

The Effect of Competence, Auditor Experience, Accountability, and Time Budget Pressure on Audit Quality at the Public Accounting Firm in Bali Province

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Abstract: Audit quality is a situation where an auditor will find and report discrepancies that occur against a principle in the financial statements. Based on SPAP, audits conducted by the auditor can be of quality if they meet the requirements and auditing standards. A good audit report will produce satisfactory audit quality if a public accountant or independent auditor can carry out his duties by holding professional principles. Audit quality can be used to detect fraud or errors in a financial statement. The purpose of this study was to determine the effect of Competence, Auditor Experience, Accountability and Time Budget Pressure on Audit Quality. This research was conducted at the Public Accounting Firm in Bali Province registered in the IAPI directory in 2019 with a population of 101 auditors. The sampling technique used in this study is the saturation sample technique and the total sample obtained was 48 auditor samples at 14 public accounting firms. The results showed that competence, auditor experience, and accountability had a positive effect on audit quality whereas time budget pressure had a negative effect on audit quality. This shows the increasing competence, experience and accountability possessed by the auditor, the audit quality increases while, the higher the time budget pressure aimed at the auditor, the lower the audit quality produced by the auditor.

Keywords: Competence, Auditor Experience, Accountability, Time Budget Pressure, Audit Quality.

I. INTRODUCTION

The Public Accountant profession is a profession of public trust, from the public accounting profession that provides services to the general public, especially in the field of audits of financial statements made by clients, the public expects a free and impartial assessment of the information presented by company management in financial statements. Audit quality is a situation where an auditor will find and report discrepancies that occur against a principle in the financial statements. Based on SPAP, audits conducted by the auditor can be of quality if they meet the requirements and auditing standards. De Angelo (1981) in Setyani (2015) provides a definition of audit quality said as a condition where an auditor will find and report a discrepancy with the principles that occur in his client's accounting reports.

A public accountant must pay attention to the quality of his audit. To maintain the quality of the audit so that it remains good, an auditor must be able to maintain the basic attitudes possessed by an auditor, these attitudes include competence, competence as a person who has the knowledge and skills shown in the audit experience. In conducting an audit, an auditor must act as an expert in the field of accounting and auditing (Suryani, 2015).

According to Libby and Lieberman (1990) the experience of the auditor will affect the quality of the audit, they find that the more experience the auditor can produce various allegations in explaining the audit findings. For various reasons as stated above, work experience has been seen as an important factor in predicting the performance of public accountants, in this case the quality of the audit.

Accountability is a social psychological impetus that a person has to complete his obligations which will be accountable to his environment. Auditors are required to be responsible for their profession by prioritizing the interests of the community, having professional responsibility, high integrity, objectivity at work, not taking sides with the interests of anyone, and always developing their ability to improve the expertise and quality of services provided (Vidyantari, 2018).

Time budget pressure is also one of the factors that affect audit quality, where auditors are required to make efficiency in the time budget that has been prepared. This then creates pressure for the auditor to complete his work according to the budgeted time (Suryani, 2015). The time budget pressure experienced by the auditor in conducting the audit also greatly affects the quality of the audit. The high time budget pressure in conducting audits has made auditors improve efficiency in auditing so that often, audits carried out by auditors are not always based on procedures and planning in accordance with applicable capabilities. Time budget pressure causes individual stress that arises due to the imbalance of available tasks and time and influences professional ethics through the attitudes, values, judgments, and behaviour of auditors (Nirmala, 2013).

To get quality audits, auditors are expected to have sufficient competence according to their duties and responsibilities (Anugerah, 2014). The higher the auditor's competence, the higher the quality of audit results produced. Research Nadi and Suputra (2017) a public accountant (auditor) must work quickly and carefully in auditing a job. Auditors need to master all types of audits that will be done. Similarly, according to research by Rossita and Sukartha (2017) good audit quality is influenced by the high competency of the auditor, therefore in his research stated that competence has a positive effect on audit quality. Based on the description above, the hypotheses that can be formulated as follows:

H₁: Auditor Competence has a positive effect on Audit Quality.

Triyanto (2014) in Wulandari (2017) stated in his research that an auditor must have experience in his audit activities, formal education and work experience in the accounting profession are two important and complementary things in order to produce good audit quality. Kovinna and Betri's (2015) research experiences greatly influence an auditor in producing good audit quality. Based on the description above, it can be interpreted that an experienced auditor is a person who has expertise in the field of auditing who always learns from past events. Thus, audits are carried out with experience that will result in better audit quality. Based on the description above, the hypotheses that can be formulated as follows:

H₂: Auditor Experience has a positive effect on Audit Quality.

Accountability is a psychological impetus for someone to take responsibility for all their actions to the environment. In the professional field, especially for the auditor profession, it is demanded to be able to have high integrity, professional responsibility, prioritize the interests of the community, be objective in working, and always be able to develop the level of expertise and quality of services provided (Vidyantari and Suputra, 2018). The results of this study were reinforced by Dewi and Suputra (2016) who also stated that if accountability increases, the quality of the resulting audit will be better. Wiratama and Budiarta (2015) define accountability in audit quality and the results of this study are that audit quality has a positive and significant effect on audit quality. Based on the description above, the hypotheses that can be formulated as follows:

H₃: Accountability has a positive effect on Audit Quality.

According to the research of Cita Dewi and Ramantha (2019) the higher the time budget pressure given to the auditor will tend to make the auditor feel depressed the lower the audit quality. Research conducted by Pratama and Merkusiwati (2015) has the same results as that of Deviani and Badera (2017) and also Ratha research (2015) which revealed that time budget pressure has a negative effect on audit quality. Based on the description above, the hypotheses that can be formulated as follows:

H₄: Time Budget Pressure has a negative effect on Audit Quality.

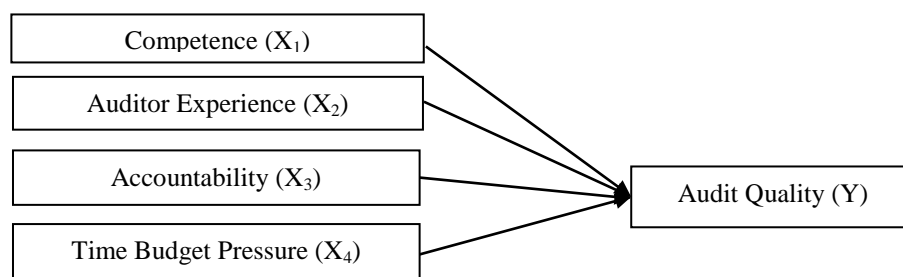


Figure 1: Conceptual Framework

II. RESEARCH METHODS

The approach used in this research is a quantitative approach that is associative. The location of this research was conducted at the Public Accounting Firm (KAP) in Bali Province which was listed in the Directory published by the Indonesian Institute of Certified Public Accountants (IAPI) in 2019 which were all located in the Province of Bali. The sampling method used in this study is the nonprobability sampling method with saturated sample technique. Data collection methods used in this study were using a questionnaire. The data in this study were analysed using multiple linear regression analysis techniques with the Statistical Package for Social Science (SPSS) program.

III. RESULT AND DISCUSSION

Descriptive statistics provide information about the characteristics of the research variables, namely the number of samples, the maximum value, the minimum value, the average value, and the standard deviation. The results of descriptive statistics can be seen in table 1 as follows:

Table 1: Descriptive Statistics Test Results

Variabel	N	Min.	Max.	Mean	Std. Deviasi
Competence (X_1)	48	42.00	56.00	45.4583	3.16872
Auditor Experience (X_2)	48	20.00	32.00	24.0625	1.95052
Accountability (X_3)	48	17.00	24.00	18.6458	1.71959
Time Budget Pressure (X_4)	48	12.00	20.00	17.2917	1.87887
Audit Quality (Y)	48	33.00	48.00	37.3958	3.03693

Source: Research Data, 2020

After doing descriptive statistics, normality test is performed. The normality test results show that the Asymp value. Sig (2-tailed) of 0.080 is greater than 0.05. This shows the data used in this study has a normal distribution. Multicollinearity test results indicate that competence, auditor experience, accountability, and time budget pressure shows tolerance > 0.10 and VIF value < 10 . Therefore, it can be concluded that the independent variables in this study are free from multicollinearity or there is no correlation between variables free. Heteroscedasticity test results showed that the significance value of the variable competence, auditor experience, accountability, and time budget pressure on absolute residual variables were above 0.05, so it can be concluded that the data used in this study did not have heteroscedasticity problems.

Table 2: Analysis of Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Competence (X_1)	0,239	0,086	0,249	2,784	0,008
Auditor Experience (X_2)	0,315	0,123	0,203	2,556	0,014
Accountability (X_3)	0,809	0,165	0,458	4,917	0,000
Time Budget Pressure (X_4)	-0,345	0,143	-0,213	-2,421	0,020
Adjusted R ²	0.776				
Sig. F	0.000 ^a				

Source: Research Data, 2020

Based on table 2, the regression coefficient value of each independent variable has a significance value of t test less than 0.05. This shows that all independent variables have a significant effect on the dependent variable. The adjusted R square value in this study was 0.776. This means that variations in audit quality can be significantly affected by competence, auditor experience, accountability and time budget pressure by 77.6 percent, while the remaining 22.4 percent is explained by other factors not explained in the research model. Test results F (F Test) shows that the significance value of P value 0,000 is smaller than $\alpha = 0.05$, this means that the model used in this study is feasible. This result gives the meaning that all independent variables are able to predict or explain the phenomenon of audit quality. In other words there is an influence in the F test of the competency variable, auditor experience, accountability and time budget pressure on audit quality. This means that the model can be used for further analysis or in other words the model can be used to project because the results of goodness of fit are good with a significance value of P value 0,000.

The first hypothesis (H_1), which states that Competence has a positive effect on Audit Quality. After testing, the results of the study showed that the regression coefficient value of 0.239. This shows that the competency variable has a positive effect on audit quality, then the hypothesis (H_1) is accepted. This shows that the higher the auditor's competence, the higher the quality of the audit results produced. The results of this study support the research conducted by Dewi (2018), Rossita (2017) and Nadi (2017) stating that audit quality is positively influenced by competence.

The second hypothesis (H_2) states that the Auditor's Experience has a positive effect on Audit Quality. After testing, the results of the study showed that the regression coefficient value of 0.315. This shows that the auditor experience variable has a positive effect on audit quality, then the hypothesis (H_2) is accepted. This shows that the auditor's experience in auditing financial statements is one of the factors that influence audit quality. Directly or indirectly experience will add to the auditor's expertise in carrying out their duties. Expertise makes the auditor able to indicate risks in an entity / company. Also sufficient expertise even becomes the auditor's qualification in accepting audit engagements. Experience for auditors in the field of audits plays an important role in increasing the knowledge and expertise gained by auditors from formal education so that audit quality will be better as experience increases. The results of this study support research conducted by Sarca (2019), Nadi (2017) and Wiratama (2015) stating that audit quality is positively influenced by the auditor's experience.

The third hypothesis (H_3) states that accountability has a positive effect on audit quality. After testing, the results of the study showed that the regression coefficient value of 0.809. This shows that the accountability variable has a positive effect on audit quality, then the hypothesis (H_3) is accepted. The results of the study are in accordance with research conducted by Adnyani (2017) that the higher the level of accountability will increase the audit quality of an auditor. This indicates that auditors who are responsible for their profession and career will complete their tasks on time, which can improve audit quality. The results of research studied by Tan and Alison (1999) in Nandari (2015), where they prove that accountability for low job complexity does not affect the quality of one's work while with medium (more complicated) work complexity, accountability can lead to quality improvement the results of work if coupled with high knowledge.

The fourth hypothesis (H_4), which states that Time Budget Pressure has a negative effect on Audit Quality. After testing, the results of the study showed that the regression coefficient value of -0.345. This shows that the time budget pressure variable has a negative effect on audit quality, then the hypothesis (H_4) is accepted. This shows that the higher the Time Budget Pressure, the lower the audit quality produced. Besides affecting the quality of the audit time budget pressure, it can also affect the audit boarding factor and the auditor's performance. The tighter time pressures exerted can cause auditors to leave important audit programs and result in a decrease in audit quality. The results of this study support the research of Pratama (2015), Setyani (2015), and Ariningsih (2017) say that the higher the pressure received by an auditor is so high because the time given in completing an audit work is so short, then there is some work to be missed and make audit quality not quality.

IV. CONCLUSION

Based on the analysis and discussion, it can be concluded that the competence has a positive effect on audit quality at the Public Accounting Firm in Bali Province. The more competency of the auditor increases, the higher the quality of the audit produced. Auditor's experience has a positive effect on audit quality at the Public Accounting Firm in Bali Province. The more experience an auditor has, the higher the audit quality will be. Accountability has a positive effect on audit quality at the Public Accounting Firm in Bali Province. The higher the accountability held by the auditor, the higher the audit quality produced. Time Budget Pressure affects the quality of audits at the Public Accounting Firm in Bali Province. The more time budget pressure given to the auditor, the lower the quality of the audit produced.

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