

The Effect of Auditor's Competence on Audit Quality Go Public Company in Jakarta

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Abstract. The goal of this study is to investigate and clarify how auditor competency affects the audit quality of Go public firms in Jakarta. This research adopted a quantitative methodology. Through the distribution of a questionnaire to 108 respondents, secondary data from the Jakarta JSX office were obtained for the data-gathering procedure. As 17 is the indicator, 18 times 6 equals 108. Purposive sampling is the sampling method. The questionnaire was given out to 108 respondents once the total was calculated; however, only 100 responded, of whom 8 declined to take part in the study. The study's findings show that the quality of audits is significantly influenced by the auditors' skills.

Keywords: Auditor, Competence, Audit Quality, Go Public Company..

1 Introduction

Audit quality is very necessary for the company's business activities, especially in companies that go public. Audit quality can be used to detect auditors in reporting material misstatements in financial statements. Audit quality is generally viewed from the auditor's side and is measured based on established standards, including general standards, fieldwork standards, and reporting standards [1]. Many users of the auditor's report criticize the quality of the accountant's work. They found evidence of many groups other than auditors showing their interest in audit quality issues [2]. For many individuals, the term "audit quality" means different things. Users of financial statements believe that the audit report provides proof that there are no substantial misstatements and no fraud in the auditee's financial statements [3]. The IAASB (International Auditing and Assurance Board) in its 2011 report stated that audit quality can be viewed from various perspectives including conceptually, one can see audit quality in three basic aspects: input (input), output (output), and context factors (factors). contextual). From the search results, there is an audit quality that is not yet good, including the discovery of bribery cases committed by individuals to obtain an unqualified opinion, as shown in the following table:

Table 1. Number of cases of BPK Personnel from 2005 to May 2017

Number of Cases	Case
3	Bribery Cases to obtain a fair opinion without exception (WTP)
1	Bribery Case to get a Fair With Exception (WDP) opinion
1	Bribery Case by changing BPK findings
1	Bribery Cases to help streamline the BPK process

Table 1 shows that the audit quality is not yet satisfactory. The skill of the auditors is one of the variables that determine audit quality. Every profession needs the public to have confidence in the caliber of the work it does, which is the driving force behind the requirement for high-competency conduct. The findings of this study are consistent with Tri Suyanti's earlier research [4]. Competence is the behavior, expertise, or quality of a competent person.

An auditor should generally possess the following five knowledge: (1) general auditing; (2) functional areas; (3) understanding of the most recent accounting concerns; (4) knowledge of specific industries; and (5) knowledge of general business and problem-solving skills. Various studies related to audit quality have been carried out, among others, by Ngali Sumito and Hari Setyawati (2019) [6] stating that auditor competence and auditor professionalism have an important role in audit quality, because the higher the competence, the better the audit quality. Many studies linking competence with audit quality have been carried out including Kertajasa at all 2019 [7], Nur Zeina Maya Sari at all (2018) [8], Kannan, K.S.P.N at all (2021) [9], Shahanif Hasan at all (2020) [10], Said, Lola Luviana at all (2018) [11], Amalia at all (2019) [12], Evi Oktavia at all (2015) [13], Lia Dahlia Iryani at all (2017) [14], Winda et al. (2014) [15] but their research results are quite diverse, some state that competence affects the significant impact on the audit quality of Nur Zeina Maya Sari at all (2018) [8], Kannan, K.S.P.N at all (2021) [9], Shahanif Hasan at all (2020) [10], Said, Lola Luviana at all (2018) [11], Amalia at all (2019) [12]. However, some state that it has no effect, namely Evi Oktavia et al (2015) [13], and Lia Dahlia Iryani et al (2017) [14]. Nugraha (2019) With the inconsistent results of the research, researchers are interested in conducting further research on the Jakarta Stock Exchange [16].

2 Methods

With a minimum number of respondents equal to the number of questions in the questionnaire multiplied by five or more times the number of indicators, this study employs a quantitative approach and uses the questionnaire survey method to gather data. In this study, the number of indicators is 17, so 18×6 is 108. This is the opinion of [17] which states that in SEM PLS five or more times the number of indicators. The data analysis technique is Descriptive Statistical Analysis, namely a causal relationship between independent (competence) and dependent (audit quality).

3 Result and Discussion

3.1 Characteristics of Respondents

This study explains that Auditor Competence affects Audit Quality. Research done in the past at a public accounting firm in Makassar City demonstrated that the audit quality increased with the auditor's degree of competence. The study also shows that gender has an impact on auditors' competency. Consider going public [18].

Table 2. Names of KAP

K Description	Frequency	Percent	Valid Percent	Cummulative Percent
Andi Ruswandi Wisnu & Rekan	3	3,0	3,0	3,0
Basirudin	3	3,0	3,0	6,0
Darmawan Hendang Kaslim	3	3,0	3,0	9,0
Heliantono & Rekan	9	9,0	9,0	18,0
Irfan Abdulrahman Hasan Salipu & Darnawan	6	6,0	6,0	24,0
Jojo Sunarjo & Rekan	3	3,0	3,0	27,0
KAP Afwan	5	5,0	5,0	32,0
KAP Agus, Indra, Jeri & Rekan	3	3,0	3,0	35,0
KAP AHY	3	3,0	3,0	38,0
KAP Anderson	3	3,0	3,0	41,0
KAP Gunarto, Gunawan & Rekan	3	3,0	3,0	44,0
KAP Gideon Adi & Rekan	3	3,0	3,0	47,0
KAP Kartoyo & Rekan	3	3,0	3,0	50,0
KAP Heru Satria Rukmana	3	3,0	3,0	53,0
KAP Purwantono, Sungkoro & Surja	3	3,0	3,0	56,0
KAP Liasta Nirwan Syafrudin & Rekan	3	3,0	3,0	59,0
KAP R Angka Widjaja	3	3,0	3,0	62,0
KAP Rama Wendra	20	20,0	20,0	82,0
KAP Tjahjadii & Tamara	3	3,0	3,0	85,0
KAP Tri Bowo Yulianti	3	3,0	3,0	88,0
KAP Y Santosa dan Rekan	6	6,0	6,0	94,0
KAP Razikun Tarkosunaryo	3	3,0	3,0	97,0
KAP Salmon Sihombing	3	3,0	3,0	100,0
Total	100	100,0	100,0	

The results of data processing show that the majority of respondents work as partners, as many as 50 people (50.0%). Based on analysis, it can be seen that the respondents who work as audit managers are 21 people (21.0%) and respondents who work as senior auditors are 29 people (29.0%). These results indicate that the majority of respondents who work in KAP act as partners and are followed by respondents who act as audit managers and senior auditors. The results of data processing show that the respondents come from various KAPs in

Jakarta. The names of KAPs who became respondents in this study can be seen in Table 2 below.

According to institutional theory, internal audit, a crucial component of the business, will make an effort to conform to the ideals of the organization and its surroundings, a process known as homogeneity. The study goes on to say that audit expertise and quality can support the efficiency of the company's internal audit [19]. The basic characteristics of the respondents who were asked were gender, age, education level, type of work, and name of office/KAP. Based on the results of data processing, it is known that the majority of respondents are male, as many as 79 people (79.0%). Female respondents in this study were 21 people (21.0%) out of a total of 100 respondents in this study. These results indicate that the majority of auditors are male with more numbers than female auditors. The results of data processing show that the majority of respondents have a final education level equivalent to S1. Based on the analysis, it can be seen that respondents with an education level equivalent to S1 were 61 people (61.0%). Respondents with an S2 education level are 33 people (33.0%) and respondents with S3 education are 6 people (6.0%). This shows that the majority of auditors in this study have an education level equivalent to S1 .

3.2 Evaluation of Measurement Model (Outer Model)

Convergent Validity testing of each construct indicator. According to Chin in Ghozali (2014), an indicator is said to have good validity if its value is greater than 0.70, while a loading factor of 0.50 to 0.60 can be considered sufficient. By looking at the output results of the correlation between the indicators and their constructs as shown in the table and figure below.

Table 3. Convergent Validity Test Results

Variable	Indicator	Outer Loading	Valid
Competency	K1	0,857	√
	K2	0,786	√
	K3	0,706	√
	K4	0,651	√
	K5	0,846	√
	K6	0,864	√
	K7	0,794	√
	K8	0,859	√
	K9	0,871	√
	KA1	0,717	√
	KA2	0,788	√
	KA3	0,864	√
	KA4	0,836	√
	KA5	0,862	√
	KA6	0,704	√
	KA7	0,688	√
	KA8	0,582	√
	KA9	0,619	√

Source: Processed data, (2022)

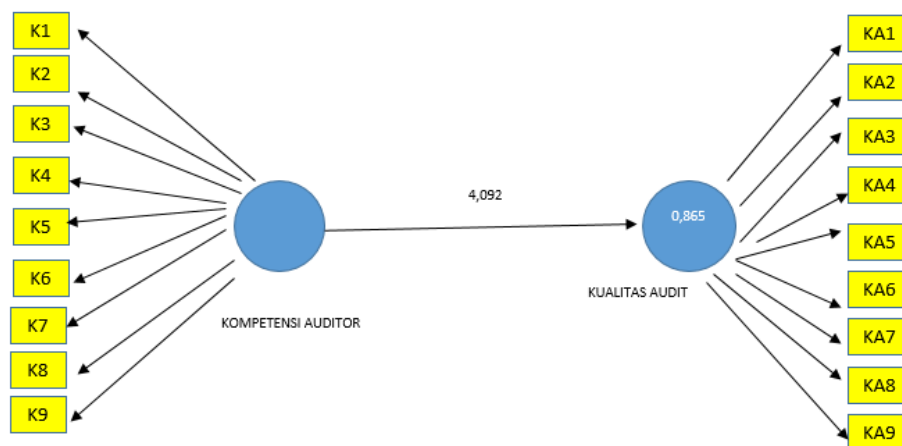


Fig. 1. Bootstrapping Results (Hypothesis Test Results)

Based on Figure 1 above, it shows that the relationship between Competence and Audit Quality is significant with a t-statistic value of 4.092 (> 1.96). The original sample estimate value is positive, namely 0.376 which indicates that the direction of the relationship between Competence and Audit Quality is positive. So hypothesis H1 in this study can be concluded that competence has a positive and significant effect on audit quality is accepted. Based on the results, this study adds a new dimension to research by showing that in Jakarta, the capital city, audit competence has a significant impact on how well major, developing corporations conduct their audits. Without a qualified auditor, there is a very high risk of audit fraud [20]. The audit reporting process is significantly influenced by audit companies. So many audit firms decide to follow the guidelines of the auditor quality requirements [21]. Because of the Covid-19 pandemic and other factors, this study supports earlier findings that having a skilled auditor can lessen risky situations rather than issues with auditing methods. To help stakeholders create policies for internal audit issues at the organization, this study offers advice.

4 Conclusion

This study discovered that expertise significantly and favorably influences audit quality. Conclusion: The greater independence in the auditing profession, the higher the auditor's competency. As a result, audits of businesses are of higher quality when they are conducted by more competent auditors. Future research must identify additional elements that influence the caliber of auditors and the impact they have on the organization. so that going forward, the business can operate at peak efficiency and significantly boost the national economy.

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