



Auditor independence and professionalism influence audit quality at public accounting firms in Medan

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ABSTRACT

The purpose of this study is to determine how much influence the Experience and Ethics of Auditors Against Audit Quality. The research methodology used is quantitative descriptive method, the unit of analysis in this study is Public Accounting Firm Dra. Meilina Pangaribuan MM, Public Accounting Firm Drs Katio & Partners and Public Accountant Firm and Joachim Poltak Lian & Partners as many as 30 auditors. The technique of determining the number of samples used in this study is a saturated sample and amounting to 30 auditors. The research method used is the technique of data collection through the distribution of questionnaires conducted regularly based on research objectives. The results showed Independence variable did not affect Quality Audit while Professionalism of Auditor affected Quality Audit at Public Accounting Firm in Medan. F test results show that Independence and Professionalism of Auditor variables affect Audit Quality at Public Accountant Firm in Medan. The results of the coefficient of determination test show that the Quality Audit variable can be explained by the variables of Experience and Ethics of Auditor, while the remaining Quality Audit variables can be explained by other variables not examined in this study such as competence, objectivity, integrity, etc.

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1. INTRODUCTION

Financial reporting or accounting is work carried out by public sector auditors. In the modern corporate concept, financial reporting is considered as a form of management's financial responsibility as company managers to the company owners (Ismail et al., 2020). Public sector auditors have an important role in improving the quality and credibility of financial information and/or financial reports of an entity. In this case, accountants have the public's trust in providing opinions on an entity's financial reports (Mansor et al., 2020).

When carrying out their duties, auditors are required to pay attention to audit quality so that audit results can be used as a basis for decision making. Therefore, quality audit results can increase the credibility of the financial reports produced, thereby reducing the risk of non-credible financial reports (Che et al., 2020; Karim et al., 2022). When carrying out their duties, members of a public accounting firm must maintain an independent mental attitude in providing professional services. Low auditor independence will affect the quality of the audit. This independent mental

attitude must include being independent in fact, independent in appearance and independent in mind (in mind) (AL-Qatamin & Salleh, 2020; Alsughayer, 2021; Mansor et al., 2020). The independence referred to is that the auditor recognizes the obligation to be honest not only with the company's management and owners, but also with creditors and other parties who place confidence in the independent auditor's report, such as prospective owners and creditors. It is interesting to note that the public accounting profession is like a double-edged sword. On the one hand, auditors must pay attention to credibility and professional ethics, but on the other hand, auditors must also face pressure from clients in various decision making. If the auditor is unable to resist pressure from clients such as personal, emotional or financial pressure then the auditor's independence has been reduced and can affect audit quality. Auditors must also have an attitude of professionalism from the audit planning stage to carrying out audit procedures during work until the publication of the report. A lack of an auditor's professionalism can cause the quality of the audit report to be off target (Lamba et al., 2020; Prabowo & Suhartini, 2021).

Factors that influence Audit Quality can be seen from the Auditor's Independence and Professionalism. Several previous researchers have discussed the issue of Audit Quality, including research by Pinatik, (2021) explaining that Auditor Independence and Professionalism influence Audit Quality, research by Sari, PN and Balkis, PS (2019) which explains that Auditor Independence and Professionalism influence positive impact on Audit Quality, research by Salih & Flayyih, (2020) which explains that the Independence variable has no effect on Audit Quality, research by Fachruddin, W and Sri, Handayani (2017) which explains that Independence has no significant effect on Audit Quality, and research by Biri, SFL (2019) which explains that independence has a significant effect on audit quality. Inconsistencies in previous research are caused by differences in the methods, theories or proxies used. So researchers will re-examine using independent variables such as Auditor Independence and Professionalism. This research overcomes the inconsistency of previous research results with several comprehensive approaches. This research uses a more comprehensive methodology to ensure that each variable is measured precisely and reliably, including the use of valid measuring instruments and appropriate statistical tests. In addition, this research bases its analysis on a consistent and widely recognized theoretical framework, so that interpretation of the results can be done better and in accordance with existing literature. This research identifies and controls confounding variables that may influence research results, to ensure that the influence of auditor independence and professionalism on audit quality is measured more accurately.

This research was conducted at the Medan Public Accounting Firm which consists of the Public Accounting Firm Dra. Meilina Pangaribuan MM, Public Accounting Firm Drs Katio & Partners and Public Accounting Firm Joachim Poltak Lian & Partners. Researchers chose a Public Accounting Firm because there are many complicated cases so that the auditor's independence in auditing a company is a consideration in choosing a Public Accounting Firm as the research object. From the explanation above, researchers are interested in knowing whether Auditor Independence and Professionalism have a significant effect on Audit Quality at Public Accounting Firms in Medan.

According to Kirana & Ramantha, (2020); Yahaya & Onyabe, (2022) audit quality is the probability of an auditor finding and reporting an error or fraud that occurs in a client's accounting system. According to (Carp & Istrate, 2021; Hamdani et al., 2020; Setyowati et al., 2021) independence is the existence of honesty in the auditor in considering facts and the existence of objective, impartial considerations in the auditor in formulating and expressing opinions. According to Kharuddin et al., (2021), a professional is a person who does a full-time job and makes a living from that job by relying on high skills and expertise and has a deep personal commitment to his work.

2. RESEARCH METHOD

This type of data uses quantitative data. According to Ardillah & Chandra, (2022), quantitative data is a type of data that can be measured (measurable) or calculated directly as numerical variables or numbers. The population used was 30 auditors consisting of 10 auditors from the Public Accounting Firm Dra. Meilina Pangaribuan MM, 5 auditors of the Public Accounting Firm Drs Katio & Partners and 15 auditors of the Public Accounting Firm Joachim Poltak Lian & Partners. The

technique that will be used by the author is saturated sampling (census). According to Sugiyono (2017:85) Saturated sampling technique is a sample determination technique when all members of the population are used as samples. Therefore, the author chose the sample using a saturated sampling technique because the population size was relatively small. So the sample used in this research was 30 auditors consisting of 10 auditors from the Public Accounting Firm Dra. Meilina Pangaribuan MM, 5 auditors of the Public Accounting Firm Drs Katio & Partners and 15 auditors of the Public Accounting Firm Joachim Poltak Lian & Partners.

Table 1. Definition Operational Research variable

Variable	Indicator
Variable Dependents :	
Audit Quality (Y)	1. Orientation input 2. Process orientation 3. Orientation go out 4. Act carry on on auditor's recommendation Source : Tandiontong (2016:80)
Variable Independent :	
Independence (X ₁)	1. Independence Mental Attitude 2. Independence Appearance 3. Independence Practitioner (<i>Practitioner Independence</i>) 4. Independence Profession (<i>Profession Independence</i>) Source : Prihanto (2018:156)
Professionalism (X ₂)	1. Principle Responsibility 2. Principle Justice 3. Principle Autonomy 4. Principle Moral Integrity Source : Keraf (2010:44)

The data collection method used in this research was a questionnaire method (structured questionnaire) which was given to respondents. According to Sugiyono (2017: 142), the questionnaire method is a data collection technique that is carried out by giving respondents a set of questions or written statements to answer. This questionnaire is intended to obtain data in the form of information in writing and directly from respondents. The answers from respondents are qualitative which are then quantified and measured using a level scale (Likert) (Caruana & Kowalczyk, 2021; Rahman et al., 2023).

Data analysis model used in this research is analysis multiple linear regression to find out how much big influence Auditor Independence and Professionalism towards Audit Quality .

$$Y = a + b_1X_1 + b_2X_2 + e \quad (1)$$

Information :

- Y = Audit Quality
 a = Constant
 X₁ = Independence
 X₂ = Auditor Professionalism
 b₁, b₂ = coefficient variable
 e = Standard error

3. RESULTS AND DISCUSSIONS

Variable This research has independence minimum score of 18, marks maximum of 30. With an average value of 24.83 and value standard deviation amounting to 3.007. Variable Auditor professionalism in this research has minimum score of 18, marks maximum of 34. With an average value of 24.60 and value standard deviation amounting to 3,233. Variable Audit quality in this research has minimum score of 17, marks maximum of 31. With an average value of 25.33 and value standard deviation amounting to 3,670.

Table 2. Statistics Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
Independence	30	18	30	24.83	3,007
Auditor Professionalism	30	18	34	24.60	3,233
Audit Quality	30	17	31	25.33	3,670
Valid N (listwise)	30				

Normality test can be carried out by : see analysis chart namely by looking at the histogram and normality probability plot. In the previous test , third normality test results that is analysis graphs and analysis statistics show that residual data does not normally distributed , then changing the data so that it has a normal distribution is mandatory data outliers were carried out .

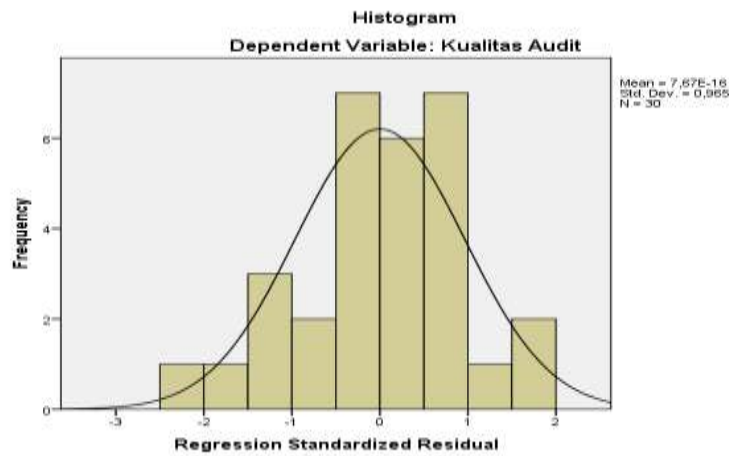


Figure 1. Normality Test

Based on Figure 2 above , the results of this test show that this graph data pattern is almost resembles a curved line bells with no data patterns ticked to one side Just namely to the left or to the right so that results This test shows the data has normally distributed . Here are the results analysis multiple linear regression is as follows:

Table 3. Analysis Results

Model	Unstandardized Coefficients	
	B	Std . Error
(Constant)	4,022	4,634
1 Independence	,269	,216
Auditor Professionalism	,594	,201

$$\text{Quality} = 4.022 + 0.269 \text{ Independence} + 0.594 \text{ Auditor Professionalism} + e \quad (1)$$

Quality with a value of 4.022 if No influenced variable Auditor Independence and Professionalism . Can increase by 0.269 if influenced variable Independence and can increase by 0.594 if influenced by variables Auditor Professionalism . Significance test results partial can be seen in the table below as follows :

Table 4. T test

Model	t	Sig.	Sig. F	R Square
(Constant)	,868	,393		
1 Independence	1,248	,223	,000	,462
Auditor Professionalism	2,960	,006		

Variable Independence own mark tcount 1.248 < ttable 2.04841 and value significant 0.223 > 0.05, which means variable Independence No influential or not significant to Audit Quality . Variable Auditors have professionalism mark tcount 2.960 > ttable 2.04841 and value significant 0.006 < 0.05, which means variable Auditor professionalism is influential and significant to Audit

Quality . mark significant f test $0.000 < 0.05$, which means Auditor experience and ethics matter significant to Auditor Quality . Based on Table 4 above , it shows only 46.2 % of the variables Audit quality can be explained by variables Auditor Independence and Professionalism , meanwhile the rest amounting to 53.8% variable Audit quality can be explained by other variables that cannot researched in this research such as Competence , Objectivity , Integrity , etc.

Based on results testing in a way partial using the t test, known that variable Independence No influential significant to Audit Quality at Public Accounting Firms in Medan. Based on matter Therefore, hypothesis 1 (first) in this study is rejected . The results of this research are in line with the research conducted Yanti & Wijaya, (2020), which is in depth results his research show that Independence No influential to audit quality . The results of this research are in line with the research of Rahman et al., (2023), who in results his research show that Independence No influential to audit quality . The results of this research are in line with the deep research of (Munidewi et al., 2020). results his research show that Independence No influential to audit quality . Based on results testing in a way partial using the t test, known that variable Auditor professionalism matters significant to Audit Quality at Public Accounting Firms in Medan. Based on matter Therefore , hypothesis 2 (second) in this study is accepted . The results of this research are in line with the deep research of (Jati & Suprasto, 2020; Ndaba et al., 2021). results his research show that the results of this research show that auditor professionalism Partial influential positive to audit quality .

4. CONCLUSION

The results of this research state influence Auditor Independence and Professionalism towards Demonstrated Audit Quality from results analysis multiple linear regression gives that meaning every enhancement aspects of variables Auditor independence and professionalism of one unit then Audit Quality will increase . By Partial variable independence No influential or not significant to audit quality in the office accountant public in Medan. By Partial auditor professionalism matters significant to audit quality in the office accountant public in Medan. By simultaneous variable auditor independence and professionalism simultaneous influential significant to audit quality in the office accountant public in Medan. For coefficients determination obtained that auditor independence and professionalism can explain its relationship to the quality of audits in the office accountant public in Medan. Regulators or authorities can use these findings to focus on improving auditor professionalism through training, certification and ongoing professional development programs. They can formulate policies and regulations that strengthen standards of professionalism in audit practice, ensuring that auditors have the skills, knowledge and professional attitudes necessary to produce high-quality audits. Other factors that might influence audit quality have not been considered, such as the auditor's technical competence, auditor experience, and work ethics. Future research needs to consider and test the influence of these factors to obtain a more comprehensive picture of the determinants of audit quality. Suggestions that can be considered The research can be expanded with a larger sample and include various public accounting firms in various regions to increase the generalization of the findings. Add other variables such as technical competence, work ethics, auditor experience, and information technology support to understand their influence on audit quality.

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