



ISSN : 2722-7820 (Online)

**Point of View Research Accounting and Auditing**

<https://journal.accountingpointofview.id/index.php/povraa>



## Follow up on External Audit Result: Evidence from Telecommunications Companies in Indonesia

Wahyuni Wahyuni †, Khadijah Darwin 2, Nurul Fuada 3

1,2,3 Universitas Muhammadiyah Makassar, Sultan Alauddin Street, Makassar, 90221, South Sulawesi, Indonesia

### Submission Info :

Editor : Muhammad Nasrun  
Received 11 July 2020  
Accepted 28 July 2020  
Available online 28 July 2020

### Keyword :

Audit Follow Up  
Audit Results  
External Audit

### Email :

[wahyuni@unismuh.ac.id](mailto:wahyuni@unismuh.ac.id)  
[khadijahdarwin@unismuh.ac.id](mailto:khadijahdarwin@unismuh.ac.id)  
[nurulfuada@unismuh.ac.id](mailto:nurulfuada@unismuh.ac.id)

### Abstract

This study aims to analyze the follow-up of external audit results at PT. Telkom Region IX, Tbk. The research method used by researchers is quantitative descriptive data collection in the form of financial statements audited by the internal auditors and external auditors in 2018 and followed up by asking opinions for informants related to financial reporting. Based on the results of an analysis of research conducted at PT. Telkom states that the audited financial statements in 2018 show the results of an opinion that is reasonable with the exception due to inconsistencies and human resources implementing multiple positions in a company's activities, which can be seen when preparing different fixed asset reports in 2017 and 2018, so based on the problem it does not show the category of cheating because the reasons presented by the management at the time of the inspection are considered reasonable because it is only done once so that the calculation of depreciation in the following year does not repeat the mistake again, but if the following year changes the depreciation method then this is an intentional fraud because it has been committed more than once.



This is an open access article under the [CC BY 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

© Point of View Research Accounting and Auditing (2020)

## 1 Introduction

Stakeholders, as users of information from the company's financial statements, expect the auditor's role to work professionally to provide the ratification of financial statements that are presented free from material misstatements (Rahim et al., 2020). But stakeholders sometimes still experience some obstacles in capturing information obtained from financial statements (A. Pratiwi et al., 2020). This condition certainly makes the stakeholders as users of financial information need third party services (Suraida, 2005). At the same time, the auditor has the potential to experience failure in carrying out his work due to mistakes made by the auditor himself (Muslim et al., 2018). For example, cases of accounting scandals such as Enron, Global Crossing in the United States provide empirical evidence about audit failures and result in a huge uproar in the capital market. This resulted in a drastic decline in share prices of companies affected by the case and the Public Accounting

† Corresponding author. Wahyuni Wahyuni  
Email address: [wahyuni@unismuh.ac.id](mailto:wahyuni@unismuh.ac.id)

Firm must take responsibility for this case.

In the future, the Public Accounting Firm (KAP) in Indonesia will compete with foreign KAP as a consequence of the globalization era (Tarigan, Bangun, & Susanti, 2013). This certainly makes the discourse about the quality of the work of auditors will become a central issue and increasingly interesting to be discussed so that in the future it will create the confidence of stakeholders towards the auditor in carrying out his work (A. Pratiwi et al., 2020). The occurrence of fraud or irregularities can have an effect that brings many losses to many parties. Although there is no specific information in Indonesia, based on the company's perspective, the level of deviation between the company and the auditor will be obtained through irregularities in presenting audited financial statements such as making transaction evidence, manipulating operational cost data, and net profit so that from some irregularities this will bring down the good name of public accounting firms and companies and maintain auditor independence maintaining independence as governed by the ethical rules of public accounting compartments (Agoes, 2017). Stakeholders such as investors, creditors and related parties who put trust in public accountants make public accountant auditors have a great obligation to always improve and show professional performance based on the audit standards set by the IAI (Indonesian Accountants Association).

Internal auditors usually conduct audits to examine financial statements in detail. to the financial statements and accounting records of the company as well as compliance with top management policies that have been determined and adherence to government regulations and the provisions of applicable professional ties (Barbadillo et al, 2013). In the financial reporting mechanism, an audit is designed to provide assurance that the financial statements are not affected by material misstatements and also provide adequate confidence in management's accountability for the company's assets (Ishak, 2018). An internal auditor in carrying out audits is not merely for the benefit of the client but also for other parties with an interest in the financial statements and an independent auditor as the party giving an opinion on the company's financial statements which has recently faced greater demands for accountability for various practices that occur in the company in the audit (Rosandi, 2009). But on the other hand, the client (auditee) may have different interests, maybe even contrary to the interests of the users of financial statements. Likewise, the interests of users of one financial statement might be different from those of other users. Therefore, in providing opinions on the reasonableness of the financial statements examined, public accountants must be independent of the interests of clients, users of financial statements, and the interests of the public accountant itself (Wibowo, 2009).

External auditors are responsible for planning and carrying out audits to obtain confidence about whether the financial statements that have been prepared by the company management are free from misstatements due to errors and fraud This is found in the auditing standards for report work in standard No. 6, namely that the comparison of financial statements of a business unit between several periods can be affected by changes in accounting errors in the financial statements published in the previous period, changes in the classification and events or transactions that are very different that are accounted for in the financial statements presented in the period before, which caused the auditor's opinion report (Hajering et al., 2019).

The results of the auditor's examination in the implementation of the audit on the financial statements of PT. Telkom is an unqualified opinion with the language in standard form at the examination in 2018. The meaning of this statement results in the preparation made by Telkom's management being reasonable and the process of preparing financial statements in accordance with generally accepted principles in Indonesia but in the preparation there are changes to the method recognized the current period with the previous period, one of which is the method of recognition of depreciation of fixed assets recognized by management for the current period using the straight line and the previous period using the method of double declining balance, this results in an influence on changes in earnings and profits for the tax authorities from the different methods, based on Last year's examination of changes in the method of depreciation of fixed assets is attached in the form of additional notes given by the auditor to the client in the form of additional words, namely that the company may not use changes in the method of depreciation n, this results in the company being inconsistent in its preparation process, so it is recommended by the auditor to use a consistent method, it can change if it has to report the change with clear reasons for the change, so that it clearly has a cause and effect in the change. the second problem arises from the results of the internal auditor's examination in his human resources holding multiple positions so as to result in deviations due to multiple job describing.

This study deals with a follow-up analysis of audits conducted by external auditors at PT. Telkom Makassar. The reason for choosing this research location is because the researcher considers that PT. Telkom is one of the largest telecommunications companies in Indonesia and certainly has many operational activities and has a high complexity of problems. According to Umar, (2012) with the input from auditors, decision makers can stop and prevent the recurrence of mistakes, irregularities, misappropriations, and waste (Albab et al., 2019). The benefits of internal supervision through auditor audits are not only in the number of reported findings, but also in the effectiveness of follow-up by the auditee. Internal supervision will be in vain without any corrective action in the completion of the follow-up so that the oversight goal is not achieved namely improving performance for the organization and will cause public distrust (Hasmawali, 2012).

Research related to the analysis of the follow-up of audit results has attracted several previous researchers such as (Tresnawati & Nur Apandi, 2016; Harinurhady et al., 2017; Hendriyani & Suhendra, 2018; Albab et al., 2019; R. Pratiwi & Aryani, 2017; Lusiana et al., 2017; Kustiawan, 2017). The difference between this research and the research that has been mentioned is that the previous research is more focused on the public sector while this research will be conducted on the private sector to find out any follow up that has not and or not followed up the audit results of the Public Accountant Firm which triggers urgency in completing the follow-up. The urgency of this research is that the rectification after the audit process is more important than the detection of the audit findings themselves because the effort to rectify the audit can increase the effectiveness of the audit process (Liu & Lin, 2012). The importance of this is that when the old recommendations have not been followed up, new recommendations will emerge on the results of the next examination so that the auditor's recommendations will pile up which of course will affect the company's performance evaluation (Harinurhady et al., 2017).

## 2 Research Method

The research approach used is a quantitative method that is an explanation using numbers, where the problems collected in the data will be classified and then explained objectively. The object of this research is PT. Telkom Indonesia Region IX in Makassar. The analytical method used is quantitative descriptive through a process of interviews, documentation, observation (Sugiyono, 2010).

## 3 Result and Discussion

### Result

The opinion of the internal audit of the examination of PT. Telkom, for the auditor at the time of examination gave an opinion on the 2017 financial statements, which is reasonable without exception, meaning that the preparation made by the management is in accordance with the preparation of the prevailing laws and regulations, namely the Financial Accounting Standards (SAK). There was no change in method between 2017 and 2018, changes in the method such as the depreciation calculation used by PT. Telkom, namely double declining balance, and inventory calculation using the lifo method, and the calculation between the company's cash and cash calculations in the bank at the time of cash confirmation to the banking department, everything reported by management is considered to be the same and free from misstatements or said to be material. So for the auditor at the time of giving a fair opinion with no exceptions. So that in 2017 the company is said to be liquid or current. But there are some suggestions given by the internal auditor to PT. Telkom, which is to be able to do the employee rolling system and the addition of employees in the financial section so that the name cheating can be avoided, but also done to maintain the stability of the company.

The external auditor's report states that the financial statements presented by management have carried out based on Financial Accounting Standards (SAK), where an audit involves carrying out procedures to obtain audit evidence about the numbers and disclosures in the financial statements. The procedure chosen depends on the auditor, including the assessment of the risk of material misstatement in the financial statements, whether caused by fraud or error. The external auditor stated that in carrying out the inspection for 3 months in PT.

Telkom, the opinion issued is reasonable with the exception of language in the standard form at the examination in 2018. The meaning of this statement results in the preparation made by Telkom's management being reasonable and the process of preparing financial statements in accordance with generally accepted principles in Indonesia. But in the division of labor that is distributed by the management allows someone to make deviations in the world of work or organization PT. Telkom, which will be explained more clearly in the discussion of the results of the follow-up of cash registrations involving human resource actors in operating the division of labor that is held by one person. Because the opinion of the public accounting firm is different from the internal audit opinion of PT. Telkom, the internal auditor make recommendations to the management to do a rolling system for each division of work, and follow up employees who commit irregularities or provide consequences by being fired, fined or imprisoned at once so that users no longer commit irregularities that could harm PT. Telkom or other companies.

## Discussion

Opinion of external auditors about the systems and procedures implemented by PT. Telkom is in the category of reasonable and additional languages or with exceptions. This opinion illustrates that the systems and procedures implemented by PT. Telkom did not cause fraud but was given advice so as to prevent potential fraud, the external auditor expects the company's management. The Fair Opinion by the external auditor was issued because PT Telkom's system and work procedures had been implemented and could support the achievement of company goals. Some of the policies implemented by PT Telkom are 1) The processing of each cash disbursement transaction from the beginning to the end is carried out by different sections. This has a good effect on the company, because with the separation of the transaction data processing stages to different parts can prevent the possibility of transaction data engineering. 2) Position rotation on a regular basis, to avoid the possibility of misuse by irresponsible employees. 3) Recruitment of prospective new employees of PT. Telkom is implemented by selecting prospective employees based on requirements that are appropriate to the job (job describing). Selection of PT. Telkom Makassar is conducted by selecting prospective employees based on requirements in accordance with the work. Provide educational development opportunities through training and training for employees in accordance with work development guidelines, 4) Periodically matching wealth and accounting records. PT. Telkom experienced differences between cash open PT. Telkom, with those in the bank account at Bank Mandiri, thus requiring bank reconciliation, the results of the report will affect the cash position in the balance sheet. 5) sudden inspection with an irregular schedule or surprised audit will encourage employees to carry out their duties and responsibilities in accordance with the rules set by the company's management. 6) Requirement for taking leave for eligible employees, PT. Telkom already has a policy regarding granting leave for employees in accordance with work regulations. As long as the employee's leave of duty is replaced by a substitute for daily operations. The application of leave for this employee can provide good benefits for the company, by having daily operations as a temporary substitute for old employees) in addition to aiming to replace old employees, it also aims to prevent fraud or fraud long. 6) Applying the principle of prudence in reporting incoming and outgoing money so as not to be suspicious by interested parties, and if this incident is carried out more than once, this is an act of fraud that will produce an opinion, "reasonable with exceptions"

Additional languages or exceptions were issued by the external auditor because the results of the internal audit found that the recording of depreciation costs by the management was not consistent. This can be seen in 2017 the recording and calculation using the double declining balance method while for 2018 using the straightline method. This can be seen from the difference in depreciation calculation figures which clearly shows a significant change in cost reduction between using the straight-line depreciation method, which is Rp. 28,113,200,000,000, and the double downward balance method of Rp. 14,354,727,974,146 so that this is very influential for the taxation party and considers that a public or commercial deliberately reduces the tax expense of Income Tax Article 25 to postpone tax payments due to inconsistencies in depreciation calculations so that from that effect biases are detrimental to the State treasury, Due to the calculation of depreciation of PT assets . Telkom has a difference of Rp. 140,735,974,146. This has an impact on the costs of the income obtained from the operations of PT. Telkom and this inconsistency have deviated from the rules in the Financial Accounting Standards.

Clarification of the management of PT. Telkom is that this only happened in 2018 because the calculation of the depreciation method was carried out by different people and the person who frequently did the calculation had left and according to the new employee there was no confirmation from the employer. So he uses calculations that are often done by other companies, but this is also blamed for his lack of creative employees asking questions to their superiors before doing work. So the external auditor issued an opinion on the financial statements in 2018 which is reasonable with the exception due to inconsistencies and human resources who apply multiple positions in a company's activities.

This problem, according to the external auditor, is not cheating because the reasons presented by the management at the time of the inspection are considered reasonable and only done once so that the calculation of depreciation in the following year does not repeat the mistake again, but if the following year changes the method of depreciation then this is a intentional fraud because it has been committed more than once.

Follow-up on the Internal Cash Register Control System at PT. Telkom Makassar is to make several work plans that have been made by Internal Audit such as 1) conducting an examination of all transactions of PT. Telkom especially the recording of incoming and outgoing money from PT. Telkom Makassar, 2) Request interbank confirmation, where PT. Telkom conducts transactions 3) Check the consistency of PT. Telkom in reporting depreciation of company assets. Furthermore, carrying out Internal Audit activities by carrying out preliminary research, making Audit scheduling, determining organizational units to be examined, determining the length of the audit on each object, determining the number of audits needed, preparing working papers, carrying out field checks (specifically the cash section and PT Telkom Makassar's depreciation expense), reports on audit results and reviews that have been submitted to management.

**Table 1.** Working Paper of PT. Telkom Makassar

Description	Ref	Per Client	PARE		Per Audit
	KK	31/12/2018	Dr	Cr	31/12/2018
Cash	c	Rp. 7.000.000.000			Rp. 7.000.000.000
Book BRI Bank AC.25451.238		Rp. 70.000.000.000			Rp. 70.000.000.000
Book Bank BNI Sudirman AC 0065666351		Rp. 409.000.000.000			Rp. 409.000.000.000
Book BRI Bank AC 0065666351		Rp. 804.000.000.000			Rp. 804.000.000.000
Book Bank BTN AC 0065666351		Rp. 50.000.000.000			Rp. 50.000.000.000
Etc		Rp. 6.000.000.000			Rp. 6.000.000.000
Bank MANDIRI (Foreign Currency)		Rp. 70.000.000.000	547.089		Rp. 70.000.547.089
Bank BNI (foreign currency)		Rp. 224.000.000.000			Rp. 224.000.000.000
Bank MANDIRI (Foreign Currency)		Rp. 458.000.000.000			Rp. 458.000.000.000

**Source:** PT. Telkom (Accounting and Finance Section; 2018)

## 4 Conclusions

The results showed taxpayer sanctions and tax awareness and norma sosial influence positive and significant to the motivation of taxpayer in fulfilling its taxation obligations in KPP Pratama Makassar Selatan. The results of this study suggest that taxation sanctions need to be enforced to increase taxpayer awareness. Tax Fiscus may use a more persuasive approach in the face of taxpayers. It is in accordance with the philosophy that the government needs eggs instead of chickens. Therefore, do not turn off the chicken. Taxpayer awareness is expected to arise from taxpayers, although the government is always striving to raise taxpayer awareness. This needs to be affirmed so that the Community really understands the importance of tax for national development financing, and the Indonesian people's welfare. It is advised that the government is more aggressive in instilling the values of consciousness as early as possible for all walks of life, especially the young generation so that they have a well-directed taxation knowledge that gives birth to voluntary of compliance. Social norms also have a very important and strategic role in dealing with taxpayers. Advised in conducting counseling and examination and supervision in order to pay attention to factors of social norms such as local culture, local customs, because in this way then obligatory awareness will easily form voluntarily

## 5 References

- A. Agoes, Sukrisno.(2017). Auditing Petunjuk Praktis Pemeriksaan Oleh. Jurnal Ilmiah Mahasiswa S1 Akuntansi Universitas Pandanaran ISSN, 2502, 7697.
- Albab, A. U., Nur savitri, A. S., & Anwar, S. (2019). Analisa Hasil Audit Pemerintah Terhadap Tingkat Korupsi Pemerintahan Provinsi Jawa Tengah. *Accounting Global Journal*, 3(2), 103–117. <https://doi.org/10.24176/agj.v3i2.3587>
- Barbadillo, E. R., Agilar, N. G., & Barbera, C. D. F. Agoes, Sukrino.(2004). Auditing (Pemeriksaan Akuntan) Oleh Kantor Akuntan Publik. Edisi 3. Jakarta: Fakultas Ekonomi Universitas Indonesia. *Accounting Review*, 13(4), 597-620.
- Hajering, M. S. (2019). Moderating Ethics Auditors Influence of Competence, Accountability on Audit Quality. *Jurnal Akuntansi*, 23(3), 468-481.
- Harinurhady, A., Rifa'i, A., & Alamsyah, A. (2017). Analisis Penyelesaian Tindak Lanjut Hasil Pemeriksaan Auditor Inspektorat Kabupaten Sumbawa Barat. *Jurnal Economia*, 13(1), 95. <https://doi.org/10.21831/economia.v13i1.13520>
- Hendriyani, S., & Suhendra, K. (2018). Implementasi Penyelesaian Tindak Lanjut Hasil Pengawasan Fungsional Pada Inspektorat Kabupaten Indramayu Tahun 2016. "REFORMASI: Jurnal Ilmiah Administrasi," 3(1), 70–81. <https://doi.org/10.33603/reformasi.v3i1.1793>
- Ishak, P. (2018). Pengaruh Independensi Auditor, Emotional Intelligence, Spiritual Intelligence Terhadap Perilaku Etis Auditor dan Kinerja Auditor. *ATESTASI: Jurnal Ilmiah Akuntansi*, 1(1), 85-98.
- Kustiawan, M. (2017). Pengaruh Pengendalian Intern Dan Tindak Lanjut Temuan Audit Terhadap Kualitas Laporan Keuangan Yang Berimplikasi Terhadap Pencegahan Fraud. *Jurnal Akuntansi*, 20(3), 345–362. <https://doi.org/10.24912/ja.v20i3.2>
- Liu, J., & Lin, B. (2012). Government auditing and corruption control: Evidence from China's provincial panel data. *China Journal of Accounting Research*, 5(2), 163-186.
- Lusiana, L., Djamhuri, A., & Prihatiningtias, Y. W. (2017). Analisis Penyelesaian Tindak Lanjut Hasil Pemeriksaan. *Jurnal Economia*, 13(2), 171. <https://doi.org/10.21831/economia.v13i2.15180>
- Muslim, M., Pelu, A. M. F., & Mentari, K. (2018). Pengaruh Kompetensi Auditor, Tekanan Ketaatan, dan Kompleksitas Tugas Terhadap Audit Judgment. *Bongaya Journal for Research in Accounting*, 1(2), 8–17.
- Pratiwi, A., Muslim, M., Rahim, S., & Pelu, M. F. A. R. (2020). Kualitas Audit: Ditinjau dari Fee Audit, Risiko Audit dan Skeptisme Profesional Auditor sebagai Variabel Moderating. *Ekuitas: Jurnal Pendidikan Ekonomi*, 8(1), 9–19.
- Pratiwi, R., & Aryani, Y. A. (2017). Pengaruh Karakteristik Pemerintah Daerah, Kepala Daerah, Tindak Lanjut Temuan Audit Terhadap Opini. *Jurnal Akuntansi*, 20(2), 167. <https://doi.org/10.24912/ja.v20i2.52>
- Rahim, S., Ahmad, H., Nurwakia, N., Nurfadila, N., & Muslim, M. (2020). The Influence of Audit Staff Quality and Client Type on Audit Evidence Collection with Communication Type as Moderation. *Journal of Accounting and Strategic Finance*, 3(1), 103–117. <https://doi.org/10.33005/jasf.v3i1.79>
- Rosandi, R. (2009). Persepsi Mahasiswa Akuntansi Terhadap Etika Profesi Auditor Dalam Mendeteksi Kecurangan Penyajian Laporan Keuangan (Survey Pada Universitas Muhammadiyah Surakarta dan Universitas Sebelas Maret) (Doctoral dissertation, Universitas Muhammadiyah Surakarta).
- Sugiyono, P. D. (2010). Metode penelitian pendidikan. Pendekatan Kuantitatif.
- Suraida, I. (2005). Pengaruh etika, kompetensi, pengalaman audit dan risiko audit terhadap skeptisisme profesional auditor dan ketepatan pemberian opini akuntan publik. *Sosiohumaniora*, 7(3), 186.
- Tarigan, M. U., & Susanti, P. B. (2013). Pengaruh Kompetensi, Etika dan Fee Audit Terhadap Kualitas Audit. *Jurnal Akuntansi*, 13(1), 803-832.
- Tresnawati, F., & Nur Apandi, R. N. (2016). Pengaruh Tindak Lanjut Hasil Pemeriksaan Terhadap Kualitas Laporan Keuangan Dengan Tingkat Pengungkapan Laporan Keuangan Sebagai Variabel Moderating (Studi Empiris Pada Kementerian/Lembaga Republik Indonesia). *Jurnal ASET (Akuntansi Riset)*, 8(1), 1. <https://doi.org/10.17509/jaset.v8i1.4017>
- Umar, H. (2012). Pengawasan Untuk Pemberantasan Korupsi. *Jurnal Akuntansi dan auditing*, 8(2), 109-122.
- Wibowo, A., & Rossieta, H. (2009). Faktor-faktor determinasi kualitas audit—suatu studi dengan pendekatan earnings surprise benchmark. *Symposium Nasional Akuntansi*, 12, 1-34.