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## The Government Whistleblowers in Generating Audit Quality (A Survey on Provincial Audit Boards in South, Central, and West Sulawesi, Indonesia)

**Abstract- Background:** The aims of this research is to investigate the mediation effect of whistleblower in relationship between auditor's ethic, auditor's commitment, and auditor's independence to audit quality, Survey on Provincial Audit Boards in South, Central, and West Sulawesi, Indonesia. Audit quality is the probability where an auditor discovers and reports violation in the accounting system of their clients. Currently, the private and public sector organizations encounter many covert violations demanding information disclosure. Institute of Business Ethics Survey concludes that one in four employees knows the presence of violations, but more than half (52%) keep their silence and do nothing. **Material and Methods:** The population in this research was auditors of Audit Board, amounted to 249 people, distributed in three provinces, namely South Sulawesi, Central Sulawesi and West Sulawesi, using purposive sampling. The method for analyzing the data in this research used Structural Equation Modeling (SEM) with auxiliary program AMOS (Analysis of Moment Structural). **Results:** The analysis show (1) There is no direct effect of the whistleblower to audit quality. The results of this research support the agency theory because the BPK auditors are not doing whistleblowing as entrusted by the people. Agents put the interests of them and prefer to save themselves or maximize their personal gains, (2) There is no indirect effect of ethics, commitment, and independence to audit quality, through the intermediary of Whistleblower. **Conclusions:** Whistleblower need special attention in BPK as it is proven that whistleblowing system has not been implemented, and support is needed from superiors and the agencies concerned if one of the auditors in carrying out their auditing tasks turn out to be a whistleblower due to their conscience. **Main Conclusions:** The government should provide a strong legal protection to ensure the protection to whistleblowers, as the existing legislation is still general in characteristics, as outlined in Law No. 13 of 2006 on Protection of Witnesses and Victims. Furthermore, the researchers should use qualitative research to study the behavior of the government auditors; why some areas receive WTP predicate but are coupled by a tremendous increase in corruption; and whether BPK auditors have become whistleblowers in disclosing the actual facts.

**Keywords:** Whistleblowers, Audit Quality, Audit Board, Auditor's Ethic, Auditor's Commitment, Auditor's Independence, Provincial Auditor Board

### 1. Introduction

Audit quality is the probability where an auditor discovers and reports violation in the accounting system of their clients (De Angelo [1]). In the public sector, Government Accountability Office (GAO) defines the audit quality as: "compliance with professional standards and contractual terms for the audit under consideration"; the audit quality as adherence to professional standards and contract in auditing. (Mills [2]) in his book "A Management Evaluation Tool" describes the definition of audit quality, i.e. "The audit quality is a management tool used to evaluate, confirm or verify activities related to quality".

The research on audit quality was conducted by (Carcello [3]), providing the information on audit quality attributes by including people who prepare financial statements and users of financial statements as a part of the audit quality attributes, whilst (Behn [4]) carried out a similar research to view whether the quality attributes have direct effects on clients' satisfaction. (Behn [4]) only found six attributes out of 12 attributes studied by (Carcello [3]) which had positive effects on clients' satisfaction, namely experience, understanding clients' industry,

responsive to clients' needs, conducting field work properly, superintendant engagement and audit committee engagement.

Currently, the private and public sector organizations encounter many covert violations demanding information disclosure. Institute of Business Ethics Survey (2007) concludes that one in four employees knows the presence of violations, but more than half (52%) keep their silence and do nothing (Source: National Committee on Governance, 2008). It is certainly not surprising given the reporting and disclosure of information sometimes must be paid in a high price by the reporter, resulting in termination. The culture of silence in employees at business sector and the government leads to several facts that cannot be revealed. The employees' reluctance to report any known violations can be handled through the application of Whistleblowing System that is effective, transparent and accountable. The system is expected to improve the participation rate of employees/ workers in reporting irregularities or violations happening in business sector and the public sector (the government).

Several researchers deem whistleblowing as an act of good citizenship (Dworkin and Near [5]) should be promoted and even awarded. As for (Near and Miceli [6]), whistleblowing is usually seen as deviant behavior, the superintendents regard this as a destructive act, and sometimes is considered as real vengeance. The superintendents argue when unethical act is disclosed, they must deal with their own internal parties. The research by (Near and Miceli [6]) reveals that the whistleblowers prefer to pay their revenge when they do not gain supports they crave from their superiors. The incident occurred is classified as serious and using external means to report errors.

According to Near and Miceli [6] in general, a whistleblower reports the crime in their environment to the internal authorities first. However, a whistleblower would not stop reporting the crime to the internal authorities when the investigation process stagnates. He / she can report the crime to the public authorities outside the authorized organizations as well as the mass media. It is what was done by a former BPK auditor (Khairiansyah) when he reported his findings to the public, but was not responded by his immediate superiors, and he was even considered as sensation seeker.

Originality of research can be explained in the following sections: This study tried to study the mediation of the government whistleblower at the Supreme Audit Agency (BPK) in producing quality audit particularly in the province of South Sulawesi, West Sulawesi and Central Sulawesi. Research on BPK auditor intended to determine whether the BPK auditors who have the courage to uncover findings in the field (as a whistleblower) in accordance with the standards of ethical (moral) prevailing in uncovering peyelewengan / irregularities resulting audit quality mamadai will be addressed and acted on by the parties related or other law enforcement. A description of some of the research on the quality of audit that has been stated above, it is empirically tried to do research on audit quality to reexamine the results of (Carcello [3]), (Behn [4]), (Aranya and Amernic [7]), (Copley [8]), (Brown and Raghunandan [9]), (Beasley [10]), (Chiu [11]), (Suraida [12]), (Lowensohn [13]), (Novianti [14]), (Varelius [15]). Based on the background above, the aims of this research is to investigate

the mediation effect of whistleblower in relationship between auditor's ethic, auditor's commitment, and auditor's independence to audit quality, Survey on Provincial Audit Boards in South, Central, and West Sulawesi, Indonesia.

## 2. Theoretical Review

The audit quality is a management tool used to evaluate, confirm or verify activities associated with quality and is an independent and systematic test to determine whether the quality activities are associated with the corporate outcomes in accordance with the planned regulations; and whether the regulations have been applied effectively and appropriately in order to achieve the goals generated. According to M. Nizarul Alim [16], the work quality is the number of correct responses given by a person in completing work compared to work standards or predefined criteria, whilst audit quality attributes developed by (Carcello [3]), include; 1) The experience of the audit team and KAP in inspecting clients' financial statements; 2) Skills/ comprehension of the clients' industry; 3) Responsive to clients' needs; 4) Competence of the members of the audit team to accounting principles and inspection norms; 5) The attitude of independence in all matters of audit team's individuals and KAP; 6) Members of the audit team as a mindful group; 7) KAP has a strong commitment to quality; 8) The engagement of KAP leadership in the audit; 9) The implementation of field audit; 10) The involvement of the audit committee before, during, and after the audit; 11) High ethical standards of members of the audit team; 12) Maintaining skepticism of members of the audit team.

Whistleblowing is the act of a worker who has decided to report to the media, internal or external authorities about the illegal and unethical matters happening in the workplace. The whistleblower is an employee or worker in an organization who witnessed, knew crime or any practice deviant and threatening the public interest within their organizations, and decided to disclose these deviations to the public or authorized agencies (Wikipedia, Columbia Electronic Encyclopedia: 2005). For organizations which operate in an ethical manner, Whistleblowing is part of the control system, but for organizations that operate their business activities in an unethical manner, Whistleblowing can be a threat.

Ethical issues are problems constantly encountered by accounting profession as accounting has two masters to serve, namely the clients and the community/ public. It is related to the fair presentation of financial statements (Shaub [17]). This opinion is supported by Wahyudi Prakarsa, proposing that an auditor bears double responsibilities, firstly, to the customers/ clients paying fee for the professional job done, and secondly to the public to report fairness of the financial statements. Nowadays, the community still holds suspicion that fairness possibility is correlated with audit fees, since there are plentiful of scandals resulting in losses to the state and the public, as a result of a conspiracy between clients and auditors.

Ethics are basically an important factor that should be owned by the auditors in performing their profession as the inspectors of financial statements, and opinion providers on the financial statements. Several researchers find that ethical behavior is influenced by other parties faced in their professional

environment, without consideration whether their behavior corresponds to ethical code or not. The degree of effects may be affected by the relationship closeness between the organization and other relevant parties, with the ruling parties, be it within the organization, such as the head of the organization and outside the organization, government, other accounting firms, etc. (Finn [18]). Meanwhile the research results undertaken by (Shaub [17]) show that the ethical orientation of auditors (which is formed by the cultural environment and personal experience) does not only influence the auditors' ethical sensitivity but also the level of organizational commitment and professional commitment.

The notion of organizational commitment according to (Riggio [19]) "Organizational commitment is a worker's feelings and attitudes about the entire work organization", meaning an organizational commitment is the entire feelings and attitudes of employees towards everything related to the organization where they work, including at their jobs. (Buttery, Hurford, and Simpson [20]) state that several personal qualities must be owned by an auditor, such as intelligence, good behavior, high commitment, and good imaginative abilities to form creative attitude and full of innovation.

The independence implies mental attitude that is free from influence, not controlled by other parties and independent to other parties. The independence also means honesty within the auditors in considering the facts, and objective consideration within auditors not to take one's side in formulating and proposing their opinion. (Arens [21]) defines independence: "*A member in public practice shall be independence in the performance a professional service as require by standards promulgated by bodies designated by a council*". (Mulyadi [22]) defines independence as follows: The state free from influence, not controlled by other parties, and independent to others. Independent public accountants must be public accountants who are unaffected and not influenced by various forces coming outside the accountants in considering the facts they see in their inspection.

The theory could explain whistleblower mediating effect on the influence of ethic, commitment, and independence of the auditors on audit quality shown in the following explanation: **First**, referring to the agency theory in which the main characteristics of an agency relationship is contractual delegation of authority and responsibility of the principal (DPR) to the agent (CPC). Agency theory meant an agent has information superiority as compared with the principal and interest and principal agent is different, there will be the principal agent problem where the agent will perform actions that benefit themselves, but detrimental to the principal. CPC (agent) of the people appointed to represent the public (the people) to become a whistleblower monitor, evaluate about the programs and activities penggunaan anggran by the executive, which the CPC must dare to reveal facts or whistleblower to produce good quality audit. **Second**, in the agency theory, stewardship and goal setting, BPK auditor is an agent of the people always uphold ethics in the examination, in performing their duties adhere to the code of conduct examination of Regulation No. 2 of 2007 on the Code BPK, any findings in the BPK gives an opportunity to the management or executive to address these findings. If the management is not able to answer these findings, the CPC should

be questioned and uncover all these findings. CPC also has a moral responsibility to the people (the principal) where the results of the audit will be public consumption must be justified. Based on the theory of agency (agency theory), stewardship theory and goal setting theory. **Third**, in agency theory, stewardship theory, and goal setting theory. BPK auditor as an agent of the people (the principal) need to instill a strong commitment because commitment is one important element in the performance of auditors. The underlying reasons for the need for a strong commitment on every audit profession is the need for public confidence in the audit quality and public confidence in the quality of the audit will be increased if the auditor realize auditing standards and can meet all the needs of the user (users). **Fourth**, referring to the theory of agency (agency theory), stewardship theory and goal setting theory by which the auditor BPK as an agent of the people (the principal) entrusted by the public to examine the articles that have been used by the executive. In the examination of the auditor refers to the statement of common standards both SPKN 2007 is, in all matters relating to the inspection work, the organization examiners and inspectors, should be free in the mental attitude and appearance of interference personal, external, and organizations that can affect independence.

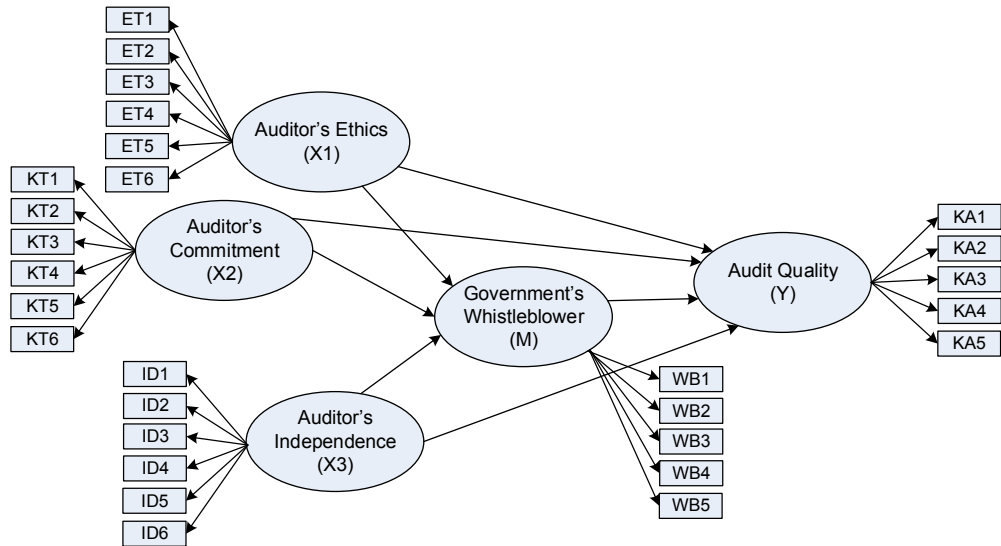
### **3. Methodology**

#### **3.1. Materials**

The population in this research was auditors of Audit Board, amounted to 249 people, distributed in three provinces, namely South Sulawesi, Central Sulawesi and West Sulawesi, using purposive sampling. These three provinces were divided into three clusters, namely South Sulawesi Province with Type A cluster because it had more than 20 districts/ cities with 140 auditors. Central Sulawesi was Type B cluster with more than 10 districts/ cities above with 65 auditors, and West Sulawesi was Type C cluster with total districts/ cities below 10 with 44 auditors.

#### **3.2. Methods**

The method for analyzing the data in this research used Structural Equation Modeling (SEM) with auxiliary program AMOS (Analysis of Moment Structural) version 20. Structural Equation Modeling (SEM) was a set of statistical techniques allowing the testing of a set of relationships between variables simultaneously. Figure 1 shows the conceptual framework of this research:



**Figure 1: Conceptual Framework**

Five variables are unobservable variables, based on more than one indicators for each variables, measure by First Order Factor Analysis for Reflective Indicators. The hypothesis testing of mediation effect is accepted if the P-value < 0.05 (with 5% level of significance) or P-value < 0.10 (with 10% level of significance).

## 4. Result

### 4.1. Validity and Reliability Instrument

The research result in the first phase was to test the research instruments. The study involved 68 items of questions, representing indicators of five variables. The validity test used Pearson correlation coefficient. Out of 68 items of questions, 28 valid questions were generated and the remaining items were invalid, hence should be disqualified. Table 1 below presents the testing results of question items (reflect indicators) that have passed validity test and reliability of the instrument test from sample tests and the average value of items.

**Table 1: Result of Validity and Reliability Instrument**

Variables	Indicators	Validity	Reliability	P-value
Auditor's Ethic	ET1	0.572	0.650	Fix
	ET2	0.622		0.001
	ET3	0.619		0.001
	ET4	0.571		0.001
	ET5	0.622		0.001
	ET6	0.615		0.001
Auditor's Commitment	KT1	0.502	0.651	Fix
	KT2	0.689		0.001
	KT3	0.507		0.001
	KT4	0.725		0.001

Variables	Indicators	Validity	Reliability	P-value
Auditor's Independence	KT5	0.598	0.651	0.001
	KT6	0.570		0.001
	ID1	0.530		Fix
	ID2	0.525		0.001
	ID3	0.515		0.001
	ID4	0.764		0.001
Government's Whistleblower	ID5	0.645	0.651	0.001
	ID6	0.622		0.001
	WB1	0.630		Fix
	WB2	0.653		0.001
	WB3	0.682		0.001
Audit Quality	WB4	0.656	0.650	0.001
	WB5	0.612		0.001
	KA1	0.622		0.001
	KA2	0.725		0.001
	KA3	0.620		0.001
	KA4	0.663		0.001
	KA5	0.592		0.001

In this research, there are five variables involved, Auditor's Ethic, Auditor's Commitment, Auditor's Independence, Government's Whistleblower, and Audit Quality that are the unobservable variables, in which each variable was not measured directly but through some indicators of measurement. Based on Table 2 show the P-value less than 0.05 and one of indicator for each variables are fix (based on criterion validity), means that the confirmation of all unobservable variables (five variables) are formed of one-dimensionality (equal with confirmatory factor analysis).

#### 4.2. Assumption of Model

The assumption that must be met prior to SEM analysis was the assumption of normality, absence of outliers, and linearity. The multivariate normality assumption is tested with the assistance of software AMOS 6. The normality test result is obtained with critical value ratio of 1.413 with critical value Z for  $\alpha$  5% is 1.96. As the absolute CR value for multivariate is  $1.413 < 1.96$ , thus the multivariate normality assumption is met. To test whether there is an outlier or not, it can be seen with Mahalanobis distance (Md). Mahalanobis distance is evaluated using a value of 224,534. Mahalanobis distance with the most distant observation point is the first respondent Md value = 88.892. When compared to the value of 224.534, thus the Md value at 1<sup>st</sup> point-  $< 224.534$ . it can be concluded that all points of observation is not an outlier. The linearity assumption testing is done by Curve Fit method. The linearity testing result shows

that all linear models are significant because Sig value > 0.05, thus it is concluded that the linearity assumption has been met.

#### 4.3. Goodness of Fit or Adequacy Model

The testing result goodness of fit overalls models is in accordance with the results of the SEM analysis in order to determine whether a hypothetical model is supported by empirical data, given in Table 2 below:

**Table 2: Goodness of Fit Model**

Criteria	Cut-of value	Model Result	Conclusion
p-value	$\geq 0.05$	0.117	Fit Model
CMIN/DF	$\leq 2.00$	1.068	Fit Model
RMSEA	$\leq 0.08$	0.018	Fit Model
GFI	$\geq 0.90$	0.868	Marginal Model
AGFI	$\geq 0.90$	0.844	Marginal Model
TLI	$\geq 0.95$	0.959	Fit Model
CFI	$\geq 0.95$	0.963	Fit Model

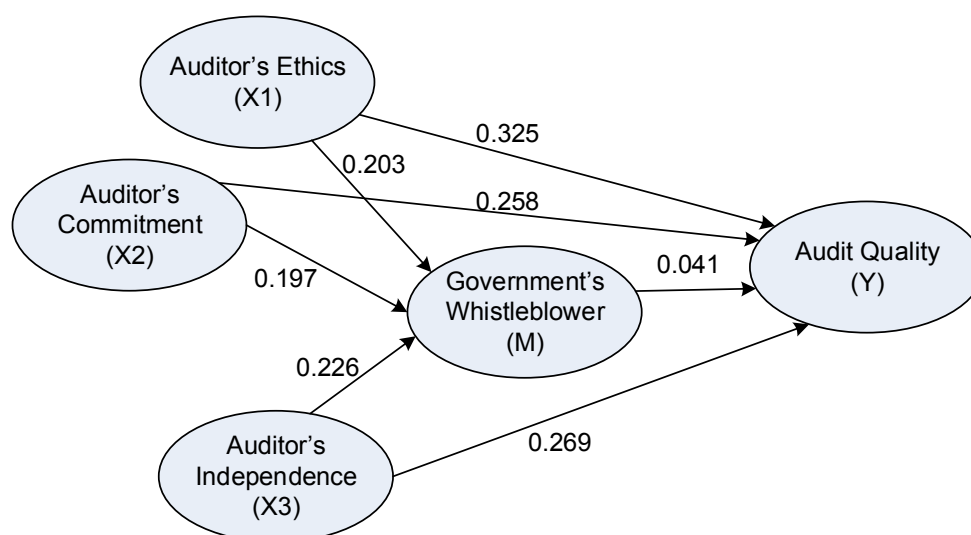
The testing result Goodness of Fit Overall based on Table 2 shows that 5 out of 7 criteria shows fit, i.e. chi Square, CMIN/ DF, RMSEA, TLI and CFI. According to Arbuckle and Wothke in [23], the best criteria used as an indication of model goodness is the value of Chi Square/ DF that is less than 2, and RMSEA which is under 0.08. In this research, the value of CMIN / DF and RMSEA has fulfilled the cut-off value. Therefore, the SEM model in this research fits and appropriate for use, and interpretation can be done for further discussions.

#### 4.4. Hypothesis Testing

Next, interpretation of structural model; the structural model presents the relationship between the research variables structural model coefficient, stating the relationship magnitude between one variable and another variable. There is significant effect between one variable to another variable, if the P-value value < 0.05. In SEM, two effects are known, i.e. direct effect and indirect effect. The analysis results are summarized in Table 3 and Figure 2 for direct effects and Table 4 for indirect effects. From seven hypotheses, four direct effects can be received by an error rate of 5%, i.e. direct effects among ethics, commitment, independence, on audit quality as well as direct of independence to whistleblower. In addition, two significant direct effects at error rate of 10%, i.e. direct effects between direct effects and commitment and independence on whistleblower, and insignificant relationship, i.e. between the whistleblower and Audit Quality.

**Table 3. Structural Model in SEM: Direct Effect**

Direct Effect	Standardize Coefficient	P-value	Result
X1 → M	0.203	0.054	Significant 10%
X2 → M	0.197	0.084	Significant 10%
X3 → M	0.226	0.043	Significant
X1 → Y	0.325	0.006	Significant
X2 → Y	0.258	0.026	Significant
X3 → Y	0.269	0.016	Significant
M → Y	0.041	0.669	Not Significant

**Figure 2. Structural Model in SEM: Direct Effect**

In addition to direct effects, there is also an indirect effect tested. The indirect effect is the effect measured indirectly on one variable to another, through an intermediary (intervening). Indirect effect is obtained from the second results of direct effects. If both direct effects' coefficients are significant, the indirect effect coefficient is also significant. However, if one or both direct effects' coefficient insignificant, the coefficient of indirect effect is insignificant. The test results of indirect effect using Sobel test are presented below:

**Table 4: Structural Model in SEM: Indirect Effect (Sobel Test)**

Indirect Effect	Calculation		P-value	Result
	First Direct Effect	Second Dirrect Effect		
X1 → M → Y Coefficient: 0.203x0.041= <b>0.008</b>	X1 → M Coef: 0.203	M → Y Coef: 0.041	0.090	Not-Significant
X2 → M → Y Coefficient: 0.197x0.041= <b>0.008</b>	X2 → M Coef: 0.197	M → Y Coef: 0.041	0.091	Not-Significant
X3 → M → Y Coefficient: 0.226x0.041= <b>0.011</b>	X3 → M Coef: 0.262	M → Y Coef: 0.041	0.088	Not-Significant

Based on the results in Table 4 with Sobel Test, it is known that the indirect effect of Ethics on the Quality Audit, through the Whistleblower intermediary obtains coefficient of 0008, and P-value of 0.090 > 0.05. It indicates that the indirect effects between Ethics and Audit Quality through Whistleblower intermediary are insignificant. Thereby, regardless of the value of ethics, it will not result in a change in the intensity of Audit Quality, although the value of Whistleblower changes.

The indirect effect of Commitment on Quality Audit, through the intermediary of Whistleblower obtains a coefficient of 0008 and P-value of 0.091 > 0.05 indicating that indirect effect of Commitment to Quality Audit, through the intermediary of Whistleblower is insignificant. Thus, regardless of the value of commitment, it will not result in a change in the intensity of Audit Quality, although the value of Whistleblower changes.

The indirect effect of the Independence on Audit Quality, through the intermediary of Whistleblower, obtains coefficient of -0011 and P-value of 0.088 > 0.05 indicating that indirect effects of Independence to Audit Quality, through the Whistleblower intermediary is insignificant. Thereby, regardless of Independence value, it will not result in changes in intensity of the Audit Quality, although the value of Whistleblower changes.

#### 4. Discussion

Main findings of this research is the Whistleblower is not the mediation variables of the relationship between Auditor's Ethic, Auditor's Commitment and Auditor's Independence to Audit Quality. However, it does not mean that auditors will be whistleblowers who will disclose all cases into the public domain. Facts on the field are that BPK auditors do not become whistleblowers due to unsupportive atmosphere and less response from superiors. The results support the agency theory. This research supports the agency theory because the fact in the field, BPK auditors are not committed to be whistleblowers. Meanwhile, the direct effect of commitment to audit quality has positive effect. This research supports stewardship theory and setting theory as BPK auditors are already committed to the organization and demonstrate high levels of participation in the organization

and stronger willingness to keep working, and contribute to achievement of better audit. The BPK auditors maintain their independence in the inspection, but for them to be whistleblowers in order to reveal findings to the public is not allowed by their superiors. The research results support the agency theory.

In theory the agency explained that the main characteristics in this theory lies in the contract delegation of authority and responsibility of the principal (the people) to the agent (BPK), in which the agent has information superiority as compared with the principal, if the interests of the agent and the principal is different, there will be the principal agent problem where the agent will perform actions that benefit themselves, but detrimental to the principal. Based on agency theory described, proven results of this study support the agency theory, because the fact the field BPK auditor did whistleblower as entrusted by the people, agents prefer the interests of himself and prefers to save themselves or to maximize his personal gain. This is due to less BPK whistleblower in getting a response from the employer or the relevant agencies.

This study is in line with research (James [24]) who said that the whistleblower in the non-profit is not proven because whistleblower usually transferred relieved demoted and will not get a promotion. Research (Brown and Raghunandan [9]) the quality of public sector auditing lower than the private sector it is because litigation is low, to improve the quality of auditing in the public sector auditor must have courage in revealing the true facts, while (Varelius [15]) in research says not No significant association between whistleblowing as a moral problem with employee loyalty and the desire to protect the public interest.

In line with the hypothesis rejection Whistleblower is an important step in essential alternative dismantle structured crime, but its existence there were weaknesses concerning the legal status of protection is not provided to the whistleblower. Research on whistleblower who do, Finn and Lampe [25]), (Chiu [11]), and (Mustafa et al [26]) actually whistleblower significant effect on moral, ethical, intention to commit.

Another thing that the whistleblower is not proven, due to the lack of rules and code of ethics examiner BPK may not disclose information obtained from the investigation to other parties outside the BPK. Statement 3 Inspection Standards Regulations No.01 of 2007 on State Auditing Standards (SKPN) BPK that certain information can be forbidden to be disclosed to the public by laws and regulations. Such information can only be given to the parties under the terms of legislation has the authority to find out. Another situation relating to the public interest may also lead to such information is prohibited to be revealed in the report of examination results. It is the background so that the whistleblower at the BPK has no effect on audit quality.

The results showed that the Whistleblower no direct impact on audit quality, then one of the things revealed in the interview is an auditor not allowed into whistleblower because there are rules and codes of conduct examinations, in which all the results of the auditor should be reported to the direct superior, more say for example a BPK auditor who had been a whistleblower is Khairiansyah in carrying out inspection tasks he had violated the code of ethics became a whistleblower by reporting to public findings without the permission of superiors,

he became a national hero, but the level boss did not have the support and are considered only for popularity simply because his actions which do not conform with the procedural. In the end, Khaiansyah deactivated from the BPK.

## 5. Conclusion

Based on the findings of the analysis and discussion results as presented earlier, it is concluded that;

- (1) There is no direct effect of the whistleblower to audit quality. The results of this research support the agency theory because the BPK auditors are not doing whistleblowing as entrusted by the people. Agents put the interests of them and prefer to save themselves or maximize their personal gains. It is because whistleblowers are fully getting the response and support from their superiors or the relevant agencies.
- (2) There is no indirect effect of ethics to audit quality, through the intermediary of Whistleblower. In carrying out their inspection, BPK auditors still refer to the code of ethics in generating quality audit. However, it does not mean that auditors will be whistleblowers who will disclose all cases into the public domain. Facts on the field are that BPK auditors do not become whistleblowers due to unsupportive atmosphere and less response from superiors. The results support the agency theory.
- (3) There is no indirect effect of Commitment to Audit Quality, through the intermediary of Whistleblower. This research supports the agency theory because the fact in the field, BPK auditors are not committed to be whistleblowers. Meanwhile, the direct effect of commitment to audit quality has positive effect. This research supports stewardship theory and setting theory as BPK auditors are already committed to the organization and demonstrate high levels of participation in the organization and stronger willingness to keep working, and contribute to achievement of better audit.
- (4) There is no indirect effect of the Independence of the Audit Quality, through the intermediary Whistleblower. The BPK auditors maintain their independence in the inspection, but for them to be whistleblowers in order to reveal findings to the public is not allowed by their superiors. The research results support the agency theory.

Whistleblower need special attention in BPK as it is proven that whistleblowing system has not been implemented, and support is needed from superiors and the agencies concerned if one of the auditors in carrying out their auditing tasks turn out to be a whistleblower due to their conscience. Although whistleblower is not regulated in Inspection Standard Statement, Regulation No. 01 of 2007 on Standards of State Audit (SKPN) of BPK, BPK should accommodate the application of the whistleblowing system, such as that adopted by institutions under the Ministry of Finance (Tax Office), hence the existence of independent auditor profession regain public trust, something that has been dropped for all this time due to many cases involving independent auditors in business sector or the government sector. The government should provide a strong legal protection to ensure the protection to whistleblowers, as the existing legislation is still general in characteristics, as outlined in Law No. 13 of 2006 on

Protection of Witnesses and Victims. Furthermore, the researchers should use qualitative research to study the behavior of the government auditors; why some areas receive WTP predicate but are coupled by a tremendous increase in corruption; and whether BPK auditors have become whistleblowers in disclosing the actual facts.

Based on the conclusion above, the recommendation for government: The government needs to provide a strong legal framework to ensure the protection of whistleblowers, since the existing legislation is still general as outlined in the Act - Act No. 13 of 2006 on the Protection of Witnesses and Victims. Recommendation for future research: The next Researchers should use qualitative research to study the behavior of the government auditor why some areas received the title Unqualified (WTP), but accompanied by an increase in corruption is so great, whether the auditor BPK has become a whistleblower in exposing the true facts. Recommendation for auditor: Whistleblower need special attention in the CPC because it proved whistleblowing system has not been implemented, and there needs to be support from employers and the agencies concerned if one of the auditors in carrying out audit tasks with the encouragement of his conscience became a whistleblower.

## 6. Acknowledgment

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