

THE EFFECT OF AUDIT COMPETENCE, INDEPENDENCE, AND PROFESSIONAL SKEPTICISM ON AUDIT QUALITY WITH AUDITOR'S ETHICS AS MODERATION VARIABLES

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ABSTRACT

The quality for auditors must always be monitored to maintain the auditor's reputation. Audit quality has indicators in research use audit competencies, the proxy of independence, such as audit tenure, client pressure, peer review, non audit services, and professional skepticism. An existence of audit deficiency causes a deviation of professional skepticism that causes a decrease in audit quality. This study used by quantitative methods with primary data through the distribution of questionnaires and using data processing with the help of SmartPLS applications. The population was some auditor in the Big Ten KAP with a sample of research using purposive sampling. The results are indicate about audit competence and skepticism influence to audit quality, while audit tenure, client pressure, peer review, and non audit services do not affect audit quality. Auditor ethics as a moderating variable in this study strengthens the relationship of audit competencies and professional skepticism towards audit quality.

Keywords: Audit Competence, Independence Proxy, Professional Skepticism, Auditor Ethics, Moderation, Audit Quality.

INTRODUCTION

Audit quality has been defined in many ways. First, audit quality is the probability that the auditor will find and report violations of the client's accounting system (De Angelo, 1981). While, the probability of finding violations depends on the independence of auditors (Deis and Giroux, 1992 in Batubara, 2008). Second, is the definition by Lee et al., (1999) stating that audit quality is the probability that auditors will not report audit with unqualified opinions for financial statements that contain material errors. In addition, Wallace, 1980 in Watkins et al., 2004 states that audit quality is determined by the ability of the audit to reduce noise and bias, then increase to the fireness of accounting. Audit problems are increasingly complex require an increase in audit quality from auditors. Internal auditors must have the knowledge, skills, and other competencies needed and carry out their duties and responsibilities. Internal audit activities, collectively, must have or acquire the knowledge, skills and other competencies needed for the auditor to carry out his responsibilities.

This study was raises an issue of audit quality about professional skepticism. Professional skepticism is the attitude required by auditor in giving consideration and evaluation of audit findings. As an example of the case of Ernest and Young ShinNihon LCC who at that time was appointed as PT Thosiba's independent auditor in 2008 who was unable to disclose profit bubbles of US \$ 1.22 billion. It is due to the failure to implement the auditor's professional skepticism which then results in audit deficiencies. This audit deficiency makes the reputation of audit services deteriorate then creates a crisis of credibility.

Another case is the fraud of multinational big company accounting in 2017 that happened to British Telecom. A mode is to increase the company's earnings by extending fake contracts and invoicing and fake transactions with the vendor. The impact of this profit bubble caused by British Telecom to reduce GBP530 million and cut its cash flow projections. Of course the British Telecom loses paying taxes on actual non-existent income. This scandal affected to the public accountant. No half-hearted KAP was affected PWC, which is the bigten KAP and its auditors. It was require British Telecom to replace the KAP with KPMG KAP. The threat of KAP changes even auditors such as this requires increasing knowledge and expertise of auditors both internal and external. The attitude or position of the public accountant to the threat of auditor change must be balanced with better capabilities and at the same time to maintain the reputation of the auditor and his KAP in order to remain competent (wartaekonomi.co.id).

In addition, another case occurred due to a failure of professional skepticism involving public accountants such as Enron, Xerox, Walt Disney, World Com, Merck, and Tyco, where financial scandals took place in the United States. There are also cases that have occurred in Indonesia related to the Kimia Farma financial scandal. This failure of professional skepticism was evidenced by the Securities and Exchange Commission (SEC), which found that professional skepticism was the cause of audit failures in third place. There were 40 audit cases investigated by the SEC, 60% of which (24 cases) occurred because professional skepticism was not well implemented in detecting fraud and caused audit failures. In Standard Audit (SA) Section 230, auditor's professional skepticism is an attitude that includes the mind, which always questions and evaluates critically the audit evidence. In implementing from professional attitude, auditors are required to use their knowledge, skills and abilities so that the assessment of audit evidence becomes objective.

Professional skepticism has an influence on audit quality. A high attitude of professional skepticism will further improve audit quality (Sari and Ramantha 2015). This causes auditors to be required to continue to pay attention to their professional

skepticism in carrying out the audit profession. An existence of the phenomenon of the Asean Economic Community (MEA), which will free the labor market makes the audit profession indirectly also experience intense competition with auditors from abroad. The auditor profession in Indonesia still needs quality improvement. An existence of an audit deficiency problem arises due to the lack of application of professional skepticism and the increasing complexity of financial reporting. This needs to be addressed as the auditors in Indonesia must be prepared as well as possible in the face of the upcoming MEA.

The determinants of audit quality are not enough just to pay attention to professional skepticism. A guidance on audit quality indicators to the IAPI (Indonesian Institute of Certified Public Accountants) is presents several indicators in addition to professional skepticism that must also be considered. Audit quality indicators at the KAP (Public Accounting Office) level which include audit engagements on financial statements carried out by Public Accountants namely auditor competency, auditor ethics and independence, time usage of key engagement personnel, engagement quality control, quality review results, engagement control range, KAP organization and governance, as well as service reward policies.

An audit must be carried out by someone who has competence (expertise) and sufficient technical training as an auditor (Auditing Standard Section 210). In addition, in Section 230 Audit Standards, the auditor must use his professional skills carefully and carefully both in carrying out audit duties and reporting his reports. Arens et al., (2012) stated that competence is a skill that an auditor has about his work. A competent auditor who uses his skills will be easy, fast, and intuitive in carrying out the work of his audit profession (Saifuddin, 2004). So that competence has an influence on audit quality (Saputra, 2012; Lauw et al., 2012; Deli et al., 2015; Handayani and Merkusiwati, 2015; Zarefar et al., 2016).

In relation to audit deficiency problems, independence must also be considered to what extent the auditor has an attitude of independence. In order to decrease audit deficiencies it is also necessary to increase independence. Lauw et al., (2012) proxied independence with the length of the relationship with the client (audit tenure), pressure from clients, peer review, and non-audit services. This study will develop a model using a proxy of independence to determine the extent to which the auditor's independence is currently facing audit deficiencies. Saputra (2012); Lauw et al., (2012); Deli et al., (2015); Handayani and Merkusiwati (2015) show ed that the independence affects to audit quality. In this study, the competency and independence of the model will be developed with the addition of other variables that are closely related to the problem of audit deficiency.

An extent to professional skepticism, competence, and independence proxies influence audit quality that will reduce audit deficiencies, in this study also uses auditor ethics as a moderating variable. Choosing auditor ethics as moderation because it is in accordance with Auditing Standards and the Code of Ethics for Public Accountants, namely in the framework of public accountants (auditors) that embodies their professional behavior one way is to implement the professional ethics established by IAI, like the Indonesian Accountants Code of Ethics. The auditor's ethical background was chosen as a moderating variable considering the problem facing the auditor at this time was an audit deficiency caused by the failure to implement a professional skepticism. In relation to professional skepticism, auditor ethics has an influence on professional skepticism (Attamimi, 2015). Auditor ethics also has an interaction effect on competence and independence. On the other hand, in this study also wanted to test the consistency of the results of the auditor's ethical influence with competence and independence which turned out to have no influence (Deli et al., 2015).

This study developed a previous study model to determine the effect of audit quality factors. There are several differences in results from previous studies. This is what makes researchers interested in carrying out further studies related to the influence of competencies, the proxy of independence by adding professional skepticism as an independent variable and auditor ethics as a moderating variable. The purpose of this study refers to auditing standards and also the professional code of ethics of public accountants. Both are closely related to the audit quality of auditors. Through these two things the auditors are then sued in order to meet the audit quality.

THEORITICAL FRAMEWORK

Auditing

Arens and Loebbecke (2000: 9) argued that an audit is an activity of collecting and evaluating evidence about information to make a determination and report it according to the level of conformity between the information obtained with the criteria that have been obtained. Auditing is divided into several types of audits, such as:

1. Judging from the Extent of Auditing:

- a. General Audit, which is a form of general auditing conducted by an Independent Public Accountant Office (KAP). The aim is to provide opinions regarding the fairness of the financial statements.

- b. Special audit, which is a form of limited auditing in accordance with the request of auditee conducted by an Independent Public Accountant Office (KAP).

2. Viewed from A Side of the Auditing Type

- a. Management Audit, which is a form of auditing carried out on company operations, including related accounting and operational policies determined by management. The aim is to find out whether these operations have been carried out effectively, efficiently and economically.

- b. Audit Compliance, which is a form of auditing carried out with the aim of knowing whether the company has truly followed the applicable regulations and policies both those stipulated by the internal company and the government.

c. Internal Audit, which is a form of auditing carried out by the company's internal audit section with the aim of examining financial statements as well as the company's accounting records as well as compliance with predetermined management policies.

International Standard on Auditing

Auditing standards contain about the standard rules used by practitioners during the audit process of historical financial statements. The audit standards adopted from international standards set by IFAC (International Federation of Accountants) which have been used based on US GAAS have turned into SPAP (Public Accountant Guidelines Standards) based on International Standard on Auditing (ISA) on SPAP March 31, 2011. Tuanakotta (2013) stated that the standards in ISA-based SPAP reflect to the work of auditing which is divided into six parts and 36 standards. Understanding of audit standards used in the audit process is important to be understood by the auditor. Conformity in conducting the audit process with applicable standards represents that how audit quality is owned by the auditor.

Audit Quality

De Angelo (1981) defined that audit quality as the probability that the auditor will find and report violations of the client's accounting system. The probability that the auditor will also not report an audit report with an unqualified opinion for financial statements containing material misstatement (Lee et al., 1999). AAA Financial Accounting Standard Committee (2000) stated that audit quality can be determined from two things, namely the competence of independence. These two things not only have a direct influence on audit quality but also influence potential influences.

Audit Competence

Lee and Stone (1995) stated that the definition of competency is a skill that is quite explicit that can be used to conduct an audit process objectively. Competence requires auditors to have formal education in auditing, accounting, and also the practice of sufficient experience in the audit profession that is being carried out, as well as continuing professional education (Arens et al., 2008: 42). While, according to Mulyadi (2009: 58) can be obtained the audit competence through experiential education. Each member must strive to achieve the highest level of competence to ensure the service quality and they provide has met high professionalism in accordance with applicable ethical principles.

Knowledge

Competence is formed from knowledge (Tan and Libby, 1997), stated that knowledge is one of the determinants of technical competencies that also have benefits in auditor structured tasks. In addition, Libby and Frederick (1990) also revealed that knowledge is the storage of important information on the auditor's memory.

Experience

Trotman and Wright (1996) stated that work experience can be used to deepen and expand work capabilities. The more often the same job is done, the more skilled and faster the person finishes the job. Likewise, the more types of work carried out, the more extensive work experience they have, and the possibility of increasing performance.

Auditor Independence

Auditing Standards in SPAP Section 220: 2011 state that in all matters relating to engagement, independence in mental attitude must be maintained by the auditor. In achieving the degree of independence during the audit process, the auditor must manage his practice in the spirit of the perception of independence and the rules that have been set. According to IFAC (International Federation of Accountants), there are two types of independence, such as:

1. Independence in Mind:

A state of mind that allows disclosure of conclusions without affecting professional judgment, which allows individuals to act on integrity, objectivity, and professional skepticism.

2. Independence in Appearance:

Such conditions are so significant that third parties who understand there are all relevant information ensuring that professional skepticism, objectivity, and integrity of the firm or assurance team members have been compromised.

Risk Independence

Four risks that can damage the independence of public accountants (Kokasih, 2007), such as:

1. Self Interest Risk, will occur if the public accountant is involved with the client's finances and benefits from the involvement.
2. Self Review Risk, will occur if the public accountant performs the task of providing confidence services concerning decisions made for the interests of the client.
3. Advocacy Risk, will occur if the public accountant acts closely (closely) with the interests of the client.
4. Client Influence Risk, will occur if the public accountant has an ongoing relationship with his client, including personal relationships that cause excessive familiarity with the client.

Skeptic Behavior

The International Federation of Accountants (IFAC) defines professional skepticism in the context of evaluating audit evidence (evidence assessment). The following are the elements of professional skepticism according to IFAC:

A critical Assessment:

1. Critical assessment that does not easily take for granted.

A questioning mind:

1. Thinking questions and questions repeatedly.

A Validity of Audit Obtained Evidence:

1. Transition from the evidence obtained.

Alert to Audit Evidence that Contradicts:

1. Be aware of contradictory evidence.

Brings into question the Reability of Documents and Responses to Inquiries and Other Information:

1. Question the reliability of documents as well as answers to questions and other information.

Obtained from Management and Those Charged with Governance:

1. Whatever is obtained from the management and those who have management authority (company).

Ethics Code for Professional Accountants

Professional accountants must adhere to the following five basic ethical principles (Code of Ethics for Professional Accountants Section 100):

1. Integrity, like accountants must be straightforward and honest in all professional and business relationships.
2. Objectivity, that is, the accountant will not allow any bias, conflict of interest, or proper influence from other parties, which will be able to override professional or business considerations.
3. Professional competence and prudence, namely accountants must maintain professional knowledge and expertise at the level needed. This is done to ensure that the client or employer will receive competent professional services based on the latest developments in practices, regulations, and techniques, and act in full accordance with applicable professional standards.
4. Confidentiality, like respecting the confidentiality of information obtained from the results of professional and business relationships by not disclosing such information carelessly to third parties without clear authority, and not disclosing that information only for the personal benefit of Professional Accountants or third parties.
5. Professional behavior, which is to comply with applicable laws and regulations and avoid any behavior that can reduce trust in the professional accounting profession.

A Concept of Audit Quality

Audit quality has various definitions. Audit quality is the extent to which the auditor meets the applicable regulations and standards in carrying out his audit profession (Krishnan and Schauer, 2001), and therefore auditors are required to produce a high quality audit profession. The Indonesian Accountants Association (IAI) also stated that audits conducted by auditors could be said to have good quality if they met auditing standards and quality control standards. Audit quality determinants according to AAA Financial Accounting Committee (2000, namely competence and independence, where both have a direct influence on audit quality. Competence (expertise) describes how the auditor's knowledge and experience both in auditing and accounting will always be used during the audit process. Auditor competency shows the auditor's ability to implement knowledge and experience so that the audit process is carried out carefully, thoroughly, intuitively and objectively, while independence illustrates how auditors make decisions that are influenced by encouragement to retain clients Independence in this study will be proxied with four dimensions (Lauw et al ., 2015) such as audit tenure, client pressure, peer review, and non audit services.

Auditor Ethics Concept

Professional accountants adhere to the following basic ethical principles that are exposed in the Code of Ethics of Professional Accountants (Section 100.5):

1. Integrity, which is straightforward and honest in all business professional relationships.
2. Objectivity, which does not allow the emergence of bias, conflicts of interest that can override professional or business considerations.
3. Professional competency and prudence, namely by maintaining professional knowledge and expertise at the level needed that clients truly receive competent professional services.
4. Confidentiality, which is to respect the confidentiality of client information by not carelessly conveying to third parties or not using information for personal gain.
5. Professional behavior, namely by complying with applicable laws and regulations and avoiding any behavior that can lead to reduced trust in the auditor.

METHODOLOGY

The population in this study is the Public Accounting Office (KAP) which audits public companies in Indonesia. "Big Ten" KAP was chosen as the population because it was the 10 KAPs that handled the most issuers (clients) in Indonesia. This makes the researchers suspect that with the increasing number of audited clients, the level of audit quality from the auditor also needs to be considered. This is so that competence, independence, professional skepticism, and auditor ethics are increasingly inherent in the auditor in facing audit deficiencies. The sample of this study is supervision, audit manager, and partners who work in the "Big Ten" KAP to find out the extent of the development of the auditors' quality audits in the presence of this phenomenon.

This research uses primary data types. Primary data according to Sugiyono (2013) is data that is recorded directly from the source. This study uses a survey research method in the form of a questionnaire. Survey method (Jogiyanto, 2004) is a method of collecting primary data by giving questions to individual respondents. A good survey with a minimum rate of return of 30% (Hartono, 2016). The sampling technique chosen by the researcher was purposive sampling. The questionnaire to be used in this study is a questionnaire adapted from Lauw et al., (2012) and Mursalin (2016) for Competency variables, Lauw et al., (2012) for audit tenure variables, client pressure, peer review, and services. non audit. Hurtt (2010) for Skepticism variables, as well as Lauw et al., (2012) and Effendy (2010) for Audit Quality variables.

Variable Measurement Techniques

The scale used for the measurement of each variable is a Likert scale with a scale of 1 to 7 which means: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Neutral, (5) Rather Agree, (6) Agree, and (7) Strongly Agree Once. In this study the data analysis model used in analyzing the relationship of the independent variables and the interaction of the moderating variable is Partial Least Square with the help of SmartPLS applications. There are two structural equations before being moderated by Auditor Ethics (1) and after being moderated by Auditor Ethics (2). Following are the structural equation forms of this study:

- (1) $KA = \beta_1K + \beta_2AT + \beta_3TK + \beta_4PR + \beta_5JNA + \beta_6SP + e$
- (2) $KA = \beta_1K + \beta_2AT + \beta_3TK + \beta_4PR + \beta_5JNA + \beta_6SP + \beta_7K*EA + \beta_8AT*EA + \beta_9TK*EA + \beta_{10}PR*EA + \beta_{11}JNA*EA + \beta_{12}SP*EA + e$

Noted:

- KA = Audit Quality
- K = Competency
- AT = Audit Tenure
- TK = Client Pressure
- PR = Peer Review
- JNA= Non Audit Services
- SP = Professional skepticism
- EA = Auditor Ethics
- β = Construct Coefficient
- e = Error

RESULTS

The examination results of the moderation type on each PLS model prove that in each PLS model the values of b2 and b3 are not significant, based on the moderation test criteria the results are included in the Homologizer type moderation category, where the follow-up analysis uses the Moderation Sub-group / analysis Moderated MultiGroup Analysis, namely by dividing the PLS model based on predetermined qualitative criteria. In this case the Moderation variable (Auditor Ethics) is divided into 2 groups, among others, the Auditor Ethics Group in the "Good" and "Not Good" Categories, then the scores will be compared in each group. The following are presented in the table below:

Tabel 1.
Summary of Testing for Moderate PLS Analysis (Homologizer)

Variable Exogent (X)	Moderation (M): Auditor Ethics	Coefficient of Path	T-hitung	Critical Point	Conclusion
Competence (X1)	Good	1.664	0.158	1.96	Significant
	Not Good	0.679	0.086	1.96	Significant
Audit Tenure (X2)	Good	0.362	0.043	1.96	Significant
	Not Good	0.235	1.955	1.96	Not Significant
Pressure (X3)	Good	0,121	0.161	1.96	Not Significant
	Not Good	0.362	0.046	1.96	Significant

Peer Review (X4)	Good	-0.044	0.343	1.96	Not Significant
	Not Good	-0.035	0.18	1.96	Not Significant
Non Audit Services (X5)	Good	0.402	0.041	1.96	Significant
	Not Good	0.07	0.565	1.96	Not Significant
Professional Skepticism (X6)	Good	0.266	2.064	1.96	Significant
	Not Good	0.394	3.408	1.96	Significant

Source: Data processed, 2018.

Discussion of Hypothesis Testing Results

Discussion of the Effect of Auditor Competence on Audit Quality significant effect on audit quality owned by the auditor with path coefficient of 0.399 and T-statistics 0.166. The results of this study support previous research which explains if the auditor has high knowledge and experience while carrying out his audit duties, then this indicates that the auditor is competent. Thus, audit quality will increase. This audit competence will affect the audit results of auditors (Lauw et al., 2012; Saputra, 2012). Thus, audit competence in the results of this study can be said to have a significant effect on audit quality by being moderated by auditor ethics (Hypothesis 7) and this means that the ethics of auditors strengthen the influence of the relationship of audit competencies on audit quality. The code of ethics is to regulate auditor behavior that must be obeyed in each audit process because this code of conduct regulates all professional responsibilities, careful behavior in the auditor's work, the principle of client confidentiality, and the competencies possessed by the auditor (Elfarini, 2007).

Discussion of the Tenure Audit Effect on Audit Quality

Hypothesis 8 related to the relationship of audit tenure with audit quality moderated by auditor ethics in this study states that auditor ethics strengthens the influence of audit tenure on audit quality. Significant influence can be seen from the path coefficient of 0.362 and t - statistics of 0.043. Before being moderated by auditor ethics, audit tenure does not have a significant relationship with audit quality produced by an auditor. After the auditor ethics is moderated in the audit tenure relationship with audit quality, the effect of the relationship is significant. This supports previous research conducted by Saputra (2012), Darayasa and Wisada (2016). When, the auditor engages with the client, the auditor will find out various types of client profiles. During the engagement process, auditor will continue to uphold his professional code of ethics even though he has close relations with the client. Implementing technical standards in the auditor's professional code of ethics will result in better audit quality in accordance with the Public Accountants Professional Standards (SPAP). Thus, the results of this study stated that the auditor in Big Ten KAP still upholds the code of ethics of professional accountants while carrying out their duties of auditing client companies, no matter even though the auditor has closeness to the client.

Discussion on the Effect of Client Pressure on Audit Quality

Hypothesis 9 in this study is still related to the relationship of client pressure to audit quality which is moderated by the ethics of the auditor. In the results of the study stated that the ethics of auditors do not moderate the relationship of client pressure with audit quality. This does not support research conducted by Saputra (2012), Darayasa and Wisada (2016). A smaller path coefficient of 0.121 compared to the t-statistic of 0.161 states that the pressure relations of the client such as giving sanctions and threats to the auditor will affect audit quality during the engagement period but are not significant. When, an auditor receives a threat from a client for refusing to follow the client's wishes to violate the professional accounting code of ethics. The audit process with the client will be terminated directly, when the auditor accepts to the client's willingness to violate the public accountant's code of ethics, directly proved that audit quality is in the engagement period these are bad and not in accordance with the Public Accountants Professional Standards.

Discussion of the Effects of Peer Review on Audit Quality

Hypothesis 4 in this study states that peer review does not directly influence audit quality. The Big Ten KAP as the sample of this study states that peer review does not directly influence audit quality by having a path coefficient of -0.018 smaller than its t - statistics which is 0.138. This does not support previous research conducted by Christiawan (2002), Arens (2008), Efendy (2010) Lauw (2012), Agusti and Pertiwi (2013) which stated that peer review has a direct effect on audit quality. In addition, compliance with the professional accounting code of ethics can only be used as a condition of realizing the results of the quality assessment of the auditor. The many possibilities received by the assessment auditor

(reviewer) either pass the code of ethics or SPAP requirements, the results of the assessment on the auditor will remain good for the auditor's future reputation. This does not support previous research conducted by Saputra (2013), Darayasa and Wisada (2016) showed that peer reviews will affect audit quality when reviewers carry out all procedures in a professional code of ethics. Thus the monitoring mechanism of the auditor's quality control does not look at the quality whether it is in accordance with the procedure or a lot of irregularities. Need direct inspection from the Central BPK to monitor the quality control of these auditors.

Discussion of the Effect of Non-Audit Services on Audit Quality

Professional services provided by professional staff of a Public Accounting Firm can be classified into two, namely audit services and non-audit services. Non-audit services provided by auditors are accounting and bookkeeping services, tax services, and also management consulting services. Hypothesis 5 in this study does not significantly influence the audit quality of auditors by having a path coefficient smaller than -0.033 compared to its t-statistics which is equal to 0.252. The relationship of non-audit services, especially indicators of non-audit services involving management activities. It does not affect the quality of auditors who provide non-audit services. These results do not support previous research conducted by Kusharyanti (2003), Rasmusen (2005), Lauw (2012), Hanif and Putri (2014). But, the results of this study support previous research conducted by Subroto and Wati (2003), Novitasari (2004).

Auditors' ethics have an important role in the progress of audit quality. Many factors can be seen for example in this study, namely the provision of non-audit services to clients. Normally it is legitimate to provide non-audit services to clients by involving their management activities. But auditors are required to maintain independence and uphold the professional code of ethics as accountants. This will have an effect on the quality of the audit that the auditor will have. Auditors' ethics in this study moderated some of the auditing quality factors of auditors. Therefore, the role of auditor ethics in this case is to have an influence on each factor of audit quality in achieving good audit quality achievements.

Discussion of the Effects of Professional Skepticism on Audit Quality

Hypothesis 6 in the study states that professional skepticism has a positive effect on audit quality. It has path coefficients 0.357 and t-statistics 2.819. This supports the results of previous studies conducted by Attamimi (2015), Sari and Ramantha (2015), Nainggolan (2016). A results of the study stating that the professional skepticism possessed by the auditor shows how the attitude is balanced against the quality produced by the auditor during the audit process.

In addition, in Hypothesis 12 this study states that the ethics of auditors can moderate the influence of professional skepticism on audit quality. Having a path coefficient of 0.266 and t-statistics of 2.064 states that the ethics of the auditor can significantly moderate the effect of professional skepticism on audit quality on Big Ten KAPs. This supports research previously produced by Rini Rusyanti (2010), Indira Januarti (2010), Attamimi (2015), Ayu Triyani and Lely Aryani (2015), Nainggolan (2016). In order to produce a balanced professional skepticism, it is necessary to pay attention to the code of ethics and also the professional standards of accountants during the audit process or finding evidence.

CONCLUSION

The results of this study conclude that to be able to produce good quality audit quality, several factors are needed, including auditor competency, independence, professional skepticism and auditor ethics. Independence in this study that affects audit quality is audit tenure, and client pressure. Other factors are professional skepticism and ethical auditors. The most dominant factor in this study that affects audit quality is the professional skepticism of the auditor during his tenure carrying out the findings of audit evidence in the field.

This study failed to prove that client pressure and peer review affected audit quality. Both of these do not affect the extent to which audit quality is in accordance with the Code of Ethics and SPAP or not. In addition, this study also failed to prove that auditor ethics weakened the influence of client pressure on audit quality, auditor ethics weakened the influence of peer reviews on audit quality. So from this study the attitude of competence, auditor independence as indicated by audit tenure and non-audit services, professional skepticism of auditors, and also the ethics of auditors were indeed very much considered and occurred in the Big Ten KAP to prove the quality possessed by its auditors.

IMPLICATION

The implication of this study is to develop a study model of the factors influencing audit quality by strengthening the arguments of the results of previous studies and proving the results of proving the independence of audits which include audit tenure, client pressure, peer review, and non-audit services. In addition, this study can also be used as a measure of the extent of the quality possessed by auditors today with various quality determinants that have been tested and can become material in the practice of policy making and motivating auditors to improve the quality of their audit profession.

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