

Analysis of university graduates' competencies for the position of internal auditors: Perspective of internal auditor practitioners

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ABSTRACT

This study aims to determine what competencies are required when recruiting internal auditors. It is expected that the results of this study can be used as a guide for developing accounting curriculum related to internal audit. Beside, it can be used to design training to further sharpen internal audit skills in preparing students to enter the internal audit position. The study involved 99 practitioners of internal auditors of various companies' types in Indonesia. This study used a Likert scale to measure the competencies considered by the internal audit manager in recruiting university graduates. Each statement is analyzed on the distribution of respondents by counting the frequency of respondents' answers. It shows that there are seven essential factors that must be considered when hiring internal auditors. They are the core curriculum which must include mastery of the material consist of ethics and corporate governance, information technology, internal audit, and business communications; factors associated with student activities such as the ability to work individually and in teams, the using of information technology to complete the task, and the analyzing accounting problem comprehensively. All factors associated with the certification of students are essential in recruiting internal auditor.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui kompetensi apa yang dibutuhkan ketika merekrut auditor internal. Diharapkan hasil penelitian ini dapat digunakan sebagai panduan untuk mengembangkan kurikulum akuntansi yang berkaitan dengan audit internal. Selain itu, dapat digunakan untuk merancang pelatihan untuk lebih mempertajam keterampilan audit internal dalam mempersiapkan siswa untuk memasuki posisi auditor internal. Penelitian ini melibatkan 99 praktisi auditor internal berbagai jenis perusahaan di Indonesia. Penelitian ini menggunakan skala Likert untuk mengukur kompetensi yang dipertimbangkan oleh manajer audit internal dalam merekrut lulusan universitas. Setiap pernyataan dianalisis pada distribusi responden dengan menghitung frekuensi jawaban responden. Hasilnya menunjukkan bahwa ada tujuh faktor penting yang harus dipertimbangkan ketika menyewa auditor internal, yaitu kurikulum inti yang harus mencakup penguasaan materi terdiri dari etika dan tata kelola perusahaan, teknologi informasi, audit internal, dan komunikasi bisnis; faktor yang terkait dengan kegiatan mahasiswa seperti kemampuan untuk bekerja secara individu dan dalam tim, menggunakan teknologi informasi untuk menyelesaikan tugas, dan menganalisis masalah akuntansi komprehensif. Semua faktor yang terkait dengan sertifikasi siswa tersebut sangat penting dalam merekrut auditor internal.

1. INTRODUCTION

Internal auditors have more advantages compared with the external auditors in terms of employment. Almost all medium and large companies have an internal auditor, while public accounting firms and government agencies require a relatively limited number of external auditors. Internal Audit can help any organization to achieve its goals by apply-

ing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management processes, the adequacy of control, and management of the organization (Sawyer, Dittenhofer & Scheiner 2004).

Before performing an audit, one must master a variety of other fields of knowledge related to accounting information systems such as accounting,

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management accounting, financial accounting, taxation, and business communications. In addition, an internal auditor can certainly master the system and management of the company where he works. Thus, the careers of being internal auditors usually get a job earlier than those from other accounting fields. In this case, internal auditors are always ready to be placed in various positions in any company.

It is relatively true for the Accounting Studies Program to pay more attention to this field. This effort can be realized by some colleges for working with parties that are active in internal audit training, which involves senior practitioner of internal auditors. Internal Audit Foundation (YPIA) is one of the foundations that have given a lot of training to internal audit practitioners. Concrete forms of cooperation can be done by sending a lecturer for a training course YPIA. The trainees are academics and practitioners.

By following the training, the teachers can follow the development of the internal audit implementation in profit-oriented organizations and non-profit. Furthermore, Accounting Study Program in collaboration with DAPT also organizes training with YPIA internal audit basic level to the end of the semester students and alumni. Before the training, the teachers follow a refreshment program of YPIA to keep updated with the latest developments in the implementation of internal audit. Thus the material provided to the participants in tune with the development of science in practice. The purpose of this activity is to prepare students to enter the workforce. The lecturers are already certified training of internal audit indicated by the title of Qualified Internal Auditor (QIA).

To provide with best provision for students, the Accounting Studies Program should incorporate the views of academics and internal audit practitioners in developing the curriculum, including courses given. For more than ten years, academics and practitioners have audit provides a discussion and analysis on the increasing growth and importance of internal audit profession (Sumners and Soileau 2008). Along at increased growth and the role of internal audit, then the required academic curriculum can prepare students to work in the field of internal audit (Dickins and Reisch 2009). The growth of students shows an interest in the field of internal audit as a career path is also increasing (Sharifi and Khan 2010).

Simultaneously, the Institute of Internal Auditors (IIA) has developed a program of Internal Auditing Education Partnership (IAEP). This program is collaboration between the IIA and various universities to focus on student aid to ensure that the internal audit into the profession has had the necessary

skills. As part of IAEP, IIA cooperate with universities to encourage education offers courses in internal audit in accordance with user requirements. In Indonesia also has established the Internal Auditors Research Foundation to improve the professionalism of internal auditors. The foundation has provided continuing education on the internal auditor in many companies.

Universities are required for considering the curriculum, programs, and training related to the development of the internal audit profession. Prepared curriculum course referring to the curriculum developed by the Department of Education that the Indonesian National Qualifications Framework (KKNI). In this curriculum also emphasized the importance of mastery of skills by students. Therefore, the latest information on the requirements that must be possessed by graduates to the starting position of internal auditor of the company or institution is indispensable users. This study draws on research Clune and Gramling (2012) on the internal auditor competence contained in the IIA. Researchers add to competence (learning outcomes) to be possessed by KKNI university graduates to be confirmed by the internal auditors' practitioners. According to practitioners of internal auditors, important factors are considered in recruiting graduates for internal audit positions.

2. THEORETICAL FRAMEWORK

Skills of Internal Auditor

Some studies, so far, have focused on the ability of the internal auditors to meet the requirements of professionalism has been done. For example, IIA Research Foundation published a report that provide practitioners view of the competencies required of internal auditors in order to have a good performance in his profession as a practitioner. Communication skills proved to be the most important attribute. The important knowledge areas include auditing, internal auditing standards, ethics, and awareness of fraud (Bailey 2010). Beside, Burnaby and Haas (2011) also revealed that the leaders of the audit (audit chief executives) stresses the importance of communication skills, problem identification, analysis, writing, and conflict resolution for internal staff auditors in order to do his job successfully.

The practitioner's knowledge is very helpful, although it is not directly address what skills are considered in recruiting new internal directly from university graduates (fresh graduates). In this case, Moeller (2009) states that to be a successful internal auditor needs to have some skills. There are several and they have gotten a bachelor's degree at least four years in areas that will provide a new auditor's un-

derstanding of the importance of business processes as well as the ability to observe the operations area and to describe it in writing and verbal approach. More importantly, and more fundamentally, the internal auditor should have a strong personal ethics and commitment associated with the job. That is, when they are sent to multiple locations to do the review, the internal auditors can maintain a professional attitude and conduct its work in a way that is honest and ethical. These things are absolutely essential and need to build the core competencies of the internal auditors.

Internal audit is a key competency which is necessary to conduct effective internal audits. However, some professionals may see different options, add or remove some of them, Moeller recommendation for internal audit key competencies include: interviewing skills, skills of analysis, testing and analytical skills, documentation skills, results and recommend corrective actions, communication skills, negotiations, and commitment to learning.

In interviewing a unit manager or a member of staff on the production floor, the internal auditor should be able to meet with these people, ask the right questions, and get the desired information. An internal auditor should have the ability to look at a series of events that sometimes disconnected and draw some preliminary conclusions from the material.

In reference to the ability of the analysis, the internal auditor should be able to review some of the events or population data to perform a test that will determine whether an effective audit purposes. Also, he should be able to take the results of the audit observation and testing data and document the results, both verbally and graphically describing the observed environment.

Based on the testing and analysis of the results as documented, the internal auditor should be able to develop effective recommendations for corrective action. An internal auditor should be able to communicate the results of the audit work together with recommendations for corrective action to the subject of the audit staff and senior management. Since there will be some differences of opinion on the internal audit findings and recommendations, the internal auditors should be able to negotiate a successful outcome. They also should know the new and material changes in the operations of their company and profession; they must have a passion for learning and continuing education.

Factors to Consider when Recruiting Internal Auditor

Internal-auditing-education-partnership (IAEP) pro-

gram was developed by the Institute of Internal Auditors (IIA). This institution provides guidance the students who wish to enter the profession of internal auditing, in which; they should follow the internal audit education. This requirement refers to the perceived competency by the employers in recruiting new internal auditor. The Curriculum in this IIA's internal auditing is a global model offering the materials used to prepare students when they enter the profession of internal auditing. These are the Principle of Internal Auditing, Ethics and Organizational Governance, Fraud and Forensics, Auditing Information Technology, and Business Communication for the Internal Auditor. Furthermore IAEP program emphasizes the importance of having one or more faculties are certified as a Certified Internal Auditor (CIA).

Currently in Indonesia, there is a Qualified Internal Auditor (QIA). In addition, the Accounting Studies Program should provide opportunities for students to engage audit experience, such as internships. Furthermore, the Handbook pf IIA also stressed the importance of Accounting Studies Program prepares students for the CIA exam or QIA and has focused education in the field of internal auditing.

Some academic research complementing IIA recommended this for developing internal audit programs that focus on preparing students to enter the profession of internal auditing. Studies that examine the factors that are considered in recruiting new internal auditor (entry-level) are still very little. For example, Seol and Sarkis (2005) developed a multi-attribute model and the methodology for the selection of internal auditors. Although they explain the methodology, they do not give their views on skill consideration into the Chief Audit Executives in internal recruiting new auditor.

The next development is that done by Seol et al. (2011) by using the framework of the 1999 work presented by the IIA to develop a set of skill that required by new entrants in the profession of internal auditing. IIA framework identifies 56 skills, while Seol et al. (2011) reduces to 11 skills. They highlighted the importance of communication skills for a new internal auditor.

Recruitment Practices

It is very limited the current literature on recruitment practices related to internal auditor. The most relevant studies conducted by Alkafaji et al. (2010) reported that recruit graduates of the university is a little way used by the organization in charge of internal audit staff. They reveal the present inven-

tion may be an indication that the organization requires an experienced auditor. This is probably because many organizations are not able to provide the necessary training. It shows that the Chief Executive Officer of the internal auditors prefer to recruit from within the organization itself rather than from outside the organization.

Indonesian National Qualifications Framework (KKNI)

The IAEP IIA program was developed by the internal auditors about the requirements that require a variety of skills, including experience a must-have turned out for the Indonesian National Qualifications Framework (KKNI). According to the President of the Republic of Indonesia Regulation No. 8 of 2012, KKNI is a hierarchy framework that can reconcile the competence and qualifications, equalize, and integrate between education and job training and also experience field work in order granting recognition of the competence of work in accordance with the structure of employment in various sectors. KKNI embodies the quality and identity of the Indonesian nation associated with the national system of education and training of Indonesia.

KKNI consists of 9 levels of qualification, starting from level 1 as the lowest level up to level 9 as the highest level. The leveling in KKNI qualification is referred to in paragraph (1) shall consisting of: (1) level 1 to level 3 in occupation grouped by operators, (2) level 4 to level 6 in occupation grouped by technician or analyst, and (3) level 7 to level 9 in occupation grouped by expert. S1 must meet a minimum level of qualification KKNI level 6.

The qualification Level 6 in KKNI: the description of KKNI level 6 qualifications is as follows: (1) able to apply the skills and utilize areas of science and technology in the field in problem solving and able to adapt with the faced situation, (2) Mastering the theoretical concept of a particular field of knowledge in general and theoretical concept of a special section in the field of knowledge in depth, as well as to formulate procedural problem solving, (3) able to make appropriate decisions based on the analysis of information and data, and is able to provide guidance in selecting various alternative solutions independently and groups, and (4) responsible for own work and can be responsibility on the gaining of work organization.

The Strategies to ensure appropriate graduates with the qualification can be done through four processes. (1) Understanding the relationship KKNI position description with the formulation of compe-

tence in the graduate study programs, (2) Understanding the path of education - based on scientific development or skills. For intricately scientific program organized by academic discipline that is correct, while the relationship with the world of work skills, (3) For the developers of the program based on the philosophy of science as well as the skills required to understand the scope of education as - mono, multi, trans-disciplines, and (4) Develop competences of program in accordance with the level KKNI.

The basic principle to be noted is the difference between education and training. Education is an attempt to glorify the human (educate). In education, the emphasis is on process and outcome. On the other hand, training is to train students by providing the ability through certain strategy and the results can be measured clearly. In training, the focus is the result.

Developing the Competence of the program in accordance with the level KKNI: The term is used to express a person's competency in KKNI description is "learning outcomes" (lesson outcomes). This is in addition to differentiate the term "competence" in the world of professionals to express the competency of the profession with the term "standard of competence". It also uses the term "certificate of competency" as a statement of completion of the competency test.

In education (Education Law No. 20 of 2003), the graduates of academic education, vocational and professional education, are given a "certificate" that is not a certificate of competence¹. It refers to "lesson outcomes" (LO) for the graduates of certain study programs, in accordance with its KKNI level, which will be used as reference for similar courses throughout Indonesia. The formula is a statement "minimum capability" that should be owned by every graduate of the study program.

Colleges can add other capabilities to its graduates, which is in the format of Higher Education entered into the classification of "supporting competence and other competence", or into "special competence" according to the standard classification BSNP contents. Competence one can be obtained through: (a) education, (b) training, (c) work experience, and (d) self-learning. The resulting competence from the internalization and accumulation of knowledge, skills, affection, and competence that are gained through a structured educational process and include a science or specific expertise or through work experience.

This study assesses the competencies required by the internal auditor and the factors considered in

Table 1
Pearson Correlation

Indicators	Total	Sig. (2-tailed)	N
A. Variable of Courses and Course Topics			
A1 Mastering information technology	.493**	.000	99
A2 Mastering ethics and or organization management	.563**	.000	99
A3 Mastering at least one of internal audit	.702**	.000	99
A4 Understanding the differences between external audit and internal audit	.605**	.000	99
A5 Mastering the material on fraud of forensic	.796**	.000	99
A6 Mastering materials of business communication for internal auditors	.624**	.000	99
A7 Mastering materials of psychology for internal audit	.746**	.000	99
A8 Mastering materials related to negotiation	.564**	.000	99
A9 Finishing the internal audit course training out of the subject of internal audit taken in the university or other institutions	.635**	.000	99
B. Variable of Students' Experience Activities			
B1 Able to demonstrate work experience and/ or extracurricular activities orally and in writing	.468**	.000	99
B2 Acquire the strong leadership skill by implementing the work experience and/ or extracurricular activities	.656**	.000	99
B3 Acquiring some experiences in business other than internal audit	.699**	.000	99
B4 Has experienced working as a staff of professional in internal audit	.713**	.000	99
B5 Has ever interacted with one fellow who has worked or owned certificate of internal auditing	.639**	.000	99
B6 Has ever joined internship in internal audit offices	.652**	.000	99
B7 Has ever done research on internal audit	.665**	.000	99
B8 Able to work individually and in team with responsibility	.475**	.000	99
B9 Able to utilize information technology for accomplishing certain task in internal auditing	.666**	.000	99
B10 Able to design entity financial statement in accordance with computerized financial accounting standard.	.674**	.000	99
B11 Able to do comprehensive analysis in accounting problems	.677**	.000	99
B12 Able to use at least audit software such as ACL	.662**	.000	99
C. Variable of Students Credentials and Certifications			
C1 Able to get the degree of S1 (undergraduate) and/ or S2 (Master Degree) in accounting	.738**	.000	99
C2 Getting a high GPA	.702**	.000	99
C3 Having learned or planned to study an advanced exam of CIA or QIA.	.809**	.000	99
C4 Finishing the concentration or certification of internal audit at the level of S1 or S2	.813**	.000	99
C5 Getting the degree of undergraduate in business (other than accounting)	.678**	.000	99

the recruitment of internal auditors in the view of practitioners. By knowing the skills and the factors that are taken into consideration, the college can provide the lectures, programs, and training that can lead students to be prepared for better entering the profession of internal auditing.

3. RESEARCH METHOD

Research Variables and Sources of the Data

This is a descriptive research because it provides a description of the competencies that are important for consideration in the auditor world. The competence of internal auditors refers to the requirements

of internal audit programs recommended by the Institute of Internal Auditors. It consists of: Part A Requirements of Core Curriculum, which includes the principle of internal audit, governance and Ethics organization, fraud and Forensic (fraud and forensics), auditing Information Technology, and Skills of Business Communication for the Internal Auditor. Part B deals with the activities for giving the student experience. This includes internship experience, experience working in companies or institutions, and interaction with the lecturer practitioner. Part C deals with Credentials and Certification Students, covering Participation in internal

Table 2
Results of Reliability Testing

Variable	Cronbach's Alpha	N of Items
Subjects or Topics of Courses	.807	9
Students' Experience Activities	.866	12
Students Credentials and certification	.802	5

auditor training and certification exams to obtain full certification of Internal Auditors.

The data is cross-sectional since it uses multiple internal auditors in the same year. Source of data is taken from the result of the internal auditors questionnaires. It was conducted in the companies that have an internal auditor. It was done in the period of March 1 to May 30, 2014.

Data Collection Technique

For gathering the data, the researchers conducted a survey of potential competencies. Before distributing to respondents of internal auditors practitioners, the researchers conducted a pilot test to a colleague that the faculty to test the validity and reliability of the questions in the questionnaire. The researchers worked with the Internal Audit Foundation (YPIA) which has a good network with the Internal Auditor throughout Indonesia in conducting the survey. The questionnaires were distributed to 140 managers of Internal Audit and the questionnaires which were returned were of 99 that is the return rate is 70%.

Data Analysis Techniques

A Likert scale was used to measure the competencies and this Likert scale consists of five scale is strongly disagree (STS), disagree (TS), doubtful (RR), agree (S), and strongly agree (SS). Each statement will be analyzed on the distribution of respondents by counting the frequency of responses. To determine the key variables considered in recruiting internal auditors used ANOVA (Forum 2010).

Testing Reliability, Validity, and Inference

Reliability is actually a tool to measure a questionnaire which is an indicator of variables or constructs (Widodo 2001). A questionnaire is said to be reliable or reliable if the response are the expression of the statement and is consistent or stable over time. The reliability test was done by calculating Cronbach's alpha. The questions can be said to be reliable in measuring the variable if it has a value of Cronbach's alpha > 0.7 although it can be lowered to > 0.6 in exploratory research (Hair, et al. 2006).

The validity test is used to measure whether a

valid or invalid questionnaires. A questionnaire is said to be valid if the questions on the questionnaire express what is measured by the questionnaire (Widodo 2001). Pearson correlation test was used to test the validity of this study. To determine whether an item can be said to be a valid statement or not then we see the significance of the correlation of each item with a statement of the total statement.

Tests was carried out using ANOVA is to see the difference the mean of each of the questions. From each of these questions then sorted the mean of grains significant questions.

DATA ANALYSIS AND DISCUSSION

Validity Test

Validity variables were measured (A), Activities of the Student Experience (B), and Credentials and Certification Students (C). Validity was done using Pearson correlation. Pearson correlation test results showed that all the questions for all valid questions because the group is significant at 5% alpha. The validity result can be seen in Table 1.

Reliability Test

The test was done by calculating Cronbach's alpha. The results are shown in Table 2. It shows that all of the questions used are reliable because it has a value of Cronbach's alpha > 0.6, which is 0.807 for the course and special topics (A), 0.866 for the Student Experience Activities (B), and 0.802 for Credentials and Certification Students (C).

The Test Analysis

Courses and Specific Topics

There are 9 factors associated with courses and specific topics. These 9 factors are to be considered in recruiting internal auditors. Based on Table 3, the 9 factors can be grouped in which each group is different significantly. It is demonstrated by the significance of F-value which less than 0.05. The next is on Table 4 showing the order of importance of the factors considered in recruiting internal auditors ranging from very important to less important one such as ranging from group 5 to group 1. Group 5 includes: mastering the material or the ethics and corporate governance, mastering the material technology information, internal audit, and control of business communication for internal auditors.

Group 4 study covers understanding the difference between internal audit and external audit psychology and masters the material for internal auditors. Group 3: master the material fraud (fraud) and or forensics. Group 2: mastering the material relating to training/courses outside of internal audit internal

Table 3
ANOVA of the Subjects and Specific Topics

A	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	256.253	11	23.296	25.712	.000
Within Groups	1065.475	1176	.906		
Total	1321.727	1187			

Table 4
Homogeneous Subsets of the Subjects and Specific Topics

Tukey HSD

Item	N	Subset for alpha = 0.05				
		1	2	3	4	5
A8	99	3.5152				
A9	99	3.7273	3.7273			
A5	99		4.0101	4.0101		
A7	99			4.1010	4.1010	
A4	99			4.1515	4.1515	
A6	99			4.1919	4.1919	4.1919
A3	99				4.4040	4.4040
A1	99					4.5152
A2	99					4.5253
Sig.		.659	.260	.820	.179	.094

Means for groups in homogeneous subsets are displayed.

audit courses in the curriculum. The last sequence is Group 1: that is control of matters relating to the negotiation.

The materials of ethics and governance of the organization are to be considered recruiting internal auditors. This indicates that the internal auditor practitioners realize the importance of good corporate governance in line with the internal auditor's role in helping management to achieve organizational goals. Ethical problems concern such as Enron's auditor override concern seems to be a practitioner of internal auditors. On the contrary, the mastering the information technology, internal audit over matter, and business communication skills for internal auditors are essential in recruiting internal auditors. This is in accordance with the framework of the IIA that organize the work performance. In turns, it attributes into four levels, namely interpersonal skills, tools and techniques, internal audit standards and areas of knowledge. Mastery of business communication is very important for the new internal auditor (Seol, Sarkis and Lefley 2011).

The above evidence is also supported by Bailey (2010) who states that the three most important competencies of internal auditors are communication skills (verbal, written, writing reports, and presentations), skills of problem identification. Beside, it also concerns solutions (including knowledge of core, conceptual, and analytical thinking), and main-

tain the current issues with industry and changes of regulations and professional standards. It is also supported the level of 6 KKNI stating that S1 Degree should be trained in work ethic, flexible to work choice, master certain theoretical concepts and apply knowledge areas, master information technology, and communications master (Director General of Higher Education 2012).

The mastery of psychology is also very useful for internal auditors in performing their duties. A good approach to the auditee enables the auditor to obtain the necessary information and deliver effective consultation. The role of psychological factors in the audit practice allows an auditor to create a comfortable and safe atmosphere that psychologically, the auditee did not feel threatened in giving everything or information that will be needed in the implementation of the audit process (Badjuri 2008).

Negotiation skills become less important factor. According to practitioners' view of internal auditors, negotiating skill is indispensable when it reaches the level of manager and above. The lower-level technical skills are also very important (Abdolmohammadi 2012).

Students' Activities Experience

There are 12 factors related to the activity of Student Experience. The overall of 12 factors are factors to be considered in recruiting internal auditors. Based on

Table 5
ANOVA of Students' Activity Experience

B	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	92.992	8	11.624	17.565	.000
Within Groups	583.677	882	.662		
Total	676.669	890			

Table 6
Homogeneous of Students Activity Experience

Tukey HSD

Item	N	Subset for alpha = 0.05				
		1	2	3	4	5
B7	99	3.0000				
B5	99	3.1313				
B6	99	3.2626	3.2626			
B4	99	3.2929	3.2929	3.2929		
B3	99	3.3030	3.3030	3.3030		
B12	99		3.5960	3.5960	3.5960	
B1	99			3.7273	3.7273	
B10	99				3.7677	
B2	99				3.8182	
B11	99				3.9899	3.9899
B9	99					4.4141
B8	99					
Sig.		.521	.364	.061	.138	.075

Means for groups in homogeneous subsets are displayed.

Table 7
ANOVA of Students Credentials and Certification

C	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.362	4	1.340	1.229	.298
Within Groups	534.384	490	1.091		
Total	539.745	494			

Table 5, the 12 factors can be grouped and between the groups (between groups) they differ significantly. This is demonstrated by the significant F value less than 0.05.

Table 6 shows the order of importance of the factors considered in recruiting internal auditors ranging from very, very important to less important one, the group 6 to group 1. Group 6 include the skill of being able to work individually and in teams in a responsible manner and is able to utilize information technology to complete a specific task in the field of work related to internal auditing. Group 5: they must be able to perform a comprehensive analysis of the accounting problems.

Now, it arrives at the discussion on Group 4 that includes strong leadership skills with a view to demonstrate the ability or work experience and ex-

tracurricular activities, an entity is able to prepare financial statements in accordance with accounting standard computerized, able to demonstrate work experience and or extracurricular activities, either orally or in writing, and is able to use at least an audit software (e.g. ACL).

Group 3 includes having some business experience outside of internal audit and has worked as an employee or a professional in the field of internal auditing. Group 2: it is never to have internship in a public accounting firm. Group 1 includes never interacted with at least one student friends who have worked or have internal auditing and certification conducted a study of the internal audit.

The ability to work individually and the team becomes a very important factor in addition to the ability to utilize technology and conduct a comprehensive

Table 8**Homogeneous of Students Credentials and certification**

Tukey HSD

Item C	N	Subset for alpha = 0.05
		1
C4	99	3.2929
C2	99	3.3434
C5	99	3.4545
C1	99	3.5253
C3	99	3.5657
Sig.		.353

Means for groups in homogeneous subsets are displayed.

analysis of the accounting problems. Internal auditors in their work often work individually and in teams. These results are also in line with the qualification level 6 KKNi stating that Bachelor S1 is able to make good decisions based on analysis of information and data, and is able to provide guidance in selecting a variety of alternative solutions independently and groups, are able to apply their areas of expertise and utilize science and technology in the field, and is able to provide guidance in selecting a variety of alternative solutions independently and group (Directorate General of Higher Education 2012).

To be able to do the job properly and on time, an internal auditor must be equipped with the ability to utilize technology and the ability to perform a comprehensive analysis (Alkafaji et al. 2010). Formal education and experience are factors to be considered in the audit of internal recruiting. Formal education and work experience with mutual support in sharpening competencies. This is in line with research Ferguson, Richardson & Wines (2000) who argue that the importance of formal study and work experience.

Students' Credentials and Certification

There are 5 factors relating to the students' Credentials and Certification. The 5 factors are factors to be considered in recruiting internal auditors. Based on Table 7, these factors can not be classified as inter-group (between groups). They did not differ significantly as indicated by the value of F is more than 0.05. Table 8 shows the lack of importance of the factors considered in recruiting internal auditors. The practitioners of Internal Audit considers are among the five factors are equally important.

This is in accordance with Permendikbud No. 81 of 2014 concerning diplomas, certificates of competence, and higher education professional certificate stating that certificate publishing aims to provide written evidence of learning outcomes. (2) Issuance of Certificate of Competence aims to provide

written evidence of job competence. (3) Issuance of Certificate of Professional aims to provide written evidence of the ability to run the practice of the profession.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATION

When viewed from the perspective of internal audit practitioners, the essential factors to be considered in recruiting internal auditors in Part A Subjects and Special Topics in sequence include: mastering the material or the ethics and cooperating governance, information technology material master, the material internal audit, and business communication materials for internal auditors.

The next is in Part B that is students activity experience sequentially includes: being able to work individually and in teams, responsibility, able to utilize information technology to accomplish specific tasks in the areas of work related to internal auditing, and able to conduct a comprehensive analysis of the accounting problems.

The, in Part C that is students credentials and certification to be considered however, there is no order of importance of these factors to be considered, namely: having a degree S1 and S2 in Accounting or, having a high GPA, having been studied or planned to study the CIA exam or QIA, completing the concentration of internal audit or certification at level S1 or S2, and having a bachelor's degree in business (outside accounting).

It is evident that ethics and corporate governance (good governance) are becoming a major consideration in the recruitment of internal auditors. This suggests that practitioners are aware of the importance of business practices, being ethical and well managed. The next order is the mastery of information technology, internal audit, business communication, avoiding fraud, and the ability to negotiate. Technical and non-technical competences should also support the course. Thus, universities, particularly Accounting Studies Program should certainly consider the above in preparing the curriculum. On the students' activities, the ability to work individually or in a team must be the primary consideration in recruiting internal auditors.

The next sequence is the ability to use information technology in the implementation of the tasks, the ability to analyze comprehensively, work experience or internship in the field of auditing, and business experience outside audit. Student activities that can improve the ability to work individually and in teams are also very important.

The advanced Accounting Studies Program

should encourage students to have experience working in the field of audit and non-audit. Learning in accounting studies programs should provide adequate portion to students for practice or experience course material both in the classroom and outside the classroom. Besides accounting courses need to organize an internship program to facilitate the students have experience.

Students' credentials and certification turned out to be considered in recruiting internal auditors. College graduates should study or are interested in following the CIA exam or QIA ranks first consideration. This shows that the the efforts made by students to sharpen skills (skills) outside the curriculum are required. In addition, the practitioners still prioritize areas of accounting graduates to become internal auditors, although scholars from other fields are also allowed to fill these positions.

This study shows the need of accounting courses provide training to improve skills in the field of the research audit. The result supports the criteria of IIA's IAEP guidelines. This study has limitations in which the sample was only taken from the respondents who had worked closely with the Internal Auditors Research Foundation (YPIA). The sample in this study also does not consider the size of the company. Large companies may have more criteria in recruiting internal auditors than small companies.

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