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AUDITOR ETHICS IN «KAIN POLENG» AND «MULAT SARIRA»: TREADING IDENTITY BETWEEN BLACK AND WHITE

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ABSTRACT

This study aims to reveal the independent auditor's way in applying personal ethics value and profession ethics code to the performance of auditing in two points between the right and wrong or similar to not stuck in the choices that destructive. Two cultures of Bali, Kain Poleng and Mulat Sarira, are used as a perspective to reveal how the auditors working in the good and bad spectrum as described by Kain Poleng which is still showed the identity. This study used qualitative approach with personal as a tool of analysis through data reduction and reflection methods. Triangulation data source was conducted on cases relating to the ethics auditor in order to get sufficient understanding. The interview result shows that the auditor who internalizes the concept of Kain Poleng and Mulat Sarira is stronger to face temptation from the outside because they are afraid of God reprisal which resulted in the application of responsible profession ethics code.

KEY WORDS

Ethics, auditor, kain poleng, mulat sarira.

This article is the result of study about the auditors ethics which uses qualitative approach by interviewing the informant and analyze by reflective analysis in the perspective of Bali spiritual culture, namely *Kain Poleng* and *Mulat Sarira*. Auditor ethics becomes crucial to be studied considering the auditor is important position in economic activity and the susceptibility to the deviating action. As a professional public accountant, the auditor's work become the basis of decision-making of various parties that concerned with the other companies or organisations. Accountants actually have the useful role for the public (Mardiasmo, 2014). The public believes on the auditor's work and relies on it, therefore the auditors are required to work ethically and professional with no particular interest. Therefore one of the most important aspects of the auditor's work is attitude and independent action (Ludigdo, 2007). At the same time, the independence is related to the ethics besides the auditor have to work based on the professional standard staged it. The auditor's position and performance could cause susceptibility to irregularities and breach of ethics.

The phenomenon of ethics breach by the auditor is not only micro but also macro-scale. Some of the ethics breach that can be found from the case of the international company namely "Enron" and the big five accounting firm, "Arthur Anderson" are accounting irregularities and auditing as well (Benston dan Hartgraves, 2002). The case is breach of ethics which done by cooperating. Some of the breach ethics in Indonesia can be found in the case of PT. Telkom, in one of the Public Accounting Office (KAP) and frozen bank cooperatives and business activities that involving 10 and several large Public Accounting Office (KAP). Suprisingly, the auditors suggest the clients to bribe government officials (Ludigdo, 2007). In addition, the collaboration of auditor and client interest in making audit reports becomes the object to be traded (Sinaga, 2015). Actually, after the large cases and

the freezing of Public Accounting Office (KAP), not eliminating the breach of ethics. This is because of individual desire and environmental pressures, which makes ethic irregularities are increasingly manifest in diverse forms.

In general, the diverse forms accompany the auditor's dilemma, either as individual and as the head of Public Accounting Office (KAP). Demands on auditors to keep independent, while at the same time they are depended on client because of fee, it often making the accountant is in a dilemmatic situation. This allows the auditor be dependent (Bazerman, Morgan, and Loewenstein, 1997; Finn, Chonko, and S.D., 1988). Especially if a Public Accounting Office (KAP) whose lives depend on fee from one of the client. It will provoke bad constructual obligations in giving the opinion for client's auditing and financial statements (Azis, Mangoting, and Lutfillah, 2015). The obligation containing of dilemma will be continue in the auditor work and the relationship with the client, which is vulnerable to the issue of conflict and ethics.

If there are auditors which are not inappropriate with the client's interest, it will generally continue in the audit conflict (Tsui and Gul, 1996). It develops into an ethical dilemma when the auditor are required to make decisions contrary with their independence and integrity with economic rewards (Windsor and Ashkanasy, 1995). Whereas, socially and institutionally the auditor should be responsible to the public and profession by not giving priority to private interests and pragmatic considerations, or the economic interests. The situations are very often faced by the auditor. The auditor often faced with ethical dilemma situation in making decision (Dillard and Yuthas, 2002; Larkin, 2000; Tsui, 1996). It turns out that this dilemma is not easy to be faced and solved. As a human being there are things which enclose the auditor through personal, social and professional life.

The auditor like any other businessman, is a human being with his humanity in which he has the willing to do his duties well and there is also the temptation to follow his desires. Any person in any profession tend to do breach of ethics if desire win. The existence of cases of irregularities and business chaos at the individual or institutional level is the result of ethical failure. Therefore ethics is relevant to be studied and noticed (Hartman and Desjardins, 2011). If there is a breach of ethics which done by the auditor, they are not alone. In other field, the incident is more widespread, so it can be said that the auditor is on the nature of humanity and the same environmental situation with other profession. This should not be used as a pretext to ignore ethics problem. Moreover, the ethics breach seems to appear only on the surface, related to the auditor as a human being, there are humanity dimensions in themselves that influence their decisions and actions.

Problem solving of ethics breach cannot be seen from a single point of view, by observing the cases that occur. The most intimate of humanity aspects are important to be studied, such as culture and spirituality. Dayakini and Yuniardi (2008: 59) state that culture greatly influences individual behavior, and on the level of individual culture influences individual life more than behavior. In practice, social norms always serve as guidance, guidance as well as indicators in assessing individual behavior or groups in the communities. The norm contains the values of the local culture wisdom. The local culture wisdom is a local knowledge that people use to survive in an environment, so they can integrate with belief, norm, culture systems and be expressed in tradition and myth adopted for long periods (Thontowi, 2007). Therefore, the individual who holds the wisdom of his local culture will also have a good control in his community. That wisdom is expected to be owned by a human cultural, especially in carrying out the audit activities in order to put the ethics and moral, so that rising the auditor's ethical awareness to maintain professionalism.

From the point of view as described previously and the phenomenon of ethics breach done by the auditor, the ethical problem can be observed from various aspects. One of them is interesting to be studied and expressed in the culture and spirituality perspective because culture and spirituality are forming and coloring human life. Starting from here, the idea of this research emerged to study the issues of auditor ethics with the controversial discussion of Cultural-Spiritual Ethics which researchers adopted from the wealth of culture-spiritual in Indonesia.

Indonesia is rich in culture and spiritual expressions. One of the most famous is the culture and spirituality in Bali. According to the researchers, all forms and expressions of culture and spirituality in Bali are related to ethics, but it is impossible to study the ethics of all existing cultural and spiritual forms and levels. The researcher chooses *Kain Poleng*, which illustrates the existence of goodness and badness in life that must be balance and *Mulat Sarira* which describes the self-introspection to reach the human identity as a perspective in reviewing the auditor ethics. The selection is based on the meaning and value of both spirituality forms with the position and the auditor duties.

From the point of view of the researcher, the two concepts of spirituality above will be used to reveal the phenomenon of ethics breach that reviewed from the Culture-Spirituality perspective of *Kain Poleng* and *Mulat Sarira*. This study uses a qualitative approach with a personal as a tool of analysis through data reduction and reflection methods. Because the auditor is at two points of position, the researchers attempt to reveal the reality and think of the way of solution by using the quadrant between position as individual and social and between normative and practice.

Based on the research background and approach chosen, the research problem is how the auditor applies the personal value and professional code of ethics in the implementation of auditing based on the Culture-Spirituality perspective of *Kain Poleng* and *Mulat Sarira*? The purpose of this research is to understand how the Culture-Spirituality of *Kain Poleng* and *Mulat Sarira* explain the auditor' way to apply the value of his personal spirituality in order to run the professional ethics in auditing. This study is expected to provide an elaboration of the cultural-spirituality value that is in the individual and social which can strength the implementation of ethics. From the perspective of *Kain Poleng* and *Mulat Sarira*, as well as a review from a normative-practical and personal-social perspective. This research is expected can provide an illustration about the concept of ethical strengthening and its implementation.

METHODS OF RESEARCH

The qualitative approach in this research is based on the objectives research and characteristic of the qualitative approach itself. In order to achieve the research objectives, the researcher analyze data logically and critically by expressing the meaning and value of existing phenomenon through reflection in the cultural-spirituality of *Kain Poleng* and *Mulat Sarira*.

In analysis data, the researchers conduct three steps as stated by Huberman and Miles (2009), namely: (1) data reduction, (2) data presentation, and (3) decision making, which researchers do through reflection. The researchers do not use the common method in qualitative research such as, phenomenology, ethnography or etnometodology. The researchers take the advantage of the elasticity characteristics of qualitative research. The flexibility of this design allows the researchers to negotiate and develop design according to research objective (Moleong, 2005: 33). In this research, the researchers try to observe the phenomenon of understanding, belief and ethics implementation of the auditor with the concept of cultural-spirituality of *Kain Poleng* and *Mulat Sarira*. Therefore, in Moleong's opinion (2005), this research takes the position that the values of cultural-spirituality of *Kain Poleng* and *Mulat Sarira* as choices ranging from the problem statement to the interpretation and context of this research.

Cultural-spirituality concepts of *Kain Poleng* and *Mulat Sarira* obtained from the website and interview with the Balinese while for the data, the researchers collect through interview methods with Balinese who work as a Public Accountant. The researchers also collected data on published ethical cases. From the data of interview and ethical cases, the researchers analyze in a culture-spirituality perspective of *Kain Poleng* and *Mulat Sarira*.

This research, as well as the qualitative research, has characteristics described by Denzin and Lincoln (2009: 3) as a bricolase and the researcher as a bricoleur. Analogous as a bricoleur, the researchers use their own methodological comprehension using existing empirical strategies, methods and data which in the process are characterized by pragmatic, strategic and self-reflection. This process produces brikolase, "the solution for the real

situation". As Denzin and Lincoln illustrate, this research is expected to reveal not only the ways in which the auditor apply the spiritual values with ethics, but also provides the concept of strengthening ethical comprehension and its implementation.

The researchers use two-point quadrant of the auditor's position to reveal how the auditor obey the ethics and strengthens ethical compliance, ie between personal and social positions and between normative and practical. It is illustrated in Table 1.

Table 1 – Auditor Ethics in Humanity and Professional Context

-		HUMAN	
		PERSONAL	SOCIAL
P R O F E S S I O N	NORMATIVE	Ethical Self Belief	Ethical Profession Awareness
	PRACTICAL	Ethical Self Toughness	Compliance Code of Ethics

Thus the data will be analyzed through the cultural-spirituality perspective of *Kain Poleng* and *Mulat Sarira* through the quadrant to reveal how the auditor realizes and implements his personal spiritual values to do the professional ethics in his professional duties. In addition, the quadrant is also used as a model for strengthening ethical awareness and compliance to the professional code of ethics, both of which should be the attention of accountants and professional organizations.

RESULTS AND DISCUSSION

Auditor Position in Kain Poleng. One of the famous icon of Bali culture and strongly influencing the views and behavior of the Balinese is *Kain Poleng*. Described by *Kain Poleng* that there are two unavoidable realities in life: night and day, dark and light, water and fire, right and wrong, good and bad, etc. It is expressed by *Kain Poleng* in the black and white. *Kain Poleng* can be seen from the aspect of color, decoration, edge, material and the square size. Based on the color and motive aspects, there is a *Kain Poleng* that called *Rwabhineda* (black and white), which reflects both good and bad. Next, *Sudhamala* (white, gray and black), the meaning of gray is to harmonize between good and bad. The other is *Tridatu* (white, black and red), red as a symbol of *rajas* (the power) between laziness and wisdom (Anonim, 2014). The commonly form used is *Rwabhineda* which gives meaning to how people should look and live.

Kain Poleng is used by the figures such as Werkodoro and Anoman in the *Wayang*, because the character is honest, extrovert, straightforward, transparent, clear and natural (Windra, 2010). This means that human should be able to distinguish between good and bad and firmly choose the good one. The expression of that attitude still consider to balance and harmony.

In an interview with religious Balinese, the meaning of *Rwabhineda* is retrieved from a view of life. Here is the phrase.

Rwabhineda reflects that there is the opposite of character namely white-black, good-bad, bittersweet, etc. Rwabhineda shows the living ornament must know and wise... distinguish good and bad to achieve life balance. Therefore Rwabhineda is known as the symbol of the law of natural balance. The natural balance means eg... If there is a joy then there is also a sorrow, then it needs to be balancing... that is acting wisely with no exaggeration in times of joy or sorrow. Rwabhineda is closely related to the law of Karmaphala and fostering relationship that are in harmony with others, environment, and God.

From that perspective, the auditor in performing his professional duties can be seen as a figure that stands between two points, right and wrong, good and bad and follow and breach the ethics. With the nature of humanity that tends to violate if there is a chance, the auditor needs to aware and strengthen himself with the spiritual value to do good. However, this is not an easy thing because although there is a tendency to do good, the auditor as human beings also have a desire that always want to be obeyed. Living between the two points, the auditor is also in an environment that does not always support the good. Competition and attractiveness between good and bad as well as doing according to conscience and indulgence make the auditor need the power to control himself, which in the culture of Bali is called *Mulat Sarira*.

Auditor's Identity in Mulat Sarira. Another aspect of Balinese cultural-spirituality that also influences Balinese views and behavior is *Mulat Sarira*, which means introspection or return to the identity (Arimbawa, 2012). In terms of meaning, *Mulat Sarira* invites all human to «return to its roots and find yourselves» (Prasastra, 2010). Seeking and returning to the self in order to recognize oneself is the key for understanding and living *Mulat Sarira*, so that human can always introspect, get to know themselves before getting to know and judge others.

Furthermore, the meaning of *Mulat Sarira* is reflected in the results of further interviews as described below.

Mulat means seeing oneself. Sarira means body. Mulat Sarira is a way to understand yourself and self-control. The key to know yourself, being self-controlled, being responsible, and trying to make improvements. Mulat Sarira holds on to the conscience to conduct a good life activity and true and distanced themselves from the actions of harming others.

There are two important aspects in *Mulat Sarira*, that is finding themselves and what to do with them (Prasastra, 2010). Understanding and finding is not enough, there must be an action according to the them. So there must be efforts to increase understanding, awareness and behavior that is in accordance with the identity. From the description of *Mulat Sarira*, the researchers believe that the combination with *Kain Poleng* will be a cultural-spirituality effort that complements each other's understanding and the application.

Like other humans, as described in *Kain Poleng*, the auditors live and move on two points that can be in form; the necessity to do good-ethics with the force of insistence on bad-offenses, between individual interest and institution or profession, between short-lived interests with long-term interest and between normative and practical. This makes the auditors must have a real sense of self. For that, the auditors must always cultivate the awareness and strive toward the position of identity of human beings in order to be able to control themselves. This is emphasized in *Mulat Sarira* for the auditors.

From the perspective of the two spirituality concepts, the researchers consider that the auditors on duties are in *Kain Poleng*. For the sake of higher values and performing the duties well, the auditors should not choose the path of breach ethics. But this is not an easy thing, therefore auditors should always be in *Mulat Sarira*, a human identity that tends to do good and follow the ethics.

Decision Making and Ethical Dilemmas in Audit Activities. From the professional duties point of view, the auditor may be viewed from two practical aspects, as individual which perform their duties and as a professional community which bound by standard and regulation. Auditors often face ethical decision-making, a decision that is legally and morally acceptable to the public at large (Jones, 1991; Trevino, 1986). Ethical decision-making is a complex mental activity. Loe, Ferrell, and Mansfield (2000) and Paolillo and Vitell (2002) state that the important determinant aspects of ethical decision-making behavior are those that uniquely related to the individual in decision-making and factors as a result of the process of socialization and individual development. It is an innate trait, while the other is factors of organization, work environment, profession and so on.

Shareholders, prospective shareholders, financial advisors, underwriters, regulators, financial institutions, and creditors are users of audited financial statements. The user will make decisions in the financial statements presented by management, which will get incentives if the company's financial is in good position. Bonus compensation is often used to

pay management on the basis of reported financial performance. Management uses financial reports as a media, document or as a tool to influence external users of financial statements, so management is always motivated to present financial information that may be too optimistic and may even mislead users. In this situation, there are public accountants who are responsible for reviewing and arguing for financial statements. Technically, if the findings of a public accountant inappropriate with the client's expectations, it may lead to an audit conflict (Tsui, 1996; Tsui and Gul, 1996). It will raise the interest conflict and ethical dilemmas in the audit task.

The things mentioned previously show that the auditor can be in a very difficult situation and an ethical dilemma. In this situation, the auditor will consider its individual value and implication in its social or professional context. Unfortunately, the situation and dilemma often lead to the ethics breach, especially if the auditor is on the weak side. Further disclosure is how the auditor applies the personal values that he or she believes in dealing with such conflicts and dilemmas, and in their social context, especially when analyzed in the cultural-spiritual perspective of *Kain Poleng* and *Mulat Sarira*.

Based on the method that has described in research methods, this research will analyze according to the themes in the quadrant as shown in Table 1. Each theme can not be the same as a separate thing, but as a unified link in revealing and building the strengthening of awareness and its application. The whole discussion will be reviewed in a cultural-spirituality perspective of *Kain Poleng* and *Mulat Sarira*.

Ethical-Self Belief: The Value of Kain Poleng and Mulat Sarira in Personal. An auditor can be seen as an individual figure that certainly has a personal belief that will guide his/her life activities. One of the cause of phenomenon ethics breach by the auditor is the lesson has not been realized in his life. It has a value but not trusted and not internalized. This is revealed from the informant statement, a Balinese, an idealist who works as a Public Accountant, as follows.

The breach of ethics happen because Accountant is pragmatic not idealistic..., and... they do not have a good attitude as an accountant... Lack of their awareness to internalize the lesson that leads to identity... having a major contribution for a bad behavior.

There are four keywords from the result of interview, that are pragmatic, ignoble, the bad behavior and not internalized the value of identity. Those are may cause the ethics breach. So when viewed from Ethical-Self Belief, the rise of ethics breach by the auditor because of the lack of confidence that has been associated with the moral and internalization of good lesson, or even no awareness of the value in the environment that can direct itself to the identity. Internalization is very important, as can be found from the statement of Mansyur (2015) regarding to the case of *window dressing* Toshiba which published in Accounting Indonesia Magazine (Majalah Akuntan Indonesia) as follows.

We need to ask why Japan, an Asian Tiger with the pride of *harakiri* and *kamikaze*, pricely trapped and submissive with accounting 'art' strategy to financial statement, to look more sweet and charming in public.

We can imagine a very old company with a strong management tradition that stands in a nation that has a habit to follow a very strong cultural value can be helpless or defeated, especially a weak one. This is what Public Accountants or auditors are facing. As if facing a «giant magic» who can do whatever his will. The case of breach ethics by auditors in Indonesia as well as in Japan is one of them because of the fragility of Self-Ethical Belief faced with the power of the tendency of some bad businessman.

In the perspective of *Kain Poleng* and *Mulat Sarira*, an auditor should realize that he is at two points between good and bad, which in the context of audit tasks can following ethics and breach. These two things are the reality that can not be denied and auditors are in between the two points. On this side, the value of *Kain Poleng* can provide enlightenment to the auditor in order to realize that he needs to reinforce the belief that if he gives the balance of evil by always doing good then he will gain profit and give good to the world. The balance of life will be obtained by fostering a harmonious relationship with God, neighbor and the environment. This will be strongly imprinted in an auditor if the person concerned is always do self-introspection and self-control and always towards the identity (*Mulat Sarira*). Good

deeds and compliance to the ethics without compulsion. The auditor must always be true in black and white or good and bad, ethical or unethical.

Ethical-Profession Awareness: the Value of Kain Poleng and Mulat Sarira in Profession. In previous description, an auditor is viewed as an individual figure, in this discussion, the auditor is seen as a member of the professional organization that oversees and organizes his work. It is undeniable that the auditor is not a free individual, but related to its functions and responsibilities to assume professional duties that must always uphold the personal dignity and reputation of the professional organization because people put their trust in the accountant performance. Therefore, one of the functions of professional organizations is to maintain and ensure its members act in accordance with standardized code of ethics.

As a member of a professional organization, the auditor must obey with the professional code of ethics. Unfortunately, in some cases, professional codes of ethics by some auditors are just seen as a desultory copy. Let consider the title of the main report of Accounting Magazine Indonesia on August-September 2016 edition, namely 'Black Market' Business Accountant (TOM, 2015). This title wants to illustrate how «black» accounting profession is called «Black Market» and with the word «business». This is not without reason, because there is a phenomenon, a public official has read hundreds of audit reports that seem to be no problem. There are, however, anomalies as illustrated in the following quote, from the main report:

«...there are more than a hundred audit reports signed by the same KAP at the same time. Not as by the same level as «Big Four» that has tens of partner, but by small KAP with no more than two partners».

More surprisingly, they all get «Reasonable without Exception» opinion or WTP. How could it be that in just about two weeks, a KAP could check over a hundred clients, and everything were done on time?

Another story ... an office bravely offers licensed auditor stamp for anyone who needs a report with WTP opinion. ... they will bring a WTP opinion report without going through the audit process.

There are still some cases of breach ethics that mentioned in the report, the quote above can already show the faces of the current accounting profession. In the report also mentioned that events like this is not an Indonesian monopoly, in the USA and the UK only, which is well known as a country that organizes governance and transparency well, there is still a fraud audit. As the researchers explained in the previous sub the breach ethics is also happen in Japan. For this problem, the interesting question, what is the lack of USA, UK and Japan? and also Indonesia? Has professional organization decided the Professional Code of Ethics? Even if viewed from the aspects, the code of ethics is a good rule because it includes integrity, objectivity, independence, professionalism and competence (TOM, 2015). From here, researchers try to analyze from cultural-spirituality factor, because it is rarely studied.

The local wisdom values of Kain Poleng and Mulat Sarira if actualized in everyday life can lead the auditor to act in accordance with professional code of ethics, so that breach of ethics that often struck the auditor can be overcome. The following is an excerpt of an interview with the informant when asked the response on whether it is sufficient only by the culture of Kain Poleng and Mulat Sarira to overcome the breaches of ethics by the auditor, without professional code of ethics?

Based on the practices that have occurred, may not overcome fully, but by adopting the philosophy of Kain Poleng and Mulat Sarira it will be better and internalized.

In practice, it is difficult to overcome the breaches of ethics, no matter what value the auditor holds, as has been exemplified in USA, UK and Japan. The answer above implies that professional codes of ethics are indispensable and local values need to be adopted for the internalization of values. According to the researchers, it is needed to absorb local values (*Kain Poleng and Mulat Sarira*) in the professional code of ethics. It is necessary that the auditor when understanding and applying the code of ethics does not feel that it is beyond of his/ his belief. So that the compliance to the code of ethics includes obedience to the culture-spiritual values.

The two analyzes above review the normative domain, whether consider to the auditor as an individual or as a social, especially as a member of a professional organization. The researcher will analyze from the practical side when the auditor as an individual perform the duties and when should make consideration as a member of the professional organization.

Ethical-Self Toughness: The Value of Kain Poleng and Mulat Sarira in the Application of Audit Tasks. In the personal and practical side, the researchers call it as Ethical-Self Toughness. In this position, the auditor faces the challenge of maintaining a belief in the value of his spirituality in carrying out his duties from the temptations of others who want the auditor following his destructive. When carrying out its profession duties, an auditor actually runs decisions personally, although the auditor is the part of the team and living in the community. In making the decision, the auditor in his mind is his personal expression. Therefore, the toughness here refers to the researchers as the strength of the auditor's resilience in dismissing the things that ask him to do unethical act.

Ethical-Self Toughness can fail with insistence and environmental circumstances. As stated by Michelle Bernardi from KAP. Bernardi & Partners give the response to «KAP mischief», especially small KAP. Here are the statements contained in Accounting Magazine Indonesia:

«...because the audit market is uneven, this causes the small KAP receiving the order of signatures trading».

The result is a fake audit. There are many small KAP playing in that segment. Only for tender then just signed.

An accountant, whatever his position in KAP requires the toughness to maintain the ethical values that his believes in. This is not owned by all accountants, who already have a vulnerability to temptation that is not internalized in itself by cultural-spirituality values. When the accountant faced with ethical decisions, they are often in the losing side, this is reflected and elaborated in an opinion entitled «Defeat of Accountant in Financial Scandal» (Mansyur, 2015). Therefore, Mansyur stated, «courage is very important, as important as agility and ingenuity. Accountants should bring inspiration for courage and victory». The interesting question is where did that courage or toughness come from?

As ethical decision-making, courage and ethical toughness are complex mental activities. Many things are pervading, one of them is culture-spirituality. The researchers analyze through the perspective of Kain Poleng and Mulat Sarira. The auditors who are aware of the value of *Kain Poleng* will understand that the contents of this world is black and white or a good and bad thing. Then it does not mean the auditor feels normal to do a bad thing with the reason it is the world. But this should give the strength to the auditor to do the good thing as a counterweight to the badness. the auditors who hold Mulat Sarira culture in carrying out the duties and face the temptation most likely will remain guided by the self ethics and professional code of ethics. This is shown by the interview quoted below.

The Hindus KAP or Auditor recognize the karma pala, where effect the actions of an individual in the future.

The most noticeable is the Mulat Sarira, if we do not introspect ourselves then we will fall into the black side (only partially of the Kain Poleng so it is not aligned). The implication is that we will feel guilty and ultimately fear of the karma pala.

The statement above contains a value that if linked to the ethical decision will be relevant when the auditor is faced with ethical dilemma that is to follow the client's intention. It means that the auditor had violated the professional ethics because it has acted independently or still uphold the professional code of ethics as the basis or guidance of the auditor in implementing the audit activities. The fear of God reprisal is a strong value as a controller for not doing unethical action.

The concept of Mulat Sarira has two values, i.e. self-introspection and what is done with it whose purpose is to provide guidance about the identity of a person who must uphold the ethics. As mentioned in the result and discussion sub. These values are highly respected by the Balinese. So that, it can be stated that *Mulat Sarira* in Balinese tradition is one of the guidelines in doing daily activities to act based on the ethics. If an auditor can control himself,

undoubtedly the breach of ethics can be avoided. Therefore, Ethical Self Thougness is required by the auditor and should continue to be applied to avoid breaches of ethics.

Compliance Code of Ethics: The Value of Kain Poleng and Mulat Sarira in the Guarantees of Ethics Implementation In the social and practical side, the researchers called as the Compliance Code of Ethics. In this side, the analysis is in the organization or institution context of the profession. The breach of ethics by auditors are not separated from things that are organizational. Professional organizations are the institutions that issue and establish codes of ethics and ensure that codes of ethics are implemented properly. In fact, the formulation and determination are not always the same as the application. Something written on paper is not necessarily run in accordance with the implementation. The range of control by the organization is not as far as the scope of the organization itself. Moreover, facing a fake KAP who practice without permission, but ironically can provide an official stamp from one of the KAP. This is what the Indonesia Accountants' Magazine Major Reports (Majalah Akuntan Indonesia) called «the KAP which if official» (TOM, 2015). There is an interesting statement to note about this, related to the small official KAP that violating the ethics, as published in the Indonesia Accounting Magazine (Majalah Akuntan Indonesia) in August-September 2015 edition.

There is no fear of investigation, both from the regulator and the profession under it.

«Occasionally, who investigated is the big KAP. We cannot be investigated», the perpetrator said.

This illustrates the limited range of professional organizations. There is a dilemma in the professional organization, on the one hand must ensure that the auditing of its members is in accordance with the ethics and standards of investigation, but on the other hand there are unoptimal tools in the organization itself. The members who have a mental force on the various compliance and the temptation of various parties for his personal gain. This is also reflected in the following quotation.

«The organization is impossible to eliminate total fraud, because it is clandestine. Not everyone has a clean, holy, and noble behaviour. It is precisely the accountants intense to intersect with deceitful and greedy people who want to win and a lot of profit» (Mansyur, 2015).

The reality that professional organizations have no outreach to all members and the organizational aspect requires a reinforcement of Ethical Self Belief and Ethical Self Resilience, as well as the absorption of the spirituality values of the professional code of ethics. These three things also require a strong professional organization to oversee the implementation of a code of ethics at a high level. Human in life cannot be separated from the values of culture and spirituality. Therefore, this cannot be only the attention of the auditor personally but the organization must facilitate this spirituality problem in policy product and its implementation, such as the value of *Kain Poleng* and *Mulat Sarira*.

This is possible as presented by the informant, a Balinese auditor when asked whether the value of *Kain Poleng* and *Mulat Sarira* can be manifested in the professional code of ethics. He briefly replied,

It is possible, but the term used is the universal term of Kain Poleng (Harmony), and Mulat Sarira (Identity).

The spiritual values must be the concern of accountants and professional organizations because the code of ethics and its implementation that is already exist cannot eliminate the breach of ethics. This is reflected in the informants' answer who hold onto spiritual values.

The average of clients in KAP Bali are not from a big company like companies in Jakarta or other big cities. Because we realize that, the auditor profession must hold onto the code of ethics and the Balinese auditors hold onto the Hindu (Kain Poleng and Mulat Sarira), desire or circumstances that force them to violate the ethics can be controlled.

Related to the environmental temptations and audit risks, the following answers can illustrate as follows:

The averages of clients are also Hindus, so we aware of the risks that contrary to the Hindu, so we avoid earlier.

Based on the interview, it can be said that the informant as the auditor has a stand on the need for ethics that is implemented in life and can be applied when doing the audit activity. The caused of ethics breach is the lack of an auditor's understanding of the ability to follow the lesson of beliefs. According to the researchers holding onto beliefs is the key of constancy. Violation is not simply because the client is a big company. Because in fact, Toshiba is a global company that implements a strong culture that is at the same time as a symbol of greatness and grandeur. It is also a «... reality of the fraud, and destruction of corporate ethics» (Mansyur, 2015).

Recognizing the things above, there should be adoption and adaptation of local values or culture-spirituality in the preparation, implementation and supervision of the professional code of ethics. This effort cannot run separately between members and their professional organizations. From the analysis, the aspects as shown in Fig. 1 in this article should be given a balanced attention. The values of culture-spirituality of Kain Poleng and Mulat Sarira in Balinese have an universal value that can be adopted by the accountant and professional organizations. Thus, the code of ethics that exists and the way of its implementation can be more applicable to reduce the breaches of ethics. Furthermore, the accounting profession organization will have the authority for its own members and in the presence of institutions and the people who exploiting for personal interests. In the end, the accounting profession will contribute to civilization and the good life.

CONCLUSION

In recently, there are many breaches of professional ethics which done by professional accountant or auditor. It is already at a very worrying and distressing level. The phrase that «the audit report becomes a sold object» is not a «figment». This is the reality. Actually it does not only happen in Indonesia. It also happen in USA, UK and the countries with strong cultures such as Japan with the large scales. This violation can not be seen from the visible or downstream, but must be traced to its root system.

It is rarely realized that the auditor as a human is a figure with a «mix» of various elements and complex aspects. There is a good tendency in itself, although there is also a bad tendency. In these circumstances, the auditor is in a world in which there is both good and bad. It is undeniable that the auditor has faith in the spiritual value that influences him in his life. The strength of the faith depends on the extent to live and internalize its beliefs.

Indonesia is rich in culture-spirituality. One of them is Kain Poleng and Mulat Sarira in Bali. From the perspective of two concepts, the auditor on duty is in Kain Poleng, between good and bad. Therefore, the auditor should always be in Mulat Sarira, which is in the identity of human beings who doing the duties based on the ethics. An important finding of this research is that the auditor who internalizes the values of both concepts is stronger to face the temptations from the outside.

To disclose the things related to ethical issues of auditors, analysis cannot simply «observing» from one side, because the auditor is both a personal and a part of his social life. While in terms of the profession, the auditor should understand and realize the normative and practical thing. Based on those sides, the disclosure of ethical issues of auditors and ways of strengthening in their implementation can be viewed from four aspects: Ethical-Self Belief, Ethical-Profession Awareness, Ethical Self Thoughtness and Compliance Code of Ethics. Thus in addition to the research findings mentioned earlier, this article succeeded in constructing a quadrant to find ways to eliminate breach of ethics. From the findings and constructions, that researchers offer are expected the auditors who are between the good and the bad can still tread the identity of human beings so can contribute for a better life.

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