

# Factors Influencing The Audit Quality At The Magelang City Inspectorate

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**Abstract.** This research goal is to investigate and evaluate the influence of auditor competence, auditor independence, auditor accountability, and auditor work experience towards quality of audits conducted by the inspectorate. Adopting a mixed-methods approach, the research gathers data through questionnaires and interviews. The study population includes all auditors within the Magelang City Inspectorate, with 30 respondents as samples. Data analysis involves multiple regression tests (t-tests) and Moderated Regression Analysis (MRA). This research found that auditor competence, auditor independence, auditor accountability, and auditor work experience significantly impacts the audit quality. Additionally, work experience moderates the effect of auditor competence, auditor independence, and auditor accountability, towards the quality of the audits.

**Keywords:** Competence, Independence, Accountability, working Experience, Audit Quality.

## 1. Introduction

The Internal Government Supervisory Apparatus (APIP) functions as an auditing body within the government framework. Effective governance is built on three interconnected pillars—participation, transparency, and accountability—which serve as its foundational components. Auditing plays a critical role in supporting public accountability within this framework. [1]. Provincial inspectorates are agencies that conduct oversight and auditing activities over regional governments, functioning similarly to internal auditors. To achieve good governance in regional government, it is imperative that the government implements changes in all aspects of regional financial management.

The Magelang City Inspectorate has received unqualified opinions (WTP) seven consecutive times and was awarded a certificate of merit by the Governor of Central Java in 2020, ranking third in oversight performance. However, based on the performance oversight report of 2020, the following findings were reported: (a) 42 instances of non-compliance with financial

regulations, (b) 654 instances of internal control system weaknesses, and (c) 5 findings related to economic, efficient, and effective (3E) aspects.

Under Government Regulation No. 12 of 2017 (Article 1, Paragraph 3), the Internal Government Supervisory Apparatus (APIP) comprises the inspectorates general of ministries, oversight units within non-ministerial government bodies, and inspectorates at both provincial and district/city levels. For APIP's recommendations and reports to be regarded as credible, they must meet high-quality standards. Audit quality entails situations in which auditors examine financial statements, detect discrepancies within the client's accounting practices, and disclose these findings within the audited financial statements [2].

High audit quality is crucial in conducting audit activities because it results in reliable and truthful reports, free from external influences. Conversely, low audit quality in the public sector can facilitate deviations in budget usage and increase litigation risks for government officials [3].

Good audit quality is supported by several factors, one of which is competence. [4] defines competence as the adequate expertise explicitly used to conduct audits objectively. Auditors must be supported by knowledge of how and why errors occur to detect them effectively. They must possess the skills, expertise, and also experience to determine the amount of the audit evidence that needed to support their conclusions. Thus, the higher auditor competence can leads to better audit quality.

A critical factor affecting audit quality is the independence of the auditor. Independence refers to an intellectual stance marked by honesty and objectivity, devoid of external pressures when evaluating facts and opinions. It can be defined as a mindset that remains uninfluenced by external factors or other parties. [5].

Audit experience also significantly affects audit quality. Audit experience refers to the auditor's experience in conducting financial statement audits, both in terms of duration and the number of assignments handled. Auditors with adequate experience are more likely to understand and address various audit issues comprehensively and adapt to increasingly complex client environments [6]. As auditors gain more experience, the information and competencies acquired through formal and informal education will increase, enhancing audit quality [7].

Accountability is the obligation to account for the management of the authority entrusted to achieve set objectives. [8] describes accountability as a social psychological drive compelling individuals to fulfill their responsibilities and be accountable to their environment. Accountability not only focuses on actions and decisions but also on the resulting impacts.

[9] states that auditor accountability and independence mean that auditors must be free from client obligations and have no vested interests with clients. Individuals with high accountability are more likely to believe that their work will be reviewed by managers, supervisors, or leaders.

This study aims to examine the influence of competence, independence, work experience, and accountability on audit quality at the Magelang City Inspectorate. Research on audit quality is essential for inspectors, as they are internal government oversight bodies demanded to be transparent. The findings will help identify factors affecting audit quality and suggest ways to improve it. For auditees, this research is crucial to assess the consistency of Magelang City Inspectorate auditors in maintaining the quality of audit services provided. Provincial and district/city inspectorates have significant responsibilities for promoting good governance and eliminating corruption, collusion, and nepotism.

## **2. Literature Review**

### **Audit Quality**

Audit quality can be explain as the situations where an auditor, while examining a the financial statements, is able to detect the violations within the company's accounting system and document these issues in the final audit report. In carrying out their responsibilities, auditors follow established auditing standards and uphold the ethical codes pertinent to the accounting profession.. According to [10], audit quality is defined as the outcome or result of an audit conducted in accordance with specific guidelines and auditing standards that direct auditors in the execution of their responsibilities.

Auditing involves a structured approach to impartially gathering and analyzing evidence related to assertions about economic actions and events, with the aim of assessing the alignment between these assertions and established standards. The results of this assessment are then communicated to relevant stakeholders. In this process, the auditor is central, as the audit report represents the final product of the audit, delivered as formal documentation to stakeholders within the organization.

Audit quality encompasses the range of situations in which an auditor, while examining a client's financial statements, can identify and disclose any discrepancies within the client's accounting practices in the finalized statements. In fulfilling these responsibilities, auditors adhere to established auditing standards and the professional ethics mandated for public accountants. [11].

### **Auditor Competency**

According to [1], an auditor must possess the following to conduct an examination: knowledge of auditing standards, an educational background, general knowledge of the auditee, adequate

skills to perform the examination, and a certification of expertise that is widely accepted and professionally recognized. According to [12], each auditor member is required to deliver services with diligence, skill, and strict adherence to regulations, maintaining an obligation to uphold their knowledge and expertise. This ensures that clients or employers receive competent services that reflect the latest advancements in industry practices, legal requirements, and methodologies.

### **Auditor Independence**

The concept of independence, according to Regulation No. 01 of 2007 by the Indonesian Financial Audit Agency concerning State Financial Audit Standards, as outlined in Appendix II, states: "In all matters related to the audit work, both the auditing organization and the auditor must be free in their mental attitude and appearance from personal, external, and organizational influences that could affect their independence." The standard specifies that both auditors and organizations must adhere to two forms of independence: (1) independence in mental attitude, which means that in performing their duties, an auditor must genuinely maintain independence by upholding objectivity in audit execution, and (2) independence in appearance, which implies that auditors should be perceived as independent and objective, leading the public to judge the auditor's independence based on their appearance [13]. To produce high-quality audits, auditor independence is a crucial factor; it is necessary to ensure that auditors do not show bias towards any party in presenting opinions, conclusions, or recommendations resulting from the audit [12].

### **Working Experience**

As auditors gain experience, they become increasingly adept in their field and the processes they audit. Experience enables auditors to confront and address challenges effectively while managing any subjective biases toward the entities being audited. Beyond technical knowledge and skills, an auditor's experience plays a vital role in strengthening their overall competency. [14]. According to [15], in accordance with general standards, audit experience affects the quality of the audit, as experience leads to an auditor's ability to process information, take necessary steps, and find alternative solutions to issues that arise during the audit. Naturally, an auditor without sufficient experience will be unable to achieve these outcomes.

The longer an internal auditor's tenure, the greater their work experience, which enriches their auditing techniques. Work experience is crucial for an auditor; without substantial experience, an auditor would be less effective in performing their duties. Auditor experience encompasses past occurrences and reflections, and thus, a seasoned auditor can become more proficient in conducting audits and addressing any obstacles and errors encountered during the audit process.

### **Accountability**

According to [16], Accountability in auditing refers to the quality of an auditor's work, which is shaped by their sense of responsibility in completing the audit task and their independence.

The auditor's likelihood of reporting any identified violations is contingent upon their level of independence. Accountability is also associated with a transparent attitude, where actions and decisions are justified to others. It can be understood as a psychological motivator that drives individuals to explain and take responsibility for their actions and decisions within their environment. [17].

[18] states, "Accountability is the responsibility to report on and be answerable for the success or failure of an organization's objectives in achieving established outcomes, typically through regular accountability mechanisms. In the context of accounting, accountability is understood as the act of providing justification. An organization is deemed accountable if it can explain its circumstances, including the decisions made and the actions taken.

## **Hypothesis**

### **The Influence of Auditor Competency on Audit Quality**

An individual is considered competent when they can perform their tasks to a high standard of quality. The greater an auditor's level of competence, the more likely they are to deliver high-quality audit results. This concept aligns with the LOMA Competency Dictionary (1998), which defines competence as the personal characteristics that enable an individual to achieve outstanding performance. Attribution theory further supports that an individual's behavior is influenced by both internal and external factors, which in turn affect their actions [20]. These personal characteristics encompass traits, motivations, values, attitudes, knowledge, and skills. Competencies guide behavior, and this behavior ultimately determines performance. Therefore, we propose the following hypothesis:

**H<sub>1</sub>:** Auditor Competency has an Influence towards Audit Quality

### **The Influence of Auditor Independency on Audit Quality**

Auditor independence is a critical element in performing audits that ensures high-quality outcomes. The higher the degree of independence an auditor possesses, the more likely it is that the audit results will be of superior quality [21]. [22] states that auditor independency has a significant effect on audit quality. Thus, the second hypothesis is:

**H<sub>2</sub>:** Auditor Independency has an Influence towards Audit Quality

### **The Influence of Auditor Accountability on Audit Quality**

Auditor accountability plays a vital role in ensuring the quality of audits. It refers to the psychological drive that motivates individuals to take responsibility for all actions and decisions they make in relation to their environment. [23]. Accountability implies the responsibility that an auditor must fulfill for their audit activities [24]. [25] find that auditor accountability positively affecting the audit quality. According to the description above, the third hypothesis is as follows:

**H<sub>3</sub>:** Auditor Accountability has an Influence towards Audit Quality

#### **The Influence of Auditor Working Experience on Audit Quality**

An individual's work experience reflects the various types of tasks they have undertaken and provides significant opportunities for improved job performance. Effective learning for auditors is facilitated through experience, as it allows them to acquire various auditing techniques. The more experience an auditor has, the higher the quality of their audit outcomes [26]. Based on this, the researcher proposes the third hypothesis as follows:

**H<sub>4</sub>:** Auditor Working Experience has an Influence towards Audit Quality

#### ***Moderating Effect of Auditor Working Experience on The Influence of Auditor Competency Towards Audit Quality***

Auditor competence can be improved through experience in the field. Experienced auditors possess a more profound understanding, enabling them to offer sound explanations for discrepancies in clients' financial statements and to classify errors in alignment with audit objectives and the structure of the underlying accounting system. [27]. As auditors accumulate more work experience, their competence improves. This enables auditors to gain more in-depth experience, thereby meeting the quality of personal attributes, knowledge, and specialized skills as indicators of competence. Hence, we formulate the fifth hypothesis:

**H<sub>5</sub>:** Auditor Working Experience has an moderating effect on the Influence of Auditor Competency towards Audit Quality

#### **Moderating Effect of Auditor Working Experience on The Influence of Auditor Independency Towards Audit Quality**

Independence is not solely influenced by factors such as the size of the auditing firm, the duration of the audit relationship with the client, the magnitude of audit fees, the provision of management consulting services, and the presence of an audit committee. There are, however, many other factors that affect it, one of which is work experience. Work experience also plays a crucial role in determining audit quality [24]. The more experienced an auditor is in conducting audits—where independence is continually required, and results must be reported with objectivity and in accordance with existing facts—the higher the quality of the audit results will be. Thus, the sixth hypothesis formulated as below:

**H<sub>6</sub>:** Auditor Working Experience has an moderating effect on the Influence of Auditor Independency towards Audit Quality

### **Moderating Effect of Auditor Working Experience on The Influence of Auditor Accountability Towards Audit Quality**

Auditors must be able to maintain their accountability by upholding the trust that has been bestowed upon them. It is crucial for auditors to possess accountability in order to enhance their intellectual process in decision-making [28]. Auditors with high levels of accountability are likely to have substantial work experience. This indicates that as auditors gain more work experience, their level of accountability will correspondingly increase. Based on the explanation above, the researcher proposes the third hypothesis as follows:

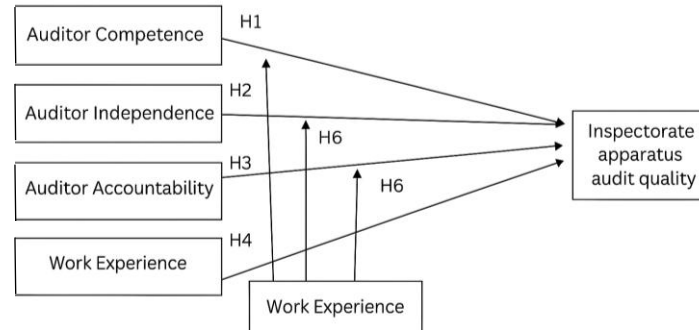
**H7:** Auditor Working Experience has an moderating effect on the Influence of Auditor Working Experience towards Audit Quality

### **3. Research Method**

The research methodology employed by the author is a mixed-methods approach, utilizing both questionnaires and interviews. The inclusion of interviews in this study is due to the limited sample size. The sample is constrained because the research employs purposive sampling specifically targeting auditors from the Magelang City Inspectorate, comprising only 30 individuals. The interview sample consists of one Functional P2UP Auditor, one Functional Auditor, and one Execution Auditor. It is anticipated that the interviews will strengthen the research findings. The questionnaire employs a 6-point Likert scale for all items (1 =Strongly Disagree to 6 = Strongly Agree). The hypotheses in this study are examined with multiple regression analysis and (MRA Moderated Regression Analysi)

**Table 1.** Sample Size by Position at the Magelang City Inspectorate

No	Position	Person
1	Eselon (I-IV)	8
2	Fungsional P2UP	
	Junior Government Supervisor	3
	Deputy Government Supervisor	3
3	Functional Auditor	
	Skilled Auditor	1
	First Auditor	4
	Supervising Auditor	1
	Junior Auditor	1
	Intermediate Auditor	4
4	Implementer	5
	Total	30



**Figure 1.** Research Framework

## 4. Result and Discussion

### Descriptive Statistic

**Table 2.** Descriptive Statistic

Variable	N	Min	Max	Mean	Std. Dev
Auditor Competency	30	37	60	48.33	4.49
Auditor Independency	30	37	39	38	1.01
Auditor Accountability	30	20	24	21.83	1.89
Auditor Working Experience	30	40	48	43.43	3.047
Audit Quality	30	44	80	64.8	8.59
Valid N	30				

Source: Data Analysis (2023)

The descriptive statistics table reveals the following details regarding the respondents in this study: For the auditor competency variable, the minimum score is 37.00 and maximum is 60.00, mean score 48.333 and the standard deviation is 4.490. For auditor independence, the responses ranged from 37.00 to 39.00, with a mean score of 38.000 and a standard deviation of 1.017. Regarding auditor accountability, the responses minimum score is 20.00 and maximum score is 24.00, mean score 21.833 and a standard deviation score is 1.895. Minimum score for auditor work experience is 40.00, the maximum score is 48.00, mean score 43.433 and a standard deviation value 3.047. Finally, for audit quality, the minimum score is 44.00 and maximum score is 80.00, mean score 64.800 and a standard deviation value is 8.591.



### ***Validity Test***

In this study, the sample size (n) consists of 30 respondents, and the degrees of freedom (df) are calculated as (n-2), yielding df = 28. At an alpha level of 0.05, the critical value of r (r-table) is 0.361. The results of the validity test are shown in the table 3.

**Table 3.** Validity Test Results

<b>Variable</b>	<b>Question Item</b>	<b>r_count</b>	<b>r_table</b>
(X1) Auditor Competency	KAU_1	0.785	0.361
	KAU_2	0.811	0.361
	KAU_3	0.875	0.361
	KAU_4	0.785	0.361
	KAU_5	0.811	0.361
	KAU_6	0.856	0.361
	KAU_7	0.846	0.361
	KAU_8	0.811	0.361
	KAU_9	0.864	0.361
	KAU_10	0.461	0.361
(X2) Auditor Independency	IAU_1	0.476	0.361
	IAU_2	0.914	0.361
	IAU_3	0.915	0.361
	IAU_4	0.913	0.361
	IAU_5	0.952	0.361
	IAU_6	0.476	0.361
	IAU_7	0.952	0.361
	IAU_8	0.914	0.361
(X3) Auditor Accountability	AAC_1	0.949	0.361
	AAC_2	0.909	0.361
	AAC_3	0.985	0.361
	AAC_4	0.048	0.361
(X4) Auditor Working Experience	PKAU_1	0.609	0.361
	PKAU_2	0.502	0.361
	PKAU_3	0.906	0.361
	PKAU_4	0.712	0.361
	PKAU_5	0.912	0.361
	PKAU_6	0.609	0.361

Variable	Question Item	r_count	r_table
(Y) Audit Quality	PKAU_7	0.921	0.361
	PKAU_8	0.876	0.361
	KUAU_1	0.802	0.361
	KUAU_2	0.822	0.361
	KUAU_3	0.956	0.361
	KUAU_4	0.946	0.361
	KUAU_5	0.407	0.361
	KUAU_6	0.833	0.361
	KUAU_7	0.407	0.361
	KUAU_8	0.956	0.361
	KUAU_9	0.802	0.361
	KUAU_10	0.502	0.361
	KUAU_11	0.906	0.361
	KUAU_12	0.712	0.361
	KUAU_13	0.985	0.361
	KUAU_14	0.912	0.361

Source: Data Analysis (2023)

The results of the validity test are displayed in the table above. All instruments associated with the variables of auditor competence (X1), auditor independence (X2), auditor accountability (X3), and auditor work experience (X4) have r-calculated values exceeding the r-table value of 0.3610. Thus, it can be concluded that the research instruments are valid.

### Reliability Test

The Cronbach's Alpha present the value for each of the variables being examined. The results of the reliability test are provided in the table 4.

**Table 4.** Reliability Test Results

Variable	Cronbach's Alpha	Remark
(X1) Auditor Competency	0.919	Reliable
(X2) Auditor Independency	0.928	Reliable
(X3) Auditor Accountability	0.955	Reliable
(X4) Auditor Working Experience	0.894	Reliable
(Y) Audit Quality	0.967	Reliable

Source: Data Analysis (2023)

From the Table. 4 above, we can see that all variable's Cronbach's Alpha values exceed the threshold of 0.60, suggesting that the indicators for the variables are reliable. This means that the indicators demonstrate consistency in measuring the research variables.

#### Normality Test

This research employed Kolmogorov-smirnov to examine the normality test presented in Table 5.

**Table 5.** Normality Test Results

Unstandardized Residual	
N	30
Test Statistic	0.1
Sig	0.602

Source: Data Analysis (2023)

According to Table.5 above, it is show a significance value of  $0.602 > 0.05$ . Thus, it can be concluded that the data follows a normal distribution.

#### Multicollinearity Test

The multicollinearity test can be evaluated using the Variance Inflation Factor (VIF) score and if the VIF is below 10, it indicates that multicollinearity is absent. [30]. Table.6 below present the results of the multicollinearity test: .

**Table 6.** Multicollinearity Test Results

Variable	Collinearity Statistics	VIF
(X1) Auditor Competency	0.835	1.197
(X2) Auditor Independency	0.895	1.118
(X3) Auditor Accountability	0.693	1.443
(X4) Auditor Working Experience	0.728	1.374

Source: Data Analysis (2023)

From the Table 6 above, it is show that all independent variables have a Variance Inflation Factor (VIF) values below between -10.000 and 10.000. Therefore, all variables are considered did not have multicollinearity issues within the regression model, meeting the necessary criteria for data analysis.

#### Heteroscedasticity Test

To test whether there are variations in the regression models or if the variance of residuals differs across different observations we employ the Heteroscedasticity Test [29]. Table 7 below, present the result of Heteroscedasticity Test.

**Table 7.** Heteroscedasticity Test Results

Variable	Sign	Remark
(X1) Auditor Competency	0.074	No Heteroscedasticity
(X2) Auditor Independency	0.584	No Heteroscedasticity
(X3) Auditor Accountability	0.059	No Heteroscedasticity
(X4) Auditor Working Experience	0.434	No Heteroscedasticity

Source: Data Analysis (2023)

Table 7 above show that the significance values of are  $> 0.05$ . It is indicates that there is no relationship between the magnitude of the data and the residuals.

#### Coefficient of Determination ( $R^2$ ) Test

**Table 8.** Coefficient of Determination ( $R^2$ ) Test Results

Model	R	$R^2$	Adj $R^2$	Std. Error
1	0,785	0,632	0,573	5,612

Source: Data Analysis (2023)

Table 8 above reveals that the significance value of the Adjusted  $R^2$  is 0.573. It means that independent variables can explain 57.3% of the variance in the dependent variable, and the other 42.7% explained by other factors that not included in this study.

### Multiple Linear Regression Analysis

**Table 9.** Multiple Regression Results

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients B	t	Sig.
(Constant)	3.750	44.466		0.084	0.933
(X1) Auditor Competency	0.978	0.254	0.511	3.850	0.001
(X2) Auditor Independency	1.981	1.083	0.211	2.644	0.047
(X3) Auditor Accountability	0.783	0.661	0.018	2.125	0.032
(X4) Auditor Working Experience	1.282	0.401	0.455	3.198	0.004

Source: Data Analysis (2023)

According to the Table 9 above for each independent variable, their effects are explained as follows

1. Hypothesis Testing for Auditor Competence and Audit Quality: The t-test results show a t-value of  $3.850 > \text{critical t-value of } 2.060$ . The significance level for auditor competence is  $0.001 < 0.05$ , and the coefficient b value for auditor competence is 0.978. This suggests that auditor competence significantly affect the audit quality at the Magelang City Inspectorate.
2. Hypothesis Testing for Auditor Independence and Audit Quality: The t-test results indicate a calculated t-value of  $2.644 > \text{critical t-value of } 2.060$ . The significance level for auditor independence is  $0.047 < 0.05$ , and the coefficient b value for auditor independence is 1.981. This implies that auditor independence has a significant effect towards audit quality.
3. Hypothesis Testing for Auditor Accountability and Audit Quality: The t-test results show a calculated t-value of  $2.125 > 2.060$ . The significance score for auditor accountability is 0.032,  $< 0.05$ , and the coefficient b value for auditor accountability is 0.783. This indicates that auditor accountability has a significant impact on audit quality at the Magelang City Inspectorate.
4. Hypothesis Testing for Auditor Work Experience and Audit Quality: The t-test results reveal a calculated t-value of  $3.198 > 2.060$  (t-table). The significance level for auditor work experience is  $0.004 < 0.05$ , and the coefficient b value for auditor work experience is 1.282. This suggests that auditor work experience significantly affect the quality of quality at the Magelang City Inspectorate.

<b>Tabel 10. f-test Result (ANOVA)</b>		
<b>Model</b>	<b>f</b>	<b>Sig</b>
1	6.672	0.002

Source: Data Analysis (2023)

Furthermore, it can be concluded from Table 10 above that all independent variables influence the dependent variable (audit quality) simultaneously. This is supported by the significance value in the ANOVA test, which is  $0.002 < 0.05$ .

### **Moderated Regression Analysis (MRA)**

The results of MRA analysis are presented in the Table 11 below.

**Table 11. Moderated Regression Analysis Result**

<b>Model</b>	<b>Unstandardized Coefficients B</b>	<b>Std. Error</b>	<b>Standardized Coefficients B</b>	<b>t</b>	<b>Sig.</b>
X1.X4	0.605	0.174	2.578	2.415	0.041
X2.X4	0.897	0.338	13.461	2.658	0.014
X3.X4	0.124	0.184	1.879	2.178	0.009

Source: Data Analysis (2023)

From the table 11 above, it is indicate that the significance value of the interaction between auditor competence and auditor work experience in relation to audit is  $0.04 < 0.05$ . This suggests that auditor work experience acts as a moderator, potentially strengthening the affect of the audit competence on audit quality. As a result, Hypothesis 5, which posits that auditor work experience can moderates the relationship between auditor competence and audit quality, is supported.

The results also suggest that the interaction between auditor independence and auditor work experience in terms of audit quality has a significance value of  $0.014 < 0.05$ . This suggests that auditor job experience acts as a moderator, either enhancing or reducing the link between independence and audit quality. Thus, Hypothesis 6, which states that auditor work experience moderates the influence of auditor independence on audit quality, is validated.

Furthermore, the test findings show that the interaction between auditor accountability and auditor work experience affects audit quality with a significance value of  $0.009 < 0.05$ . This means that auditor job experience serves as a moderator, either strengthening or weakening the relationship between accountability and audit quality. As a result, Hypothesis 7, which proposes that auditor work experience moderates the effect of auditor accountability on audit quality, is accepted.

## **Discussion**

### **Auditor Competency Influencing Quality Audit**

The findings of hypothesis testing for H1 show that auditor competence has a considerable impact on audit quality. The t-test findings corroborate this, with a significance value of 0.001 ( $< 0.05$ ), t-value of 3.850 ( $> 0.05$ ), and beta coefficient of 0.978. These results indicate that auditor skill has a significant impact on audit quality at the Magelang City Inspectorate. The study's findings indicate a link between auditor competency and audit quality. A higher degree of auditor expertise is associated with improved audit quality at the Magelang City Inspectorate. Competence refers to the knowledge and abilities that auditors need to effectively carry out their tasks. The stronger the auditor's skill, the better the quality of the audit generated. [21]. This study supports the findings of previous research conducted by [11] and [30], which indicate that competence influences audit quality.

Auditors with high levels of competence are generally more effective in conducting audits with greater attention to detail, thoroughness, and efficiency. Factors that contribute to auditor competence include formal education, training, certification, and professional experience. This aligns with insights gathered from interviews with Auditor X and Auditor Y on Wednesday, January 24, at 09:30 and 14:00, respectively. Both auditors emphasized the importance of a combination of knowledge, skills, and attitudes in auditing, such as accounting and audit knowledge, analytical abilities, communication skills, objectivity, integrity, time management, industry knowledge, and work experience. Auditor Y further highlighted the significance of understanding relevant audit standards and analytical skills. The analysis reveals that both auditors have a comprehensive understanding of the competencies essential for auditing. This finding is consistent with the results of the multiple regression analysis (t-test), which suggest that auditor competence influences audit quality, as well as the Moderated Regression Analysis (MRA) test, which shows that work experience moderates the effect of auditor competence on audit quality.

### **Auditor Independency Influencing Audit Quality**

The findings of hypothesis testing for H2 clearly show that auditor independence has a major impact on audit quality. The t-test findings confirm this conclusion, with a significance value of 0.047 ( $< 0.05$ ), t-statistic of 2.644 ( $> 0.05$ ), and beta value of 1.981. These data indicate that auditor independence has a significant impact on the quality of audits conducted by the Magelang City Inspectorate. Based on these findings, we can conclude that greater auditor independence is connected with higher audit quality. This research emphasizes the importance of auditor independence in improving audit quality. As a result, auditors with greater independence are more likely to produce high-quality audits, which is consistent with previous research. [10] and [21] found that independence has a considerable impact on audit quality.

Auditors must be able to collect all required information for audit decision-making, which must be based on an impartial viewpoint.

In the context of the inspectorate audit, auditor independence can be influenced by various factors, including relationships with the audited parties, political pressure, management control, and work experience. This is congruent with interviews done by the Magelang City Inspectorate, which emphasize the necessity of auditor independence in ensuring audit quality. Auditors X and Y both stressed the importance of independence in audit quality, taking real steps to assure it, such as knowing ethical norms, evaluating conflicts of interest, and following to established regulations. This demonstrates a strong understanding of the need to avoid bias in audit execution.

### **Auditor Accountability Influencing Audit Quality**

The results of hypothesis testing for H3 indicate that auditor accountability has a positive and significant impact on audit quality. The t-test results support this, with a significance value of 0.032 ( $< 0.05$ ), t-value of 2.125 ( $> 0.05$ ), and beta value of 0.783. These findings demonstrate that auditor accountability has a significant impact on audit quality at the Magelang City Inspectorate. The study's findings indicate that auditor accountability affects audit quality. As a result, when auditors show a high level of accountability, the quality of audits at the Magelang City Inspectorate is projected to improve. These findings are consistent with the previous studies. [30] and [24], which assert that auditor accountability significantly affects audit quality.

Both auditors from the Inspectorate (Auditor X and Auditor Y) also highlighted the importance of thoroughly addressing findings or recommendations, which includes actions such as coordinating with relevant parties, creating action plans, and conducting follow-ups. This demonstrates a recognition of the critical role of accountability in the audit process. These observations are consistent with the findings of the multiple regression analysis (t-test), which indicates the influence of accountability on audit quality, and the results of the moderated regression analysis (MRA), which show that auditor work experience moderates the relationship between auditor accountability and audit quality.

### **Audit Working Experience Influencing Audit Quality**

Hypothesis testing for H4 clearly demonstrates that auditor job experience has a considerable impact on audit quality. The t-test findings corroborate this, with a significance level of 0.004 ( $< 0.05$ ), a t-value of 3.198 ( $> 0.05$ ), and a beta coefficient of 1.282. These data indicate that auditor job experience influences the quality of audits at the Magelang City Inspectorate. According to the research, there is a good association between work experience and audit quality. Consequently, an increase in work experience is associated with improved audit quality at the Magelang City Inspectorate. Auditor experience represents a process of learning and developing the auditor's capabilities through ongoing engagement with tasks over time.. This



study supports the findings of [31] and [25] also suggest that work experience improves audit quality. Auditors X and Y provide concrete examples of how their work experience enabled them to manage challenging audit scenarios, demonstrating their ability to identify suspicious trends and develop strategies for gathering the necessary evidence. This emphasizes the significance of actual experience as a key aspect in increasing audit quality.

#### **Auditor Working Experience Moderating the Influence of Auditor Competency Towards Audit Quality**

The MRA calculations for hypothesis 5 yield a significance level of 0.041, which falls below the 0.05 criterion. This implies that the fifth hypothesis claims that auditor work experience modifies the relationship between auditor competence and audit quality. Audit quality is accomplished when auditors can discover faults in clients' work using their expertise, which is aided by their extensive experience. This experience, in turn, promotes the development of personal quality, knowledge, and specific abilities, all of which are important markers of auditor competence. The findings of this study support the conclusions of previous studies [32] and [33], which show that experience can moderate the impact of auditor skill on audit quality.

#### **Auditor Working Experience Moderating the Influence of Auditor Independency Towards Audit Quality**

The combination of the auditor's independence and work experience enhances the impact of independence on audit quality (H6). This is confirmed by a significance level of 0.014, which is lower than the 0.05 criterion. These data indicate that audit job experience increases the impact of independence on audit quality. Auditors with greater independence and experience are more likely to generate high-quality audit results. In other words, more work experience increases an auditor's independence, which leads to better audit results. While auditor independence is necessary for their job, their professional experience is also important in assuring the quality of the audits they perform. [26]. These findings support the research conducted by [34] and [35], which suggests that audit experience reinforces the impact of independence on the quality of audit.

#### **Auditor Working Experience Moderating the Influence of Auditor Accountability Towards Audit Quality**

According to the MRA result, Hypothesis 7 has a significance value of 0.009, which is less than the 0.05 criterion. This suggests that the seventh hypothesis, auditor job experience, moderates the link between auditor independence and audit quality. Auditors with greater degrees of accountability typically have extensive job experience. This means that as an auditor's job experience grows, so does their sense of accountability. [27]. These findings reflect the research of [30], and [24] suggests that auditor accountability has a positive and significant impact on audit quality.

## 5. Conclusion

The purpose of this study is to determine the effect of the independent variables—auditor competence, auditor independence, auditor accountability, and auditor work experience—on the dependent variable, audit quality. A mixed-methods approach is used, comprising questionnaires for data collection and interviews with Auditors X and Y at the Magelang City Inspectorate.

The results show that auditor competence, independence, accountability, and job experience all have a significant impact on audit quality. Furthermore, the study demonstrates that auditor work experience moderates the effect of competence on audit quality. This finding is confirmed by interviews with Inspectorate auditors, who display a thorough awareness of the elements that influence audit quality and the activities required to guarantee high standards are fulfilled. The persistent emphasis on competence, independence, responsibility, practical experience, and audit quality measurement demonstrates that they understand the complexities and importance of sustaining an efficient audit process.

Future research should include other independent variables beyond those included in this study, such as auditor ethics, auditor professionalism, time budget pressures, and other issues. Future study could further increase the sample breadth to include inspectorates from different areas or nations, allowing for a more thorough understanding of the factors impacting inspectorate audit quality. Furthermore, longitudinal studies could be done to track changes in factors influencing inspectorate audit quality over time and identify developing trends. Finally, future researchers may devise new theories to explain the links between elements such as auditor competence, independence, accountability, and work experience and inspectorate audit quality.

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