MODERATING AUDITOR ETHICS: EXAMINING INDEPENDENCE, COMPETENCE, TASK COMPLEXITY, TIME PRESSURE, AND PROFESSIONAL SKEPTICISM INFLUENCE ON AUDIT QUALITY

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ABSTRACT

Keywords: independence; competence; task complexity; time pressure; auditor professional skepticism.	This study examines and analyses the Effect of Independence, Competence, Task Complexity, Time Pressure, and Professional Skepticism of Auditors on Audit Quality with Auditor Ethics as a Moderating Variable. This research was conducted using quantitative methods. The population in this study are several auditors who have participated in filling out questionnaires from several KAPs in 2021, where the authors determine the population using random sampling— and Multiple Linear Regression analysis techniques. The results of this study indicate that Independence, Competence, Task Complexity and Professional Skepticism positively affect Audit Quality. Meanwhile, Time Pressure does not affect Audit Quality. Auditor Ethics can strengthen the influence of Auditor Independence, Competence, Task Complexity, and Professional Skepticism on auditor quality. Meanwhile, Auditor Ethics weakens the influence of Time Pressure on Audit Quality.

Introduction

The development process in business in Indonesia provides an increasing need for external auditors. External auditors have considerable influence in assuring users of financial statements (Wijaya & Suputra, 2018). Financial statements are a means to assess the life of a company based on the company's operational and financial conditions. The presentation of the financial statements must be by applicable standards and principles and based on the actual circumstances of the entity company (Rahayu & Suryono, 2016). Material misstatements in financial statements are very possible and frequent. Misstatements caused by unintentional actions are then categorized as errors.

Meanwhile, if an intentional act causes misstatement, it is fraud. Sun Prima Nusantara Financing (SNP) Finance is a phenomenon in Indonesia. SNP Finance is a financial partner or subsidiary of the Columbia group of companies. Columbia is a company engaged in retail. Columbia provides customers with credit and installment purchase facilities through SNP Finance (Anugerah & Akbar, 2014). As technology evolves, consumer buying behavior has changed. Currently, consumers prefer to buy products online rather than coming to the store to get more attractive and efficient prices with time. Several online shops provide purchase facilities through credit (0% interest) without interest. Such conditions impact the market share of Columbia and SNP Finance (Qumaini & Aligarh, 2022). SNP Finance funds are primarily through bank loans with joint financing channels and directly. Join financing is banks joining and lending to SNP

Finance. Banks that provide loans to SNP Finance have the right to know SNP Finance's financial statements to know that funds are managed correctly, and the bank must also know whether SNP Finance can pay its obligations in the form of interest and principal. SNP Finance appointed Deloitte Indonesia as an independent auditor to conduct the audit process on the financial statements. This research is motivated by previous studies (Putri et al., 2019) and (Mulyani & Munthe, 2019), where auditors' professional skepticism positively influences audit quality. This research is also sourced from (Fatonah et al., 2018), where competence positively influences audit quality. In research (Kusumawardani & Aruan, 2019), auditors' competence and professional skepticism positively influence audit quality, and the complexity of tasks negatively influences audit quality.

Quoted by the initiator Fritz Heider, attribution theory is a sketch of behavior that exists in a person. This theory describes a process of convincing cause and effect and motives that favor a person's behavior from internal factors such as character, attitude, nature or the surrounding environment, which are external factors (Wiranti & Mayangsari, 2016). Using this theory can explain the cognition of a person's actions in incidents surrounding his environment and understand the reasons for the events encountered. The basis for researchers to use attribution theory is that empirical studies will be carried out to determine what factors are suspected to influence what the auditors have done. This is the basis for assessing audit quality results based on an auditor's attributes or personal attitudes. The behavior comes from internal factors that allow other parties to do something. This theory serves to evaluate the factors that influence audit quality.

Research Methods

This causality research aims to hypothesize and show views on benthic causal relationships between variables. This research design is a research structure plan that leads to analysis and is transformed into valid, objective, effective, and efficient research results. Quantitative data is the data in this study. This study applies cross-sectional data, which means that this data was obtained from auditors from several public accountants in Jakarta and surrounding areas in 2022. The data processed are primary data using convenience sampling methods and questionnaires resulting from developing and interpreting the variables studied. Thus, this study obtained as many as 171 samples due to pandemic conditions, making several Public Accounting Firms work at home or WFH. Respondents are auditors who work in 7 Public Accounting Firms (KAP) in Jakarta and surrounding areas who have significant responsibility in auditing the financial statements of entities or clients consisting of partners, managers, assistant managers, senior auditors, and junior auditors. Of the 7 KAPs, the number of auditors cannot be known, so the population in this study cannot be known.

Helen Sondang Glroia, Hermi

Variables and Measurements
I am running a few minutes late; my previous meeting is over.

Table 1
List of Public Accounting Firms Research Respondents (Additional et al. and List of Auditor Respondents and Online)

NO.	KAP Name	Media Questionnaire Dissemination
1	KAP Bharata, Arifin, Mumajad & Sayuti.	*Offline (Hard Copy)*
2	KAP Husni, Wibawa and Partners.	*Offline (Hard Copy)*
3	KAP Daniel Limbong.	*Offline (Hard Copy)*
4	KAP Tjahjadi dan Tamara (Morison Ksi)	*Offline (Hard Copy)*
5	KAP Drs. Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan (PKF).	*Offline (Hard Copy)*
6	KAP Hendrawinata Hanny Erwin & Sumargo (Kreston Indonesia)	*Offline (Hard Copy)*
7	KAP Benny, Tony, Frans & Daniel.	*Offline (Hard Copy)*

Table 2
Measurement of Variables, Scales and Operational Definition Tables

No.	Variable	Operational Definition	Research Instruments	Scale
1.	Independence	Have an unusual outlook. Auditors are guided to have independence in *fact* and independence in interpretation.	(Fauzy Arie Sandi, 2018) 9 statement items	Ordinal
2.	Competence	Auditors are guided to have procedural skills and knowledge based on their audit experience.	(Agung Eka Putra, 2012)11 items statement	Ordinal
3.	Task Complexity	I am having difficulties in auditing tasks due to limited capabilities to solve a problem.	(Wijaya, 2018) 10 statement items	Ordinal
4.	Time Pressure	Auditors are required to complete their work on time.	(Hesti, 2021)6 statement items	Ordinal
5.	Skeptisme Professional Auditor	Auditors who must have an attitude do not readily believe in	(Princess Haryana, 2018)11 statement items	Ordinal

		the audit evidence obtained based on auditor experience.		
6.	Audit Quality	How management evaluates, confirms or verifies quality-related events and independent and systematic testing.	(Ajeng Citra Dewi, 2017)15 item pernyataan	Ordinal
7.	Etika Auditor	Auditors who obey the rules and respect other individuals if there are differences in viewpoints.	(Agung Eka Putra, 2012)13 items statement	Ordinal

Data Analysis Methods

This study uses multiple regression analysis for data processing in a simple form that can be read and inferred.

KA = α + β₁IN + β₂K + β₃KT + β₄TW + β₅SPA + β₆IN*ET β₇K*ET + β₈KT*ET + β₉TW*ET + β₁₀K*ET + β₁₁SPA*ET + e

Dimana :
KA   = Audit quality
α   =Constantaa
β   = Regression coefficient
IN   = Independence
K   = Competence
KT   = Task Complexity
TW   = Time Pressure
SPA   = Skeptisme Professional Auditor
ET   = Etika Auditor
e   = *Error of term*

Results and Discussion
1. Classical Assumption Test Results
Normality Test

Table 3
Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardised Residual
N		121
Normal Parametersa,b	Mean	0,000
	Std. Deviation	0,206
Most Extreme Differences	Absolute	0,073
	Positive	0,051
	Negative	-0,073
Test Statistic		0,073
Asymp. Sig. (2-tailed)		0,170

Helen Sondang Glroia, Hermi

The non-parametric statistical test Kolmogorov-Smirnov (K-S) is a normality test (Ghozali, 2018, p. 166). Table 3, data processing results with SPSS version 24.0, shows the Asymp value. Sig. (2-tailed) of 0.170 is more than 0.05. Shows residuals of normally distributed data.

Uji Multikolinearitas

Table 2
Multicollinearity Test Results

Variable	Tolerance	BRIGHT	Conclusion
Independence	0,231	4,326	No multicollinearity
Competence	0,190	5,264	No multicollinearity
Task Complexity	0,481	2,079	No multicollinearity
Time Pressure	0,482	2,074	No multicollinearity
Skeptisisme Professional Auditor	0,244	4,096	No multicollinearity
LGIndependensixEtika Auditor	0,101	9,897	No multicollinearity
LGKompetensixEtika Auditor	0,946	1,057	No multicholinerity
LGComlection of DutiesxEthics of Auditors	0,147	6,820	No multicollinearity
LGTeplicationxAuditor Ethics	0,188	5,313	No multicollinearity
LGSkeptisisme Professional AuditorxEtika Auditor	0,899	1,113	No multicholinerity

Table 2 data processing results with SPSS version 24.0 have multicollinearity, with a tolerance percentage of all variables greater than 0.10.

2. Hasil Uji Hipotesis
Test Coefficient of Determination (R2)

Table 3
Test Results of Coefficient of Determination (Adjusted R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,948a	0,898	**0,889**	0,216

The results in Table 3 processing with SPSS program version 24.0 have an Adjusted R2 with a percentage of 0.889 or 88.9%. At the same time, the remaining 100% was reduced by 88.9%, with a percentage of 11.1% auditor performance influenced by other variables outside the research variable.

Test Coefficient of Determination (R2)

Table 4
Simultaneous Test Results (Test F)

Model		Sum of Squares	Df	Mean Square	F	Say.	Conclusion
1	Regression	45,223	10	4,522	**96,902**	**0,000b**	
	Residual	5,134	110	0,047			Simultaneously influential
	Total	50,356	120				

In Table 4, the results of data processing with SPSS version 24.0 have significance in test F with a percentage of 0.000 less than 0.05.

Test t

Table 7
Test Results t

Variable	Per disk	Coefficients		t	Sig One-Tailed	Conclusion
		B	Beta			
Konstantin		0,236		0,547	0,293	
Independence	+	1,118	1,133	2,010	0,023	H1 accepted
Competence	+	1,271	0,986	1,914	0,029	H2 accepted
Task Complexity	+	1,257	0,644	2,485	0,007	H3 accepted
Time Pressure	+	0,239	0,162	0,369	0,356	H4 rejected
Skeptisisme Professional Auditor	+	4,258	2,928	5,549	0,000	H5 accepted
Independence x Auditor Ethics	+	0,345	1,961	2,245	0,013	H6 accepted
Competency x Auditor Ethics	+	0,356	1,760	2,057	0,021	H7 accepted
Task Complexity x Auditor Ethics	+	0,348	1,292	2,591	0,005	H8 accepted
Time Pressure x Auditor Ethics	+	0,062	0,268	0,371	0,355	H9 rejected
Auditor Professional Skepticism x Auditor Ethics	+	0,960	4,541	4,903	0,000	H10 accepted

Multiple regression models are optimized as follows:
Audit Quality = 0,236 + 1,118 IN + 1,271 KO + 1,257 KT + 0,239 TW + 4.258 SPA + 0,345 IN*ET + 0,356 KO*ET + 0,348 KT*ET + 0,062 TW*ET + 0,960 SPA*ET
Information:
IN   = Independence
KO   = Competence

KT   = Task Complexity
TW   = Time Pressure
SPA   = Skeptisisme Professional Auditor
ET   = Etika Auditor

The Effect of Independence on Audit Quality

Independence positively and significantly influences audit quality, demonstrated through a significance value below 0.05. The high value of Independence, then the Audit Quality is also increasing. The results of this study show that independence has significance and a positive influence on audit quality. This research aligns with previous research conducted by Achmad Bajuri (2017), stating that independence, objectivity, audit ethics and integrity positively and significantly influence the quality of examinations.

The Effect of Competency on Audit Quality

This study demonstrates that competence has significance and a positive influence on audit quality. This research aligns with previous research conducted by Hans (2018), stating that competence and objectivity significantly influence the quality of audit results, while time and budget pressure do not significantly influence the quality of audit results.

The Effect of Task Complexity on Audit Quality

This study demonstrates that the complexity of the task has a significant and positive influence on audit quality. This research aligns with previous research conducted by (Andryani et al., 2019), thinking that increasing complexity in processes or methods can reduce the success rate of tasks.

The Effect of Time Pressure on Audit Quality

The study demonstrated that time pressure did not affect audit quality. This research aligns with previous research conducted by Achmad Bajuri (2017) and Hans Lohonauman et al. (Wiratama & Budiartha, 2015), demonstrating that time pressure does not significantly affect audit quality.

The Effect of Professional Skepticism of Auditors on Audit Quality

This study demonstrates that professional skepticism positively and significantly influences audit quality. This research aligns with previous research conducted by Deasy (2019), stating that professional skepticism significantly and positively influences audit quality.

Auditor Ethics strengthens the influence of Independence on Audit Quality

This study demonstrates that independence strengthens the influence of auditor ethics on auditor performance. The same thing done by a previous study by Deli and Fatma (2015) demonstrated simultaneously that independence, auditor experience, and competence positively and significantly influence audit quality.

Auditor Ethics strengthens the influence of Competency on Audit Quality

This study demonstrates that auditor ethics strengthen the influence of competence on audit quality. This research aligns with previous research conducted by Susanti (Wilsa,

2019), demonstrating that auditor ethics strengthen the influence of competence on audit quality.

Auditor Ethics reinforces the effect of Task Complexity on Audit Quality.

This study demonstrates that auditor ethics reinforce the influence of task complexity and significance on audit quality. This research aligns with previous research by Ajeng (2016), demonstrating independent work experience. Moreover, competence influences audit quality. There is an interaction between auditors' ineptness, competence, and work experience on audit quality with auditor ethics as a moderation variable.

Auditor Ethics weakens the effect of Time Pressure on Audit Quality.

This study demonstrates that auditor ethics weaken the significance and influence of time pressure on audit quality. This research aligns with previous research conducted by Ajeng (2016), stating that independent work experience is essential. Moreover, competence affects audit quality, and there is an interaction between auditors' ineptness, competence, and work experience in audit quality and auditor ethics as a moderation variable.

Auditor Ethics reinforces the influence of Auditor Professional Skepticism on Audit Quality.

This study demonstrates that auditor ethics reinforces the influence of auditor professional skepticism and is significant in audit quality. Research by Mardijuwono Charis (2018) stated that professional skepticism positively and significantly influences audit quality.

Conclusion

Based on the analysis and discussion of the results of the partial test hypothesis (t-test), it can be concluded that:
1. Independence has a significant and positive influence on Audit Quality
2. Competency has a significant and positive influence on Audit Quality.
3. Task Complexity has a significant and positive influence on Audit Quality.
4. Time Pressure does not affect Audit Quality.
5. Auditor skepticism has a positive significance and influence on Audit Quality.
6. Auditor ethics strengthen the influence of independence with Audit Quality
7. Auditor ethics strengthen the influence of competence with Audit Quality
8. Auditor ethics amplifies the influence of task complexity with Quality Auditing.
9. Auditor ethics weaken the influence of time pressure on Audit Quality.
10. Auditor ethics reinforces the influence of auditor skepticism on Audit Quality.

Helen Sondang Glroia, Hermi

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