



Audit Results Quality: The Role of Competency, Independency, Auditor Ethics, and Due Professional Care

Endah Susilowati*

Universitas Pembangunan Nasional Veteran Jawa Timur, Jl. Raya Rungkut Madya No. 1, Gununganyar, Surabaya, Jawa Timur 60294, Indonesia.

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ABSTRACT: Public accountants, in carrying out their profession, are required to produce quality audits. Several factors must support the auditor, both from within and outside the auditor. Factors originating from within the auditor that can influence the quality of audit results include competence, knowledge, level of education, work experience, independence, accountability, due professional care, objectivity, integrity, and ethics. Meanwhile, factors external to an auditor include obedience pressure, audit fees, and task complexity. This research aims to analyze the influence of competency, independence, auditor ethics, and due professional care on the quality of audit results. This research uses Partial Least Square (PLS) to analyze these variables' relationships. The primary data were collected using questionnaires to auditors in the public accounting firms (KAP) in Surabaya, East Java, Indonesia. Based on the analysis and discussion in the previous section, it can be concluded that the auditor's competence, independence, and ethics have been proven to affect the quality of audit results significantly. Meanwhile, Due Professional Care has been proven to negatively affect the quality of audit results significantly. KAP is expected to be able to increase the experience of each auditor in conducting audits and to maintain an attitude of competence, independence, auditor ethics, and due professional care so that the quality of the resulting audit results will be better.

Keywords: audit result quality, competency, due professional care, independency.

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INTRODUCTION

In connection with the increasing development of the economy in Indonesia, the growth of companies going public is also increasing. One of the requirements to strengthen the validity of a company's financial report that is going public is that it must have an opinion from a public accountant who has examined the company's financial report. [Kettinger & Lee \(1994\)](#) indicate that auditing provides added value to the company's financial reports because public accountants, as experts and independent parties at the end of the audit, will provide opinions regarding the fairness of the financial position, business results, changes in equity, and cash flow reports.

Public accountants, in carrying out their profession, are required to produce quality audits. Several factors must support the auditor, both from within and outside the auditor. Factors originating from within the auditor that can influence the quality of audit results include competency, knowledge, level of education, work experience, independence, accountability, due professional care, objectivity, integrity, and ethics. Meanwhile, factors external to an auditor include obedience pressure, audit fees, and task complexity. This is in accordance with the auditing requirements in the Auditing Standards in SA Section 150:1 SPAP ([IAPI, 2021](#)).

[Eshleman & Guo \(2020\)](#) revealed that financial reports are better understood by seasoned auditors. They can also classify errors according to audit objectives and the architecture of the underlying accounting system, and they can more effectively explain faults in financial statements. However, in order to fulfill their duty of enhancing the degree of dependability of a business's financial reporting, public accountants must be independent in their auditing as well as competent or knowledgeable. "In all matters relating to the engagement, independence in mental attitude must be maintained by the auditor," reads the second general standard in SA section 220 ([IAPI, 2021](#)). Since the Auditor performs his duties in the public interest, this requirement stipulates that he must be impartial and resistant to outside influence.

[Puspitasari et al. \(2019\)](#) cited the AAA Financial Accounting Committee, saying that competence and independence are the two factors that affect the quality of an audit. These two factors directly impact the quality of the audit. Audit quality is the likelihood (joint probability) that an auditor will discover and report infractions in his client's accounting system ([Koerniawan, 2021](#)). While the act of reporting a misstatement depends on the auditor's independence, the likelihood that the auditor will find a misstatement depends on the auditor's comprehension (competence).

The quality of audit results is influenced by the competence, independence, task complexity, objectivity, and integrity of auditors, as demonstrated by research conducted by [Susanto et al. \(2020\)](#). These factors all have an impact on the quality of audit results, but they do so simultaneously. The impact of auditor independence and competence on audit quality has been studied by [Puspitasari et al. \(2019\)](#) and [Cahyani et al. \(2022\)](#). Their findings indicate that auditor independence has no discernible impact on audit quality, but auditor competence does. Therefore, audit quality is impacted by both auditor independence and competence.

The second general standard in SA section 220 SPAP ([IAPI, 2021](#)) states, "In all matters relating to the engagement, independence in mental attitude must be maintained by the Auditor". Research conducted by [Karim et al. \(2022\)](#) found empirical evidence that independence significantly affects audit quality. According to [Nasution & Östermark \(2019\)](#), weak auditor independence has caused various financial scandals such as WorldCom and Enron. WorldCom inflated profits by US\$ 3.85 billion between the period June 2001 and March 2002. This was done by manipulating the numbers in investment posts so that profits appeared large. This also causes an increase in share prices. Enron was proven to have inflated profits by collaborating with Arthur Anderson, which resulted in Enron's profits being increased by US \$ 1 billion and misleading its investors.

The scandal of Bank NTB Syariah reports transactions alleged to have embezzled Bank NTB Syariah customer funds Rp. 11.9 billion was done 'neatly'. The interim investigation results found a number of strange transactions not covered by the internal audit system. Not surprisingly, this mode lasted for eight years ([Suara-NTB, 2021](#)).

"That's why we also check the auditors. How can this much money be invisible?" said Dirreskrimus Polda NTB Kombes Pol I Gusti Putu Gede Ekawana on Wednesday, September 22. Witnesses from the internal auditors of Bank NTB Syariah have been examined. This transaction irregularity was discovered in 2020, even though this burglary is suspected to have occurred since 2012.

Results Internally, it's clean. "It wasn't discovered at that time," he added. This case has been escalated to the stage of investigation of banking crimes. The modes found include banking transactions

customers are transferred to personal accounts. This mode was used for eight years. the person reported was an individual employee with the position of non-cash service supervisor with the initials PS who was reported in this case. The NTB Regional Police are also developing the involvement of other people. The reported PS is a supervisor who supervises employees. These incidents are just one example of violations of the code of ethics in the world of accountants. In situations like this, accountants need to continue to adhere to the code of ethics of the accounting profession. If the code of ethics cannot provide clear direction, they must return to the ethics and values they believe in.

Based on the description of the research background aroused researchers' interest in researching further about Auditors, especially Auditors who work at Public Accounting Firms (KAP), in terms of the relationship between audit experience, competence, and independence in the Auditor's opinion. Therefore, the aim of this research is to empirically prove the influence of due professional care, auditor ethics, independence, and competence on the quality of audit results. It is hoped that the results of this research will contribute to IAPI as the body that manages auditors in Indonesia and the government in making policies so that financial reporting in Indonesia provides confidence for its users. Apart from that, the results of this research can be used as discourse in thinking and reasoning to formulate new problems in further research in order to broaden understanding and deepen knowledge in the field of accounting, especially auditing.

LITERATURE REVIEW

Previous Research

Many studies have examined the quality of audit results. Table 1 shows several previous research results related to the quality of audit results. Based on Table 1, this research has similarities and differences with previous research. The variables studied are competence, independence, and quality of audit results. However, few studies include auditor ethics and due professional care as an independent variable. Apart from that, this research focuses on using role theory and motivation theory in building hypotheses. Role theory is important in behavioral research because this theory emphasizes individual behavior that is shaped by their role in society (Anglin et al., 2022).

Role Theory

Role theory is an amalgam of many scientific fields, theories, and perspectives. Role theory has its roots in sociology and anthropology in addition to psychology (Anglin et al., 2022). The word "role" is borrowed from theater in these three scientific domains. An actor in theater is required to portray a given character, and as such, he is expected to perform in a particular manner. The role that an actor plays in a play is comparable to a person's place in society. The status of an individual in society is similar to that of an actor in theater, in that both are related to the existence of other people who interact with them; that is, the behavior expected of them is never independent of the other (Keisari, 2021).

This theory divides terminology in role theory into four groups. The four groups include terms relating to people who take part in social interactions, the behavior that occurs in these interactions, the position of people in the behavior, and the relationship between people and behavior. There are four terms regarding behavior in relation to roles in this theory, namely, Expectation (hopes) about roles. Expectations about roles are the expectations of other people (in general) about appropriate behavior, which should be shown by someone who has a certain role. Second, Norms. People often confuse the terms "expectations" with "norms" (Anglin et al., 2022). However, "norms" can also be the one form of "expectations". Third, Performance (manifestation of behavior). Roles are manifested in behavior by actors. Different from the norm, this behavior is real, not just a hope. Lastly, evaluation (assessment) and sanction (sanctions), that both of these are based on society's expectations about norms. Based on these norms, people give a positive or negative impression of a behavior. This impression is called role assessment. On the other hand, what is meant by sanctions is a person's efforts to maintain a positive value or to change the realization of a role so that things previously considered negative become positive (Agastia, 2020; Han, 2017).

Motivation Theory

One of the primary components of an individual's behavior is their motivation. The process of motivation is psychological (Anderman, 2020). This does not imply, however, that motivation is the sole factor in explaining a person's actions. a theory that used hedonism to try and explain motivation. According to the definition of hedonism, a person prefers to forgo pain and suffering in favor of comfort and pleasure.

Sigmund Freud stated that humans do not believe in their awareness of all their desires (Fernández Gómez, 2020). The presence of this unconscious can be explained by explaining why people cannot always express their motivations to achieve a certain goal. Human behavior is fundamentally goal-oriented, meaning that people's actions are typically motivated by the desire to accomplish a certain objective. Since an activity is the fundamental building block of all behavior, every behavior is just a sequence of activities. A goal is something to be achieved that is outside the individual. Sometimes a goal is also interpreted as a hope to get an award, a direction desired by motivation. Motivation tends to reduce its strength when satisfaction is achieved; satisfaction is blocked by cognitive differences, frustration, or because the strength of the motivation increases (Altiero et al., 2022).

Table 1. Previous Research

No.	Title	Method	Results
1.	The Influence of Competency, Objectivity, Integrity, Time Budget Pressure, and Audit Fee on Auditing Quality. Putu Asrilia Cahyani, Ni Made Sunarsih, Ida Ayu Budhananda Munidewi (Cahyani et al., 2022).	multiple linear regression analysis	Expertise, integrity, and audit fees positively impact audit quality; objectivity or time budget pressure does not. Future studies are anticipated to include more variables that may impact audit quality.
2.	The Effect of Gender Independence and Leadership Style on Audit Quality in Makassar Public Accounting Offices. Abdul Karim, Indah Syamsuddin, Ahmad Jumarding, & Amrullah Amrullah (Karim et al., 2022).	descriptive quantitative research using primary data.	The independence of auditors has a beneficial and substantial impact on the quality of audits. The level of independence possessed by the auditor directly correlates with the quality of the audit produced. The gender-based leadership style has a favorable and substantial impact on the quality of audits. Consequently, the application of a superior leadership style by the leader will result in an enhancement in audit quality.
3.	The Influence of Auditor Independence, Due Professional Care, Audit Fees and Audit Engagements on Audit Quality, Ana Rizkiatus Sa'adah Auliffi Ermian Challen (Sa'adah & Challen, 2022).	quantitative with primary data sources. multiple linear regression analysis	Variables related to auditor independence, due professional care, audit fees, and audit tenure have a considerable favorable impact on audit quality.
4.	Implementation of Internal Audit Professional Standards and Audit Quality: A Literature Review, Melinda Cahyaning Ratri, Yustrida Bernawati (Ratri & Bernawati, 2020).	Literature review	The development of internal audit practices, focusing on compliance and commitment to internal audit professional standards.

Source: Previous research

The Effect of Competency on the Quality of Audit Results

According to the State Financial Audit Standards (SKPN) First General Standard Statement, it is required that examiners possess sufficient professional abilities to effectively perform audit duties (BPK-RI, 2017). Regarding this statement, it is the responsibility of all audit firms to ensure that auditors conducting each audit possess the necessary knowledge, abilities, and experience to successfully complete the work. Auditors conducting audits must uphold their expertise by engaging in ongoing professional education. Consequently, it is mandatory for auditors to undergo a minimum of 80 hours of education every two years, specifically aimed at enhancing their professional abilities for conducting audits.

Sinambela & Darmawan (2022) explain that an auditor's work experience will support skills and speed in completing their tasks so that the error rate will decrease. So, competency is a combination of job maturity (ability), psychological maturity (willingness), and work experience that can direct one's own behavior. AAA Financial Accounting Committee (2000) as cited by Puspitasari et al. (2019) states that "Audit quality is determined by 2 things, namely competence (expertise) and independence. These two things have a direct effect on audit quality. Furthermore, financial report users' perceptions of audit quality are a function of their perceptions of the auditor's independence and expertise" (Noordin et al., 2022).

Based on role theory (Agastia, 2020; Anglin et al., 2022), an auditor must be competent in his field because it greatly influences the quality of the audit he will achieve in order to obtain adequate confidence regarding financial reports that are free from material misstatements caused by error or fraud. The first hypothesis is:

H1: Competency influences the quality of audit results

The Effect of Independency on the Quality of Audit Results

The second general standard statement in the State Financial Audit Standards (SKPN) further elucidates that in the context of audit work, it is imperative for the auditing organization and inspectors to maintain independence by avoiding any mental disposition or outward influence from personal, external, or organizational sources that could compromise their objectivity (BPK-RI, 2017). Audit bodies and their examiners are accountable for upholding independence in relation to this second statement of general requirements. The objective is to ensure that the opinions, conclusions, considerations, or suggestions derived from the conducted inquiry are unbiased and universally acknowledged as unbiased by all parties involved.

The concept of independence in connection to audit quality is explored in a study undertaken by Sa'adah & Challen (2022). The study elucidates that independence entails adopting an impartial perspective when carrying out audit tests, assessing the outcomes of these tests, and issuing audit reports. Yendrawati & Hidayat (2021) revealed that auditor specialty positively influences the integrity of financial reports, whereas independence has a negative impact on the integrity of financial reports. Furthermore, corporate governance procedures exert a statistically significant impact on the integrity of financial reports.

Based on role theory (Keisari, 2021), an auditor must be independent so that other parties cannot influence him in planning and carrying out audits of his clients to achieve adequate confidence in financial reports that are free from fraud. The second hypothesis is:

H2: Independency influences the quality of audit results

The Effect of Auditor Ethics on the Quality of Audit Results

During a power struggle, customers have the ability to exert influence on auditors to deviate from professional norms. Furthermore, the financial stability of the client can be effectively utilized as a means to pressure auditors into changing their stance. This can render auditors vulnerable to client pressure, leading to a deterioration in professional independence. Kuntari et al. (2017) assert that the auditor's role is inherently challenging as they must balance meeting the client's demands while also adhering to professional standards that guide their work. Their research hypothesis posits that the auditors' capacity to withstand client pressure is contingent upon economic arrangements, specific contexts, and conduct, which encompasses professional ethics.

Researchers carried out efforts to obtain a personality perspective by measuring locus of control and creativity. Several researchers have tried to use the locus of control variable as a predictor in determining a person's behavior. The research results of Ratnawati (2020) provides evidence that locus of control can influence the auditor's ability to resist client pressure to carry out unethical actions or not. Their opinion is also supported by Serang & Utami (2020) which states that personality variables such as locus of control can influence individual behavior and whether or not to take ethical actions.

Ratnawati (2020) tested the role of locus of control, professional commitment, and ethical awareness on auditor behavior in audit conflict situations. The results of the research state that the interaction between locus of control and ethical awareness influences auditor behavior in conflict situations. At a low level of ethical awareness, there is a tendency for the Auditor to accept client requests, so it can be said that in this condition, the Auditor is less independent. On the other hand, at a high level of ethical awareness, there is a tendency for auditors to refuse client requests, in other words, auditors become independent. In conditions like this, of course, the auditor will provide an objective audit opinion so that audit quality can be maintained.

According to Shaub et.al (1993) as cited in [Serang & Utami \(2020\)](#), auditors who fail to uphold or uphold professional ethics are likely to exhibit less skepticism in their audit job, so impacting the quality of the audit. They assert that an individual's ethical stance is mostly influenced by their needs. These demands are influenced by personal experience and the individual's value system, ultimately shaping the aspirations or objectives associated with each behavior, therefore allowing the individual to make the final determination. From the aforementioned explanation, it can be inferred that experience is interconnected with ethics.

[Audria & Lubis \(2022\)](#) conducted research on auditor dysfunctional behavior. The auditor's behavior in facing ethical dilemma situations indicates that they will act dysfunctionally when facing pressure. The results of the research were that managers with longer work experience had a positive relationship with ethical decision making. Based on the model of the research, factors that can be considered in making auditors' ethical decisions when facing ethical dilemmas are individual factors, namely experience, professional commitment, and the auditor's ethical orientation, and situational factors, namely organizational ethical values.

Furthermore, when someone is faced with an ethical dilemma, the individual will consider it cognitively in his mind. It can be understood that the problem-solving ability factor related to the ethical dilemma plays an important role in making rational decisions regarding the ethical dilemma. The formation of an understanding of moral issues will depend on individual factors (experience, ethical orientation, and commitment to the profession) and situational factors (organizational ethical values). The third hypothesis is:

H3: Auditor ethics influences the quality of audit results

The Effect of Due Professional Care on the Quality of Audit Results

[Sa'adah & Challen \(2022\)](#) indicate that Due Professional Care is another absolute attitude that an auditor must have. An auditor must exhibit a meticulous and earnest demeanor while performing their duties in order to generate a high-caliber audit report. Auditors must demonstrate professional skepticism, which entails critically analyzing and evaluating audit evidence, exercising caution in their duties, and maintaining a diligent and resolute approach to their responsibilities.

This study is additionally backed by [Octaviani et al. \(2021\)](#), who examined the impact of due professional care on the quality of audits. The test findings indicate a discernible impact on the quality of audits. The level of professionalism exhibited by the auditor directly correlates with the quality of the audit results. Enhanced professionalism in an auditor's work positively impacts the quality of their audit.

Based on motivation theory ([Anderman, 2020](#)), an auditor must work seriously and carefully in carrying out his profession as an auditor in order to produce quality audit reports. So, the higher the auditor's professionalism, the better and better the quality of the audit results will be and will improve every time they carry out their work. The fourth hypothesis is:

H4: Due professional care influences the quality of audit results

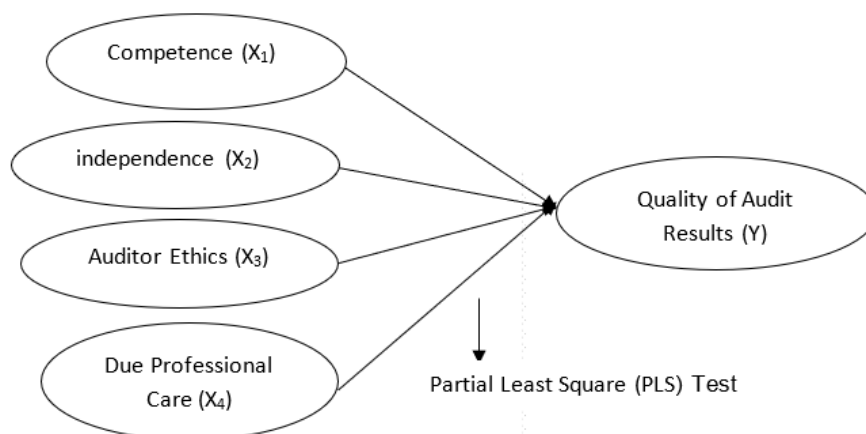


Figure 1. Research Framework

Based on the theoretical basis and previous research, to facilitate analysis, as well as to support research results, it can be depicted in a framework chart. In theoretical thinking, this framework shows

the influence of Competence, Independence, Auditor Ethics, and Due Professional Care on the Quality of Audit Results, which is presented in Figure 1.

RESEARCH METHOD

Object of research

The research object that will be used in this research is the behavior of all auditors who work at Public Accounting Firms (KAP) registered with the Indonesian Association of Public Accountants (IAPI) in the East Surabaya area regarding Competence, Independence, Auditor Ethics, and Due Professional Care towards Quality of the Audit Results it produces. Based on the author's observations, 8 KAPs in Surabaya are in the East Surabaya area. Table 2 is a brief description of KAPs in the East Surabaya region (www.iapi.or.id – 12 November 2020).

Table 2. List of Public Accounting Firms for the East Surabaya Region

No.	Name of Public Accounting Firm (KAP)	Business License Number	Address
1.	KAP Drs. Arief H. P.	200/KM.1/2010	Perumahan Pondok Nirwana Jl. Baruk Utara VIII/6 (B-201)
2.	KAP Drs. Bambang Siswanto	KEP-630/KM.17/1998	Jl. Rungkut Asri Tengah III No.7 – 9
3.	KAP Erfan dan Rakhmawan	KEP-18/KM.11/2014	Jl. Gubeng Kertajaya 9H No.44, Surabaya
4.	KAP Budiman, Wawan, Pamudji & Rekan (Cabang)	719/KM.1/2007	Medokan Ayu I Blok D-16
5.	KAP Dra. Dian Hajati D.	KEP-189/KM.6/2003	Komplek Ruko Rungkut Megah Raya Blok Q 6 Jl. Raya Kalirungkut No.1 – 3
6.	KAP Drs. Robby Bumulo	KEP-934/KM.17/1998	Pertokoan Rungkut Megah Raya Blok L 39 Jl. Raya Kalirungkut 5
7.	KAP Zulfikar Dan Rizal	31/KM.1/2014	Jl. Nginden Intan Tengah No. 39
8.	KAP Drs. Basri Hardjosumarto, M.Si, Ak. & Rekan	KEP-109/KM.5/2005	Jl. Gubeng Kertajaya III F/10

Source: IAPI Jawa Timur

Operational Definition and Measurement of Variables

This research uses three independent variables (X): Competence (X1), Independence (X2), Auditor Ethics (X3), and Due Professional Care (X4). Meanwhile, the dependent variable is the quality of audit results (Y).

Competency (X1) is a person's characteristic related to expertise in their field to carry out a job effectively. Competency is related to adequate education and experience in the field of accounting and auditing. The instrument used in this research is a development and modification of the instrument used in Cahyani et al. (2022) and this variable is measured using 2 indicators of knowledge and experience.

Independency (X2) is an attitude that is free from influence, not controlled by other parties and does not take sides with other people. The instrument used in this research is a development and modification of the instrument used in Yendrawati & Hidayat (2021) research. This variable is measured using four indicators: length of relationship with the client, pressure from the client, review from fellow auditors, and provision of non-audit services.

Auditor Ethics (X3) is a principle for collecting and evaluating evidence regarding measurable information to determine and report the suitability of information on an economic entity carried out by a competent and independent person. The instrument used in this research is a development and modification of the instrument used in Serang & Utami (2020) research, and this variable is measured using four indicators of trying to be a professional who is committed to carrying out his duties, showing all his professional responsibilities with a high level of integrity, maintaining objectivity, being in an independent position, and paying attention to the principles of the Professional Code of Ethics.

Due Professional Care (X4) is a careful and serious attitude in carrying out one's profession as an auditor in order to produce quality audit reports, so that financial reports are free from misstatements, whether caused by fraud or error. Accuracy and thoroughness require auditors to exercise professional

skepticism, namely an attitude that requires an auditor to think critically about existing audit evidence by always questioning and evaluating the audit evidence, being careful in his duties, and not being careless in carrying out audits and having steadfastness in carrying out responsibilities (Sa'adah & Challen, 2022). The instrument used in this research is a development and modified. This variable is measured using 5 indicators using accuracy and skill in work, having steadfastness in carrying out responsibilities, being competent and careful in carrying out tasks, the possibility of errors, irregularities and non-compliance, and be alert to significant risks that could affect objectivity

Quality of Audit Results (Y) is the possibility that the auditor will find and report violations in the client's accounting system, if fraud or errors occur. The ability to find material misstatements in a company's financial statements depends on the auditor's competence, while the willingness to report findings of misstatements depends on their independence. The instrument used in this research is a development and modification of the instrument used in Susanto et al. (2020) research and this variable is measured using 3 indicators of process quality, result quality and follow-up to audit results.

The measurement scale for Competence, Independence, Auditor Ethics, Due Professional Care and Quality of Audit Results is Ordinal. The scaling technique for the variables Competence, Independence, Auditor Ethics, Due Professional Care and Quality of Audit Results used in this research instrument is a Likert scale technique consisting of 5 points. Value 1 = Strongly Disagree (STS), value 2 = Disagree, value 3 = Neutral (N), value 4 = Agree (S), and value 5 = Strongly Agree (SS).

Table 3. List of Number of Auditors in KAP East Surabaya Region

No.	Name of the KAP	Total Auditor	Sample
1.	KAP Drs. Arief H. P.	13	7
2.	KAP Drs. Bambang Siswanto	3	2
3.	KAP Erfan dan Rakhmawan	15	8
4.	KAP Budiman, Wawan, Pamudji & Rekan (Cabang)	15	8
5.	KAP Dra. Dian Hajati D.	4	2
6.	KAP Drs. Robby Bumulo	6	3
7.	KAP Zulfikar Dan Rizal	10	5
8.	KAP Drs. Basri Hardjosumarto, M.Si, Ak. & Rekan	20	11
Total Auditor		86	46

Source: *Ikatan Akuntan Publik Indonesia* (IAPI)

Population and Sample

The population used in this research was 86 auditors who were still working at Public Accounting Firms (KAP) in 2020, especially from 8 KAPs in the East Surabaya area. Table 3 shows the total population of KAP in the Surabaya region, East Java. The number of samples is based on the minimum amount in research with primary data. The technique for gathering data is using questionnaires to the respondents.

Method of collecting data

The data collection technique used in this research is distributing questionnaires to respondents, who are the research sample. A questionnaire is a sheet of questions, which are statements to be answered and will later be used as research data. Before respondents fill out the form, they are informed that their identity and data acquired will be treated confidentially. They have to tickmark as a consent to be the respondent.

Analysis Techniques

The research used the Partial Least Square (PLS) analysis approach. The Partial Least Square (PLS) approach is a robust analysis technique that may be utilized for data of any magnitude. It is advantageous due to its minimal assumptions and ability to work with small sample sizes. In addition to its application in confirming theories, PLS can also be employed to establish relationships that lack a theoretical foundation or to examine claims (Ghozali, 2015, p. 18).

The analytical technique comprises the design of a structural model (Inner Model) and a measurement model (Outer Model). Subsequently, an assessment of the Goodness of Fit Outer Model is conducted, focusing on its substantive content. This evaluation involves examining the importance and weight of Convergent Validity, specifically the factor loading value of the latent variable with its indicators. The anticipated value exceeds 0.5. Discriminant Validity is a measure of how well a construct can be distinguished from other constructs. It is determined by comparing the loading value

of the targeted construct to the loading value of another construct, with the targeted construct's loading value needing to be higher.

An alternative approach involves comparing the root value of the Average Variance Extracted (AVE) for each construct with the correlation between the construct and other constructs in the model. When the AVE or cross-loading number exceeds 0.5, it indicates a high level of Composite Reliability. The threshold for the level of composite reliability is set at a value higher than 0.7. An alternative approach that can be employed is Cronbach Alpha, where the anticipated value for all structures should exceed 0.6. The website is www.statistikolahdata.com. The evaluation of the Goodness of Fit Inner Model is determined using Q-Square predictive relevance. Q² interpretation is equivalent to the overall coefficient of determination in regression.

Hypothesis Testing

The T-statistics test can be determined by comparing the p-value, which represents the likelihood, to the significance level α of 5% (0.05). The test criteria used are (Ghozali, 2015, p. 56):

- If the p-value < 0.05 then Ha is accepted.
- If the p-value is > 0.05 then Ha is rejected.

RESULTS AND DISCUSSION

Analysis Technique Results

Figure 2 shows the research model coefficients after the second round, based on the analysis technique using partial least square. In the first round, one questionnaire for variable X2 was proven to be invalid, so it was removed from indicator X2. After estimating the coefficients of the previous research model, Table 4 produces a new outer loading. Based on Table 4, the reflective variables X1 with indicator 2, X2 with indicator 3, and X3 with indicator 4 are valid.

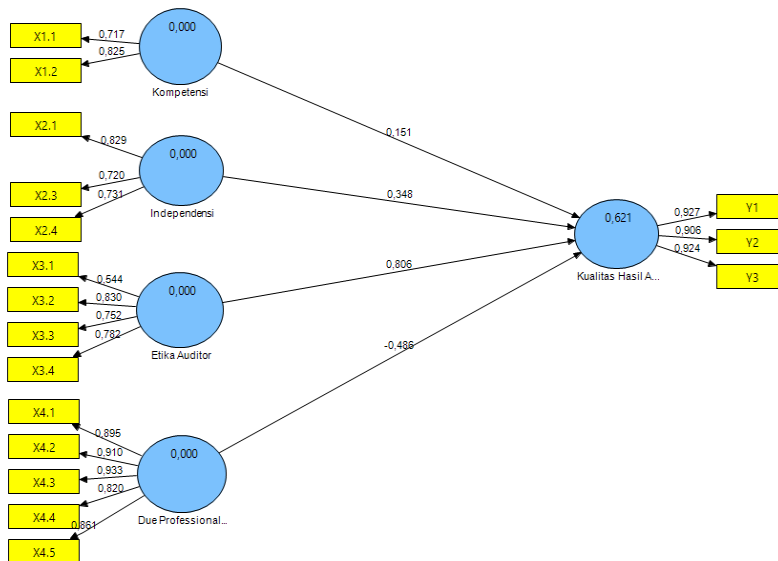


Figure 2. Round II Research Model Coefficients

Discriminant Validity Test

The third evaluation is an examination of the average variance extracted (AVE), namely the value indicating the large indicator variance contained by the latent variable. This is known as discriminant validity testing, which describes the variance that can be explained by items compared to the variance caused by measurement error. The standard is that if the AVE value is above 0.5, it can be said that the construct has good discriminant validity.

Based on Table 5, the Average Variance Extracted (AVE) value for all variables, namely competence, independence, auditor ethics, due professional care, and quality of audit results, is greater than 0.5, so it can be concluded that it has good discriminant validity.

Table 4. Outer Loading – Round 2

Validity & Reliability	Test Results		Status
	Effect	Original Sample (Loading)	
Outer Loading (Convergent Validity)	X1.1 → X1	0,717	Valid
	X1.2 → X1	0,825	Valid
	X2.1 → X2	0,829	Valid
	X2.3 → X2	0,720	Valid
	X2.4 → X2	0,731	Valid
	X3.1 → X3	0,544	Valid
	X3.2 → X3	0,830	Valid
	X3.3 → X3	0,752	Valid
	X3.4 → X3	0,782	Valid
	X4.1 → X4	0,895	Valid
	X4.2 → X4	0,910	Valid
	X4.3 → X4	0,933	Valid
	X4.4 → X4	0,820	Valid
	X4.5 → X4	0,861	Valid
	Y1 → Y	0,927	Valid
Y2 → Y	0,906	Valid	
Y3 → Y	0,924	Valid	

Source: Data Processed

Table 5. Average Variance Extracted (AVE)

Variables	AVE
Competency	0,782829
Independency	0,540529
Auditor ethics	0,580009
Due Professional Care	0,597261
Quality of audit results	0,844527

Source: Data Processed

Composite Reliability Test

The second evaluation is to look at composite reliability or construct reliability, which is a block of indicators that measure a construct. The statistics used are composite reliability above 0.7, indicating that the construct has high reliability as a measuring tool. Table 6 shows that the composite reliability value is above 0.7, which indicates that the construct has high reliability or that the questionnaire has reliability.

Table 6. Composite Reliability

Composite Reliability	Competency (X ₁)	0,947333	Reliable
	Independency (X ₂)	0,821470	Reliable
	Auditor ethics (X ₃)	0,804903	Reliable
	Due Professional (X ₄)	0,746933	Reliable
	Kualitas Hasil Audit (Y)	0,942178	Reliable

Source: Data Processed

Hypothesis testing

Goodness of Fit Inner Model (Structural Model Test)

The structural model is assessed by calculating the R-Square value for the dependent construct. Additionally, the Q-Square value is used to evaluate the predictive relevance of the model, measuring how accurately the observed values are generated by the model and its estimated parameters. A Q-Square score larger than 0 implies that the model has a significant predictive relevance. The evaluation of the inner model can be observed by examining the R-Squared value in the equation that relates latent variables, as presented in Table 7. Based on Table 7, the value of $Q^2 = 1 - (0 - 0.621) = 0.621$ so it can be concluded that the model is very good, namely competence, independence, auditor ethics, due professional care is able to explain the quality of audit results by 62.1%. Meanwhile, the remaining 37.9% is explained by other variables (apart from competence, independence, auditor ethics, due professional care, and quality of audit results) which are not yet included in the model expertise or not.

Table 7. Goodness of Fit

	R-Square
Competency	0,621
Independency	
Auditor ethics	
Due Professional Care	
Quality of audit results	

Source: Data Processed

Inner Weight Test

Model of the relationship between competency, independence, auditor ethics, due professional care and the quality of audit results. To determine the path coefficient, you can use the result inner weight which can be seen in the table 8.

Table 8. Results for Inner Weight

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Competency→Audit results quality	0,151119	0,149770	0,057592	0,057592	2,623945*
Independency→ Audit results quality	0,347977	0,360550	0,102266	0,102266	3,402667*
Auditor Ethics→ Audit results quality	0,806500	0,807210	0,135978	0,135978	5,931104*
Due Professional Care→ Audit results quality	-0,485817	-0,494629	0,148462	0,148462	3,272331*

Source: Data Processed (*p-value < 0.05)

Based on Table 8, it can be explained as follows:

- a) The influence of competence on the quality of audit results shows a coefficient of 0.151, where the T-Statistics value = 2.623 is greater than the Z value $\alpha = 0.05$ (5%) = 1.96. This means that competence has a significant positive effect on the quality of audit results.
- b) The influence of independence on the quality of audit results shows a coefficient of 0.347, where the T-Statistics value = 3.402 is greater than the Z value $\alpha = 0.05$ (5%) = 1.96. This means that independence has a significant positive effect on the quality of audit results.
- c) The influence of auditor ethics on the quality of audit results shows a coefficient of 0.806, where the T-Statistics value = 5.931 is greater than the Z value $\alpha = 0.05$ (5%) = 1.96. This means that auditor ethics have a significant positive effect on the quality of audit results.
- d) The effect of due professional care on the quality of audit results shows a coefficient of -0.485, where the T-Statistics value = 3.272 is greater than the Z value $\alpha = 0.05$ (5%) = 1.96. This means that auditor ethics have a significant negative effect on the quality of audit results.

Discussion

The results of the Goodness of Fit Inner Model test that has been carried out on the Inner Model can be seen from the R square results which are then used to calculate the Q square value. competence, independence, auditor ethics, due professional care 62.1% and the remaining 37.9% is explained by variables other than competence, independence, auditor ethics, due professional care.

The test results to see the influence of each endogenous latent variable on the exogenous variables, namely the quality of the audit results, can be seen from the results of the inner weight test which can be seen from the regression coefficient and T-Statistics test. Competence influences the quality of audit results at the Public Accounting Firm in the East Surabaya region, as evidenced by the acceptable coefficient result of 0.151119 where the T-statistic is 2.623945, which is more than 1.96. This research is in line with previous research conducted by [Susanto et al. \(2020\)](#) that competency has a positive significant influence on audit quality.

The second test is to see the influence of independence on the quality of audit results. It is known from the test results that independence influences the quality of audit results at the Public Accounting Firm in the East Surabaya region. This is proven by the coefficient result of 0.347977 which is acceptable where the T-statistic is 3.402667 which is more than 1.96. This research is not in line with previous research conducted by [Octaviani et al. \(2021\)](#) which has no significant influence on audit quality.

The third test is to see the influence of auditor ethics on the quality of audit results. It is known from the test results that auditor ethics influence the quality of audit results at the Public Accounting

Firm in the East Surabaya region. This is proven by the coefficient result of 0.806500 which is acceptable where the T-statistic is obtained 5.931104 which is more than 1.96. This research is in line with previous research conducted by [Octaviani et al. \(2021\)](#) that integrity and auditors' ethics have a significant positive effect on the accuracy of giving opinions by auditors.

The fourth test aims to assess the impact of exercising due professional care on the quality of audit outcomes. The test results indicate that the use of proper professional care does not impact the quality of audit results at the Public Accounting Firm in the East Surabaya region. This is demonstrated by the coefficient value of -0.485817, which is deemed undesirable. Additionally, the T-statistics obtained exhibit an inverse relationship, with a value of 3.272331, exceeding the threshold of 1.96. This research is consistent with the findings of a previous study conducted by [Octaviani et al. \(2021\)](#). The exercise of professional diligence has a notable and favorable impact on the quality of audits.

As to the Minister of State for Empowerment of State Apparatus Regulation Number to/05/M.PAN/03/2008, professional judgment can incorporate due professional care. However, it is possible to arrive at incorrect conclusions even when the audit has been conducted diligently. Therefore, professional care necessitates that the auditor conducts inspection and verification within reasonable boundaries, without aiming for perfection or exceptional performance. Nevertheless, this research indicates that due professional care does not exert a substantial impact on the quality of audit outcomes.

In summary, the auditor's duty can be defined as the responsibility to plan and execute audits in order to get sufficient assurance regarding the absence of significant errors or fraudulent activities in the financial statements. Due to the inherent structure of the audit evidence and the specific attributes of fraud, the auditor is able to acquire a decent level of assurance, although not an absolute one, in detecting significant errors or misrepresentations. The auditor is not accountable for the design and execution of the audit to acquire confirmation that insignificant misstatements, whether resulting from mistakes or fraud, are identified.

A person is said to be carrying out a role when that person carries out the rights and obligations that are an inseparable part of the status he or she holds. In relation to roles, not all of them can carry out the roles inherent in them. Therefore, it is not uncommon for a lack of success in carrying out their role. Several factors determine this lack of success. Role failure occurs when a person is reluctant or does not continue the individual role he or she must play. The implication, of course, is disappointing for his role partners. People who have disappointed their role partners will lose confidence in carrying out their roles optimally, including other roles, with different partners, so a negative stigma will be attached.

CONCLUSION

The objective of this study is to examine the impact of competency, independence, auditor ethics, and appropriate professional care on the quality of audit outcomes. This research used Partial Least Squares (PLS) to examine the correlation between these variables. Based on the analysis and discussion in the previous section, it can be inferred that the auditor's competence, independence, and ethics have been demonstrated to have a substantial positive impact on the quality of audit outcomes. Conversely, it has been demonstrated that the use of Due Professional Care has a notable detrimental impact on the quality of audit outcomes.

The researchers acknowledge certain constraints that could impact the findings of this study. One restriction is that the responses provided by respondents through a written questionnaire may not accurately represent the real situation. The population taken only came from the Public Accounting Firm (KAP) in East Surabaya, which will also influence sampling, so the number is small. Other researchers should pay attention to the influence of other variables studied so that in future research they should take into account other variables that may influence the quality of audit results. KAP is expected to be able to increase the experience of each auditor in conducting audits and to be able to maintain an attitude of competence, independence, auditor ethics and due professional care so that the quality of the resulting audit results will be better.

Abbreviations

Public Accounting Firm (KAP), Institut Akuntan Publik Indonesia (IAPI), State Financial Audit Standards (SKPN), Partial Least Squares (PLS).

Author Information

Endah Susilowati (ES) is a senior lecturer and the chief of the Accounting Department, Faculty of Economics and Business, Universitas Pembangunan Nasional Veteran Jawa Timur. She got her doctorate in accounting from Universitas Airlangga. Her research interests include management accounting, behavioral accounting, auditing, forensic accounting, and ethics. Her Google Scholar link is <https://scholar.google.com/citations?user=xlEOa9IAAAAJ&hl=en>.

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Data and Material Availability

Data and questionnaires can be requested by emailing the corresponding author stating the purpose of the request.

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