

The Influence Of Auditor Competency, Independence, And Professional Ethics On Audit Quality In Public Accounting Firm In Medan

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Abstract

The aim of this study is to determine the influence of Competence, Independence and Professional Ethics Auditors' Impact on Audit Quality at Public Accounting Firms in Medan. This research is a This type of research is casual and is a replica of previous research with the research population. are auditors who work at a public accounting firm in Medan. In this study, the population obtained from the Public Accounting Office in Medan, as many as 160 auditors. The sample in this study selected based on convenience sampling. The sample was obtained from the Public Accounting Office in Medan in 2024 had 54 auditors. The sample data used was primary data. Namely data that comes from the original or first source. The data analysis technique used is descriptive statistical analysis methods, classical assumption tests, and multiple linear regression tests. The results of this study concluded that partially Competence and Independence have a positive and significant influence on Audit Quality. However, Auditor Professional Ethics does not have a significant effect on Audit Quality. Audit. Then simultaneously the Auditor's Competence, Independence and Professional Ethics are influenced significant effect on Audit Quality with a significant value of $0.000 < 0.05$ at the Accounting Firm Public in Medan.

Keywords: Competence, Independence, Auditor Professional Ethics and Audit Quality

INTRODUCTION

Nowadays, increasing transparency in financial reports requires every company increasingly competent in presenting financial reports. The reports presented must meet applicable accounting principles so that they can be well accepted by the parties in decision making. In this case, the auditor plays an important role as an intermediary between the company as providers of financial reports and investors as users of financial reports. Therefore, It is very important to conduct an audit of financial statements in order to determine an opinion on the statements. the finances.

Competence with broad knowledge and skills is used to see how far What insights do auditors have and how influential are auditors in carrying out their duties? his duties as an auditor. The broader the competency an auditor has, the better the quality of the audit. the results produced are also increasing.

The improvement of an auditor's reputation can be assessed from the auditor's ability to produce high quality audits, so that the resulting financial reports are expected can be useful as a basis for decision making. Public accounting is one of the professions that depends on public trust. People expect fair judgments and they don't biased towards any party. Auditor involvement is important in determining audit quality, because demands for the existence of an independent auditor in conducting audits of financial reports finances and provide opinions based on the results of the audit.

However, there are several phenomena such as the PT Garuda *Fraud* case which can be a lesson. for public accountants and public accounting firms to no longer commit violations in auditing financial reports. The Ministry of Finance (Kemenkeu) imposed sanctions on the accounting firm Public Accountant (KAP) concerned. Ministry of Finance Financial Professional Development Center (PPPK) team impose sanctions in the form of a 12-month permit freeze on

Kasner Sirumapea, which will be effective from July 27, 2019. Because the decision letter was signed on June 27, 2019. In this case, the KAP that the person concerned is deemed to have committed a serious violation which has the potential to have a significant impact on Independent Auditor's Report (LAI) opinion.

Based on the phenomena related to the background, the researcher conducted research entitled "Competence, Independence and Professional Ethics of Auditors on Audit Quality" at the Public Accounting Office in Medan"

This research on Audit Quality is not the first. Previously, There is research related to Audit Quality. Previous research entitled "The Influence of Professionalism, Independence and Competence of Auditors on Audit Quality in the Office Public Accountants in Bali Province (Empirical Study on Public Accountants in Bali Province)" has been conducted, which in this paper focuses on audit quality in the Bali Province area and with several different variables.

RESEARCH METHODS

This research is a casual descriptive research and is a replication of previous research to determine the influence of competence, independence and professional ethics of auditors on Audit Quality. The object of this research is the Public Accounting Office in Medan which is registered with the Institute of Accountants Indonesian public in 2024.

The method used in this research uses a quantitative approach, observation, questionnaires, documentation. Because there are some populations that do not allow this to be done research, the sample used is Convenience sampling, meaning easy or comfortable or not difficult. With a targeted sample, namely the Public Accounting Office in Medan which registered with the Indonesian Institute of Public Accountants in 2024 and has obtained 5 public accounting firms which is the sample data.

RESULT AND DISCUSSION

This study uses multiple linear regression analysis to create hypotheses and identify the relationship between independent variables and dependent variables through the influence of Competence, Auditor Independence and Professional Ethics Influence Audit Quality in Accounting Firms Public in Medan.

Table 1. Linear Regression Analysis Results Multiple

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.249	7.100		-.317	.753
	X01	.572	.135	.487	4.248	.000
	X02	.384	.142	.358	2.711	.010
	X03	.067	.129	.064	.523	.603

a. Dependent Variable: Y

Source: spss 26

Based on table 1. above, the form of the regression equation model for the influence can be seen. The auditor's competence, independence and professional ethics regarding audit quality are as follows:

1. The constant value (a) is -2.249 (negative value), meaning that if the Competency variable (X1) Independence (X2) and Auditor Professional Ethics (X3) are considered zero, so there is a decrease in Audit Quality. of -2,249
2. Competence (X1) has a regression coefficient of 0.572, meaning that Competence has a positive effect on Audit Quality, meaning that the higher the Competence, the better it will be. causing the Audit Quality to improve as well.
3. Independence (X2) has a regression coefficient of 0.384, meaning that Independence (X2) has a regression coefficient of 0.384. has a positive effect on Audit Quality, meaning that the higher the Independence, the higher the Audit Quality Audits will get better too.
4. Auditor Professional Ethics (X3) has a regression coefficient of 0.067, meaning that Auditor Professional Ethics (X3) has a regression coefficient of 0.067. Auditors have a positive influence on Audit Quality, meaning that the higher the Auditor's Professional Ethics, the higher the audit quality will also be better.

The t-test is used to analyze the influence of each independent variable on the dependent variable. bound

Table 2. Partial Test Results (t)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.249	7.100		-.317	.753
	Kompetensi	.572	.135	.487	4.248	.000
	Independensi	.384	.142	.358	2.711	.010
	Etika Profesi Auditor	.067	.129	.064	.523	.603

a. Dependent Variable: Kualitas Audit

Source: spss 26

t_{table} is calculated from the number of data or observations, namely a 5%, $df = n - k \cdot n =$ number of respondents $k =$ the number of independent variables, so that $df = 46-3 = 43$ is obtained. The t_{table} value at $\alpha = 0.05$. Then obtained $t_{table} 43 = 1.6811$. So the results of the t test show that:

1. The Competency Variable (X1) has a significant influence on audit quality ($t_{count} > t_{table}$), namely $4.248 > 1.6811$ with a significance value of $0.000 < 0.05$.
2. The independence variable (X2) has a significant influence on audit quality ($t_{count} > t_{table}$), namely $2.711 > 1.6811$ with a significance value of $0.000 < 0.05$.
3. The Auditor Professional Ethics variable (X3) does not influence audit quality ($t_{count} < t_{table}$), namely $0.523 < 1.6811$ with a significant value of $0.603 > 0.05$.

The F (Simultaneous) test is used to analyze the influence of independent variables on dependent variables simultaneously. simultaneously. The results can be seen in table 3.

Table 3. Simultaneous Test Results

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	494.951	3	164.984	15.969	.000 ^b
	Residual	433.919	42	10.331		
	Total	928.870	45			
a. Dependent Variable: Kualitas Audit						
b. Predictors: (Constant), Etika Profesi Auditor, Kompetensi, Independensi						

Source: spss 26

The results of the study show that the F count value $>$ F table, namely $15.969 > 2.82$ with $\bar{y} = 5\%$, $df v1 = k-1 = 4-1 = 3$, $dfv2 = nk = 46-4 = 42$ and the significant value is $0.000 < 0.05$

Therefore, it can be concluded that H_0 is rejected. This means that the variables Competence, Independence, and Professional Ethics Auditors collectively influence Audit Quality. To determine the coefficient of determination, this study uses the *Adjusted R Square* value. from the *model summary table*.

Table 4. Results of the Coefficient of Determination (R²) test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.730 ^a	.533	.499	3.214
a. Predictors: (Constant), Etika Profesi Auditor, Kompetensi, Independensi				

Source: SPSS 26

From table 4. above, it can be seen that Adjusted R Square = 0.499 which explains the magnitude of the influence of Auditor Competence, Independence and Professional Ethics on Audit Quality is 49.9 % and the remaining 50.6% is the contribution of other variables or factors that are not included in this study.

CONCLUSION

Based on the results of the analysis and discussion of the influence of Competence, Independence and Professional Ethics Auditors on Audit Quality at Public Accounting Firms in Medan, then it can be taken the following conclusions:

1. The t-test results obtained a calculated t value of $4.248 >$ ttable 1.6811 with a significant value of $0.000 < 0.05$. From these results, it is stated that the Competence variable has an influence on Audit Quality. At the Public Accounting Office in Medan. Based on the results of this study, it can be concluded that Auditor competence plays a very important role in determining audit quality. With the existence of high competence, auditors can audit more accurately and effectively, determine risks and errors more accurately, and provide relevant and useful opinions. for organizations or companies. Adequate audit knowledge, skills, and experience covered in the competency can provide the auditor with the possibility to improve audit quality and provide confidence to stakeholders.
2. The t-test results obtained a calculated t value of $2.711 >$ ttable 1.6811 with a significance value of $0.010 < 0.05$. From these results, it is stated that the Independence variable has an effect on Audit Quality. At the Public Accounting Office in Medan. Based on the results of this study, it can be concluded that Auditor independence plays an important role in determining audit quality. By maintaining an independent attitude independence, an auditor whose attitude is not influenced by personal interests or other parties the auditor can conduct an audit objectively which can enable the auditor to provide accurate assessments and to avoid

any deviations, and to improve Stakeholder confidence in audit results. Strong independence enable auditors to state honest and transparent results and recommendations, thereby improving the overall audit quality.

3. The results of the t-test obtained a t-count value of $0.523 < t\text{-table } 1.6811$ with a significant value of $0.603 > 0.05$. From The results state that the Auditor Professional Ethics variable does not have an effect on Audit Quality at Public Accounting Firms in Medan. Research shows that ethics the auditor profession does not have a significant influence on audit quality. Other factors such as competence, independence, and experience of the auditor play a greater role in determining audit quality. Although ethics is important in the auditing profession, in some situations, audit quality is more influenced by the auditor's technical and methodological abilities in collecting and analyzing data. Therefore, improving audit quality depends more on developing auditor competencies and abilities than on professional ethics alone.
4. Simultaneously shows the influence between the variables Competence, Independence and Auditor Professional Ethics Influence Audit Quality in Public Accounting Firms in Indonesia Medan. The competence, independence, and ethics of the auditor profession have an important role in determine audit quality. With adequate competence, auditors can conduct audit analysis accurate and effective, and independence that can ensure that auditors can work objectively and not influenced by personal interests or other parties, as well as professional ethics auditors who can maintain integrity and professionalism in carrying out their duties. Third These factors are interrelated and contribute to high audit quality, thereby improving stakeholder trust and overall audit effectiveness.

The results of the R test show an Adjusted R Square value of 0.499, which illustrates that the magnitude of the influence of the Auditor's Competence, Independence and Professional Ethics is as large as 49.9% and the remaining 50.6% is influenced by variables not examined in this study.

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