it is certain that the auditor will ignore him as an auditor who has excellent competence, if so, it is certain that the auditor's work will not be good. From this explanation, the research hypothesis can be compiled as follows:

H4 : The auditor's work motivation significantly moderates the influence of auditor competence on auditor performance.

4. RESEARCH METHODS

The population in this study was all auditors who worked at a Public Accounting Firm (KAP) in Medan City. The number of public accountants firm in Medan city is 23 public accountants firm, with 203 auditors. This research disseminated keusioner online to all auditors who were registered in the public accountant in Medan City, but who were willing to fill in only 105 auditors. Therefore, the sample of this study was as many as the number of auditors who were willing to fill out the questionnaire.

Each variable of this study was measured using indicators that can be seen in thefollowing ta bell:

Table 1 Measurement of Variable Laten

Variable	Code	Measurement Items	Adapted
Auditor Performance	KA1	The auditors assigned by the KAP are thebest	Karatepe, 2013
	KA2	Auditors assigned by KAP have a good track record	
	KA3	Assigned auditors can communicate with clients properly	
	KA4	The assigned auditor is very good at hiswork	
	KA5	Assigned auditors can meet stakeholders' expectations	
Motivation	MT1	Physical needs of auditors	Bahtiar, et al., 2021
	MT2	The need for security	
	MT3	The need to socialize	
	MT4	The need for self-esteem	
	MT5	Self-actualization needs	
Professionalism	PF1	Affiliation with associates	Ratnawati, 2020
	PF2	Independent in deciding	
	PF3	Confident in ability	
	PF4	Dedicated to the work	
	PF5	Carrying out obligations socially	
Competence	KP1	Knowledge	DPKP Kementerian Keuangan RI
	KP2	Skills	
	KP3	Behaviour	

Source: Processed from various sources, 2022

The data analysis method used in this article is Structural Equation Modeling Partial Least Square (SEM-PLS) using the Moderating Regression Analysis (MRA) approach, while the tool for processing data statistically is used the SmartPLS application. The data is interpreted if it has met the statistical requirements of the SEM-PLS method. Processing using SEM-PLS uses two tests, namely the outer model and the inner model. The outer test model consists of a validity test (convergent validity; $AVE \geq 0.50$ and discriminant validity; $AVE \text{ roots} \geq \text{latent variable correlation}$), and reliability tests (indicator reliability ≥ 0.70 and composite reliability ≥ 0.70). The inner test model consists of predictive relevance ($Q^2 > 0$), fit model testing ($SRMR \leq 0.08$), coefficient of determination (good ≥ 0.75 ; medium = $0.26 - 0.50$; weak ≤ 0.25). Hypothesis testing ($p \text{ value} \geq 1.96$; $\text{sig value} \leq 0.05$).

5. RESULTS AND DISCUSSION

5.1 Result

5.1.1 Outer Model Analysis

It is important that this analysis is carried out to measure the ability of the indicator to describe its construction variables. Outer model testing consists of validity testing and reliability testing. Validity testing consists of convergent validity testing (loading factor and average variance extracted) and discriminant validity testing (Fornell-Larcker criterion and cross loading). Meanwhile, reliability testing uses Cronbach alpha and composite reliability.

1. Validity Testing – Convergent Validity

This test uses loading factor ($\lambda \geq 0.7$) and average variance extracted ($AVE \geq 0.5$). The results of this Convergent Validity test are as in the following table:

Table 2. Convergent Validity Test Results

Convergent Validity Test Result							
Professionalism		Competence		Motivation		Auditor Performance	
Loading Factor	AVE	Loading Factor	AVE	Loading Factor	AVE	Loading Factor	AVE
0,876		0,933		0,814		0,871	
0,878		0,923		0,886		0,921	
0,884	0,799	0,930	0,862	0,905	0,788	0,920	0,772
0,888				0,906		0,874	
0,869				0,923		0,883	

Source: Data Processed, 2022.

The test results showed that the loading factor value was greater than 0.7 and the EVA value was greater than 0.5. Thus, it can be concluded that the assumption of convergent validity is met, therefore the result of convergent validity indicates that all indicators used are able to describe its constituent variables.

2. Validity Testing – Discriminant Validity

This test uses Fornell-Larcker Criterion, hoping that the AVE root value is greater than the AVE root value of other bonds. In cross loading, it is expected that the value of the indicator loading factor is greater than the loading value of other indicator factors. The results of this discriminant validity test are as follows:

Table 3. Hasil Testing Discriminant Validity

Variable Variables/Indicators	Auditor Performance	Competence	Motivation	Professionalism
Auditor Performance	0,879			
Competence	0,745	0,929		
Motivation	0,869	0,736	0,888	
Professionalism	0,851	0,731	0,883	0,894
KA 1	0,876	0,599	0,781	0,745
KA 2	0,878	0,690	0,809	0,799
KA 3	0,884	0,685	0,771	0,776
KA 4	0,888	0,640	0,728	0,714
KA 5	0,869	0,655	0,725	0,698
KP 1	0,668	0,933	0,696	0,706
KP 2	0,712	0,923	0,656	0,662
KP 3	0,693	0,930	0,699	0,671
MT 1	0,708	0,637	0,814	0,724
MT 2	0,739	0,631	0,886	0,795
MT 3	0,796	0,649	0,905	0,792
MT 4	0,797	0,650	0,906	0,777
MT 5	0,813	0,700	0,923	0,831
PF 1	0,782	0,618	0,776	0,871
PF 2	0,774	0,672	0,806	0,921
PF 3	0,799	0,699	0,807	0,874
PF 4	0,726	0,659	0,804	0,883
PF 5	0,718	0,619	0,756	0,287

Source: Data Processed, 2022.

The Fornell-Larcker matrix values show the root value of the AVE setiap of the measured variable is greater than that of the root AVE of other measuring variables. In the cross loading matrix test, it also shows the same thing, where the value of the cross loading variable measured is greater than other cross loading values. Thus, it can be concluded that this test has qualified the assumption of discriminant validity testing.

3. Construct Variable Reliability Testing

This reliability test uses the Cronbach Alpha ($\alpha \geq 0.7$) and Composite Reliability ($CR \geq 0.7$) approaches. The results of this test can be seen in the following table:

Table 4. Reliability Test Results

Variable	Reliability Testing		Conclusion
	Cronbach Alpha	Composite Reliability	
Auditor Performance	0,926	0,944	Reliabel
Competence	0,920	0,949	Reliabel
Motivation	0,932	0,949	Reliabel
Professionalism	0,937	0,952	Reliabel

Source: Data Processed, 2022.

Judging from the test results, it is known that the test value is greater than the required value, so it can be concluded that this test has met the requirements of reliability testing assumptions. Thus, this testing can be carried out further.

5.1.2 Inner Model Analysis

The first thing to do for this analysis is to look at the accuracy of predictions over the model (parameter estimation) for each model formed. The goal is to ensure the relationship model is built appropriately to predict events. This test uses a value of Q2, if the value of Q2 is greater than 0 ($Q2 > 0$) then the observation of the estimated parameter is good. The greater the value of Q2, the better the observations made, which in the end the better the parameter estimates carried out. It is known that the value of Q2 is 0.610 ($0.610 > 0.000$) meaning that the observations made on the model are very good, so the parameter estimation of the relationship of the free variable with its bound variable is also very good. If so, an analysis of the goodness of the fit model can be carried out. In testing the goodness of fit model used to approach Standardized Root Mean Square (SRMR). According to Henseler, et al., (2016) model is said to be fit if the SRMR value is less than 0.08 ($SRMR < 0.08$). The test results showed the SRMR value was 0.042 ($0.042 < 0.080$). The results of this test show that the model has been fit, so that analysis of the coefficient of determination and hypothesis testing can be carried out.

The results of testing the coefficient of determination and hypothesis testing of this study can be seen in this table:

Table 5. Coefficient of Determination results and Hypothesis

Construct Variable Relationships	Influence (O)	Hypothesis Testing		Conclusion	Coefficient of Determination R ²
		Conclusion Making Criteria (T > 1,96) atau (p < 0,05)			
		T Statistic	p value		
Professionalism → Auditor Performance	0,273	2,617	0,009	Signifikan	0.809
Competence → Auditor Performance	0,170	2,969	0,003	Signifikan	
Moderation Effect 1 → Auditor Performance	0,134	2,250	0,025	Signifikan	
Moderation Effect 2 → Auditor Performance	-0,117	1,692	0,091	Tidak Signifikan	

Source: Primary Data Processed, 2022.

The efficiency value of determination (R²) gives an idea of the ability of free variables to describe bound variables. It is expected that R² of a model has a large value. The greater the value of R² in a model indicates the more ability of the variable to freely predict the bound variable. In other words, the use of free variables predicting bound variables is appropriate. The test results show that the value of R² is 0.809 meaning that the ability of the variables of competence, professionalism, and moderation variables to explain or predict the performance of auditors by 80.9%, while the rest is explained by other variables that are not intended into this research model. If you look at the direct relationship of professionalism and competence is known to be a positive relationship. Then judging from the direct influence of professionalism and competence is known to have a significant effect on the performance of auditors.

The magnitude of the influence of professionalism on the auditor's performance is 0.273, meaning that when the auditor's professionalism attitude is improved, it will increase the auditor's performance by 0.273 assuming other variables do not change. Meanwhile, the effect of competence on auditor performance is 0.170, meaning that when the auditor's competence

increases, it will increase auditor performance by 0.170 assuming other variables do not change at the same time. The study considered two moderation models. The first moderation is the motivation of moderating the relationship of professionalism with the performance of the auditor, while the second moderation is the motivation of moderating the relationship of competence with the performance of the auditor. The results of the first moderation model show that work motivation is a moderating variable that can strengthen the relationship between professionalism and auditor performance. While the results of the second moderation model show that work motivation is not a moderating variable that can strengthen or weaken the relationship between competence and auditor performance.

5.2 Discussion

The professionalism of auditors can't just be ignored. A professional auditor will work in accordance with the code of ethics and oaths he pronounces. Working in accordance with the rules and procedures that have been regulated will be a guideline for auditors in carrying out their duties. Therefore, auditors who uphold their professionalism will be able to provide good performance for their KAP. Auditors who work professionally will improve their performance automatically. Basically, the results of the study have proven the results of the research conducted by (Dwiyanto & Rufaedah, 2020; Fachruddin & Rangkuti, 2019; Hakim et al., 2020; Kusnadi & Suputhra, 2015; Prabayanthi & Widhiyani, 2018; Ratnawati, 2020; Wulandari & Suputra, 2018; Wulandari & Prasetya, 2020) who stated that professionalism has a significant effect on auditor performance.

The KAP leadership should ensure that auditors who work under their management work professionally. The attitude of professionalism of auditors is indeed very difficult to know directly by the KAP leadership because the attitude of professionalism is known when the auditor is and finishes carrying out his audit duties. The attitude of professionalism of the auditor can also decrease and even disappear when carrying out duties is not supervised by the head of the KAP itself, because there could be an agreement that is not lawful between the auditor and the company being examined. Therefore, this study provides recommendations to the KAP leadership that it is important for the KAP leadership to do is to ensure that the auditor is not affiliated with the person he is examining. Then the KAP leadership can also ensure that the audit procedures and all regulations and rules of the type of audit carried out by the auditor have been carried out correctly by the auditor.

Then the auditor's competence is one of the important variables for auditors if they want to have good performance. The competence of the auditor will be one of the factors that will help the auditor complete every audit task assigned to him. Auditors who have good competence, tend to have a lot of knowledge to complete tasks optimally, the ability of auditors to complete the tasks assigned to them shows their performance as auditors are very good. If so, then for the Public Accounting Firm (KAP) it is imperative for him to know the competence of his auditors. The results of this study have also proven the results of research conducted by (Afifah et al., 2015; Dali & Mas'ud, 2014; Fachruddin & Rangkuti, 2019; Sujana, 2012; Wulandari & Suputra, 2018) which states that competence has a significant effect on auditor performance.

The current KAP leader can no longer accept an auditor based on recommendations alone, because knowing his competence is also very important because it is related to his ability to provide maximum performance as an auditor. Not only qualified as an auditor, KAP leaders must also ensure that the auditors who work for them have good competence and will provide good

performance as well. The better the competence of the auditor, the better the performance he will give to the KAP. Kap leaders should no longer directly accept auditors recommended by people, but still go through a test process to find out their abilities. Not only does it qualify as an auditor established by formal regulations, the kap leadership can set the standards for the auditors who will work with him. It is hoped that with this, the competence of auditors working in the current KAP really has excellent competence, so that the audit reports published are also in accordance with the conditions in the financial statements, which in the end does not make clients disappointed with the performance of auditors and KAP.

Then it is known that work motivation is a moderating variable that can strengthen the influence of auditor professionalism on auditor performance. Motivation moderates positively and significantly. High motivation turns out to be able to strengthen the attitude of professionalism of the auditors to improve their performance. The higher the motivation of the auditor, the stronger the professionalism of the auditor in providing high performance for KAP. When the auditor's motivation tends to be financially motivated, the auditor already knows the amount of the fee he will receive, this will shape and strengthen the professionalism of the auditor in working to carry out his audit duties as well as possible. This is of course rational because auditors who have high financial motivation will pay attention to the amount of fees they will receive when they have carried out their audit assignments, this will shape their professional attitude at work and have an impact on the resulting audit performance.

Other results show that work motivation is not a variable that can moderate competence on auditor performance because it shows negative and insignificant results. Even though the results of this study were not significant, the anomaly in the results of this study became an opportunity for future researchers to conduct further research. Of course, it is realized that the motivation of each auditor in carrying out audit assignments is not the same. Although it is well known that financial motivation is one of the biggest for auditors in carrying out their audit duties. This study found that when an auditor's motivation is too dominant over financial motivation, it will directly reduce his competence and ability to carry out his audit duties. This happens because of the auditor's desire to complete the work as soon as possible and get a fee from his work. This is reinforced by the results of research showing the level of dominance of auditor motivation in improving auditor performance. Thus, it is very clear that auditor motivation tends to be financial motivation which is very dominant in influencing auditor performance, which turns out to negatively moderate auditor competence in influencing auditor performance.

Based on the results of the two moderation models, this study provides recommendations to KAP leaders that auditor work motivation is very important for auditors, therefore KAP leaders can provide motivation to auditors both financially such as the amount of fees they receive is very satisfying for auditors, or non-financial motivation such as appreciating good performance by giving awards and so on. It is realized that this research has weaknesses that must be disclosed. This research was conducted only on auditors affiliated with public accountants in Medan, meaning that this research only applies to the Medan area and cannot be generalized. So this research only limits motivation in general (financial and non-financial motivation) without considering one of them. Another weakness of this study is that this study does not consider audit fees as a variable that can affect the variables included in this research model.

6. CONCLUSION

This research has proven that the better the auditor's competence, the better the performance will be produced by the auditor. Good competence makes it easier for auditors to complete the audit work they receive by providing good performance. Good competence must be supported by the professionalism of the auditor in carrying out audit duties. The higher the attitude of professionalism of the auditor, the better the performance produced by the auditor. The auditor's professionalism encourages the auditor to work in accordance with applicable regulations, rules, and audit procedures, which will ultimately result in good performance. The auditor's motivation is a moderation variable for the professionalism variable in influencing the auditor's performance. However, motivation is not a moderation variable for the competence variable to affect auditor performance. In addition, it is important for subsequent researchers to consider audit fees as one of the variables that moderate or mediate the auditor's motivation in influencing auditor performance. Further research should also be carried out more broadly than this study, such as northSumatra, Sumatra or Indonesia region.

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THE IMPACT OF PROFESSIONALISM AND COMPETENCE ON AUDITOR PERFORMANCE WITH WORK MOTIVATION AS MODERATION VARIABLES IN PUBLIC ACCOUNTING FIRM MEDAN CITY

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