

THE USE OF E-AUDIT IN INCREASING GOVERNMENT AUDIT FINDING

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ABSTRACT

The paper aims to explore the usefulness of e-audit implementation in enhancing government auditor performance. It scrutinized in depth the auditor behavior change related the new audit technique based on information technology.

The study used a qualitative approach by observing and interviewing Indonesia government auditor. Participatory observation involved in gathering rich data and analysis in Miles Huberman interactive technique.

The results showed that the availability of data hasn't been fulfilled yet by the entity and the period time given to the auditors to access the e-audit portal is too short, in addition, the auditors don't optimally take advantage of features available in the portal of e-audit. Implementation of e-audit has helped streamline the examination process, and increase the value of the audit findings comparison. This shows that the implementation of e-audit create of transparency and accountability in local government financial management.

Keywords: *E-Audit, Government, Qualitative Research, Audit Finding*

1. INTRODUCTION

Bureaucratic reformation demanded financial management was held in a clean, accountable and free from corruption, collusion, and nepotism. To make this happen, it would require an audit of the management of state finances. Audit Board of Indonesia (BPK) is a high state institution authorized to conduct an examination/audit of the management of state finances. BPK has continued to maximize the examination task of management, and accountability of state finances. One of the efforts is to use information technology systems.

Indonesia is a huge country with 539 autonomous regions consists of 34 provinces, 412 districts and 93 cities. BPK as mandatory auditor have conduct examination each year. There are some constraint in Indonesia yearly government audit that could led on ineffectiveness and inefficiency i.e amount of auditors (Azis, 2015) and the limitation of audit time.

Electronic audit become one of the solution to solve the problems since it have been piloted in 2009. This study conducted to explore how the implementation of e-audit could help government auditor enhancing their performance, especially in increasing audit finding.

In 2009 BPK began to develop a new system called e-audit (electronic audit). This system

aims are to help BPK to carry out their primary mission, namely audit, management, reporting and give an opinion on the statement of examination in the public interest or stakeholder (Purnomo, 2011). During this time, BPK audit encountered some obstacles, for example, audit period is too short, while BPK is demanded to report the results of the examination or accountability reports immediately. This happens because the documents needed by BPK in the audit process usually being late. In addition, these documents are also highly vulnerable to the acts of corruption.

Theoretically, computer assisted audit techniques can streamline the audit work because it saves time and labor costs. In this case the e-audit conducted by Indonesia government auditor is not dependent on a particular software, but it is more fitting when it is referred to as the integration of data between institutions that allow auditors to get data faster. Still, such an audit technique cross reference, footing, crossfoot and confirmation should still be implemented. This is to strengthen the reliability of the data obtained.

Researches of information technology in the field of accounting typically connect human behavior as a determinant of successful implementation of information technology. Technological acceptance in terms of psychological side has gained the attention of many researchers (Venkatesh and Davis, 2000).



Besides the technical readiness for application of information technology to the attention of interesting anyway. Another study examined the factors of resistance due to the use of the system. User prefer doing their work manually because of technical unfamiliarity and resistance occurs of uncomfot feeling using internet or software, The use of information technology in accounting information systems led to the same need for a process audit. Auditors are required to have the ability to use information technology as well require audit software that makes it easy to do his job optimally so as to find more audit finding and ultimately able to reduce fraud.

Suen (2009) Examines the Computer Assisted Audit Techniques showed interesting results due to resistance had not occurred during this period. Auditors are very enthusiastic in using computer assisted audit techniques because it is considered very helpful in detecting fraud. Shamsuddin, et al. (2015) found the most dominant factor is the effort expectancy (expectation their convenience) compared to other factors. Latif, et al. (2012) State auditor Indonesia prepared using CAAT. Monoarfa and Yusuf (2013) concluded that the optimal implementation of e-audit, the better to prevent fraud. On the basis of the research findings in this study focuses on linking the implementation of e audit with the auditor's performance, particularly the ability of the auditor to find the audit findings. In contrast to previous studies that focus more on the behavior of auditors, the study was to explore the relationship e audit the performance auditor to work efficiently and effectively find the results of a higher quality. Therefore, this research may shed some insight for government institution, audit practitioners and e-government researcher to evaluate the effects of information technology adoption in auditing practice whether it is better comparing traditional audit or not.

This research is significant to streamline the audit steps and increase the number and value of audit findings. however, also depend on the consistency and timeliness of import data by a data provider agencies.

Based on the things that have been described above, the authors interested in studying more about the implementation of e-audit in BPK RI Representative Office of East Java Province and analyze the direct output from the e-audit, it is audit findings. So that the author can determine whether the application of the e - audit have actually been

made into an efficient audit process and the audit findings as it operates, have a significant value.

2. REVIEW LITERATURE

Related research in E-Government has become a trend in the world of research in accounting and finance field. As stated by Bolívar, et al. (2010) "E-Government is a broad field of research in which the researchers are currently involved in a range of different research projects". Research held by Heeks and Bailur (2007) had also been analyzing the impact, research and philosophy, theory and methodology used in 84 papers.

Associated with E-Government research, research on Computer's Assisted Audit Techniques (CAAT) in the public sector has also been implemented widely in the world. A study by Suen (2009) showed that the limiting factor of the user (user resistance) has not occurred in this period. Auditors are very enthusiastic in using computer-assisted audit techniques because it is considered very helpful in detecting fraud. Shamsuddin, et al. (2015) concluded that the most dominant factor is the effort expectancy (expectation for convenience) than other factors.

Research on the topic of e-audit in Indonesia have been carried out by Praseno (2012) in his research "IT-Based Audit (e-Audit) Plan in Indonesia: An Analysis of the Program Logic, Feasibility and Alternatives". This study describes the implementation of e-audit in BPK which was reviewed by the Netherlands Court of Audit (NCA).

Monoarfa and Yusuf (2013) states that the more optimal of e-audit implementation, the better to prevent fraud. However, the effect of the application of e-audit on fraud prevention is still relatively low. This may be due to the implementation of e-audit applied by the BPK is still relatively new, namely in 2012, and recently applied to the type of Specific Purpose Audit (PDTT).

Nurochman, et al. (2012) held a research which was seeking to assess the success of the e - audit system. The five elements that significantly influence the success and sustainability performance Information System e-audit, namely: leadership, culture and climate, capabilities, motivation, innovation and learning.

Darono (2014) found that the agents (BPK leader) relatively success to produce the ideas/actions to implement e-audit as part of the implementation strategy of the audit assignment, into the structure becomes a social practice.



However, as an idea or action that is relatively new, reproduction becomes part of a social practice that is stable, permanent and rooted (embedded) in the existing structure still requires the space-time.

In contrast to previous studies, this study will describe the development of the e - audit until 2015 in the BPK Representative Office of East Java and explain the contribution of e-audit on its direct output, it is the audit findings. This research uses a different approach, which uses qualitative approach, so the researcher can explore the data directly to the informants who have competence in their field so the researcher will obtain an accurate picture of the problem.

According to Boynton and Johnson (2006:5), audit is a systematic process to obtain and evaluate evidence objectively about assertions of events and economic events, in order to determine the degree of correspondence between assertions with previously established criteria and delivery of results to interested parties. Government Auditing (Governmental Auditing) usually also named the Public Sector Auditing. Auditing of government (governmental auditing) includes all audits carried out by the government audit body and audit of all government organizations.

In general, according to Arens, et al. (2008:13-4), there are three types of audit, namely:

- a. Operational Audit. Audit (inspection) operations is a review of a specific part of the procedure and operational methods particular organization that aims to evaluate the economic, efficiency and effectiveness of procedures and methods. At the time of an operational audit is completed, the management usually expects a number of recommendations for improving the operations of the company.
- b. Compliance Audit. The purpose of compliance audit is to determine whether the client (auditee) has followed the procedures, ordinances, and regulations set by a higher authority.
- c. Financial Statements Audits. This kind of audit carried out to determine whether the financial statement been presented according to the criteria specified, in Indonesia these criteria is the Statement of Financial Accounting Standards (SFAS) or Statement of Government Accounting Standards (PSAP).

Based on Law No. 15 of 2004 (Act., 2004), the scope of the tasks of BPK examination is an examination covering state financial audit of state financial management and inspection of state

responsibility which covers all elements of state finances as referred to in Article 2 of Law No. 17 of 2003 (Act., 2003) on State Finance, namely: (1) The states's right to collect taxes, issue and circulate money, and make loans; (2) The obligation of the state to carry out the task of public services and the state government paid the bill of third party; (3) Acceptance of the country; (4) Expenditures of the countries; (5) Reception area; (6) Expenditures areas; (7) Wealth of the countries or regions that are managed by the government itself or by other parties in the form of cash, marketable securities, accounts receivable, goods, as well as other rights that can be valued in money, including separated wealth in state's companies or local's companies; (8) the wealth of other parties which is controlled by the government in the framework of implementation of the State Audit by BPK.

Audit finding is a statement of audit process based on facts. Good findings include the auditor's judgement regarding the causes and consequences of these conditions. The fact that more specific and measurable will make it easier to define and describe an existing condition. Five groups of questions that must be known by the auditor to be more effective in making the findings are as follows (Tunggal, 2008):

1. Statement of condition
2. Criteria
3. Cause
4. Effect
5. Recommendation

Audit of Information Technology Utilization (Computer Assisted Audit Techniques / CAAT). The emerging of integrated web-based business has radically changed not only the way of businesses carry out their daily operations, but also the nature of the work performed, the nature of the business relationship, and how a company structure itself (Pratama, 2013). The more advanced information technology, the more its influence the field of accounting. Advances in information technology affects the development of Accounting Information Systems (AIS) in terms of data processing, internal control, and increase the amount and quality of information in financial reporting.

Progress has been achieved in the field of accounting related to computer-based Accounting Information System in generating financial reports, the audit practice will be affected. The factors forming and explanations in the variable pressure on the implementation of the e-audit will affect the audit process and techniques (Irianto, 2014).



Currently the use of computer-based technology has become a trend among auditors. By utilizing technology and audit software, the auditors will be able to work more effectively and efficiently (Suen, 2009).

Generally Accepted Accounting Standards (SPAP) also emphasized the need for understanding a computer-based accounting system in the audit/examination process. This technique is known as Computer Assisted Audit Techniques (CAATs). CAAT's use will improve the efficiency and effectiveness of auditors in carrying out audit by utilizing all the capabilities of the computer. For that combines an understanding of the importance of auditing expertise with knowledge of computer-based information system will result in a very significant increase in the audit process. Technological developments affecting the development of accounting and auditing the public sector in achieving accountability and transparency (Purnomo, 2011).

Use of information technology (IT) has become a necessity in the management and implementation of services in the public sector. This can be seen from the increasingly widespread use of information technology in the units, both in the Ministry and the Non Department State Agency BUMN (Sutrisno, 2014).

2.1.1. E-Audit in Local Government

E-audit is defined as a system that form a synergy between information systems in the BPK with information systems owned by an entity using data communication to systematically establish Data Center Management and Accountability of State Finance in BPK (BPK, 2010).

Data coming from entity, then formulated so that it can be compared and matched with data from other entities that have a relationship. Through this linkage concept the auditor of BPK can access the data in a transaction in one entity to another entity that has a relationship business transaction. This concept is called link and match.

The data collected will be consolidated. Because the data coming from various entities are derived from a variety of platforms and data structures. Consolidation of data carried by the data consolidation applications. The application consists of two components, namely the Consolidator Agent (installed in devices that belong to the entity) and the Master consolidator (installed in the data center BPK).

Internet network in e-audit system is very important because in the network, BPK as the

examiner will obtain the necessary data or in the examination of the audited entity (auditee). Meanwhile, the audited entity will obtain audit findings in the form of a report of the BPK through the Internet (Praseno, 2012).

Subowo (2011) describes the mechanism or e-audit process as follows:

- a. The data required for the audit prepared by the auditing entity. The data will be transmitted using the network will be connected to the internet and e-audit portal b. Furthermore, preliminary data from the audit entities will be accessed by the command center BPK part e-audit. Parts of data processing center will use an application to analyze the initial data will then be uploaded and saved to the BPK's database; c. During the activities that occur in the examination process using the e-audit, the planning team and the assessment team will coordinate the monitoring and evaluation of activities related audit procedures; d. Once the data are collected and stored in the database of the BPK, a team of inspectors or auditors will access data from the BPK database and then check, adjust and assess these data in accordance with the standard procedure of examination and inspection; e. The audit team may request additional data required from the data processing center for the purpose of completeness of the data or documents during the inspection process; f. The audit team will conduct a confirmation procedure, clarification, reconciliation, and verification based on the audit findings; g. After that, the audit team will issue an audit report which will then be supplied to a data processing center to be uploaded to the portal audit;
- b. The audit entity (auditee) can access the audit findings or the report and communicate with the BPK auditors through the portal of e-audit.

2.1.2. Concepts and Benefits of Indonesia Audit Board (BPK) Synergy

BPK Synergy is the concept of synergy between the BPK's internal information system (e-BPK) with information systems belonging to the entity (e-audit) through an online data communication and establish a data center management and financial responsibility of the state (BPK Data Center), which then called the National Synergy Information Systems (SNSI). SNSI used as an early detection instrument systemically (early warning system) through monitoring, analysis, and evaluation of all financial



transactions through electronic inspection (e-audit) financial management and accounting irregularities occurring state can be known at an early stage, faster and thorough.

Advantages of e-audit is that e-audit can improve the efficiency and effectiveness of the audit process. Because of the scope of the examination can be expanded and auditors will focus on some of the areas at high risk. In terms of financial governance a good country, e-audit can realize financial management transparent and accountable. E-audit can also form the early warning system in a good state financial management (Purnomo, 2011).

3. METHODOLOGY

This is a qualitative research with interpretive paradigm. Qualitative research is a study using a naturalistic approach to search and find a sense or understanding of the phenomenon in a particular contextual background (Moleong, 2008). Meanwhile, interpretive approach, according to Cokroaminoto (2012) is an approach that sees the world as something objectively disordered and unpatterned, so that a special approach is needed to understand any symptoms.

The study was conducted in the BPK Representative Office of East Java Province. The focus of research conducted on the implementation of e-audit in 2014 and 2015 in the BPK Representative Office of East Java Province. Audit report data (LHP) BPK is an examination of Local Government Financial Statements throughout East Java Province for fiscal years 2013 and 2014 will be focused on audit findings in LHP of Compliance with Laws and Regulations.

The data used in this study were obtained from various sources, which include primary data and secondary data. Primary data observed audit team leader and team Member who examines Local Government Financial Statements for Fiscal Year 2013 and 2014 that utilizes e-audit portal. Secondary data used the form of paper checks in the use of e-audit portal.

There are five Informants who interviewed in this research.

1. Mr. A, staff who served in the IT field. One of his tasks is as Leading Officer e-audit in the BPK Representative Office of East Java Province;
2. Mr. B, Mrs. C and Mrs. D as Team Leader and Team Member of Local Government Financial Statement Examination Fiscal Year 2013 and 2014 who are utilizing e-audit portal.

3. Mr. E as Head of Accounting in BPKAD of District X, as coordinator of e-audit related data at District X. Mr. F as the IT staff on BPKAD of District X who upload data into the e-audit portal.

In an attempt to process the data obtained, the method used descriptive data obtained as a result of research used in an attempt to give an overall picture of the issues and examine possibilities for further research.

4. DISCUSSIONS

Implementation of the e - audit system is based on four interdependent technology components and integrated namely (1) BPK Internal Information System (e-BPK), (2) BPK Data Center (BPK Datawarehouse), (3) BPK Access and Analysis Center (BPK Command Center), and (4) Portal e-audit.

The BPK Internal information system is a computerized system business processes that include HR Information System, Financial Information Systems, Information Systems BMN, Entity Database Management Systems Inspection and Examination. The fourth such systems form an Auditing System Resource Planning wrapped in an Employee Parent Portal application platform. Integration among four such systems ensure the Single Point of Truth where no redundant deployment of electronic data. This system is also one source add-Knowledge Center.

BPK also organize the data center (Data warehouse) well. BPK Data Center is a device of non-operational data storage, built by the Bureau of TI for use in helping the audit planning process. In addition, as data storage, data center serves as (i) an intermediary between the BPK's internal database with an external database owned entities / stakeholders with emphasis on aspects of security and confidentiality, (ii) validation modeling tool by-structure-related aspects of accuracy and integrity, (iii) Single Point of Entry for the exchange of data related to the duties and functions of the BPK as an examiner.

Data Processing and Analysis Center is operated by the Command Center, which is a central metaphor online access to data entities. The Physically Command Center will be an exclusive space in which there are multiple dedicated workstations that can perform data access audit online. In addition, as the central online data access, Command Center also serves as a means of automatic validation of data, a data tracking, and reporting, as well as a means of implementing e-



Audit helpdesk. Additionally, Command Center also ensures restricted access where only designated personnel can enter this room.

The auditors can perform limited access to appropriate authorities, with the data generated by the e-BPK through the portal of e-audit. Through this portal auditor will get data from both auditees and from other institutions. Until now, e-audit portal has developed three (3) times, the change in the display that adapts to the needs of the auditors, the speed and efficiency of access, along with the amount of data collected in a data center audit BPK.

Implementation of E-Audit at BPK RI in Representative of East Java Province Office divided into two stages, preparation, planning and implementation.

Stages of Preparation of a Memorandum of Understanding (MOU) and the Technical Instructions (Juknis) between BPK and Local Governments in East Java Province

Implementation of e-audit in East Java Province was marked by the signing of a Memorandum of Understanding (MOU) on the procedures for e-audit to all local governments in East Java on May 19, 2011. For the elaboration of the memorandum of understanding, BPK Representative Office of East Java Province together with all government of the East Java region signed a joint decree on Technical Guidelines Development and Management of Information Systems for Data Access in the Context of Management and State Financial Responsibility.

Executing data access to e-audit consists of two parties, namely the BPK and local governments. Implementation unit data access to BPK Representatives Office of East Java Province and the Bureau of Information Technology at the BPK Centre / General Sub Division on the BPK Representative of East Java Province. While the local government work units that act as the owner and responsible as a data provider that regional work units within local government and which acts as a custodian Data Exchange on which the Department of Revenue and Finance and Asset Management (DPPKA), Financial Management Board and Regional Assets (BPKAD) or similar work unit.

Appropriate technical guidelines, data transmission schedule by the entity is divided into two categories, these are periodic and non-periodic data transmission. In the case the data sent periodically, BPK Representative Office of East Java Province and East Java local governments in

making an agreement on the delivery time either on a monthly, quarterly and others. Whereas in the case of data transmission non-periodic, the BPK may request the entity to provide data that can be accessed and delivered through a consolidator agent module outside the agreed time (periodic). Non-periodic data requests made through the submission of a letter of assignment or delivery letter requesting inspection data and / or written notice. The data submitted by the entity to BPK are valid and accountable data.

Audit Planning and Implementation Phases Related to E-Audit. In the planning stages of the examination, the auditors were introduced by e-audit through socialization. From this socialization, the auditor was introduced to the advantages of examination by utilizing e-audit. According to Mr. A, Team Leader of the Audit Team for District P, socialization is much welcomed enthusiastically by the auditor. They are relieved that the confirmation process will not take long and protracted process. Shamsuddin, et al. (2015) Which states "The results indicated that effort expectancy is the most influencing factors that affects the usage level of CAATs by internal auditors in Malaysia as Compared to other factors such as performance expected, social influence and facilitating conditions. The findings revealed that CAATs were favored by internal auditors. It is easily understandable since they have all the necessary functions and capabilities in facilitating reviews their tasks. Finally, the results would encourage the companies and the audit firm of management to implement and support the usage of CAATs by the internal auditors in their organization in the future".

Audit of Local Government Finance (LKPD) planning stage begins with the form of the Audit Program (P2) which is the technical guidelines for auditors in carrying out their duties. This guideline includes some examination steps, there are:

- a. Ask for accountability document (SPJ) of official travel activities such as airline tickets and make a list;
- b. Perform test the implementation of official travel by air, by utilizing the portal e-audit at <https://eaudit.bpk.go.id>. If there are indications of problems / data are not available in the portal e-audit, confirm with the airline, to get a written response from the airline in the form of truth departure of employees;
- c. Confirm to the person concerned and make an interview if there are indications of fictitious official travel;



- d. Analyze and calculate on a fictitious business trip or un-fit data between the assignment and the difference (mark-up) price of airline tickets. And then, create an audit findings.

The purpose of the steps mentioned above is to prove the existence and occurrence assertions. Where the auditor should be convinced whether official travel spending is really happening and actually performed by the employee. While the evidence to be obtained by the auditor is in the form of documents called SPPD, ticket, boarding pass, attendance, hotel bills, and other proof of transport.

Phase of the examination conducted by the auditor started. Auditor requested data to all populations of Local Government Working Unit (SKPD) about official travel expenditure both outside and within the area, during a fiscal year. The auditor will provide template tables that must be filled by the SKPD. An outline of the data requested, contains the names of employees who carry out business trips, the name of the activity, the purpose of official travel, transportation used, costs, nominal money are received by the employee, plane ticket numbers and the ticket price. Then SKPD will submit the form to the Auditor in softcopy and hardcopy.

The data fulfillment by the SKPD takes quite a long time. Then audit or verify the validity of the form field, because SKPD often entered numbers on airline tickets incorrectly. If there are errors in filling the form, the form will be restored to SKPD again and ask them for coming back.

The auditor also requested data of Tax Revenue Transaction Number (NTPN). NTPN is a unique number issued by the General Directorate of Tax of Ministry of Finance that indicating the transaction has been successfully entered into the state treasury. NTPN numbers could be seen on the validation printed out by the perception bank when the tax was paid. SKPD asked to enter the number and nominal tax deposited in a template form provided by the auditor. For NTPN data requests, the auditor did it by sampling method. Because NTPN database had millions of data. Yet another auditor also implements population with consideration of requests for data already can be 'repaid' during the preliminary examination.

The data request is quite time consuming. Data sorting and tidying up the forms in order to comply with the requirements in the portal of the e-audit also take a long time. By the time of the entities submit a draft of financial report, it means

that the BPK should be ready to do a field audit, and the "countdown" has begun. As mandated by Law No. 15 of 2004 (Act., 2004) Article 17, Paragraph (2) states that "the BPK examination report on Local Government Finance Report (LKPD) submitted by the BPK to the Council no later than two months after receipt the report of Local Government". With the examination period for 30 days, the auditor must allocate time to carry out the audit procedures of e-audit. Not only portal features airline manifest is accessed by the auditor, but also features NTPN and features Transfer Funds. The third new feature is often used by auditor in carrying out e-audit. In addition, the auditor also used the features of tax revenue held by State Electric Company (PT. PLN) and entity's financial statements. But only few auditors who uses this feature. Because this feature is available in 2015, so there is still plenty of auditors who does not know.

After the auditor obtaining initial data and match it with the data already available in the portal of e-audit, then later the results of data matching are known. There are some data that does not match or fit. At this stage, the auditor performs a further procedure; it is confirmed to SKPD concerned. Auditor conducts interviews and requesting additional evidence to the employees or SKPD concerned with this data. The importance confirmation procedure by Darono (2014) is "auditor received data is still being done testing for Function Testing and Auditing is a Working Paper Equipment Inspection and can be used as evidence in court if necessary as an expert witness".

By the steps of e-audit procedure, the auditor felt very helpful and reduce the burden on the limited examination time and energy. This was disclosed by Praseno (2012) "also mentioned that e-audit expected to improve the efficiency and effectiveness of the audit process supported by mature planning, execution, well organized roommates more extensive sampling method and directed, and more rapid and accurate audit report (Praseno, 2012).

Output of E-Audit Procedure: Audit Findings from BPK's Audit Report. The next stage after the planning and implementation stages of the writing of the audit findings. The results confirm the employee or SKPD concerned and has been recognized by the concerned for further outlined in the audit findings draft. Writing audit findings draft should pay attention to the rules and standards that applied by BPK. The audit findings after going through several stages of correction from the Technical Controller Official and Official in

Charge of Auditor's Team, will be set forth in the Report of Audit (LHP) which is a product of BPK (SPKN, 2007).

4.1.1. Analysis of Audit Findings Related E-Audit Procedure on BPK's Audit Report (LHP BPK)

This research have similarity with Fajar (2015), e-audit increases the efficiency and effectiveness in process audit. Differently, if Fajar (2015) found e-audit impacted the planning and field audit process, this research has impacted in the audit output, it is increasing the amount and value of audit finding. Implementation of e-audit has helped streamline the examination process, and increase the value of the audit findings comparison. This shows that the implementation of e-audit create of transparency and accountability in local government financial management.

Confirmation by mail is not implemented by all Audit Team, considering this procedure takes quite a long time. According to Mr. B and Mrs. C as the team leader of the Audit Team of District P and N, before the portal of e-audit, his team never tried to confirm by corresponding to the airline. By airlines, the letter of request data from the BPK will be forwarded to the Central Office, because the data in the passenger manifest Branch Office's is data of the last three months. Audit teams carry out the examination around March, while the requested data is data from January to December of the previous year. The request of the previous year's data will be forwarded to the central office database holders of the airline. Process at the central office and the airline also takes a long time, because the airline also fulfilled the data demand from many audit teams in each of the entities in all regions of Indonesia.

Here it was clear that the audit process often becomes inefficient and not appropriate. As the opinion of Darono (2014) which states that "... Auditing techniques with e-audit is a way to streamline the audit with the principle of doing more with less. This technique allows the auditor to automate certain routine work which is likely to spend time without significant added value, such as testing the correctness of calculations, making confirmation letter, determine the sample audits, etc."

Once the data is received by the audit team, the next step is the auditors need extra time to tidy up the data and compile them into a readable format. The team then reconfirms to the employees and SKPD related.

Total value of audit findings related to official travel expenses on LKPD LHP 2013 is Rp20.517.026.303, 79. There is a very material audit finding value due to the use of e-audit. This audit findings, then decrease in 2014 become Rp2.775.486.214, 70.

What exactly affects the decline in the overall value of these findings? According to the Mrs. C as Team Leader of Audit Team of District N, this is caused by some psychological effects of the employees who carry out official travel and the related SKPD feel 'scared' because of the audit findings on the previous year. This is consistent with the research of Monoarfa and Yusuf (2013) with the title of 'Influence Application of E-Audit Against Fraud Prevention in Gorontalo Provincial Government'. This study aims to determine the effect of the application of e-audit in preventing fraud. This study concluded that the optimal implementation of e-audit, the better to prevent fraud.

Features of Transfer Funds are also quite widely used by the auditor. Before using the portal e-audit, auditors confirm the transfer funds through the State Treasury Service Office (KPPN) in each region. According to Mrs. C as Team Leader of the Audit Team of District N, every year the team has been performing the procedure for confirmation to KPPN by corresponding to the head office. The answer doesn't take too long. However, by utilizing the data in the portal of e-audit, auditors be greatly helped. Furthermore, according to the Mrs. C, fund transfer's characteristics are fairly low at risk. This means that the risk of fraud in the transfer of funds almost never happened. This is possible because the State Government as a party to the transfer of funds has a good control system, while the local government as the party that receives funds will transfer its rights to monitor continuously, so in case of shortages and delays in the transfer of funds will be immediately objected. Lower risk of fraud in the transfer of funds caused on this account there is no audit findings.

Another feature that has not been optimized by auditors. This is because some features are still relatively new in 2014, as well as other features like IWP, TASPEN and PPJU. These features are still relatively new, many auditors do not know yet. According to Mr. B and Mrs. C, actually many auditors need data related to travel manifest by train and provincial revenue-sharing.

The audit findings related to e-audit is limited to the findings of the official travel expenditures. Despite the fact that many of the features that can be used by the auditor. Features in



the portal of e-audit, which is widely used by the auditor among others, are featured s of airline manifest, features NTPN data, database features and features of local governments transfer funds.

4.1.2. Analysis of E-Audit Portal Features that Have Been Used Most by The Auditors of BPK

The audit findings obtained from the use of portal e-audit mostly come from airline's manifest features. The airline, which had already connected to portal e-audit are 'Airline G' and 'Airline L'. Auditors greatly helped by the absence of data on the portal 'Airline G' manifest because all this time, to confirm directly with the airline takes a long time. In addition, official travel spending has an inherent characteristic of the high risk for fraud. So, with the manifest data on the portal of e-audit, the auditor may reduce the risk of failure to detect fraud.

As for the features of NTPN Data is in second ranked, because of the inherent risk of tax is medium. Within two years of the implementation of e-audit, there were no audit findings related to the mismatch of data NTPN. According to Mr. B, Mrs. C and Mrs. D as auditors of the Audit team of District P, N and P, NTPN examination carried out by entering a 16-digit unique number NTPN through the portal of e-audit. After some number NTPN inputted, according to Mr. B, Mrs. C and Mrs. D, the result is not yet directly be used. Output of NTPN obtained in accordance sequence random. Due to this changing condition, the audit team must rearrange and reconcile the data input to its output, so that the information can be read. It is quite inconvenient for the auditor and takes one or two days, so that the data is ready to be confirmed to SKPD concerned. This is according to the results of research by Pedrosa and Costa (2012) which states that "frequently, users have another difficulty: they are not able to adequately Reviews their Data or to prepare Reviews their sets of data in order to create a useful data input, to do Reviews their analysis".

Besides the features that are still not well known by the auditor, some features are still in the process of development that has not been able to present the data. Features LKPD that contain data of Revenue and Expenditure Statement (LRA), Balance Sheet, Cash Flow Statement (LAK), and Expenditure Record (SP2D) was not able to be used optimally by the auditor, because the data has not been updated by the entity. According to Mr. B as Team Leader, before his team started the field audit, always take the initial data from the portal of

e-audit, related to the amount of expenditure per object and registers SP2D in details. This is a step of preparation of the examination program (P2). From the preliminary information above can be seen the occurrence of anomalies in earlier transactions. This is according to the results of research Praseno (2012) which states that "the mechanism of the link and match the data in the e-audit can serve as an early warning system against fraud".

By the implementation of e-audit, BPK is expected to carry out their duties and responsibilities more effectively and efficiently, support the management and financial responsibility of the state and also support the realization of good governance. Thus, information technology becomes an integral part of the organization in carrying out its duties and its main function (Hartoyo, 2011).

4.1.3. Analysis of Obstacles and Problems in the Implementation of E-Audit in BPK Representative Office of East Java Province

A lot of obstacles that must be faced in the implementation of e-audit both internal BPK itself and from external parties. Analysis of barriers and implementation of e-audit issues, among others:

1. Availability of data entities in the menu LKPD is not up-to-date.

As the Memorandum of Understanding that was signed between the Head of East Java Province BPK Representative with the Regional Head in East Java, on the second point of the agreement which said "Officials or employees of the Provincial / Regency / City shall provide the data in electronic form to be accessed through the information system that BPK demanded". But the condition showed, up to March 2015, not all entities upload data (in the form of the Balance Sheet, LRA, LAK, SP2D). According to Mr. B, the Team Leader, states that the data entity in the menu LKPD doesn't update. LRA of District P is data until October 2014. While auditors desperately need these data in order to determine the risky expenditures and determine the audit strategy. According to A as the IT staff who manage the portal of e-audit in the BPK Representative of East Java province, it must continue to remind the entity to upload data every month, every quarter and every semester.

Different description obtained from the Mr. E, as the Head of Accounting of BPKAD Regency X. He is the coordinator of data uploaded by the Regency X into the portal e-audit. For this is not yet established in the institution a special team to fulfill data requested by BPK. Only commands via a Memo from the Head of Department to prepare the e-audit related data. However, this task almost forgotten because its not his main task. For data LRA and Balance Sheet, it recognizes that the data meets a little longer, because he was committed that the data was uploaded in the portal of the e - audit was the most valid data. So there will be no misinterpretation from BPK's auditors. As for getting the real exact LRA and Balance Sheet, there are still many effort to be done. Because he must collect data from each SKPD. It is also very busy at the end to the beginning of the year. Because, It is a preparation of financial statements that will be submitted to the BPK for review. So that the obligation of timely data upload to portal e-audit has not been implemented yet.

2. The lack of time given to auditor to access the e-audit portal.

The time given to access the e-audit portal is started 7 days prior to field audit and ending on the 7th day after the field audit. After 7 days the field audit ended, then automatically the portal cannot be accessed by the auditor. Though auditors still require the data in the portal of e-audit for reporting needs. Suppose that in the examination plane tickets, some tickets are still in the process of re-confirmation to the portal as typing errors ticket number or there is evidence of aftershocks from the audit that requires by the auditors to check again. According to Mr. B as Team Leader of Audit Team Regency P, it would be better, if the portal is accessible throughout the year by the auditor, as an early indication of fraud. The same thing also expressed by Mrs. D as Team Member of the Audit Team of Regency P, it would be nice if teams can access the portal until two month due to BPK's Audit Report submitted to the Local Government, so that the audit process is already clear and completely finished.

According to IT staff who manage the portal of e-audit, restrictions on access to the portal is mandated by the Memorandum of Understanding between the BPK and entities. Memorandum of Understanding between them

agreed that "the Auditors of BPK implement data access only for the purpose of examination/audit of management and financial responsibility of the state". Of the above-mentioned clauses that access the portal only for the purpose of audit process itself, so it is not justified in the interests of outside audit, unless there is specific permission.

5. CONCLUSIONS

Based on these results, it can be concluded, that The development of an e - audit system that is currently in the BPK Representative Office of East Java Province quietly replied. Memorandum of Understanding and Technical Guidelines have been completed, signed between 39 entities in East Java with the BPK. An E - audit portal has been developed many changes, from the initial version 1.0 to version 3.0.4. Existing features as well as the availability of data are also more complete than it is in 2013. Currently, all entities in East Java have been connected in an e-audit system. However, data availability cannot be met on schedule by the entity.

The audit finding value on BPK's Audit Report increases. The audit findings occurred in travel expenses by using an airplane. This audit findings gained through airline's manifest features in the portal of e-audit. But then the value of this audit finding also decreased 88% in the 2014. This suggests that the use of e-audit is also effective in encouraging the prevention of fraud.

Implementation of e-audit has been conducted in order to assist the implementation of local government finance audit. Audit Program (P2) requires the auditors to use e-audit portal. In the steps of the investigation, still require the auditors to perform confirmation procedures directly to the employee / entity concerned. An audit process greatly assisted by the e-audit so as to save time and effort. Lack of time given access e-audit portal is considered as a major barrier by auditors.

Examination by utilizing e-audit has been encouraging transparency and public accountability. Most benefit feel by auditors is the efficiency of time and energy. On the other hand, the implementation of e-audit is also still require additional audit techniques to be implemented, such as data sorting, re-checking data and confirmation directly to the parties concerned.

Based on the above conclusions, suggestions given are:

1. BPK Representative Office of East Java Province encourages the entity to comply with the memorandum of understanding in support of the availability of the data in a timely

- manner in order to be used by the auditor. Besides, BPK should give longer access time period at least until the end of the reporting stage;
2. BPK Representative Office of East Java Province encourages the addition of features that can drive efficiencies in the area of financial audit, such as, confirmation of train tickets and revenue-sharing with the Province.
 3. Auditor of BPK representative of East Java Province to optimize the data on the features that have been provided portal e-audit in order to audit process efficiently. It also remains that still needed further confirmation procedure in order to obtain a reliable and accountable audit findings.
- This research cannot gain enough data from the auditee participants. The limitation lead to less discussion the comparison of auditor involvement between traditional audit and electronic audit. It is suggest for future research to explore the comparison of traditional audit and electronic audit that reduces interaction between auditors and auditee.
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