
THE EFFECT OF INDEPENDENCE, DUE PROFESSIONAL CARE, AND EXPERIENCE ON AUDIT QUALITY

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Abstract: In order to determine how independence, appropriate professional care, and experience affect audit quality at the Public Accounting Firm (KAP) in North Jakarta, this study will look at these factors. The respondents in this study were auditors from the North Jakarta Public Accounting Firm (KAP). In this study, 50 respondents representing 6 Public Accounting Firms (KAP) in North Jakarta served as the sample of auditors. Convenience sampling, or selecting the sample that can be found the easiest, was used to select the sample for this study. While researchers use multiple regression analysis as a data processing technique. According to the study's findings, independence, due professional care, and experience all significantly and favorably affect audit quality.

Keywords: Independence, Due Professional Care, Experience and Audit Quality

INTRODUCTION

Various recent years events have presented a challenge to the public accountant. Based on Standard Professional Public Accountants (SPAP) audits the implementation of the auditor can be qualified if it meets the provisions or auditing standards. Auditing standards include professional quality independent auditors, considerations used in the implementation of audits and implementation auditors report. Furthermore, according to De Angelo (1981) auditor quality is how much most likely from an auditor detect any accidental/intentional errors from the company's financial statements, as well as how likely the finding is then recorded and listed in audit opinion. The quality of the auditor depends on two things, namely the technical ability of the auditor represented in experience as well as professional and quality education auditor in maintaining his mental attitude.

In order to be able to express an opinion on the fairness of the financial statements, an audit (Audit) is "an examination conducted critically and methodically, by an independent party, on the financial statements that have been prepared by management along with the bookkeeping records and supporting evidence" (Agoes, 2017:4). Audits must be conducted by qualified and impartial individuals (Arens, et al, 2012:4). Public accountants (Auditors) are accountants who are permitted to perform public accounting practices by the minister of finance or other authorized officials. A type of public accounting organization called the Public Accountant Office (KAP) works in the field of offering expert services in the practice of public accounting and obtains licenses in accordance with laws and regulations (Agoes, 2017:71).

Assessing and confirming the financial statements released by the company's

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management, an auditor or public accountant is tasked with providing their final opinion on the financial statements they have audited. The reliability of financial statements will undoubtedly increase as a result of an audit performed by an auditor. Recent audit failure cases have led to a crisis in public confidence regarding the accounting profession's inability to audit financial statements. Cases of unsuccessful audits may have a very negative effect in the future.

The crisis of credibility of public accountants has gotten worse recently. There are still many problems in Indonesia related to audit quality. Public attention has been focused on the issue of poor audit quality in recent years, one of which involved KAP Marlinna, KAP Merliyana Syamsul, and KAP Satrio Bing Eny or KAP SBE which conducted an audit of SNP Finance's financial statements for the 2012–2016 fiscal year. This incident occurred as a result of SNP Finance management falsifying and manipulating financial report data, such as falsifying sales to produce fictitious receivables. (Akbar & Widyastuti, 2018).

An auditor must approach an examination with independence in order to conduct themselves well and produce work that is of high quality. Agoes (2017) claims that the independence of public accountants serves as the primary foundation for the public's trust in the profession and is a crucial criterion for evaluating the caliber of audit services. Independence also refers to an auditor's consideration of facts honestly and to his or her formulation and expression of opinion based on impartial, objective factors.

A public accountant must also uphold their independence and adopt a due professional care attitude. Agoes (2017: 36) defines due professional care as a careful and thorough attitude that involves critical thinking, evaluating audit evidence, being cautious when completing assignments, being careful when conducting inspections, and being firm when fulfilling obligations.

Additionally, if an auditor has good experience, the quality of the resulting audit will be higher (Imansari et al, 2016). Agoes (2017: 33) claims that an auditor with experience has a better understanding, is able to explain financial statement errors, and can categorize errors based on audit objectives and the design of the underlying accounting system.

In the meantime, Mulyadi (2014: 43) defines audit quality as a systematic process to impartially gather and assess evidence regarding claims about economic activities and events with the goal of assessing the degree to which these claims conform to predetermined criteria and delivering results to interested users. Audit quality refers to the ability to spot audits and disclose material financial statement inaccuracies. The auditor's expert judgment backed up by data and impartial assessment typically serves as a benchmark for audit quality. If auditors deliver audit reports that are unbiased, trustworthy, and adequately supported by audit evidence, shareholders will receive quality services. An auditor's performance will rise along with his audit quality if the audit quality is high. The attitude and conduct of auditors in performing their jobs in a professional manner can be impacted by the quality of the audit. A skilled auditor will be able to produce quality work performance when combined with his auditing abilities.

Research conducted by Nurjanah & Kartika (2017), Imron et al. (2017), Dwi (2017), and Intan et al. (2018) stated that auditor independence positive effect on audit quality. Study conducted by Rahman (2019), Wiratama and Budiarta (2017), Dwi

Dayanti Oktavia (2018), and Naufal (2017) get the result that due professional care significant effect on audit quality. The results of research conducted by Sukriah (2019), Nugrahini (2018), and Andarwanto (2017), and Ningrum & Budiarta (2017) show audit quality results are influenced by work experience and are positive and significant. The novelty of this research was conducted at KAP in North Jakarta and used the 2022 period, while previous research was conducted outside Jakarta and used the period under 2022.

METHODS

The primary data used in this type of quantitative research is the research method. This study used a survey method (questionnaire) as its methodology using a Likert scale. With a sample of 6 KAPs in North Jakarta, the population in this study consisted of auditors who worked at Public Accounting Firms (KAPs) in the region who were registered at the Institute Indonesian Public Accountant (IAPI). Convenience sampling is used for the sampling process. Multiple Regression Analysis is a technique used for data analysis.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1. Descriptive Statistical Analysis

	Descriptive Statistics				
	N	Min	Max	Mean	Std. Deviation
independence	50	18	24	21,14	1,604
Due Professional Care	50	15	20	15,70	1,632
Experience	50	6	9	7,92	,804
Audit Quality	50	24	31	25,78	2,359
Valid N (listwise)	50				

Source: SPSS 26 Output (2022)

The minimum value of 24 for Audit Quality (Y) in table 1 is derived from the misstatement detection indicator. The maximum value, 31, is derived from the SPAP conformity indicator. Audit Quality has an average value (mean) of 25.78. The size of the distribution of data from the Audit Quality variable is 2.359 out of 50 respondents, according to the standard deviation of 2.359.

Data Quality Test

Validity test

Table 2. Validity test

Variabel	Item Statement	Person Correlation R Count	R Table	Description
	P1	0,410	0.284	Valid
	P2	0,540	0.284	Valid

	P3	0,320	0.284	Valid
	P4	0,375	0.284	Valid
Independence (X1)	P5	0,310	0.284	Valid
	P6	0,330	0.284	Valid
	P7	0,425	0.284	Valid
	P8	0,430	0.284	Valid
	P9	0,378	0.284	Valid
	P10	0,380	0,284	Valid
Due Professional Care (X2)	P11	0,818	0.284	Valid
	P12	0,385	0.284	Valid
	P13	0,475	0.284	Valid
	P14	0,303	0.284	Valid
	P15	0,465	0.284	Valid
Experience (X3)	P16	0,335	0.284	Valid
	P17	0,380	0.284	Valid
	P18	0,410	0.284	Valid
	P19	0,460	0.284	Valid
	P20	0,575	0.284	Valid
Audit Quality (Y)	P21	0,720	0.284	valid
	P22	0,810	0.284	Valid
	P23	0,815	0.284	valid
	P24	0,820	0.284	valid
	P25	0,755	0.284	Valid

Source: SPSS 26 Output (2022)

All questions have a significant person correlation greater than r table, which is 0.284, according to the results of calculating the correlation coefficient (r count > r table). Therefore, it can be said that the statement items and questions are suitable for use as additional research tools.

Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
,706	25

Source: SPSS 26 Output (2022)

The Cronbach's Alpha of each of the 25 questionnaire statements or questions is greater than 0.60, which indicates that all of the variables in this study— independence, due professional care, experience, and audit quality—are reliable, according to the reliability test results summarized in the table above.

Classic assumption test Normality test

Table 4. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,00066984
Most Extreme Differences	Absolute	,217
	Positive	,217
	Negative	-,163
Test Statistic		,217
Asymp. Sig. (2-tailed)		,061 ^c

Source: SPSS 26 Output (2022)

The One-Sample Kolmogorov-Smirnov Test, which is summarized in the table above, displays the sig. based on the results of the normality test. It is possible to conclude that the residual values are normally distributed or satisfy the requirements of the normality test because the value of 0.061 is greater than 0.05.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-7,841	2,429		-1,875	,085
	Independence	,295	,094	-,435	-,853	,450
	Due Professional Care	-,075	,092	-,125	-,820	,496
	Experience	,310	,175	,392	1,920	,075

Source: SPSS 26 Output (2022)

Based on the test results in table 4 above, it is known that there is no heteroscedasticity because the significance value of the Independence variable has a significance value of 0.450 greater than alpha 0.05. There is no heteroscedasticity in the Due Professional Care variable, which has a significance value of 0.496 greater than alpha 0.05. There is no heteroscedasticity in the experience variable, which has a significance value of 0.075 greater than alpha 0.05.

Multicollinearity Test

Table 4. Multicollinearity Test

Model		Coefficients ^a				Collinearity Statistics		
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
1	(Constant)	-9,805	3,598		-2,725	,009		
	Independensi	,576	,112	,391	5,145	,000	,868	1,152
	Due Professional Care	1,169	,123	,809	9,475	,000	,689	1,451
	Pengalaman	,639	,243	,218	2,628	,012	,732	1,366

Source: SPSS 26 Output (2022)

Based on the results of the multicollinearity test in the table above, the tolerance values for the variables of independence, due professional, and experience are > 0.10. While the VIF value of each variable is <10, so it can be concluded that multicollinearity does not occur.

Multiple Regression Analysis

Table 5. Multiple Regression Analysis Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-9,805	3,598		-2,725	,009
	Independensi	,576	,112	,391	5,145	,000
	Due Professional Care	1,169	,123	,809	9,475	,000
	Pengalaman	,639	,243	,218	2,628	,012

Source: SPSS 26 Output (2022)

Regression Models:

$$Y = 9,805 + 0,576 (X1) + 1,169 (X2) + 0,639 (X3) + e$$

Hypothesis testing

T Test

Table 5 explains the following:

- a. H1: Independence significantly and favorably influences audit quality.

According to the above table, the independence variable's tcount value is 5.145, and its sig value is 0.000. The tcount value is 5.145 > 2.059, and the sig value is

0.000 0.05, as shown by this. So, while H_a is accepted, H_0 is rejected. This indicates that the Independence variable (X_1) significantly and favorably affects the quality of the audit. As a result, it can be said that Independence strengthens audit quality.

- b. H_2 : Adequate professional care significantly and favorably affects audit quality.

According to the above table, the Due Professional Care variable's tcount value is 9.475 and its sig value is 0.000. This demonstrates that the sig value is 0.000 0.05 and the tcount value is $9.475 > 2.059$. So, while H_a is accepted, H_0 is rejected. The Due Professional Care variable (X_2) therefore has a favorable and significant impact on Audit Quality (Y). So it is clear that Audit Quality is strengthened by Due Professional Care.

- c. H_3 : The impact of experience on audit quality is favorable and significant.

The Experience variable has a tcount value of 2.628 and a sig value of 0.012, according to the aforementioned table. This demonstrates that the sig value is 0.012 0.05 and the tcount value is $2.628 > 2.059$. So, while H_a is accepted, H_0 is rejected. The experience variable (X_3) therefore has a favorable and significant impact on audit quality (Y). Thus, it can be said that experience strengthens the quality of audits.

F Test

Table 6. F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	209,571	3	69,857	51,000	,000 ^b
	Residual	63,009	46	1,370		
	Total	272,580	49			

Source: SPSS 26 Output (2022)

Based on the table's summary of the f test results. In accordance with the analysis of the data, the fcount value of 51.000 is higher than the ftable value of 3.39 and the sig value of 0.000 is lower than 0.05. This demonstrates that the simultaneous positive and significant impact of Independence, Due Professional Care, and Experience on audit quality.

Determination Coefficient Test

Table 7. Determination Coefficient Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,877 ^a	,769	,754	1,170

Source: SPSS 26 Output (2022)

The R Square value is 0.769, which indicates the impact of independence (X1), due professional care (X2), and experience (X3) on audit quality (Y) in public accounting firms, based on the test results for the coefficient of determination as summarized in the table above. In North Jakarta, it is 76.9%, with the remaining 23.1% being affected or explained by unresearched factors.

Discussion

The Impact of Independence on the Quality of Audits

Based on the test results, it shows that independence has a positive effect on audit quality, meaning that H1 is valid. Because independence has a good influence on audit quality, the first hypothesis (H1) is accepted or has an effect. These findings are consistent with those findings. According to the Public Accountant Professional Standards, the auditor must be independent, which implies that he or she cannot be swayed and is not permitted to favor anyone's interests. In this situation, the auditor is expected to uphold his independence. When forming and expressing an opinion in order to produce a high-quality audit, an auditor who is independent will have a mindset that is hard to change, uncontrollable by outside forces, and based on impartial, objective factors. According to the findings of research by Nurjanah & Kartika (2016), Imron et al. (2017), Dwi (2017), and Intan & Badera (2018), independence has a favorable and significant impact on audit quality.

The Impact of Professional Due Diligence on Audit Quality

Based on the test results, it shows that Die Professional has a positive effect on audit quality, meaning that H2 is valid. An auditor must possess the same level of expertise that auditors in general do, and they must exercise that expertise with reasonable caution and thoroughness. To produce an adequate audit quality, every public accountant must exercise due professional care in the performance of his professional duties. The auditor can obtain a reasonable assurance that the financial statements are free from material misstatement, whether brought on by fraud or error, by exercising care and diligence in the use of professional skills. Compared to auditors who provide less than adequate due professional care, better due professional care auditors are better able to identify, comprehend, and even search for the origins of frauds. This allows them to produce audits of higher quality. According to Rahman (2020), Wiratama & Budiarta (2015), and Ningtyas & Aris (2016), this study's findings support their findings that the quality of an audit is significantly and positively impacted by the use of due professional care.

Experience's Impact on Audit Quality

Based on the test results, it shows that experience has an effect on audit quality, meaning that H3 is valid. Better-informed auditors can categorize errors based on audit goals and the design of the underlying accounting system, and they can offer plausible explanations for errors in financial statements. The quality of the audit is influenced by the auditor's experience, which will continue to grow along with the number of audits performed and the complexity of the company's financial transactions being audited in

order for the auditor to add to and broaden his or her knowledge in the field of accounting and auditing. This suggests that the longer the auditor's working history and experience, the better and also increase the quality of the audit. In comparison to inexperienced auditors, experienced auditors work more efficiently and are better equipped to recognize, comprehend, and even search for the root causes of the emergence of fraud. As a result, the audit quality produced by experienced auditors is higher than that of inexperienced auditors. The findings of this study support those of studies by Nugraheni (2018), Herman (2020), and Ningrum & Wedari (2017), all of which found that experience has a positive and significant impact on audit quality.

CONCLUSION

According to the test results, the following conclusion can be drawn, The quality of the audit is positively and significantly impacted by independence. This demonstrates the importance of an independent mindset for an auditor; the higher the auditor's level of independence, the higher the quality of the audit that is produced. The quality of the audit is positively and significantly impacted by due professional care. This demonstrates that in order to achieve adequate audit quality, an auditor must possess a certain level of skill and must apply that skill with reasonable care and thoroughness. The quality of audits is positively and significantly impacted by experience. The quality of the audit that an auditor performs will improve with experience compared to an inexperienced auditor.

The KAP should be able to prevent auditors from receiving or asking for money from clients in connection with the findings of audit reports. The KAP is also expected to improve audit quality and maintain objectivity and independence in order to increase public confidence in the auditor profession. These are some suggestions that can be used by all parties. It is hoped that additional researchers will expand the subject of study to include all Public Accounting Firms (KAP) in DKI Jakarta by carrying out this research with new variables.

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