

ABSTRACT

ANALYZING THE INFLUENCE OF INTERNAL AND EXTERNAL FACTORS ON AUDITOR'S DYSFUNCTIONAL BEHAVIOR IN ACCOUNTING PUBLIC FIRM AT SURABAYA

Fenny Marietza

This study investigates the influence of internal and external factors on the auditor's likelihood of engaging in dysfunctional audit behavior. The internal factors which are individual auditor characteristic include locus of control, performance, turnover intentions, organizational commitment and self esteem. The external factors that come from auditor's environment include time budget pressure, supervisor leadership style, supervisor approvals and peer pressure. The auditor dysfunctional behaviors can reflected on auditor's premature signoff, underreporting of time and audit quality reduction behavior.

The data was obtained by survey method, by given questionnaire to auditor that have 0 – 6 years experience from Public Accounting Firm in Surabaya. The sampling method used simple random sampling. In total 130 questionnaire were distributed, 107 return and only 85 can use in analysis. Using multiple linear regression, only 12 (twelve) hypotheses was accepted.

According to F-test and t-test result, this study indicates that auditor's internal and external factors had a significant influence to auditor acceptance of dysfunctional audit behavior: premature signoff, underreporting of time, audit quality reduction behavior. Locus of control and organizational commitment had significant influence to premature signoff, underreporting of time and audit quality reduction behavior. Time budget pressure had significant influence to premature signoff and audit quality reduction behavior. While the explicit and implicit supervisor approval was significant in the underreporting of time decision. According to adjusted R square value, the result which are consistent with prior studies (Kelly, 1984; Mc Nair 1987; Kelly and Margheim, 1990) indicate that premature signoff are the most likely auditor's dysfunctional behavior to occur.

Key Words : Locus of control, Organizational Commitment, Time Budget Pressure, Supervisor Approval, Dysfunctional Behavior