

**Effect of Time Budget Pressure and Locus of Control of Auditor Dysfunctional Behaviors (Survey on Legislative Auditor BPKP Gorontalo Province)**

Ratna Sari, Tenriwaru, Agung Pribadi Mokodongan  
Hasanuddin University Makassar, Indonesia  
ratna\_akumi@accountant.com

**Abstract:** This research aims to examine the influence of time budget pressure and locus of control to dysfunctional audit behavior (survey on Representative BPKP Government in Gorontalo Province). This research uses primary data collected directly from respondents. Population in this research is the auditors who work at BPKP's of Gorontalo Province. And sample in this research used 34 auditors as respondents by using census method. Data collected was analyzed using test data quality, classic assumption test and multiple linear regression analysis. The results showed: partially, time budget pressure is positive and significant toward dysfunctional audit behavior while the locus of control is positive but no significant to dysfunctional audit behavior. Simultaneously, time budget pressure and locus of control are significant to dysfunctional audit behavior.

**Keywords:** *Time budget pressure, locus of control and dysfunctional audit behavior*

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## 1. Introduction

Rampant corruption, collusion and nepotism (KKN) that occurred lately requires oversight functions and internal control systems are better on the implementation of governance and public finance management. In line with the changing strategic environment and PP No 60 of 2008, BPKP auditor confirms its identity as the President demanded to be able to provide valuable information for the President of the results of monitoring conducted and able to provide solutions to the problems facing the government. BPKP contribution is intended to help the government realize good governance (good governance). Accountability of public finance quality is the ultimate goal to be achieved BPKP that represents the benefits that can be provided BPKP to shareholders. Therefore, BPKP aims to realize the country's financial accountability qualified, in accordance with the vision of the BPKP is to be a catalyst for the renewal of government management (bpkp.go.id). Quality auditor jobs related to qualifications, expertise, timeliness of completion of the work, the adequacy of the examination of evidence, and the attitude of independence towards clients (Christina, 2003). Violations committed by accountants and auditors are basically happening in the abuse or dysfunction (dysfunctional) and violations of the code of professional conduct. Auditors are required to be able to carry out their work in a professional manner so that the resulting audit report will be qualified.

Auditor dysfunctional behaviors associated with decreased quality of audits (Donnelly, 2003). Dysfunctional behavior auditors such as premature sign-off audit procedures (to stop the audit procedures), underreporting of time (delay or not timely), altering the audit process and gathering insufficient evidence (to replace the audit process and collect evidence is not sufficient) will have an impact on the decline in quality audit. This behavior can have a direct and indirect effect on audit quality. Dysfunctional behaviors that have a direct influence including premature sign-off, obtaining evidence is lacking, processing inaccuracies and errors of the stages of the audit, as well as altering / replacing of audit procedure (replacing the auditing process), while the behavior of the audit that have indirect effect on audit quality is under reporting of time (Wijayanti, 2007: 252). This study focuses on internal factors and external factors that are thought to have the possibility to influence the dysfunctional behavior. Factors personal characteristic is a factor that comes from inside (internal) which includes biological factors, factors sosiopsikologis, and sosiogen is factor or a secondary motive. Whereas situational factors when performing an audit is a factor that comes from outside the human self (external) that can result in a person tends to behave in accordance with the characteristics of a group or organization where he participated in it, covering the aspects of objective environment, psychological environment that is perceived by someone, and stimulation encourage and strengthen the person's behavior. Personal characteristics that affect the acceptance of deviant behavior among which locus

of control and organizational commitment (Donnelly, 2003), while situational factors when performing audits among which time budget pressure (Christina, 2003).

Locus of control is a person's perception or perspective of the sources that control events good or bad in his life (Rotter, 1966). Locus of control can be internally and externally. Traits internal locus of control are those who believe that an event is always in control and will always take on the role and responsibility in the determination of right or wrong. So that individuals with an internal locus of control will actively seek information before making decisions, more motivated to excel and do a greater effort to control their environment. Instead of individuals with an external locus of control believe that events in life are beyond its control and believe that his life is affected by fate, luck and chance and trust the forces outside him. Some before research shows that an external locus of control positive effect on the acceptance of dysfunctional audit behavior (Wijayanti, 2007). The reason researchers use population that focuses on government auditor who works at BPKP are: first, the demands on the role of government auditors to produce quality audit, so that BPKP with his position as internal auditor of government have an important role is to create accountability of government officials under the president to realize governance good governance; second, BPKP vision is to be a catalyst for the renewal of government management through professional supervision. This study attempts to examine how "Effect of Time Budget Pressure and Locus of Control of Dysfunctional Behavior Auditor (BPKP Representative Survey on Auditor Gorontalo province)".

## 2. Theoretical Framework and Development Hypothesis

**A. Theory of Attitude Change:** Theory of a change of attitude (attitude change theory) states that a person will experience discomfort in her process when faced with something new that is contrary to his belief, so it takes time to analyze so arrive at a conviction to pick it up or not in accordance with temperament. This theory provides an explanation of how a person's attitude is formed and how it can change a person's attitude through the communication process and how that attitude can influence the attitudes and behavior of people (Carl Hovland in Fatima, 2012). Theory of attitude change which comprises a variety of theories that shaded her, for example Dissonance Theories and Functional Theory. Dissonance theory explains that the discrepancy motivate a person to reduce or eliminate the discrepancy. Implications when an auditor has a claim against pressure or a mismatch in the opposite situation (the number of jobs that must be completed when there are limited available resources), the auditor would seek to eliminate the possible incompatibility with prioritizing and eliminating something that is considered not so important. While the functional theory of attitude change in attitude applies to states that meet the needs of a person. An auditor can perform any action including deviant behavior to meet the need for suitability demands obtained (Fatima, 2012).

**B. Attribution Theory:** Attribution theory according to Robbins (1996) is an individual effort when observing the behavior of individuals to determine whether it is caused internally or externally. This theory explains the causes of human behavior, proposed by Fritz Heider which basically attribution of human behavior that can be internal, but also external attribution. Robbins (1996), the causes of behavior in social perception is divided into two, namely the attribution dispositional and situational attribution or internal and external causes. Disposition attribution or internal causes refers to aspects of individual behavior, something that is in someone's self-perception as a personal nature, the ability of motivation. Situational attribution or external cause 13 refers to an environment that influence behavior, such as social conditions, social values, public views. Determinants of attribution are influenced by three factors (Robbins, 1996):

- Consensus is how a person reacts when compared with others, to certain stimuli or if other people do the same thing with the same situation.
- The specificity is how each person reacts or behaves in different conditions or situations.
- Consistency is how a person behaves or reacts to the same stimulus in different situations, or whether the person always does in situations like this.

Attribution theory discusses the factors that lead to something happening, whether it was due to internal or external factors. In a study will be assessed regarding locus of control, whether these factors can affect the work pressure, job satisfaction and performance of auditors. The linkage between the attribution theories to this research is equally observed whether the pressure of work, job satisfaction and performance of the

auditors is more influenced by external factors or internal. Of external and internal factors are seen which is more dominant in influencing these three variables.

**C. Time Budget Pressure:** Time budget pressure (time budget pressure) is a condition in which the auditor is required to perform efficiency on time budget that has been prepared and there are restrictions on time in a very tight budget. Audit time budget pressure is actually a normal situation existing in the auditor's work environment. Time budget pressure is necessary for the auditors in carrying out their duties in order to meet the demand of clients in a timely manner and be one of the keys to success in the future auditor career (Otley and Pierce, 1996). If Time budget planned by the auditor is getting shorter and difficult to achieve, it will bring great pressure levels for the auditor that the auditor will do everything it deems behavior can complete the task on time. This behavior can affect the quality of the resulting audit (Suprianto, 2009:64).

**D. Locus of Control:** Rotter (1996) as quoted Brownell (1982) in Wiriani (2011) says that the locus of control is the degree to which a person accepts personal responsibility for what happens to them. Locus of control is divided into two, namely the locus of control internal and external. Internal locus of control refers to the perception that the incidence of both positive and negative occurs as a consequence of the actions or deeds themselves and under restraint, while external locus of control to the belief that an event does not have a direct connection with actions by themselves and are outside the control of him. Julianto (2002) in Wiriani (2011) states that the external locus of control is individual external locus of controlnya high enough to be easy to let go and give up if sewaktu-waktu occurs a difficult issue. Such individuals will look at the problems that are difficult as a threat to him, even to those who are around him was regarded as the party who secretly always threaten its existence.

**E. Dysfunctional Behavior Audit:** Donnelly (2003) stated that the attitude of the auditor receives dysfunctional behavior is an indicator of the actual dysfunctional behavior. Audit dysfunctional behavior is the behavior of auditors in the audit process that is not in accordance with the audit program that has been established or deviate from established standards. This behavior is a reaction to the environment, for example controlling system (Otley and Pierce, 1996). Dysfunctional audit behavior associated with decreased quality of audit (Harini et al., 2010). The audit dysfunctional behavior can affect the firm's ability to earn income, meet the quality professional work, and evaluate employee performance accurately. In the long term, this issue will damage the quality of the audit. Some audit dysfunctional behavior that directly harm audit quality that is altering / replacement of the audit procedure and premature sign off, while underreporting of time affects the audit results indirectly. Obtaining evidence is lacking, processing less accurate, and the error of the stages of audit is also the impact of dysfunctional behavior audit. Altering / replacing of the audit procedure is the replacement of audit procedures set out in auditing standards. It directly affects the quality of the audit and can alter the results of the audit.

Premature sign off of the stages of the audit without settlement procedures and replacement with other measures directly influence the audit results (Otley & Pierce, 1996; Maryanti, 2005; Harini et al., 2010) and in violation of professional standards of auditors. Premature sign off is a situation that shows the auditor to stop one or more of the audits required in audit procedures without replacing it with another step. An audit process often fails due to the elimination of important audit procedures of audit procedures than an audit procedure is not performed adequately for some items. Underreporting of Time (URT) is also an indirect effect on audit quality (Harini et al., 2010; Donnelly, 2003). URT occurs when auditors perform auditing tasks without reporting the actual time. URT cause poor personnel decisions, to cover the needs of the revised budget, and produce time pressure for audit in the future unknown (Kartika and Wijayanti, 2007). Time budget caused by URT previous year may cause the auditor failed to gather enough evidence, a significant discovery, and procedure documents that they did not do (Otley and Pierce 1996; Donnelly, 2003).

**Hypothesis Development:** Based on the previous explanation, the researchers compiled a hypothetical as follows:

H1: Time budget pressure has a positive and significant impact on the behavior of dysfunctional auditor.

H2: Locus Of Control has a positive and significant impact on the behavior of dysfunctional auditor.

H3: Time Budget Pressure and Locus of Control simultaneously affect the auditor dysfunctional behavior.

### **3. Methodology**

This study was carried out in the Financial and Development Supervisory Agency (BPKP) Representatives of Gorontalo Province. The population in this study is the auditor who works on Legislative Financial and Development Supervisory Agency (BPKP) Gorontalo Province totaling 34 people. To obtain the required data in this study used the instrument in the form of a questionnaire, which was adopted from some previous research and will be modified according to the needs of research. Questionnaires delivered directly to auditors who worked on the Financial and Development Supervisory Agency (BPKP) Representatives of Gorontalo Province the respondent. The data collected and processed in this research is primary data obtained from the answers auditors working in the Representative Office and the State Audit Board (BPKP) Gorontalo Province which answers to the questions asked by the researcher about Time Budget Pressure and Locus of Control against Dysfunctional Behavior Auditor.

#### **Operational Variables**

##### **Time Budget Pressure (X1)**

- Allocation of time is very tight.
- The timely completion of the deal by the client.
- Allocation of a very tight time by the client.
- Termination of audit early (premature sign-off).
- Decrease the effectiveness and efficiency of auditing activities.
- Failure to invest relevant issues.
- Allocation of time budgeted unrealistic with the complexity of the audit received.
- Budget stable time.
- Lama performed the audit process.

##### **Locus of Control Internal and External (X2)**

- Work is an activity to obtain results.
- The results of a job as expected.
- A good job if good planning.
- Subordinates should always give advice to his superiors.
- The work is suitably luck.
- Award is a fortune.
- Does the job in earnest.
- In order to get a job there must be a friend or acquaintance that helped.
- Promotion is a fortune.
- Employment appropriate, acquaintance or friend is more important than ability.
- Promotion is given to employees who perform well.
- To obtain the desired, one must know the right people.
- To be able to perform the necessary luck.
- Employees who work well will be rewarded commensurate.
- The effect of a given employee to his superiors thought greater than the employee concerned
- Luck is a factor that differentiates people who succeed and fail.

##### **Dysfunctional behavior auditor (Y)**

- Promotion of promotion.
- Assessment of performance evaluation.
- The completion of the audit, if suggested by the supervisor.
- Completion of the audit for competence.
- Replacement of audit procedures, if the original audit procedures are not necessary.
- Replacement of audit procedures, if there is no problem with the client system is stopped.
- Replacement of audit procedures, if the original audit procedures to find no errors.
- Replacement audit procedures, if there is time pressure tall for complete the audit process.

- Termination of audit steps without replacing procedure.
- Termination step without changing audit procedures.
- Termination of audit steps without replacing procedure.
- Replacement of audit steps without changing the procedure.

**Hypothesis testing:** Hypothesis testing is done by using multiple linear regression analysis models that aims to predict how much power the influence of independent variables on the dependent variable.

#### 4. Results and Discussion

**Hypothesis testing:** Multiple linear regression analysis to determine how much influences the independent variable on the dependent variable. The results of multiple linear regressions can be seen in the following table:

**Table 1: Results of multiple linear regressions**

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4.924	3.072	
1 Time Budget Pressure	1.211	.126	.816
Locus Of Control	.063	.058	.097

Source: Primary data were processed in 2015

Based on the table above results have been obtained from the regression coefficients of the above, it can be made a regression equation as follows:

$$Y = 4.924 + 0.816 X_1 + 0.097 X_2$$

In the regression equation above shows the magnitude of the direct effect of the partial and time budget pressure on audit dysfunctional behavior amounted to 0,816 or rounded to 82%. Thus, the high and low of the auditor dysfunctional behavior is influenced by the time budget pressure by 82%, while the remaining 18% described other factors beyond research. Locus of control no significant effect on audit dysfunctional behavior. The magnitude of the effect of the partial and immediate locus of control on the audit dysfunctional behavior amounted to only 0.097 or rounded to 10%. Thus, the level of dysfunctional audit behavior is only influenced the locus of control by 10%, while the remaining 90% described other factors beyond research.

**Simultaneous Test Results (Test F):** F test is used to determine whether there is influence jointly independent variable on the dependent variable, namely the influence between time budget pressure and locus of control simultaneously to dysfunctional behavior auditors. The test results can be seen in the following table:

**Table 2: Simultaneous Test Results (Test F)**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	777.510	2	388.755	48.551	.000 <sup>b</sup>
1 Residual	248.220	31	8.007		
Total	1025.730	33			

Source: Primary data were processed in 2015

The above table shows that the time budget pressure and locus of control simultaneously have a significant influence on the behavior of dysfunctional auditor, indicated by sig 0.000 <0.05 and has a value of F count > F table (48 551 > 3:30), then Ho is rejected and H3 accepted.

**Partial Test Results (t test):** t test showed how far the influence of the independent variables individually in explaining variations in the dependent variable and is used to determine whether or not the effect of each

independent variable on the dependent variable individually tested at the 0.05 level. The test results can be seen in the following table:

**Table 3: Results of Partial Test (Test t)**

Model	t	Sig.
(Constant)	1.603	0.119
1 Time Budget Pressure	9.604	0.000
Locus Of Control	1.092	0.283

Source: Primary data were processed in 2015

Through t-test statistic consisting of time budget pressure (X1) and locus of control (X2) can be partially known influence on the dysfunctional behavior of auditors (Y).

**A. First Hypothesis Testing (H1):** Based on the calculation of SPSS in Table 18 above, the variable time budget pressure with sig. less than 0.05 (0.000 <0.05) and has  $t_{count} > t_{table}$  (9604 > 1695), then  $H_0$  is rejected and H1 accepted so that it can be concluded that there is significant influence of time budget pressure on auditors dysfunctional behavior.

**B. Testing The second hypothesis (H2):** Based on the calculation of SPSS in Table 18 above, the variable locus of control with sig. greater than 0.05 (0.283 > 0.05) and had  $t_{count} < t_{table}$  (1,092 < 1,695), then  $H_0$  is accepted and rejected H2 so that it can be concluded that there is no significant positive effect on the locus of control of the dysfunctional behavior of auditors.

**C. Testing of the third hypothesis (H3):** Based on the calculation of SPSS in Table 17 above, the variable locus of control and time budget pressure with sig 0.000 <0.05 and has a value of  $F_{count} > F_{table}$  (48 551 > 3:30), the H3 is received so that it can be concluded that together are a significant effect of time budget pressure and locus of control of the dysfunctional behavior of auditors.

## Discussion

**Effect of Time Budget Pressure against Dysfunctional Behavior Auditor:** If the auditor perform audit tasks with a time budget that is measured with the maximum and according to their ability, then the auditor will complete the audit task well without any pressure, but if the auditor works in a significant pressure will affect the performance of auditors. Time budget pressure faced by the auditors which can cause high stress, therefore sometimes auditor exploit a variety of deviant behavior to achieve a set budget. The higher the time budget pressure experienced by an auditor, then the acceptance of deviant behavior in the audit also higher. The research findings support the research Christina (2003), Marfuah (2011), and Juliansyah (2013) which states that the auditor's time budget pressure tends to result in dysfunctional behavior audit.

**Effect of Locus of Control on Dysfunctional Behavior Auditor:** The study's findings indicate the influence of locus of control on dysfunctional behavior audit showed significant results, so that the second hypothesis is rejected. This means that auditors who were respondents in the study tend to be greater internal locus of control of the external locus of control, so avoid dysfunctional behavior audit. These results are not consistent, but are consistent with research Maryanti (2005) and Pravitasari (2012). Locus of control is not a significant factor that can influence the auditor dysfunctional behavior because there are other more significant factors to influence.

**Effect of Time Budget Pressure and Locus of Control on Dysfunctional Behavior Auditor:** Based on regression analysis, the results of this study demonstrate the effect of simultaneous time budget pressure, and locus of control significantly to dysfunctional behavior auditors. This means that if the higher pressure of budgets and time are perceived by the auditor and coupled with a lack of self-control tend to have external locus of control it will be increasing the possibility of the auditor to perform the actions that are considered to resolve an audit procedure includes actions deviated from procedural been defined in the audit procedure, known as audit dysfunctional behavior. Results of this study were able to prove the hypothesis that predicts the effect of jointly time budget pressure and locus of control on dysfunctional behavior auditor or in other words the three-accepted hypothesis.

## 5. Conclusion and Recommendations

This study tried to examine the effect of the three variables, namely time budget pressure, locus of control, to the dysfunctional behavior of auditors. Based on the analysis of data collected and processed, it was concluded that:

- Time budget pressure positive and significant impact on the behavior of dysfunctional auditor. Results of this study indicated the higher the perceived time budget pressure auditor, then further increase their tendency to dysfunctional behavior audit also negatively impact the quality of the audit results.
- External Locus of control had no significant effect with dysfunctional behavior auditors. Based on the analysis it can be concluded that the locus of control does not affect the auditor dysfunctional behavior. The findings of this study indicate that the locus of control is not a significant factor that can influence the auditor dysfunctional behavior because there are other more significant factors to influence.
- Time budget pressure and locus of control simultaneously a significant influence on the behavior of dysfunctional auditor.

**Recommendations:** As for recommendations that can give researchers, namely:

- Further research is expected to expand the object of study and not only in government auditor at BPKP alone, but can be done on a government auditor at BPK (Supreme Audit Agency), the Inspectorate of the City, or the Provincial Inspectorate and Public Accounting Firm (KAP).
- Further research can also be done on the company's internal auditors or public accountants who are in Gorontalo province.
- For further research can incorporate other personal variables to audit dysfunctional behavior such as work stress, leadership style, level of independence and objectivity, auditors professional ethics, experience, motivation, professional commitment etc. using a wider sample.
- Future studies need to be added direct interview method on each respondent in an attempt to collect the data, so as to avoid the possibility of respondents are not objective in completing the questionnaire.

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