

The Effect of Professional Ethics on Consideration of Materiality Level in Financial Statement Examination At PT Bhakti Sehat Husada Medan

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ABSTRACT

This study is entitled "The Effect of Professional Ethics on Consideration of Materiality Level in Examining Financial Statements at PT Bhakti Sehat Husada Medan". This study uses quantitative research that aims to determine whether the professional ethics of the sample in this study were 30 samples. The sample in this study used employees who were registered as respondents at the company PT Bhakti Sehat Husada Medan. Data collection techniques by distributing questionnaires and documenting the results of the questionnaire. In proving and analyzing this, the normality test, Multicollinearity test, Heteroscedasticity test, multiple linear regression test, R² test and F test (simultaneous) and t test (partial) are used. The test results show that: partially there is no effect between professional ethics (X1) on the materiality level (Y) of the company at PT Bhakti Sehat Husada.



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1. INTRODUCTION

The rapid development of the business world can trigger increased competition among business people. Various kinds of efforts are made to increase revenue, in order to survive in the face of this competition, a policy is carried out by the company, namely examining the company's financial statements by a third party called an auditor as a party that is considered independent. According to Sukrisno Agoes (2018:4) the definition of an audit is "Auditing is an examination that is carried out critically and systematically, by an independent party, of the company's financial statements that have been prepared by management, as well as accounting records and other supporting evidence, with the aim of being able to provide an opinion on the fairness of the company's financial statements".

Professional ethics are rules that are binding on every member of the profession that makes these rules, and is the law for the community (society) of the profession concerned.

Materiality is the amount of omission or misstatement of accounting information seen from the circumstances surrounding it, which can affect the judgment of those who place trust in that information (Mulyadi, 2017). Materiality is the amount of value omitted or misstated in accounting information which, in view of the circumstances surrounding it, can result in changes to or influence the judgment of the person who places trust in the information because of the omission or misstatement (Arens & Loebbecke, 2016).

Referring to the 2019 phenomenon, the BPJS Participation Director stated that 26% of the total guarantee participants were registered with information that did not match the actual wages, workforce, and program. This could be just a rough calculation where the original number turned out to be 30%. Furthermore, the existence of inappropriate information will be the material for improvement of BPJSTK. This improvement has a special view to retaining guarantee participants, as well as improving enrollment information. The manipulation of false salary reports provides additional responsibilities and new work outside the core business activities of BPJSTK. This is actually not the first time this has happened. There are various other similar cases, but there is no attention from the public. This is related to social security guarantees for the people of the country so that they do not fall into health problems in accordance with their financial capabilities. In the cases of employee salary report manipulation monitored by BPJSTK, the management's profit lies in the difference between the original salary and the reported amount. The margin between the two is what is manipulated by the party making the report. It could be that the nominal reported is smaller, so that company contributions for employees become more economical.

**Table 1.1 Net Profit Data for 2020-2021
PT Bhakti Sehat Husada Medan in 2020-2021
(In Rupiah Units)**

Reported Data			Actual data and has been audited by Auditor		
Year	Revenue	Net Profit	Year	Revenue	Net Profit
2020	50.723.128	4.057.850	2020	70.186.168	5.145.063
2021	60.174.238	4.813.939	2021	73.394.728	4.961.851

Source: Financial Statements of PT Bhakti Sehat Husada (internal audit: Irvan Kurniawan)

Based on the table above, it can be seen that the data reported with the actual data has a difference. The reported revenue in 2020 of Rp. 50,723,128 with a net profit earned in 2020 of Rp. 4,057,850 has a difference with the actual company data in 2020 with revenue of Rp. 70,186,618 and net profit of Rp. 5,145,063. Then in 2021 it has a difference again with a revenue of Rp. 60,174. 238 and net profit of Rp. 4,961,851 which caused the company to be categorized as a criminal offense for engineering the company's financial statements.

Agoes (2019) said that: "The problems that occur in the company are due to weak internal control in the company". Chairman of the Corruption Eradication Commission (KPK) Agus Rahardjo assessed that the performance of the Internal Supervisory Unit (SPI) in various State-Owned Enterprises is weak. This has a risk of creating corruption. The weak performance of SPI (internal control) occurs not only in state-owned companies, but also in a number of ministerial institutions, to local governments. Agus hopes that strengthening SPI will be able to make SOEs, institutions and local governments work optimally and produce maximum benefits for the State and society. Based on the description of the case above, it shows that the weak role of auditors and internal control of the company so that there are still cases of manipulation carried out by each company.

2. METHODS

According to Sugiyono (2017), quantitative data or methods are research methods based on concrete data. Research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study. To produce a conclusion. The quantitative research conducted aims to determine the effect between professional ethics variables on the consideration of the level of materiality in the examination of financial statements at PT. Bhakti Sehat Husada Medan. The location of this research is the company PT Bhakti Sehat Husada Medan. Jl Setia Luhur, Kel. Dwikora Kec. Medan Helvetia, North Sumatra. The variables in this study are Professional Ethics (X) and Materiality Level (Y). The number of samples used in this study were 30 people. The data collection techniques used are questionnaires and observations. The analysis technique used is descriptive statistical test, classical assumption test, simple linear regression analysis and t test.

3. FINDINGS AND DISCUSSION

Finding

Multiple Linear Regression Analysis

Tabel
Multiple Linear Regression Result
Coefficients^a

Model	Unstandardized		Standardized	t	Sig.
	Coefficients				
	B	Std. Error	Beta		
(Constant)	3.418	3.648		.937	.357
Etika Profesi	.163	.110	.162	1.480	.150

a. Dependent Variable: Materiality

From the multiple linear regression equation above, the conclusions that can be explained are as follows:

1. The constant value (α) of 3.418 with a positive sign states that if the professional ethics variable is considered constant, the Y value is 3.418.
2. The regression coefficient value of the professional ethics variable (X) of 163 with a positive sign states that if the level of professional ethics decreases with the assumption that the other independent variables are constant, then materiality will increase by 163.

Table
The result of t test (Partial)

Model	Coefficients ^a					
		Unstandardized		Standardized	T	Sig.
		Coefficients				
	B	Std. Error	Beta			
1	(Constant)	3.418	3.648		.937	.357
	Etika Profesi	.163	.110	.162	1.480	.150

a. Dependent Variable: Materialitas

Source: Spss processed data, 2023

Based on the table, it can be obtained that the t value is 1.480 with a Sig value of 150. This shows that the t value of $1.480 < t \text{ table } 2.052$ and Sig value $150 > 0.05$. Thus H_0 is accepted. This means that the professional ethics variable has no significant effect on the materiality issued by the company PT Bhakti Sehat Husada Medan. Based on the description of the t test, it can be concluded that H_0 : accepted, meaning that the professional ethics variable has no effect on the materiality of PT. Bhakti Sehat Husada.

Table
Determinan coefficient test result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 ^a	.788	.772	2.680

a. Predictors: (Constant), Professional Ethics

Source: SPSS processed data, 2023

From the table above shows the results of regression calculations on the determination test, it can be seen that the coefficient of determination (adjusted R square) obtained is 772. This means that 77.2% of the materiality of the company PT Bhakti Sehat Husada Medan is influenced by the professional ethics variable (X) while the remaining 22.8% of materiality in the company PT Bhakti Sehat Husada Medan is influenced by other variables not examined in this study.

Discussion

The effect of professional ethics on materiality is a procedure or norm that explicitly states whether the company's accounting information is good or bad. The results of the analysis in this study indicate that professional ethics do not have a significant influence on the materiality level of the company shown by the company PT Bhakti Sehat Husada. This is indicated by auditors and teams who make moral values a standard in conducting examinations. The results of this study are in accordance with previous research conducted by Muhammad Su'un (2021). With the aim of providing guidelines for each employee about the standard principles of professionalism that have been set.

4. CONCLUSION

Professional ethics in the company PT Bhakti Sehat Husada has been running in accordance with professional standards and values which aims to avoid a problem occurring in the company. Auditors carry out planning, testing, supervision and make audit work in accordance with the provisions in conducting examinations. Then the auditor provides the results of the audit report to the leadership which has been prepared objectively, briefly, clearly and on time and presents the audit findings. This aims to increase professionalism because it has done work in accordance with the rules with this making all workers carry out all work in accordance with professional ethics which builds a more orderly and maintained company work system.

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