

ANALYSIS OF VARIABLE AFFECTING THE QUALITY OF AUDIT

Hamzah Fansuri Yusuf
STIE Mandala
Jember, Indonesia
hamzah@stie-mandala.ac.id

Femba Akris Diantoro
STIE Mandala
Jember, Indonesia

M. Dimiyati
STIE Mandala
Jember, Indonesia
dimiyati@stie-mandala.ac.id

ABSTRACT

This study aims to determine the factors that influence audit quality (at the Public Accountant Office in Surabaya). The data used in this study are in the form of primary data collected through a questionnaire survey covering all auditors (Partners, Managers, Senior, and Junior) who work at the Public Accounting Firm (KAP) in Surabaya. Data processing methods using the instrument test are among the validity tests to look at data validity and reliability tests to see the reliability of a questionnaire, data, classic assumption tests including heavier capacity tests, multicollenation, normality then multiple linear regression tests and partial hypothesis testing and together . The results of the study show that the independence variables significantly influence audit quality and competence have a significant effect on audit quality. Then tested simultaneously the influence of independent variables and competence on audit quality significantly.

Keywords: Independence, Competence, and Audit Quality

1. INTRODUCTION

Auditor is the collection and evaluation of evidence about information to find and report the degree of conformity between the information and established criteria. The auditor is an independent and competent person who carries out the audit (Arens, Elder, Beasley, 2008:5).

Public Accounting Firm (KAP) is an institution that has permission from the minister of finance as a forum for Public Accountants in carrying out their work according to the Decree. Minister of Finance No.470/KMK.017/1999 and Regulation of the Minister of Finance No.17/PMK.01/2008. The organizational hierarchy in a Public Accounting Firm consists of partners, managers, supervisors, seniors, or in-change auditors and assistants. 1 Law No. 34 of 1954, the title of accountant is only given to those who have an accountant diploma in accordance with the provisions and based on the law. The organization of the accounting profession in various countries in the world is very diverse, both in organizational structure, membership, and activities. In Indonesia, there is only one professional accounting organization, namely the Indonesian Institute of Accountants (IAI), whose membership consists mainly of accountants working in various fields of activity. The Public Accountant Compartment consists of accountants who practice as public accountants and have a practice license from the Ministry of Finance. The main purpose of the establishment of this compartment is to develop its members so that they can carry out their functions and roles as professional public accountants and always update their knowledge, especially in the field of accounting and auditing. . In addition, it also formed the Public Accountant Professional Court (BPPAP) which aims to adjudicate cases of complaints involving its members, therefore maintaining professionals as public accountants, audits must use SPAP (Public Accountant Professional Standards), auditing standards set by the Association of Public Accountants. Public Accountants in practice have three standards, namely general standards, field standards, and reporting standards.

Auditing is a systematic process of obtaining and evaluating evidence relating to assertions about economic actions and events objectively to determine the degree of conformity between these assertions and established criteria and communicating the results to interested parties (Jusup, 2001: 11).

There are several kinds of audit opinions in the company's financial statements. To find out the truth of a financial report, usually someone will ask another person from an independent party to check or audit that the available reports are true. Therefore, the existence of an expert or party who can provide an opinion as well as a translator on the financial statements is no less important. After conducting the examination, an auditor will issue an opinion on the financial statements which is called an audit opinion on financial statements. There are five audit opinions, namely an unqualified opinion, a qualified opinion, a reasonable opinion with an explanatory paragraph, an unqualified opinion, an unqualified opinion. financial statements that contain material errors and the auditor reports the error through an audit opinion, it is said that the audit has increased the level of audit quality in the eyes of the public.

Audit quality (De Angelo:1981) in (Tandiontong, 2016:80) defines audit quality as the market value probability that the financial statements contain material errors and the auditor will find and report the material errors, that audit quality is an audit carried out by an independent person. and competence, Competency auditors are auditors who have technological capabilities, understand and carry out correct audit procedures, understand and use correct sampling methods and independent audits are audits that, if they find violations, will independently report such violations. As an intermediary in transparent conditions, public accountants must be able to act honestly, wisely and professionally in carrying out audit tasks.

Currently, the audit quality of public accountants has begun to be doubted by interested parties on public accountants' reports, as a result of the rise of financial scandals that have occurred recently, auditors have become the public

spotlight in recent years. Starting from the 2001 Enron case in the United States, the Enron case involving one of the big five Certified Public Accountant (CPA) firms, namely KAP Arthur Anderson, which suddenly went bankrupt and left a debt of around US\$ 31.2 billion after receiving an audit opinion from KAP Arthur. . Up to the case of Telkom in Indonesia in 2002, the credibility of the auditors was even more questionable. The case of Telkom regarding the non-recognition of KAP Eddy Pianto by the SEC where the SEC certainly had a special reason why they did not recognize the existence of KAP Eddy Pianto. The SEC is still in doubt about the auditor, where competence and independence are the two main characteristics that an auditor must have at the same time. The latest case in 2019 was PT Garuda Indonesia, which managed to record a net profit of US\$809 thousand in 2018 even though this performance was quite surprising because in the third quarter of 2018 the company still lost US\$114.08 million. This could be related to the competence and independence of the auditors. doubtful and has not become a quality audit.

Lilis Ardiani (2010) research where the input variable (x) is competence, independence, accountability, motivation and the output variable (y) is audit quality. The results of the research conducted are competence, independence, accountability and motivation have a simultaneous effect on audit quality .

M. Nizarul Alim, Trisni Hapsari & Liliek Purwati (2007) research where the input variable (x) is competence and the independent variable (y) or the output is audit quality plus a moderating variable (z) namely ethics. The result of this research is that independence and competence have a significant effect on audit quality. The relationship between competence and ethics does not have a significant effect, while the relationship between independence and auditor ethics has no significant effect.

The reason for conducting this research is to review whether the variables of independence and competence have a significant effect on audit quality at the Surabaya Public Accounting Firm. Thus, the researcher wants to take the title of the research on "FACTORS AFFECTING THE QUALITY OF AUDIT" (At the Public Accounting Firm in Surabaya).

2. RESEARCH METHODS

2.1 Object of research

The object of this research is the Public Accounting Firm (KAP) located in Surabaya, data taken from April 22 to May 3, 2019.

2.2 Population and Sample

The population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2017:61). The population in this study includes all auditors (partners, managers, senior and/or junior auditors) at 21 Public Accounting Firms (KAP) in Surabaya according to IAPI data and those registered with OJK. Sample According to (Sugiyono, 2017:62), the sample is part of the number and characteristics possessed by the population, the method used in taking samples is Purposive Sampling. The sample criteria include: 1) Registered with OJK (Financial Services Authority) and IAPI, 2) KAP who are willing to be sampled.

2.3 Variable Identification

Dependent Variable (Y): Audit Quality

Independent Variable (X): Independence

Competence

2.4 Variable Operational Definition

1. Independence

Referring to the mental attitude is not easily influenced, because carrying out his work for the public interest (Tandiontong, 2016: 81). Thus research on independence indicators (Fajar: 2018), independence in research is measured using indicators: (1) Relationships with clients and (2) independence of work implementation, (3) independence of research reporting on research variables.

2. Competence

Competence is an auditor who has technological capabilities, understands and carries out audit procedures correctly, understands and uses the correct sampling method (Tandiontong, 2016:172). Competency indicators are measured by (1) expertise, (2) knowledge, (3) experience, and variable research.

3. Quality Audit

Audit quality is the market value probability that the financial statements contain material errors and the auditor will find and report such material errors (De Angelo: 1981). Warming Rasmussen and Jessen (2001) in (Tandiontong, 2016:85) suggest that 6 dimensions of audit quality are (1) personal credibility, (2) independent auditors, (3)

reporting disclosure to creditors and minority shareholders (4) knowledge towards the client industry (5) loyalty, (6) audit skepticism, and measurement research.

2.5 Method of collecting data

The data collection technique used in this study used a Likert . scale questionnaire

3. RESULT ANALYSIS

Analysis of Research Results

1. Data Quality Test

a. Validity test

The validity test shows Table 4.7 that all the statement items of the independence, competence and audit quality variables tested in this researcher are declared valid. All variables show the corrected item value - total correlation > r table at a significant 0.05 (Ghozali, 2013:52)

Tabel 4.7
Hasil Uji Kualitas Data Validitas

Variabel	Uji r hitung	Uji Validitas r tabel (n:30), 5%	keterangan
Independensi	0,755	0,361	valid
Kompetensi	0,712	0,361	Valid
Kwalitas audit	0,757	0,361	valid

Sumber : Data diolah, 2019 lampiran III

b. Reliability Test

Tabel 4.8
Hasil Uji Kualitas Data Reabilitas

Variabel	Jumlah Pernyataan	Uji Reliabilitas Cronbach Alpha Reliabel jika > 0,70
Independensi	7	0,854
Kompetensi	10	0,909
Kwalitas audit	14	0,937

Sumber : Data Primer, 2019 lampiran III

The reliability test shows table 4.8 used in this study is to use the Cronbach Alpha coefficient. If the Cronbach Alpha value > 0.70 on a variable, the level of instrument measurement reliability is getting better (Ghozali, 2013: 47).

2. Classical Assumption Test Results

a. Normality test

Tabel 4.9
Hasil Uji Normalitas

		Unstandardized Residual
N		30
Normal Parameters ^{ab}	Mean	.0000000
	Std. Deviation	2.50177627
Most Extreme Differences	Absolute	.094
	Positive	.076
	Negative	-.094
Test Statistic		.094
Asymp. Sig. (2-tailed)		.200 ^{c,d}

The normality test in table 4.9 in this study is to perform the Nonparametric Test One-Sample Kolmogrov Smirnov (1-Sample K-S). It can be seen that the value of Kolmogrov - Smirnov Z or the stastic test is 0.094 with a significant level of 0.200 > 0.05 thus, the independence, competence and audit quality variables are normally distributed (Ghozali, 2013: 160).

b. Multicollinearity Test

Multicollinearity testing can be known if the tolerance value < 0.10 or VIF value > 10 . Based on the test results in table 4.9 below, the VIF value for all variables has a value of more than 10 and a tolerance value of less than 10. Thus the independence variable, competence is free. symptoms of multicollinearity between independent variables. (Ghozali, 2013: 105).

Tabel 4.10
Uji Multikolonieritas

Coefficients ^a		Collinearity Statistics	
		Tolerance	VIF
Model			
Independensi		.416	2.407
kompetensi		.416	2.407

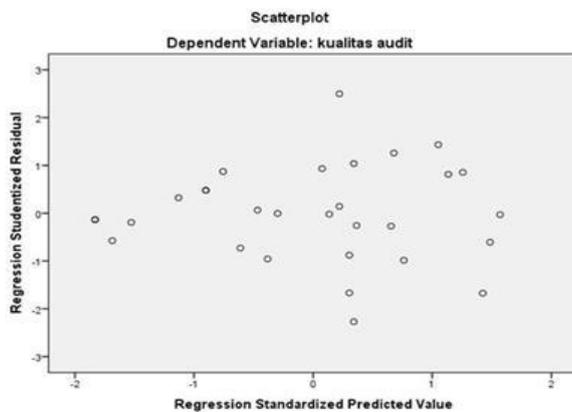
a. Dependent Variable: kualitas Audit

Sumber : Data Primer, 2019 lampiran III

c. Heteroscedasticity Test

on the scatterplot graph between the predicted value of the dependent variable (ZPRED) and the residual value (SRESID). In the scatterplot graph below, it can be seen that the distribution of points spreads randomly and spreads well above and below the number 0 on the Y axis (Ghozali, 2013: 139). It can be concluded that there is no heteroscedasticity in the regression model used in this study.

Tabel 4.11
Heteroskedasitas



Multiple Linear Regression Test

(Ghozali, 2013: 95). The multiple linear regression test in table 4.12 is used to test the factors that affect audit quality by using independent variables and competence as the basis for audit behavior to add value or audit quality in the eyes of the public, so that researchers consistently use the confidence level 95%.

Table 4.12
Multiple Linear Regression Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.112	5.489		-.203	.841		
	independensi	.587	.274	.216	2.143	.041	.416	2.407
	kompetensi	1.013	.133	.766	7.619	.000	.416	2.407

a. Dependent Variable: kualitas audit

Coefficient of Determination (R^2)

shows that the value of (R^2) is 0.878. This means that 8.78% of audit quality attitudes are influenced by the variables of independence and competence. The remaining 12.2% is influenced by other variables that were not examined in this study. The R value is 0.942. This means that the correlation between the independent variables and competence is 9.42% (Ghozali, 2013: 96).

Tabel 4.13
Koefisien Determinasi
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.942 ^a	.886	.878	2.59278	.886	105.407	2	27	.000

a. Predictors: (Constant), x_2, x_1

b. Dependent Variable: Y_tot

Hypothesis Test Results

1. Simultaneous F Test

Tabel 4.14
Uji F simultan

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1417.192	2	708.596	105.407	.000 ^b
	Residual	181.508	27	6.723		
	Total	1598.700	29			

a. Dependent Variable: kualitas_tot

b. Predictors: (Constant), kompetensi_tot, Independensi_tot

sumber data diolah,2019,lampiran III

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1417.192	2	708.596	105.407	.000 ^b
	Residual	181.508	27	6.723		
	Total	1598.700	29			

a. Dependent Variable: kualitas_tot

b. Predictors: (Constant), kompetensi_tot, Independensi_tot

sumber data diolah,2019,lampiran III

The F statistical test is 105,407 or a significant level of 0.000 and it is seen that the significant level of the ANOVA test or the F test is obtained with an F count with probabilities far less than 0.05, so regression can be used to predict audit quality. It can be said that independence and competence together have an effect on audit quality (Ghozali, 2013: 96).

2. t test (Partial)

The results of the t-test for independence were 2.143 or a significant level of 0.041 and competence of 7.169 or a significant level of 0.000 and both variables were below 0.05 significant level, so audit quality was influenced by two variables, namely the independence and competence variables.

Tabel 4.15
Uji t (Parsial)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.112	5.489		-.203	.841		
	independensi	.587	.274	.216	2.143	.041	.416	2.407
	kompetensi	1.013	.133	.766	7.619	.000	.416	2.407

a. Dependent Variable: kualitas audit

4. INTERPRETATION

The influence of independence and competence on audit quality

Based on the results of the regression equation used in this study, it was found that independence and competence affect audit quality. Every increase in independence possessed by an auditor results in increased audit quality. Meanwhile, from the results of simultaneous research through the test (F - test) it can be seen that the independence and competence of the auditor simultaneously have a significant effect on audit quality, so hypothesis 1 (H1) is accepted.

Influence of Independence on Audit Quality

Based on the results of the regression equation used in this study, it was found that independence affects audit quality. Every increase in independence possessed by an auditor results in increased audit quality. Meanwhile, from the results of the partial study through the test (t - test) it can be seen that the independence of the auditor partially has a significant effect on audit quality, so hypothesis 2 (H2) is accepted.

The Effect of Competence on Audit Quality

Based on the results of the regression equation used in this study, it was found that competence affects audit quality. Every increase in competence possessed by an auditor results in increased audit quality. Meanwhile, from the results of the partial study through the test (t - test) it can be seen that the competence of the auditor partially has a significant effect on audit quality, so hypothesis 3 (H3) is accepted.

5. CONCLUSION

1. The results of the study indicate that the variables of independence and competence have a simultaneous effect on audit quality.
2. The results of the study indicate that the variables of independence and competence have a partial effect on audit quality.

6. IMPLICATIONS

The results of this study are about the factors that affect audit quality. Shows that independence and competence have a significant effect on audit quality. The implication is that an auditor should increase a sense of independence and competence in order to produce better audit quality and be able to trust his services as a high-quality auditor.

7. REFERENCES

- Arens, A Alvin, Randal J elder, Mark S. Beasley 2008. Auditing dan Jasa Insurance. Jakarta Penerbit Erlangga.
- Alim M Nizarul, Trisnani Hapsari, Liliek Purwati. 2007. Pengaruh Kompetensi dan Independensi Terhadap Kualitas Audit dengan Etika Profesi Sebagai Variabel Moderasi. Jurnal Simposium Nasional Akuntansi X.1-26.
- ArdianiLilis. 2010. Pengaruh Kompetensi, Independensi, Akuntabilitas dan Motivasi Terhadap Kualitas Audit. Majalah Ekonomi Jurnal Akuntansi.
- Ghozali, Imam. 2013. Aplikasi Analisis Multivariate Dengan Program SPSS 21. Edisi ke 7. Penerbit : BP Universitas Diponegoro Semarang.
- Jusup, Al-Haryono. 2001. Auditing (Pengauditan), buku 1. Yogyakarta : Penerbit STIE YKPN.
- Pamungkas Fajar Nur Azis .2018. Pengaruh Independensi, Keahlian, Kepatuhan Etika Profesi dan Kepastian Hukum Terhadap Skeptisisme Profesional Auditor dengan Kecerdasan Spiritual Sebagai Variabel Moderating.
- PrimaharjoBhinga, Jessica Handoko .2011. Pengaruh Kode Etik Profesi Akuntan Publik Terhadap Kualitas Audit Auditor Independen di Surabaya.
- Singgih Elisha Muliani, Bawono Icu Rangga. 2010. Pengaruh Independensi, Pengalaman, Due Professional Care dan Akuntabilitas Terhadap Kualitas Audit. Simposium Nasional Akuntansi XIII.

Sugiyono.2017. Stastistika Untuk Penelitian, cetakan ke28 Bandung :Penerbit Alfabeta.
Tandiontong, Mathius. 2016. Kualiatas Audit dan Pengukuranya.Bandung : penerbit Alfabeta.
Wiratama William Jeferson dan Ketut Budiarta. 2015. Pengaruh Independensi, Pengalaman Kerja, Due Profesional
Care dan Akuntabilitas Terhadap Kualitas Audit. E-Jurnal Akuntansi Universitas Udayana,10,1,91-107.
[https://uwiiii.wordpress.com/kasus Enron>KAP Arthur/7/4/2019,3:27](https://uwiiii.wordpress.com/kasus-Enron/KAP-Arthur/7/4/2019,3:27).
[https://www.ortax.org> ortax /7/4/2019,3:27](https://www.ortax.org/ortax/7/4/2019,3:27).
[www.ojk.go.id/6/23/2019, 19:50](http://www.ojk.go.id/6/23/2019,19:50)