

Determinants of Auditor

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Determinants Of Auditor Motivation In The Government Audit Market

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Abstract

Act No. 15/2006 is concerned with the Audit Board of the Republic of Indonesia (BPK), while its authority is vested article 9 (1). In performing its duties, the BPK has an authority to recruit experts and/or auditors externally on behalf of the BPK. This provides a great opportunity for motivated external auditors to audit state finances. To have a better knowledge of the audit bid in the government sector, it is important to understand external auditor opinion on their motivation in pursuing audit engagements on the government audit market. Based on the above idea, the objectives of this study are to examine: the influence of audit fees, auditor competence and regulation changes on auditor motivation. This study uses survey methods on 191 external auditors (partners) public accounting firms registered in the BPK selected by random sampling from the study population. Data was collected through questionnaires and evaluated for validity and reliability before hypotheses testing. The descriptive analysis and multiple regressions are used to analyze and evaluate the hypothesis testing by using SPSS 24 software. The empirical result using multiple regression shows that audit fees, auditor competence and authoritative changes positively significantly effect on auditor motivation.

Keywords: *audit fees, auditor competence, authoritative changes and auditor motivation*

INTRODUCTION

Improving the performance of the Indonesia's Supreme Audit Agency (BPK) will gradually increase auditors' Code of Professional Conduct (CPC). As in other countries, , financial audits in Indonesia are gradually being submitted to the Public Accounting Firm (KAP), but still being supervised by the Supreme Audit Agency. The involvement of KAP in public sector auditing is because of BPK's widely spread area of operation which is throughout Indonesia, but on the other hand BPK has a limited number of auditors to conduct the audits.

The legal basis for recruitment of public accounting firms is Law No. 15/2004 on State Audit, Management and Responsibility, article 9, paragraph 3, which states that in performing inspection duties, the BPK may use inspectors and / or experts from outside the BPK working for and on behalf of BPK". Then reaffirmed in Law Number 15 Year 2006 concerning the State Audit Board. Part Two on its authority, article 9(1) states, in performing its duties, the BPK is authorized; in part (g) to use experts and / or inspectors outside the BPK who work for and on behalf of BPK. These regulatory arrangements provide great opportunities for KAPs which are mandated to audit state finances. However, KAPs' opportunity to audit public finances does not automatically extend to members of the Indonesian Institute of Certified Public Accountants

(IAPI). Based on the Directorate of Public Accounting Firms (KAP) and Public Accountants (AP) in 2017, the Secretary General of the Center for Financial Professional Development of the Ministry of Finance of Indonesia, the Ministry of Finance permitted 400 KAPs. While the number of registered KAPs in BPK entitled to audit state finances amount to 183 KAPs, auditors listed in the BPK are as many as 840 (346 partners and 504 auditors).

According to Lowenshon and Collins (2001), there are several factors that auditors consider in conducting an audit engagement. These factors are usually associated with benefits to the auditor, such as audit fees, auditor's ability or competence to carry out audits and environmental factors (e.g. market competition). Other factors public accountants consider in taking government engagements include the possibility of auditor dislikes of carrying out government audit work, low audit fee issues, requirement of special competence and political issues.

Robbins (2007: 245), states that motivation is a process of arranging or directing the choices made by a person against a voluntary alternative activity. Motivation is not something that stands alone, the existence of motivation hinges on need, so without need there is no motivation. One of the main factors that motivate a person to work is money (Robbins and Judge, 2007: 247; Wagner and Hollenbeck, 2005: 107). According to Mills (1993: 30), auditor's motivation in conducting an audit is basically to continue the business and the sustainability of a profitable business. Motivation also arises because of the belief that the auditor can carry out the audit, in addition to the existence of customer demand and commercial needs.

According to Wanous Et al (1983), **audit fee is one factor an auditor carries out his work.** The amount of fees usually varies greatly, depending on, among others, the risk of assignment, the complexity of the services provided, the level of expertise required to perform the service, the structure of the audit firm's costs and other professional judgments (De Angelo 1981).

According to Mills (1993: 30), the professionalism of an auditor can be seen from his/her competence, auditor competence guarantees good work that is in accordance with the applicable audit standards. Thomas in Robbins and Judge (2007: 181), view employees as people to be motivated, if someone really cares about his work then that person will find a better way to do it and get the strength and satisfaction in doing it well. Deeprose (2006: 122), states that a competent person carries out his work more easily than an incompetent person.

The professionalism of KAPs in auditing state finances need to be considered in the event that an audit previously conducted by the BPK is delegated to a Public Accounting Firm (KAP) because of differences in regulatory standards and procedures in auditing state finances. The KAP auditing the state's finances should comply with of accounting and auditing regulations in government. KAPs must master Government Accounting Standard (SAP) and State Audit Standards (SPKN) as well as various regulations concerning state finances, because SAP and SPKN are the benchmark for inspectors in performing their auditing tasks.

Based on the above discussion, the authors seek to conduct a study themed: External Auditor Motivation in Government Audit Market. The purpose of this study is to, test and analyze: a) whether audit fees affect the auditor's motivation in the government audit market; b) whether auditor competence influences auditor motivation in the government audit market; and c) whether changes in authority affect auditor motivation in the government audit market.

REVIEW OF LITERATURE AND DEVELOPMENT OF HYPOTHESES

Attribution Theory and Auditor Motivation

Attribution theory provides an explanation of the process of determining the cause or motive of one's behavior. This theory is directed to develop an explanation of the ways we value

individuals differently, depending on the meaning we associate with certain behaviors. Robbins states that essentially, this theory suggests that when observing the behavior of an individual, we attempt to determine whether the behavior is caused internally or externally. Internally induced behavior is a behavior that is believed to be influenced by an individual's personal control. Behavior caused externally is considered as a result of external causes i.e. the individual is considered to be forced to behave in this way by the situation (Robbins, 2008: 177).

Attribution theory can be used as a basis for determining the factors that cause auditors to be motivated in auditing in the government audit market. The cause of the auditor's motivational behavior refers to something that is in the auditor's self such as audit fees, auditor competence and alteration of authority. By knowing the factors that cause a motivated auditor to conduct an audit, it can be seen why not all auditors are not motivated to audit the government audit market.

According to Siegel and Marconi (1989: 34), motivation is an important concept in the behavior of accountants or auditors because the effectiveness of the organization depends on the people performing the task as expected. The formulation of behavioral thinking suggests that people usually make choices based on the desired reward (income) and choose the behavior that makes it possible to achieve the award.

According to Mills (1993: 30), an auditor's motivation in conducting the audit is basically to continue the business and the sustainability of the profitable business. Auditor motivation also arises because he is confident that he can perform the audit, in addition to customer demand and some commercial needs. Tan (2000), states that there are several motivation factors considered by auditors in work, namely: the existence of variation of task and activity, audit fee, status improvement, the award will be given and to show the ability to work. Auditor motivation is an individual's behavior to perform the activity, this activity is the goal to be expected and the expectation of the activity is the reward that will be obtained.

Robbins and Judge (2007: 166), states that motivation is a process that determines the intensity, direction and persistence of individuals in an effort to achieve goals. According to Wagner and Hollenbeck (2005: 105), motivation refers to one's energy to do a job. Mathis and John (2000: 89), states that motivation is a desire within a person that causes the person to take action. Someone often take action for a thing that is achieving goals and motivation is the driving force that leads to the goal. Victor H. Vroom's theory of hope in 1964 (Robbins and Judge, 2007: 188-190), explains that motivation is the power of a tendency to act in certain ways and that power depends on an expectation that the action will be followed by output and the appeal of the output to that individual.

According to Leslie (1997), since the 1970s many researchers raised the problem of motivational aspects in the way of behaving in accounting and organizational behavior theory that is widely used in aspect behavior research research in accounting as a theory of work motivation. This means that motivation is a complex problem in the organization, because the needs and desires of each person are different. Something that matters to someone is not necessarily important to others, nor is it to an accountant.

Audit Fee and Auditor Motivation

Motivation is one of a workers' behavior that is greatly influenced by the income to be received. Income is an incentive that determines work motivation. Wanous et al. (1983), states that a fee is one factor for an auditor to carry out his work.

Srinidhi and Gul (2006) state that an audit fee is a fee paid by a client to a public accountant to compensate for his audit services. Hoitash Et.al (2005) states that the total audit fee is a sum of all fees paid to the auditor. Audit fees are divided into two categories: audit fees and

non-audit fees. An audit fee is the total fee paid to the auditor for the auditing service. While a non-audit fee is the cost of other services paid other than the audit fee.

Ferris (1977), in his research found that the amount of income positively affects the motivation. Wanous et al. (1983), states that instrumentality positively affects motivation. Instrumentality is a belief that the achievement of goals leads to a desired income. Lowenshon and Collins (2001), reveal that auditors pursue governmental audits because they believe that reward instrumentalities achieved through conducting government audits are desirable. Mardiasmo (2002), replicates the research of Lowenshon and Collins (2001), and finds the same. Schei et al., (2002), in his research found that there is a positive influence between the received outcome and motivation.

Based on the above description, the proposed hypothesis is:

H₁: Audit Fee affects auditor motivation in government audit market

Auditor's Competence and Auditor's Motivation

According to Cheng et al. (2002), competence is where someone has knowledge (education, expertise and experience) and attitudes and ethical behavior in work. Thomas in Robbins and Judge (2007: 181) suggest that motivation is achieved when people have competence. Competence here is the achievement that a person feels when performing activities of his choice in a highly skilled way. Deeprose (2006: 122), states that the competence is an important factor in improving motivation in work. Arnold (1985), states that the better one's competence the more motivated a person works, this is due to the competence they have, a person works easily.

According to Bedard and Chi (1993) to be able to perform an audit task well, an auditor in addition to having knowledge must also have expertise. Expertise is the possession of knowledge about a particular environment, an understanding of the problems arising from the environment and the skills to solve the problem. Tan and Libby (1997) state that audit skills can be grouped into two groups: technical skills and non technical skills. Technical expertise is the fundamental ability of an auditor in the form of procedural knowledge and other clerical skills in the scope of accounting and auditing in general. Whereas non-technical skills are abilities of auditors that are heavily influenced by personal factors and experience.

Ashton (1991) states that knowledge gained through practical experience is an important component of auditing. According to Abdolmohammadi and Wright (1987) experience is a very vital factor that can influence complex judgment. Inexperienced auditors attribute higher errors compared to more experienced auditors (Kaplan and Recker, 1989). The concept of audit experience that is often operationalized into years of audit experience or hierarchy of auditor positions is used as a substitute for expertise, since the concept of expertise is impossible to observe directly (Bedard 1989). Jeffrey (1992) states that a person with more experience in a substantive field has more things stored in his memory and develops a good understanding of the relative frequency of events.

Based on the above description, the proposed hypothesis is:

H₂: Auditor competence influences the auditor's motivation on the government audit market

Change of Authority and Auditor Motivation

According to Lowenshon and Collins (2001), the difference in units of government from commercial organizations is the political process that influences decision making. Different government audit procedures and unique issues in the government sector such as fund accounting, budgeting, compliance with laws and regulations, the comparison between budget and actual financial statements, specific audit reports, accounting bases and the adequacy of internal control structures need to be studied. Furthermore, external auditors who audit government accounts in the USA are also required to follow the United States General Accounting Office (U.S. GAO) and Government Auditing Standards, at audit engagements in government.

Lowenshon and Collins (2001), note that changes in standard such as by the Governmental Accounting Standards Boards (GASB), Generally Accepted Government Auditing Standards (GAGAS) and some regulations issued by U.S. GAO and the American Institute Certified Public Accountant (AICPA), need to be carefully studied by the auditor. Not to mention the requirements set by the legislature and the executive and professional organizations that certainly affect auditors' motivation in pursuing audit engagements in the government sector.

Mardiasmo (2002), states that the number of changes in authority (eg accounting reform, management reform, budgeting reform and audit reform) of the government (both regulations of the president, ministers and local government), and the number of announcements regarding the new rules need to be addressed carefully by auditors who are willing to receive government audits.

Cheng (1994), states that environmental factors (regulation) affect the auditors' motivation to carry out audits in government, this is due to the complexity of the nature of the government audit environment. According to Lowenshon and Collins (2001), quick changes in authority, regulations and fines may lower motivation to pursue government audits. Requirements prescribed by legislative bodies and executive bodies, professional organizations and GASB also affect auditors' motivation in pursuing audits in the government sector.

Lowenshon and Collins (2001), found that environmental risks (the political climate and changes in authority) are factors that influence the motivation of independent auditors in conducting audit engagements in the government sector. The results of his research also found that the political climate and changes in authority had a significant negative effect on auditor motivation. Mardiasmo (2002), replicates Lowenshon and Collins (2001), but his research finds that environmental risks (the political climate and changes in authority) have a positive effect on motivation in conducting government audits.

Based on the above description, the proposed hypothesis is:

H₃: change of authority influences the auditor's motivation in the government audit market

Research Model

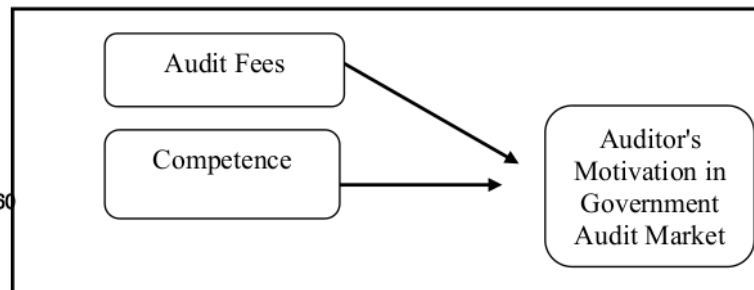




Figure 2.1 Reserch Model

METHODOLOGY

Data collection and sample selection

The target population in this study is external auditors (partners) who work in Public Accounting Firm registered with the BPK. The data was collected by questionnaire technique from external auditors registered by BPK. The sample selection was done by the random sampling technique. To ensure the effectiveness of data collection, the distribution of questionnaires was by way of direct visits to respondents, by mail (mail survey), and through the internet.

Reliability And Validity Test

There are two concepts to measure the quality of data, through reliability and validity. The concept of reliability can be understood through the basic idea of the concept, i.e. consistency. Reliability test is intended to determine the extent to which the results measurement remain consistent, if two or more measurements of the same symptoms are conducted. A reliability test is done by calculating a Cronbach alpha of more than 0.60 (Ghozali, 2011: 133). While the validity test is conducted to obtain the belief that each question has been grouped in a variable that is determined. A validity test is done by factor analysis with varimax rotation. Hair Et al (2013) state that items contained in a factor analysis with a factor loading over 0.40 can be taken that the item in question is valid. Another way to measure intercorrelations between variables and the feasibility of factor analysis is the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Kaiser's MSA). A data analysis factor can be performed when the Kaiser's MSA score is above 0.50 (Hair et al, 2013). From the results of the Cronbach alpha, Kaiser's MSA and loading factor, it can be seen that all variables are **audit fees, auditor competence, authoritative changes and auditor motivation** to be tested for validity and reliability in this study. **The results of the validity and reliability test can be seen in the following table:**

Table C.1 Validity and Reliability Test Results

Variables	Cronbach	Kaiser's	Factor
Fee Audit	Alpha	MSA	Loading
Auditor Competence	0.884	0.879	0.742-0,815
Change of Authority	0.932	0.945	0.725-0.812
Auditor Motivation	0.894	0.825	0.733-0,862

Source: Data processed

Variable Measurement

(1) Audit Fee

The audit fee relates to the remuneration paid by the client to a public accountant to indemnify his or her audit services. The instruments used to measure these variables were adopted from (Srinidhi and Gul, 2006). There are seven items used to measure audit fees on a 5 (five) point scale

(2) Auditor Competence

The competence of the auditor relates to a person who has knowledge gained from education, skills, skills and experience and has ethical attitudes and behavior in carrying out his work. The instruments used to measure these variables are adopted from (Cheng et al., 2002). There are eleven items that are used to measure the auditor's competence on a scale of 5 (five) points

(3) Change of Authority

The change of authority is related to the auditor's response to the change of authority from the government which regulates the new authority or regulation related to the auditing offer in the administration, so that there is interest or disinterest in conducting the audit. The instruments used to measure these variables were adopted from Lowenshon and Collins (2001). There are six items used to measure changes in authority on a 5 (five) point scale

(4) Auditor motivation

Motivation The auditor is the strength of an auditor's tendency to act in certain ways and that power depends on an expectation that the action will be followed by the particular output and attraction of that output to the auditor. The instruments used to measure these variables were adopted from Lowenshon and Collins (2001). There are six items that are used to measure auditor motivation with a scale of 5 (five) points

4. Data Analysis Technique

This study tested the hypotheses proposed with the help of a Statistical Product and Service Solution (SPSS) version 24. To test hypotheses 1, 2 and 3 that was done by multiple regression analysis.

To test the hypotheses 1, 2 and 3, the regression equation is as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Explanation:

Y: auditor motivation

X₁: audit fee

X₂: auditor competence

X₃: change of authority

a: constant

β₁-β₃: regression coefficient

e: error

The auditor's motivation on the government audit market is the dependent variable predicted to be influenced by the independent variables, namely: audit fee, auditor competence and alteration of authority.

ANALYSIS OF RESULTS

Data Description and Analysis

In this study there are 191 partners (respondents) from 346 partners representing KAP in a training registered by the BPK. Basing on the observation unit profile data they were divided into 5 profiles, namely: (1) name; (2) sex; (3) age; (4) educational background; and (5) work experience. Based on sex, the majority of respondents in this study were males equivalent to 76.96%. The majority age range was 35-50 years that was equal to 44.50%. As for their education, the majority of respondents educated were graduates equal to 77.49% and those who had ≤15 years experience amounted to 52.88%. Table E.1 below presents the descriptive statistics of variables to be tested in this study:

TABLE D.1 Descriptive statistics

Descriptive Statistics Variable	Theoretical Range	Aktual Range	Average	Dev. Std
Audit Fees	7-35	14-35	26.66	4.163
Auditor Competence	11-55	27-55	46.09	5.212
Change of Authority	6-30	10-30	17.49	4.038
Auditor Motivation	6-30	15-30	24.28	2.944

Source: Data processed

Discussion and Hypothesis Testing

To test the feasibility of the regression model used in testing the hypothesis, a classic assumption test (multicollinearity test, autocorrelation, heteroscedasticity and data normality) was performed and found no problem with the test.

Based on the result of correlation between variables, it can be explained that correlation between audit fees (X1) with auditor motivation (Y) is equal to 49.5%, auditor competence (X2) with auditor motivation (Y) equals to 53.8% and change of authority (X3) with auditor motivation (Y) is 40.7%. This means that audit fees, auditor competence and authority changes have a moderate category relationship to the auditor's motivation variable

This study uses a 95% confidence level, which means using α of 0.05. This means that if the p value < 0.05, then the independent variable has a significant amount of influence on the dependent variable. Based on the results of multiple regression analysis obtained, the adjusted r-square value is 0.412. These results indicate that the effect of audit fees, auditor competence and mutual change of authority on auditor motivation is 41.2%. The F value is 45.443 with the significance level $p = 0.000$ ($p < 0.05$), it shows that all the independent variables included in the model have a mutual influence on the dependent variable. The complete statistical output can be seen in the appendix on the last page of this paper.

Hypothesis Testing 1

Regression analysis results obtained a regression coefficient value of 0.210 with significance level $p = 0.000$ ($p > 0.05$). The positive and significant regression coefficient results indicate that audit fees increase auditor's motivation on the government audit market. The value of t-count is obtained at 4.828 with a significance level $p = 0.000$ ($p > 0.05$), while t-table value equals to 1.645. From t-count value greater than t-table with significance level $p = 0.000$ ($p > 0.05$) it can be concluded that audit fee has a positive significant effect to auditor's motivation.

The results of this study support the theories put forward earlier that states that motivation is one of the behavior of workers who are strongly influenced by money. One of the main factors that motivates a person to work is money. Money is also an incentive that determines work motivation. Money is very important for employees because it is a medium of exchange (Robbins and Judge, 2007: 247). The results of this study are consistent with the research of Ferris (1977), who found that the amount of income positively affect the motivation. The results of this study also reveal that the theory of expectations in the professional environment of accountants affects the performance of audit staff. So do other researchers like Wanous et al. (1983), Lowenshon and Collins (2001), Mardiasmo (2002) and Schei et al. (2002), who found that there was a positive influence between the received outcome and motivation.

It should be realized that a relatively new job is also not free from the risks to be faced. There are several risks faced by auditors in auditing between clients' business risks and the auditor's business risk that would normally be closely related to audit fees. A client's business risk that a client will fails to achieve his objectives, which relate to the reliability of financial reporting, efficiency and effectiveness of operations and compliance with the law and government. The factors that determine the client's business risk are the client's management (especially related to integrity), entity business (particularly related to operations and corporate finance) and client's industries (such as regulatory, competition and other industry aspects) (Jubb et al. 1996). The auditor's business risk is the risk that the auditor or KAP suffers a loss due to engagement, although the audit report made to the client is declared an unqualified opinion. For example, there is a demand in court by the party who feels aggrieved by the use of the services of the KAP, a punishment of sanctions is imposed by the professional organization, a punishment from the public the form of allegations of bad reputation of the KAP (Johnstone et al., 2004).

KAP reputation is usually an indicator closely related to income of the auditor and income is usually one of the main factors of a person's in acceptance of a job. Someone will try maximally to earn income because there is an impulse to get a sense of financial security. Motivation is often said to be a combination of needs and wants, which leads a person to pursue what they want, one of which is related to the audit fees obtained after the auditor performs audit work.

Hypothesis testing 2

Regression analysis results obtained a regression coefficient value of 0.200 with a significance level $p = 0.000$ ($p > 0.05$). The positive and significant regression coefficient results indicate that auditor's competence will raise the auditor's motivation on the government audit market. The t-count value obtained 5.690 with a significance level $p = 0.000$ ($p > 0.05$), while the t-table value was 1.645. From t-count value greater than t-table with significance level $p = 0.000$ ($p > 0.05$) it can be concluded that auditor competence has a positive significant effect to auditor's motivation.

The results of this study support previously proposed theories which state that motivation is achieved when people have competence. Competence here is the achievement that a person feels when performing his chosen activities in a highly skilled way (Thomas in Robbins and Judge, 2007: 181). Deeprose (2006: 122), also states that competence is one of the important factors in improving motivation at work. Arnold (1985), states that the better one's competence the more motivated a

person works, this is because the more competence they have, the more easily a person works. The results of this study are consistent with the research of Arnold (1985), who found that the better one's competence the more motivated a person works, this is because competence of the person corresponds with his ease to work. Harackiewicz et al (1985) found that a high degree of competence would have a positive effect on motivation.

Acceptance of engagement on the government audit market does not only dependent on the competence of an auditor, but also the risks to be faced. One of the risks closely related to the auditor's competence is the audit risk, which arises as a result of the auditor unwittingly not modifying his opinion properly on financial statements containing material misstatements. Material misstatement can occur due to errors or fraud. An error is an unintentional mistake while fraud is a deliberate fraud, either by a company employee (eg misappropriation of company property for personal gain) or by management in the form of financial statement engineering (Colbert et al., 1996).

The issue of audit risk becomes very crucial if the auditor who did the audit has no competence to find a mistake in the client's accounting system and then report it. Broadly speaking, competence is very memepengaruhi someone in the work. When a person has the knowledge, expertise, experience and appendix in conducting audit work, the clerical will be easy to complete and complete. It is this convenience that allegedly makes a person accept audit work not only in the business audit market or in the government audit market by not forgetting the cautious aspect.

Hypothesis testing 3

Regression analysis results obtained regression coefficient value of 0.148 with significance level $p = 0.001$ ($p > 0.05$). The positive and significant regression coefficient results indicate if a change of authority increases auditor motivation on the government audit market. The value of t-count is obtained at 3.456 with a significance level $p = 0.001$ ($p > 0.05$), while the t-table value equals to 0.645. Since the t-count value is greater than t-table with a significance level $p = 0.000$ ($p > 0.05$), it can be concluded that change of authority has a significant positive effect on auditors' motivation.

The results of this study differ from Lowenshon and Collins (2001), who found that changes in authority had a significant negative effect on auditor motivation. There are several things that distinguish this research from Lowenshon and Collins (2001). Lowenshon and Collins (2001), used 165 partner respondents who had experience auditing in government in Florida (USA) and have completed courses in accounting and government auditing. However, the results of this study are in accordance with the research of Mardiasmo (2002), who replicates the research of Lowenshon and Collins (2001). Mardiasmo (2002) used 44 respondents from major cities in Indonesia, at which time there was no regulation regarding auditor opportunities auditing state finances. The results of his research found that changes in authority have a positive effect on motivation.

According to Siegel and Marconi (1989: 34), behavioral thinking suggests that people usually make choices based on the desired reward (income) and choose the behavior that makes it possible to achieve the award. Victor H. Vroom's theory of hope in 1964 (Robbins and Judge, 2007: 188-190), states that motivation is the power of a tendency to act in certain ways and that power depends on an expectation that the action will be followed by a certain output and the appeal of that output to the individual. Motivation arises from how certain that gratification for his desire in return for his efforts. If the expected belief is large enough to gain satisfaction, then that person will work hard to do so. Vice versa if the expected beliefs are not appropriate to obtain the desired satisfaction then the person will not be compelled to do so.

Satisfaction in doing the job and getting the expected results is a dream for all auditors. However, it is important to recognize that the opportunities and challenges in auditing the government audit market with various changes in the existing authority also need to be given attention to every auditor and one that also needs attention is the political climate. The political

climate is linked to the acceptance or rejection of the government's audit offer by a partner due to the large number of new leadership and candidate leaders in the government (executive) or legislative environment (Lowenshon and Collins, 2001). Deis and Groux (1992) argue that competitive politicians may urge independent auditors to issue the desired audit report, or that auditors may be more closely monitored by experienced political contingencies than inexperienced, and so the auditor may reject government-imposed political institutions .

Audit-related audit changes in the government audit market are a new challenge for auditors. For auditors who like the challenge of course, changes in authority related audit issues is something worth trying. Aside from being a challenge, it could also be an opportunity to take further action in different audit markets. Options for auditing in government audits go further than they normally would.

CONCLUSIONS

Based on the analysis results can be concluded that audit fees, auditor competence and changes in authority affect auditors' motivation. However, results found that the effect of audit fees, auditor competence and changes in authority is not strong enough on auditor motivation, this is allegedly due to frequent fee warfare among the many KAPs, registered by the BPK who have no experience in auditing state finances and relating to a relatively new understanding of accounting, auditing, and regulation related to state finances and risks to be faced in the field.

This research had some limitations which are expected to be addressed in subsequent research, such limitations include: the Likert measurements on auditor competence instruments with self-rating scales, which may lead to the tendency of respondents to measure competencies higher than they should be (leniency bias), this may be different if cross checked. Respondents were only external auditors who had attended a KAP training and registered with the BPK, it could have been different results if the KAP included external auditors who are not registered in the BPK.

Some of the expected implications in this study are: providing important inputs for auditors who are motivated in auditing state finances. The results of this study can at least motivate further research, related to auditor motivation by using different variables such as audit risk, personal enjoyment, status, career improvement, political climate and independence and the procurement process of auditing services.

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LAMPIRAN:

Correlations

		x1	x2	x3	y
x1	Pearson Correlation	1	.392**	.288**	.495**
	Sig. (1-tailed)		.000	.000	.000
	N	191	191	191	191
x2	Pearson Correlation	.392**	1	.324**	.538**
	Sig. (1-tailed)	.000		.000	.000
	N	191	191	191	191
x3	Pearson Correlation	.288**	.324**	1	.407**
	Sig. (1-tailed)	.000	.000		.000
	N	191	191	191	191
y	Pearson Correlation	.495**	.538**	.407**	1
	Sig. (1-tailed)	.000	.000	.000	
	N	191	191	191	191

** . Correlation is significant at the 0.01 level (1-tailed).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649 ^a	.422	.412	2.256

a. Predictors: (Constant), x3, x1, x2

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	694.144	3	231.381	45.443	.000 ^a
	Residual	952.149	187	5.092		
	Total	1646.293	190			

a. Predictors: (Constant), x3, x1, x2
b. Dependent Variable: y

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.876	1.555		4.423	.000
	x1	.210	.043	.297	4.828	.000
	x2	.200	.035	.354	5.690	.000
	x3	.148	.043	.207	3.456	.001

a. Dependent Variable: y

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