



Philosophy Tri Kaya Parisudha as Moderators the Effect of Equity Sensitivity and Ethical Sensitivity on Auditor's Ethical Behavior in Financial Audit Board of Republic Indonesia (BPK RI) Representatives of Bali Province

Eka Rustiana Dewi I. G. P^{a*}, Dharma Suputra I. D. G^b

^{a,b}Master's Program of Accounting, Faculty of Economics and Business, University of Udayana, Bali, Indonesia

^aEmail: agungekard@gmail.com

^bEmail: dharma.suputra@ymail.com

Abstract

This Study aims to examine the effect of equity sensitivity and ethical sensitivity on auditor's ethical behavior in Financial Audit Board of Republic Indonesia (BPK RI) Representatives of Bali Province, as well as to examine whether philosophy of tri kaya parisudha which is one of local wisdom found in Bali will be able to strengthen the effect of equity sensitivity and ethical sensitivity on auditor's ethical behavior. The research conducted because of the phenomenon of bribery cases which were involving auditors of BPK and have added to the list of corruption cases in Indonesia. Data collection in the research using survey method with questionnaire and the sample are 45 auditors of BPK RI representatives of Bali Province. The result shows that equity sensitivity and ethical sensitivity have positive significant effect on auditor's ethical behavior, while the philosophy of tri kaya parisudha has an ability to strengthen the effect of equity sensitivity and ethical sensitivity on auditor's ethical behavior.

Keywords: Auditor's Ethical Behavior; Equity Sensitivity; Ethical Sensitivity; Philosophy of Tri Kaya Parisudha.

* Corresponding author.

1. Introduction

A lot of ethical issues associated with auditing lately, need to be given special attention to the importance of ethical values. Many auditors have to face serious problems because of ignoring ethical values and making mistakes and violations of professional ethical codes. Therefore, it is important for an auditor to have knowledge of warning signs of ethical issues in order to provide opportunities for self-protection, while at the same time building an ethical atmosphere within the working environment. The ethical issues that auditors may encounter include auditors in performing the task of compromising their integrity by fraud, embezzlement or bribery, and distort objectivity by publishing misleading reports. All such issues constitute a serious violation of the basic principles and codes of ethics that constitute the standards and ethical rules of the audit profession, where the ethical code or ethical rules of the audit profession provide guidance for professional auditors to defend against temptation while in a dilemma or judgment and hard decision making. The ethical dilemma in auditing is not only experienced by independent auditors or public accountants, but also government auditors, especially government external auditors conducted by Financial Audit Board in Indonesia. Indonesian 1945 Constitution in article 23 paragraph 5 stipulates that BPK is a free, independent state institution tasked with examining the state's financial responsibility, the results of the audit will be submitted to the House of Representatives. The audits are limited to central government, local government, Bank Indonesia, state-owned enterprises, public service agencies, and all institutions that manage state finances. The emergence of the phenomenon of bribery cases involving BPK auditors in year 2017 adds a long list of corruption cases that occurred in Indonesia. The two cases found by KPK (Corruption Eradication Commission) in 2017 were Harley Davidson motorcycle bribery case by state-owned enterprises officials PT Jasa Marga (Persero) regarding the findings of misappropriation of financial statements and bribery cases amounting to 240 million Rupiah by former officials of the Ministry of Indonesian Village, Regional Development Disadvantaged, and Transmigration with regard to the business of obtaining an unqualified opinion. Indonesian Corruption Watch noted at least six bribery cases involving 23 BPK auditors in the past 12 years. Accepting bribes by BPK is an act of corruption that violates public trust and ethical principles of honesty, fairness, objectivity, and legality. Dewi [4] states that auditor failures or audit irregularities encourage the internal auditor's ability to consider ethics and behavior in the conduct of audits. Huseman [8] states that equity sensitivity is one of the internal factors that can affect one's ethical behavior, equity sensitivity is defined as a personality variable that show an individual reaction when feeling fair and unjust. Susanti [22] defines equity sensitivity as an individual perception that describes the balance between inputs and outcomes, so that it is in the middle between benevolent and entitled. The individual on equilibrium point has a dislike of claiming his rights and has a great responsibility for what he does and does not compare what he receives with what others get. Another internal factor that can affect individual behavior is ethical sensitivity. According to Fahrianta and Syam [31], ethical sensitivity refers to a person's ability to identify the ethical content of a particular situation. Individual awareness of moral and ethical values will greatly assist auditors in performing their duties professionally. Susanti [22] states that ethical sensitivity is an individual consciousness that they are as a moral agent who are aware of ethical or moral values in a decision. Individual ethical behavior that is influenced by moral and ethical values is inseparable from the influence of religion and culture. Ethics and religion have the same goal to lay the groundwork of moral doctrine so that the individual can distinguish between good and bad deeds so that the moral teaching in religion and culture is

expected to strengthen the value of the individual. Tri kaya parisudha is part of the philosophy and teachings of ethics of Hinduism, Sura [21] states tri kaya parisudha consists of three words that have meaning tri means three, kaya means limbs and parisudha means sacred, so tri kaya parisudha has meanings three purified members of the body include manacika parisudha means good thinking, wacika parisudha means good words and kayika parisudha means good behave. Sura [21] explains that all that can be done by man can take place through the tri kaya which are three limbs include kaya, wak and manah. Kaya meaningful limbs include the hands, feet, back. Wak meaningful words while manah means mind. With these three tools man can do something, both to himself and his environment. Individuals must be able to combine thoughts, words and good deeds while maintaining harmonious relationships among fellow human beings, the environment and God, so as to maintain balance in empowering ourselves to achieve genuine awareness [18]. If it is related to the duties of an auditor, the auditor is expected to use his awareness to prioritize the professional code of ethics, moral and ethical values, and professional guidance standards in performing the duties. Several previous studies related were conducted by Alleyne and his colleagues [2] who examined the effect of personal value on the ethical behavior of 231 accounting and non-accounting university students of the Caribbean. His research found that individual value factors influence on ethical behavior of students. Alteer and his colleagues [1] also examined the influence of religiosity and ethical sensitivity on ethical judgment of auditors, with the findings of auditor religiosity and ethical sensitivity had a positive effect on ethical judgment of auditors. Kusuma and Budisantoso [12] examined the effect of equity sensitivity and ethical sensitivity on ethical behavior of public accountant auditors in Surabaya, the results showed that equity sensitivity and ethical sensitivity had a positive effect on auditor ethical behavior. Susanti [22] study found different results on equity sensitivity variables, where equity sensitivity did not significantly affect the ethical behavior of public accountant auditors in Padang and Pekanbaru, Indonesia. Kunti [13] found that there was a difference in ethical sensitivity when it based on gender, where the results of the study showed that women have better ethical sensitivity than men so that women tend to behave ethically than men. The study using tri kaya parisudha which is one of Hindu Balinese philosophy as a moderating variable where in the concept of tri kaya parisudha there are teachings of moral and ethical values that are expected to strengthen the value of individuals to behave ethically. The philosophy of tri kaya parisudha is only known by the Balinese Hindu community but the doctrine of truth to think, say and behave good is a moral and ethical value taught by every religion to guide people in behaving. The problem and purpose of this study is to examine how the effect of equity sensitivity and ethical sensitivity on auditor ethical behavior and whether tri kaya parisudha philosophy which is one of the Hindu Balinese local wisdom variable is able to strengthen the effect of equity sensitivity and ethical sensitivity on ethical behavior of auditors BPK Representative of Bali Province.

2. Theoretical Review

Attribution theory. proposed by Fritz Heider [7], attribution theory is a theory that explains about one's behavior. It is explained about the process that can determine the cause and motive of one's behavior. Luthans [14] explains that there are two causes of individual behavior: dispositional attribution and situational attribution. Dispositional attribution or internal cause refers to aspects of individual behavior that exist in a person such as personality, perception, ability and motivation. While situational attribution or external cause refers to the surrounding environment that can affect one's behavior such as social conditions, social values, and

views of society. Harold Kelley in Luthans [14] asserted that attribution theory deals with cognitive processes in which individuals interpret behavior related to a particular part of the relevant environment. **Ethical theory.** Pojman [15] describes the theory of ethics as a systematic attempt to understand the meaning of moral concepts, that is concepts which can explain a difference between right and wrong, good and bad, and fair and unjust. Rong [28] mentions that the distinction between ethics and morals is very clear in philosophy, where ethics is seen as a theory and morality as a practice. Ethical theory can be used as a guide for the auditor as an individual in acting in his profession. Furthermore, Kohlberg [10] in the theory of moral development states that moral reasoning is a thought about moral problems. It is a principle used in judging and acting in moral situations. Kohlberg mentions that moral reasoning is seen as a structure, not as a content. If moral reasoning is viewed as content, then something said to be good or bad will depend greatly on a particular socio-cultural environment, so its nature will be very relative. But if moral reasoning is seen as a structure, then what is good and bad is related to the philosophical principle of morality, so that reasoning becomes universal. **Equity Sensitivity.** Equity sensitivity is a person's perception of justice by comparing inputs and outcomes obtained from others [12]. Equity theory focuses on input-output ratios in organizations. Input is represented by our contribution to the organization while output is everything we receive from the organization. Huseman [8] states that every individual has its own perception of fair and unjust. Huseman [8] divides individual perceptions of equity and inequity in three categories:

- 1) Benevolents: Individuals benevolents tend to behave generously and happier to give than to accept. They tend to act ethically because of their unselfishness. Individuals benevolents will feel satisfied when their outcome ratio or input is lower than others.
- 2) Equity sensitivity: These individuals embrace the equity norm, they satisfied when their outcome or input ratios are the same as those of others. These individuals are described as having a balance between inputs and outcomes.
- 3) Entitleds: These individuals are described more like receiving than giving. They are not satisfied when their outcome or input ratios are lower than others. These individuals are more demanding their rights than giving, so these individuals tend to engage in unethical behavior.

Ethical Sensitivity. Ethical sensitivity is the ability to be aware of ethical values in a decision [19]. Rest [16] states that individuals can engage in unethical behavior if they fail to recognize the presence of ethical values. Hunt and Vitel [9] explain that one's ability to understand ethical issues is influenced by the cultural environment, industrial environment, organizational environment and personal experience. The Ethics Education Framework presented by the International Accounting Standards Board describes ethical sensitivity as an individual's ability to recognize ethical threats and realize alternative actions that solve ethical problems. When individuals are faced with ethical dilemmas, individual perceptions are evaluated in terms of ethical values or moral judgments to make decisions. Individuals must first understand ethical issues to evaluate the situation [1]. Roxas and Stoneback [17] argue that ethical judgments derive from consideration of moral values that guide behavior. **Tri Kaya Parisudha.** Tri kaya parisudha is one of the philosophy of Balinese Hindu culture that teaches everyone always do good to run the truth, have ethics and noble character through attitude

coaching. Sudharta and Atmaja [32] define tri kaya parisudha as three basic human behaviors that must be sanctified include good at thinking, good at words and good at behave. The philosophy of tri kaya parisudha found in Sarasamuccaya [11], one of Hindu scripture which contains ethical values that present injunctions and prohibitions of individuals as guidance of behaving. Sarasamuccaya mentioned tri kaya parisudha consists of:

1. Manacika parisudha: means a good or holy thoughts, in Sarasamuccaya sloka 74 mentioned there are three motions of thought that must be purified, that are not jealous of the property of others, affection towards all beings and believe in the karmaphala or the result of deeds.
2. Wacika parisudha: means good or holy words, in Sarasamuccaya sloka 75 mentioned there are four words that should be avoided, that are evil words, harsh words, libelous words and lying or untrustworthy words.
3. Kayika parisudha: means good or holy deeds, in Sarasamuccaya sloka 76 mentioned there are three many acts to be avoided that is killing, stealing and committing adultery.

Table 1: Previous Researches

No	Author Name (Year)	Title	Variable	Conclusion
1.	Alteer and his colleagues [1]	Religiosity and Auditor's Ethical Sensitivity at Different Levels of Ethical Climate: A conceptual link	Religiosity, ethical sensitivity, ethical climate, auditor's ethical judgement	Religiosity and ethical sensitivity have positive effect on auditor's ethical judgement, and ethical climate have an ability to moderate the effect of religiosity on ethical sensitivity
2.	Alleyne and his colleagues [2]	Examining Personal Value and Ethical Behavior Perceptions between Accounting and Non Accounting Students in Carribean	Personal value, ethical behavior perceptions	Factors of personal value have an effect on ethical behavior perceptions accounting students
3.	Kusuma and Budisantoso [12]	Analysis The Effect of Equity Sensitivity and Ethical Sensitivity on Auditor's Ethical Behavior	Equity Sensitivity, Ethical Sensitivity, Ethical Behavior	Equity sensitivity and ethical sensitivity have positive effect on auditor's ethical behavior
4.	Susanti [22]	The effect of Locus of Control, Equity Sensitivity, Ethical Sensitivity and Gender on Accountant's Ethical Behavior	Locus of Control, Equity Sensitivity, Ethical Sensitivity, Ethical Behavior	Locus of control and ethical sensitivity have positive effect on accountant's ethical behavior, and equity sensitivity has negative effect on accountant's ethical behavior
5.	Fauzan [5]	The effect of Religiosity and ethical climate on ethical behavior	Religiosity, ethical climate, ethical behavior	Religiosity and ethical climate have positive significant effect on ethical behavior of students of University Utara Malaysia

Tri kaya parisudha is an inseparable unity that will provide guidance of individuals in behaving. Basically words and deeds originate from thoughts, then a good mind will lead people to say and do good. That means, first thing the individual must control is his or her mind. Anything that affects the mind must always be preserved like the stability of the soul. With a calm soul, the individual will be able to control his mind so that it can think well which will ultimately be reflected in good words and good behavior. Table 1 shows some previous research conducted by both foreign and local research used as empirical studies in this study. The following list of previous studies are presented. Based on the background, previous theoretical and research studies of this study, the framework developed from the research as follows:

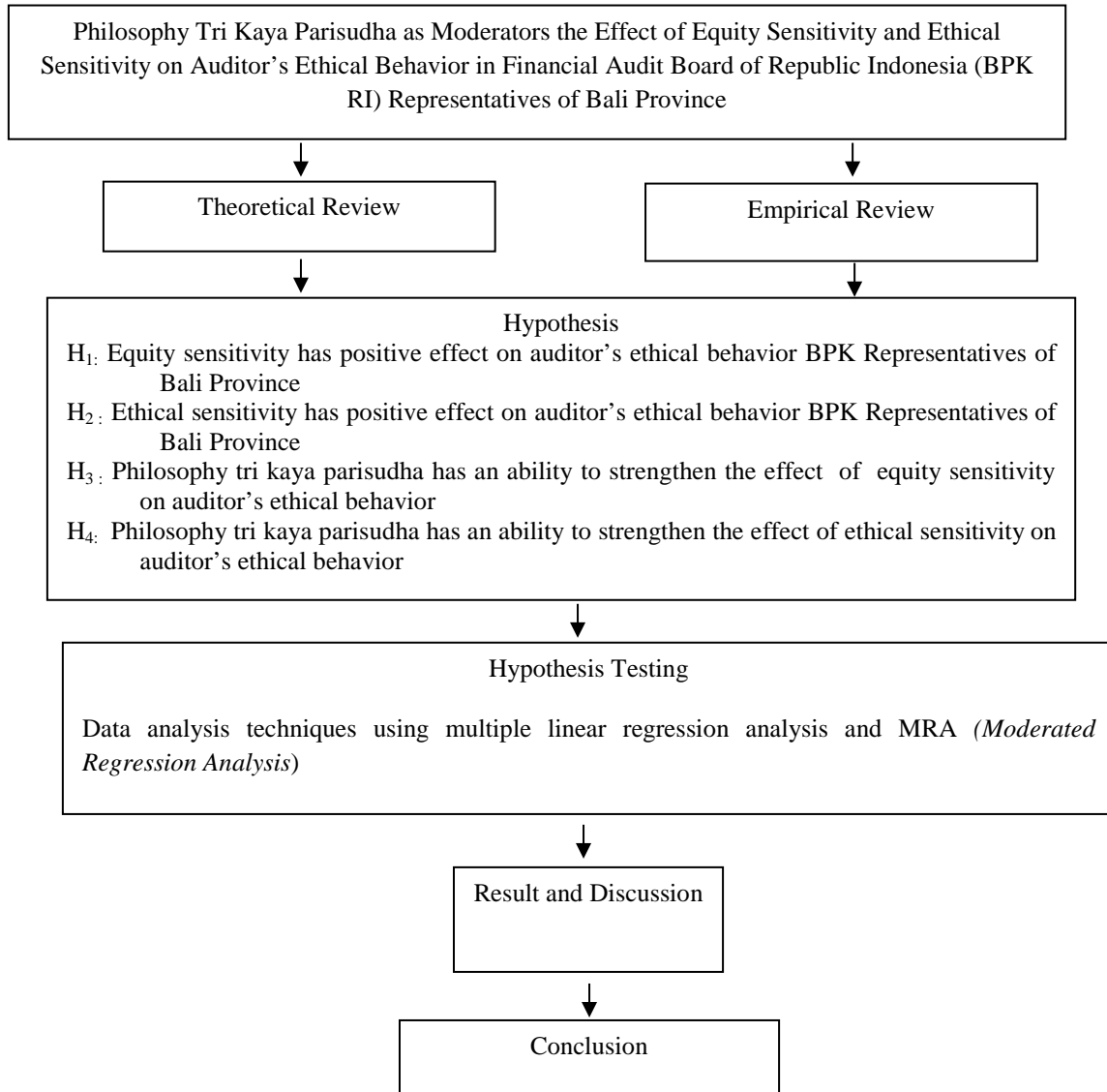


Figure 1: Research Framework

The Concept of research is shown in figure below:

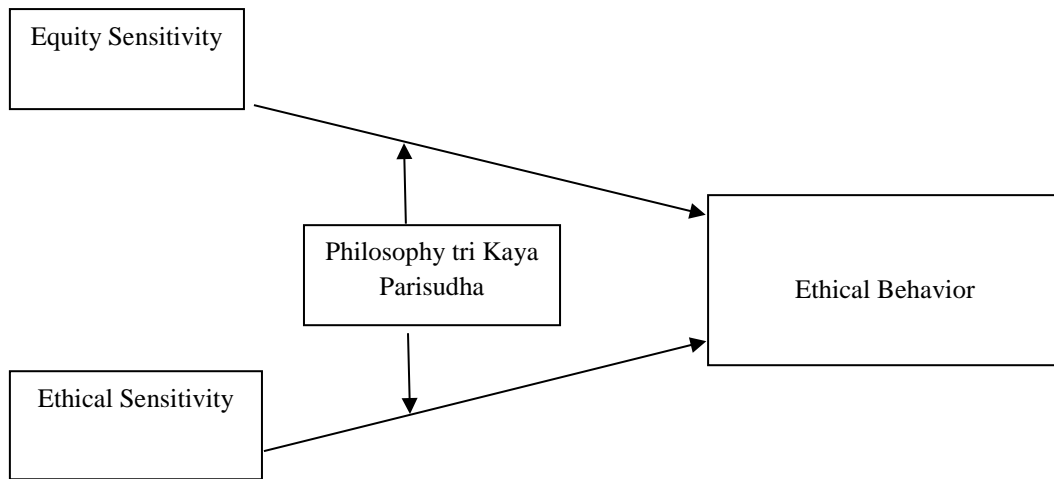


Figure 2: Research Concept

3. Research Method

Data collection in the study using survey method with questionnaire. Questionnaires that have been prepared are sent directly to the respondent, while the questionnaire used is a questionnaire that returned and has been filled completely by the respondent. The population in the study is 45 external auditors of the Indonesian government who is an employee of the Finance Audit Board Representatives of Bali Province. Sampling method used is saturated sampling technique. All auditors working and tasked to conduct examinations at BPK Representatives of Bali Province in 2018 served as a sample.

Dependent variables in the study are ethical behavior, independent variables are equity sensitivity and ethical sensitivity, and philosophy of tri kaya parisudha as moderation variable. The instrument used to measure auditor ethical behavior was the instrument adopted from Sihwahjoeni and Gudono [23], equity sensitivity measured using Equity Preference Questionnaire (EPQ) developed by Sauley and Bedeian in Widiastuti [33], ethical sensitivity measured using instruments adopted from Shaub's research [19], and philosophy of tri kaya parisudha measured using individual value instruments adopted from Akaah and Lund and Scott [3].

Data analysis techniques used in the study were multiple linear regression analysis and Moderated Regression Analysis (MRA). Technique of data analysis began with pilot test, instrument test that were validity and reliability test. Classical assumption test also has done to know that the regression model used are free from the classical assumption. The classical assumption test used in the study are normality, multicollinearity, and heteroscedasticity test.

4. Result and Discussion

45 Questionnaires distributed on BPK auditors, there were 5 questionnaires that did not return so that the questionnaires used in the study amounted to 40 with return rate of respondents 88.88 percent. SPSS (Statistical Package for the Social Sciences) is used further in data analysis on descriptive statistics, instrument test, classical assumption test, multiple linear regression analysis and MRA (Moderated Regression Analysis).

Descriptive statistics that provide information on minimum values, maximum values, mean values, and standard deviations are presented as follows:

Table 2: Descriptive Statistic

Variable	Minimum	Maximum	Mean	Standard deviation
Equity Sensitivity (X_1)	12,97	45,24	31,58	10,55
Ethical Sensitivity (X_2)	4,00	14,55	10,52	3,61
Tri Kaya Parisudha (X_3)	19,07	60,21	44,60	14,10
Ethical Behavior (Y)	11,00	41,85	28,91	9,84

Source: data analysis by using SPSS (2018)

Based on the results of descriptive statistics in Table 2, the equity sensitivity of BPK auditors Representative of Bali Province entered into quite high groups (25.87 - 32.32), ethical sensitivity auditors entered into high groups (10,33 - 12,44), the implementation of the tri kaya parisudha entered into the high group (43.75 - 51.98), and the ethical conduct of the auditor in performing his duties entered to quite high (23.34 - 29.51). In the instrument test, the test results of the validity of the correlation coefficient value of each item question variable of equity sensitivity, ethical sensitivity, tri kaya parisudha, and ethical behavior magnitude above 0.30. So it can be stated that all questions in the questionnaire are valid and fit for use in the research. The reliability test results show the value of cronbach's alpha for the variables of equity sensitivity, ethical sensitivity, tri kaya parisudha and ethical behavior 0.966, 0.909, 0.973, and 0.963, respectively, greater than 0.70, which means all instruments are reliable.

The result of classical assumption test for normality test, multicollinearity test, and heteroscedasticity test on multiple linear regression equation and MRA analysis equation shows that both equation models are free from classical assumption. It is presented in the following table:

Table 3: Normality test

No	Model Regression	N	Asymp. Sig
1	$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$	40	0,122
2	$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_3 + \beta_5 X_2 X_3 + e$	40	0,200

Source: data analysis by using SPSS (2018)

The results of normality test showed on Table 3, the coefficient value of asymp.sig (2-tailed) on multiple linear regression equation and MRA respectively of 0.122 and 0.200 is greater than the significance value of 0.05 which means that both models of equations are normally distributed.

Table 4: Multicollinearity test

Model Regression	Variable	Tolerance	VIF
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$	X_1	0,830	1,205
	X_2	0,830	1,205
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_3 + \beta_5 X_2 X_3 + e$	X_1	0,244	4,101
	X_2	0,174	5,756
	X_3	0,278	3,603
	$X_1 X_3$	0,118	8,460
	$X_2 X_3$	0,124	8,096

Source: data analysis by using SPSS (2018)

The multicollinearity test found that the tolerance value of each variable in both models of equation is greater than 10% or 0.10 and the VIF (Variance Inflation Factor) value of each variable is less than 10, the result shows that there was no multicollinearity in the research variables.

Table 5: Heteroscedasticity test

Model Regression	Variable	Signification
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$	X_1	0,842
	X_2	0,613
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_3 + \beta_5 X_2 X_3 + e$	X_1	0,526
	X_2	0,500
	X_3	0,587
	$X_1 X_3$	0,552
	$X_2 X_3$	0,274

Source: data analysis by using SPSS (2018)

The result of heteroscedasticity test found that the value of significance of each variable in both models of regression equation is greater than 0.05 so it can be concluded that the regression model is free from symptoms of heteroscedasticity.

Multiple linear regression statistical analysis was used to examine the effect of equity sensitivity and ethical sensitivity on the ethical behavior of BPK auditors and the MRA (Moderated Regression Analysis) was used to test how the philosophy of tri kaya parisudha moderated the effect of equity sensitivity and ethical sensitivity on

the ethical behavior of BPK auditors Representative of Bali Province. The results shown as follows:

Table 6: Multiple Linear Regression Analysis Test

Model	Unstandardized Coeficients		Standardized Coeficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0,464	3,123	-	-1,48	0,883
Equity Sensitivity (X ₁)	0,460	0,089	0,493	5,173	0,000
Ethical Sensitivity (X ₂)	1,411	0,260	0,517	5,427	0,000
R	0,849				
R ²	0,721				
Adjusted (R ²)	0,706				
F Count	47,791				
Signification F	0,000				

Source: data analysis by using SPSS (2018)

Based on Table 6, the following regression equations as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e \dots\dots\dots (1)$$

$$Y = -0,464 + 0,460 X_1 + 1,411 X_2 + e$$

The regression equation showed that the equity sensitivity and ethical sensitivity variables have positive coefficient values. If the equity sensitivity and ethical sensitivity variables are zero, then the ethical behavior variable is also zero, meaning that if the auditor does not have equity sensitivity and ethical sensitivity then the auditor has no ethical behavior or unethical behavior. The adjusted value (R²) is 0.706, which means that 70.6% of variance variable auditor's ethical behavior can be explained by the variation of equity sensitivity and ethical sensitivity variables. The remaining 29.4% is influenced by other variance variables that not included in the research model. The value of F count was found 47.791 with a significance level of 0.000 smaller than alpha 0.05 indicating the model used in the study was feasible. In partial significance test result (t test) found equity sensitivity variable have t count positive 5,173 and significance value 0.000 less than 0,05. That means equity sensitivity has a significant positive effect on the auditor's ethical behavior, so hypothesis 1 is accepted and hypothesis 0 is rejected. In ethical sensitivity variable found t value is positive count of 5.427 with a significance level of 0.000 less than 0.05. That means, ethical sensitivity has a significant positive effect on auditor's ethical behavior, so hypothesis 2 is accepted and hypothesis 0 is rejected.

Table 7: MRA (Moderated Regression Analysis) Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-94,439	36,984	-	-2,554	0,015
Equity Sensitivity (X ₁)	-0,533	0,326	-0,571	-1,637	0,111
Ethical Sensitivity (X ₂)	-1,602	0,833	-0,588	-1,924	0,063
Tri Kaya Parisudha (X ₃)	-1,356	0,369	-1,942	-3,675	0,001
X ₁ * X ₃	25,250	8,340	1,763	3,028	0,005
X ₂ * X ₃	0,074	0,019	2,070	3.890	0,000
R	0,901				
R ²	0,813				
Adjusted (R ²)	0,785				
F count	29,498				
Signification F	0,000				

Source: data analysis by using SPSS (2018)

Based on table 7 can be compiled regression equation as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_1 X_3 + \beta_5 X_2 X_3 + e \dots\dots\dots (2)$$

$$Y = -94,439 - 0,533X_1 - 1,602X_2 - 1,356X_3 + 25,250X_1X_3 + 0,074X_2X_3$$

Moderation coefficient (β₄) is positive amount 25,250, which means that if the interaction between equity sensitivity and tri kaya parisudha increases one then equity sensitivity with implementation of philosophy tri kaya parisudha will strengthen auditor’s ethical behavior as amount 25,250. Moderation coefficient (β₅) is positive amount 0,074, which means that if the interaction between ethical sensitivity and tri kaya parisudha increases one then ethical sensitivity with implementation of philosophy tri kaya parisudha will strengthen auditor’s ethical behavior as amount 0.074. Based on Table 7, the adjusted value (R²) amount 0.785 means that 78.5% variance dependent variable of ethical behavior can be explained by the variance equity sensitivity and ethical sensitivity variables which moderated by tri kaya parisudha, while the remaining 21.5% is influenced by other variance variables not included in the research model. The result of F test analysis showed the significance level of 0.000 is smaller than α (0,05) which means the research model is feasible to be used to verify the hypothesis formed. The result of partial significance test (t test) showed the interaction of tri kaya parisudha and equity sensitivity has t value equal to 3,028 with significance value 0,005 meaning hypothesis H₃ accepted and H₀ rejected. This suggests a philosophy of tri kaya parisudha capable to moderate the influence of equity sensitivity on the auditor's ethical behavior. The result of tri kaya parisudha interaction and ethical sensitivity

has a value of t count of 3.890 with a significance value of 0.000 which means hypothesis H_4 accepted and H_0 rejected. This showed the philosophy of tri kaya parisudha has an ability to moderate the influence of ethical sensitivity on ethical behavior of auditors. The results of multiple linear regression analysis and MRA tests showed that four hypotheses constructed in this study were all accepted. The equity sensitivity variable has a regression coefficient of 0.460 and a significance value of 0.000 (<0.05) which means hypothesis 1 (H_1) is accepted. This shows equity sensitivity has a significant positive effect on the auditor's ethical behavior of BPK Representatives of Bali Province. Coefficient of positive-value regression means, the higher the auditor's equity sensitivity, the more ethical behavior is shown. Auditors who are at equilibrium point between inputs and outcomes tend to behave more ethically than auditors who do not have equity sensitivity. The gratitude that each individual has in life can also shape the perceptions of justice and the point of equilibrium that it has, affecting his behavior. The results of this study are in line with the theory of attribution that explains the behavior of individuals in which this theory states the cause and motive process of one's behavior [27]. This is also in line with the ethical theory in which Pojman [15] states that true, wrong, fair and unfair differences can be explained in moral concepts. Increasingly individual understanding of the concept of fair and unjust morals, the more increasing the tendency of individuals to behave ethically. The second hypothesis test showed that ethical sensitivity variable has a regression coefficient of 1.411 and a significant value of 0.000 (<0.05) which means hypothesis 2 (H_2) is accepted. This proves that ethical sensitivity has a significant positive effect on the auditor's ethical behavior. Regression coefficient is positive value means the higher the ethical sensitivity of the auditor, will be the higher ethical behavior of auditor shown in carrying out their duties. Auditors who have the ability to recognize the presence of ethical values, will use these values as a moral foundation that guides them in behaving more ethically. The results of research in line with the theory of attribution that explains that the ability of individuals is one of the internal factors that affect behavior. Ethical theory is also in line with the results of research where ethics consists of moral principles and standards that encourage individuals to behave ethically. The higher the individual's ability to understand the moral and ethical values, the higher the ability to behave ethically. In third hypothesis testing, interaction moderation variable tri kaya parisudha and equity sensitivity have regression coefficient of 25.250 and a significance value of 0.005 (<0.05) which means hypothesis 3 (H_3) is accepted. This proves that the philosophy of tri kaya parisudha strengthens the influence of equity sensitivity on the ethical behavior of auditors BPK Representative of Bali Province. The positive regression coefficient means increasing equity sensitivity along with the implementation of philosophy tri kaya parisudha will strengthen auditor's ethical behavior. The results of research are in line with the theory of attribution which explains that the behavior of individual beside influenced by internal factors, is also influenced by external factors such as environment, pressure situations or certain circumstances. Luthans [14] explains that environments such as social conditions, social values, and public outlook are external causes that can affect a person's behavior. The results are also in line with the theory of cognitive moral development of Kohlberg [10] which states the individual can perceive his environment in the stages of development. This theory argues that an auditor can build cognitive abilities through actions that are motivated to the environment. Human awareness and perception of justice and ethical principles can be influence by religious teachings as in philosophy tri kaya parisudha which is an external factor that consist of ethical values to guide individuals in behave ethically. The results of the test on the fourth hypothesis show that interaction moderation variable tri kaya parisudha and ethical sensitivity have regression coefficient value of 0.074 and the significance value of 0.000 (<0.05) which

means hypothesis 4 (H_4) is accepted. This proves that the philosophy of tri kaya parisudha reinforces the influence of ethical sensitivity on ethical behavior of auditors. The positive value of regression coefficient means the higher implementation of ethical sensitivity accompanied by philosophy tri kaya parisudha conducted by the auditor, the higher the influence of ethical sensitivity on the auditor's ethical behavior. The results of research in line with the theory of attribution that states the ability of individuals to understand the value of ethics influenced external factors such as religious teachings. Tri kaya parisudha is one of the moral or ethical teachings in Hinduism that affect the ability of individuals to understand the moral and ethical values as guidance to behave. Correspondingly, the theory of cognitive moral development which expresses moral reasoning as a structure, not as a content. If moral reasoning is viewed as content, then something said to be good or bad will depend on a particular social and cultural environment so that its nature will be relative. But if moral reasoning is seen as a structure, then what is good and bad is related to the principle of morality, so that moral reasoning become universal.

5. Conclusion and recommendation

Based on the results of the analysis and discussion it can be concluded as follows:

1. Equity sensitivity positively affects the ethical behavior of auditors BPK Representatives of Bali Province. The higher equity sensitivity possessed by the auditor will be the higher the ethical behavior owned by auditor both in making decisions and performing professional duties.
2. Ethical sensitivity positively affects the ethical behavior of auditors BPK Representatives of Bali Province. The higher the ethical sensitivity or the auditor's ability to understand ethical content, the higher the ethical behavior of the auditor.
3. The philosophy of tri kaya parisudha has an ability to strengthen the influence of equity sensitivity on the ethical behavior of auditors BPK Representative of Bali Province. Equity sensitivity accompany by an implementation of philosophy tri kaya parisudha reinforces the ethical behavior of auditors.
4. The philosophy of tri kaya parisudha has an ability to strengthen the influence of ethical sensitivity on the ethical behavior of auditors BPK Representative of Bali Province. Ethical sensitivity accompanied by an implementation of the philosophy tri kaya parisudha reinforces auditor's ethical behavior.

Suggestions that can be given based on the results of the conclusions are as follows:

1. The results of the study found that the philosophy of tri kaya parisudha as one of the local wisdom proved able to strengthen the internal factors of individual equity sensitivity and ethical sensitivity to behave ethically. BPK RI, especially Representatives of Bali Province is advised to continue to improve the training of auditing standards and ethic codes for their auditors who are expected to consider the ethical values contained in local wisdom, in accordance with BPK RI code of ethics number 3 of 2016 chapter 3 article 5 which states that BPK code of ethics must be realized in the attitudes, words and action of BPK member.
2. Further research is expected to combine interview techniques so that the results obtained are more accurate.

3. The sample used in the next study can be expanded, not limited to BPK RI's auditor representative of Bali Province, considering the large number of BPK auditors spread in each provincial representative throughout Indonesia.
4. Further research can use tri kaya parisudha as a moderating variable to examine others individual internal factors that may affect the behavior, performance, and quality of financial statements.
5. Further research can use other methods such as experimental methods to examine auditor ethical behavior.

6. Limitation

One of indicator intellectualism used in tri kaya parisudha measurement has limitation in measuring manacika parisudha (good thoughts). Further research is expected to modify or find better instrument in measurement of manacika parisudha.

References

- [1] M.A. Alteer., S. Yahya., H. Haron. "Religiosity and Auditors Ethical Sensitivity at Different Levels of Ethical Climate: a Conceptual Link". *American Journal of Economics*, vol. 3 (5C), pp. 119-124, 2013.
- [2] P. Alleyne., C. McClean., C. Cheryl. "Examining Personal Values and Ethical Behavior Perceptions between Accounting and Non Accounting Students in the Caribbean University of the West Indies". *The Accounting Educator's Journal*, vol. XXIII, 2013.
- [3] I. P. Akaah., D. Lund. "The Influence of Personal and Organizational Values on Marketing Professional Ethical Behavior". *Journal of Business Ethics*, vol. 13, pp. 417-430, 1994.
- [4] P. Dewi. "Pengaruh Pengalaman, Orientasi Etika, Komitmen dan Budaya Etis Organisasi pada Sensitivitas Etika Auditor Badan Pengawasan Keuangan dan Pembangunan Provinsi Bali". Thesis, Pasca Sarjana Akuntansi Universitas Udayana Denpasar, Bali, 2015.
- [5] Fauzan. "Pengaruh Religiusitas dan Ethical Climate terhadap Ethical Behavior". *ejournal.unikama.ac.id*, 2016.
- [6] I. Ghozali. *Aplikasi Analisis Multivariate dengan Program SPSS*. Semarang: Universitas Diponegoro, 2016.
- [7] F. Heider. *The Psychology of Interpersonal Relations*. New York: Wiley, 1958.
- [8] R. C. Huseman., J.D. Hatfield., E.W. Miles. "A New Perspective on Equity Theory: The Equity Sensitivity Construct". *Academy of Management Review*, vol. 12, pp. 222-234, 1987.
- [9] S. D. Hunt., S. Vitell. "A General Theory of Marketing Ethics". *Journal of Macro marketing*, vol. 6, pp. 5-16, 1986.
- [10] L. Kohlberg. "The Cognitive Development Approach to Moral Education Issues in Adolescent Psychology". New Jersey: Printice Hall Inc, 1977, pp. 283-299.
- [11] I.N. Kajeng. *Sarasamuccaya*. Surabaya: Paramita, 1997.
- [12] R.N.D. Kusuma., T. Budisantoso. "Analisis Pengaruh Equity Sensitivity dan Ethical Sensitivity terhadap Perilaku Etis Auditor". *Modus Jurnal*, vol. 29, pp. 105-117, 2017.
- [13] S. Kunti. "Pengaruh Orientasi Etika pada Komitmen Profesional, Komitmen Organisasional dan Sensitivitas Etika Pemeriksa dengan Gender sebagai Variabel Pemoderasi". Thesis, Universitas Gajah

Mada, Yogyakarta, 2012.

- [14] F. Luthans. *Organizational Behavior*. New York: McGraw- Hill, 2005.
- [15] L. P. Pojman. *Ethical Theory: Classical and Contemporary Readings*. Belmont: Wadsworth Publishing Company, 1989.
- [16] R. J. Rest. *Moral Development: Advances in Research and Theory*. New York: Praeger, 1986.
- [17] M. L. Roxas., J. Y. Stoneback. "an Investigation of the Ethical Decision Making Process Across Varying Cultures". *The International Journal of Accounting*, vol. 32, pp. 503-535, 1997.
- [18] I. M. S. Suardhika. "Mengenal Siapa Aku dalam Membangun atau Mengembangkan Ilmu Pengetahuan (Akuntansi)". *Fakultas Ekonomi Universitas Udayana. Jurnal Ilmiah Akuntansi dan Bisnis*, vol. 10, 2015.
- [19] M. K. Shaub., W. F. Don., P. Munter. "The Effects of Auditor's Ethical Orientation on Commitment and Ethical Sensitivity". *Behavioral Research in Accounting*, vol. 5, pp. 145-169, 1993.
- [20] Sugiyono. *Metode Penelitian Bisnis*. Bandung: Alfabeta, 2012.
- [21] I. G. Sura. *Pengendalian Diri dan Etika dalam Ajaran Agama Hindu*. Denpasar: Hanuman Sakti, 2001.
- [22] B. Susanti. "Pengaruh Locus of Control, Equity Sensitivity, Ethical Sensitivity dan Gender terhadap Perilaku Etis Auditor". *Ejournal.unp.ac.id*, vol. 2, no. 3, 2014.
- [23] Sihwahjoeni., M. Gudono. "Persepsi Akuntan terhadap Kode Etik Akuntan". *Jurnal Riset Akuntansi Indonesia*, vol. 3, pp. 168-184, 2000.
- [24] S. Utama. *Aplikasi Analisis Kuantitatif*. Denpasar: Fakultas Ekonomi dan Bisnis Universitas Udayana, 2016.
- [25] W. Oktaviani. "Pengaruh Personalitas dan Etika Profesi terhadap Penerimaan Perilaku Audit Disfungsional Studi Empiris BPK Perwakilan Provinsi Riau". *JOM Fekon*, vol. 4, no.1, Feb. 2017.
- [26] J. Desjardin. *an Introduction to Business Ethics*. New York: McGraw Hill, 2006.
- [27] H. Kelley. "Attribution Theory in Social Psychology". *Nebraska Symposium on Motivation*, vol. 15, pp. 129-138, 1967.
- [28] H. Rong. "Ethical Consciousness in Auditing". *Thesis, Norwegian School of Economics, Norwegia*, 2011.
- [29] J.S.L. Tsui. "Auditor's Ethical Reasoning: Some Audit Conflict and Cross Culture Evidence". *The International Journal of Accounting*, vol. 31, pp. 121-133, 1996.
- [30] A. Triki. "Accountant's Ethical Sensitivity". *Thesis, Faculty of Business Brock University St Catharines, Ontario*, 2011.
- [31] R.Y.Fahrianta., A.Y.Syam. "Perbandingan Sensitivitas Etis antara Mahasiswa Akuntansi Pria dan Mahasiswa Akuntansi Wanita". *Jurnal Manajemen dan Akuntansi*, vol. 12, no. 1, 2011.
- [32] R.T. Sudharta., I.B.P.Atmaja. *Upadesa Tentang Ajaran-Ajaran Agama Hindu*. Surabaya: Paramita, 2001.
- [33] Widiastuti. "Pengaruh Orientasi Etis, Equity Sensitivity, dan Budaya Jawa terhadap Perilaku Etis Auditor pada Kantor Akuntan Publik di Yogyakarta". *Jurnal Nominal*, vol. 4, no. 1, 2015.