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“The Evolving of SDG's in Advancing Business Longevity from Accounting International View”

ANALYSIS OF FACTORS INFLUENCING AN AUDITOR'S PROFESSIONAL SKEPTICISM ATTITUDE

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ABSTRACT

The profession of public accountant is a profession of trust given by the community for the quality of auditor services. The public expects an independent assessment of the information presented by the company's management in the financial statements. Auditors become a profession that many people expect to be able to put trust as a party that can conduct audits of financial statements and can be responsible for the opinions given. This research aims to determine the Influence of the Code of Ethics, Experience and Competence of Auditors on Professional Skepticism of Auditors. Data collection is carried out through the dissemination of questionnaires that have been tested for validity and rehabilitation. The type of research used is descriptive quantitative. Respondents to this study were all auditor staff which included junior auditors, senior auditors, supervisors and managers. Sampling was done by Convenience Sampling with a Sample count of 62 respondents from 12 Public Accounting Firm (KAP) in South Jakarta. The results of this study showed that the code of ethics had no effect on the auditor's professional skepticism. This condition illustrates that the higher the auditor's code of ethics does not increase the auditor's professional skepticism. While the experience and competence of the auditors affects the professional skepticism of the auditor.

Keywords: Code of Ethics, Experience, Auditor Competence, Auditor's Professional Skepticism.

1. INTRODUCTION

Public accounting is a profession whose existence and existence depends on the trust of the people who use its services. The failure of an auditor to carry out his duties and functions in auditing a company causes a crisis of confidence among the public using audit services. The results of research by the Association of Certified Fraud Examiners (ACFE) submitted through the 2014 Report to the Nations, revealed that the role of auditors is still relatively low in disclosing fraud which often occurs in the financial management of companies or organizations. The results of this research show that internal auditors are only able to reveal 14.1% of fraud, while external auditors are only able to reveal 3.0% of fraud that occurs within a company or organization.

The emergence of the public's lack of trust in the public accounting profession is justified, because quite a lot of financial reports of companies that have gone bankrupt have been issued after receiving an unqualified opinion. In practice, the public still doubts the level of professional skepticism of auditors. Auditors who are considered independent parties in fact commit many ethical violations due to a lack of adequate levels of skepticism. Maintaining the quality of auditor performance and audit results is required to meet the provisions of

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professional standards. Audit standards emphasize the professional quality of auditors and the way auditors take judgment when carrying out inspections and reporting. However, not all auditors in public accounting firms carry out their duties well and there are still some auditors who make mistakes in conducting audits.

The professional skepticism of auditors at public accounting firms can be influenced by several factors. With the professional ethics of accountants, the function of accountants as providers of information for the business decision making process can be carried out by business people. Professional ethics are characteristics of a profession that differentiate a profession from other professions, which function to regulate the behavior of auditors. Auditors must maintain, uphold and implement the values of truth and morality, such as being responsible, having integrity, acting objectively and maintaining their independence towards the interests of various parties, as well as being careful in carrying out their profession.

The audit experience factor also influences the attitude of audit professional skepticism. The experience referred to is the auditor's experience in examining financial reports. The more experience the auditor has, the higher the auditor's professional skepticism (Gusti and Ali, 2008:3). An auditor's experience is also one of the factors that influences an auditor's professional skepticism because experienced auditors are more skeptical than inexperienced auditors, can detect fraud in client reports, in addition, experienced auditors' perspective in solving problems is better than that of auditors who are less experienced. The competency possessed by the auditor is one of the important components in carrying out an audit, because competency will influence the auditor's level of success in detecting fraud. Through good competence, auditors can carry out the audit process more effectively and efficiently, and auditors can hone their sensitivity in analyzing the financial reports they audit. Auditor competency can also be measured by the number of diplomas or certificates they have. The more certificates they have and the more often they attend training or seminars, it is hoped that the auditor concerned will be more competent in carrying out audits. Not all auditors have the same level of competency, but all auditors have the same obligations and responsibilities in auditing financial statements. Auditor competency can be obtained through adequate knowledge, experience, education and training and being able to carry out audits objectively and carefully using their skills during the audit process. This requires an auditor to use his competence and apply professional skepticism to obtain competent evidence.

2. LITERATURE REVIEW

The theory for this research uses attribution theory. Attribution theory is a theory that explains a person's behavior. Attribution theory explains the process of how we determine the causes and motives of someone's behavior. This theory refers to how a person explains the causes of other people's or his own behavior, which will be determined whether from internal, for example nature, character, attitude or external, for example, pressure from situations or certain circumstances that will have an influence on individual behavior. Viewed from the context of auditors' professional skepticism, there are several factors that can influence auditors, namely internal factors where each auditor has their own attitude and personality as well as external factors which can be influenced by the work environment or the pressure of the work situation experienced by the auditor. In this research, attribution theory is used to explain how the auditor's code of ethics, experience and competence influence the auditor's professional skepticism.

Auditor's Professional Skepticism

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An auditor's professional skepticism is an auditor's attitude that doubts or questions everything and critically evaluates audit evidence and makes audit decisions based on his or her expertise. Auditors will use the knowledge, skills and abilities required by public accountants to carry out their duties carefully and thoroughly. According to SA section 200 (SPAP, 2016) auditors must plan and carry out audits with professional skepticism considering that certain conditions may occur which cause financial statements to contain material misstatements.

Code of Ethics

A code of ethics is a written system of norms, values and professional rules that clearly states what is right and good, and what is not right and not good for professionals. A code of ethics states what actions are right or wrong, what actions should be done and what should be avoided. The aim of the code of ethics is for professionals to provide the best possible service to users. The existence of a code of conduct will protect the unprofessional actions.

Auditor Experience

According to Novanda (2014:28), audit experience is the auditor's experience in examining financial reports both in terms of length of time and the number of assignments carried out. Experience that teaches auditors to more easily collect evidence objectively from financial reports to be audited. Experience is one of the factors that influences the accuracy of providing an audit opinion. The experience referred to here is the auditor's experience in examining financial reports, both in terms of length of time or number of assignments carried out. According to Adrian in (Shanti & Kusumawardhani, 2020) an experienced auditor will provide a more accurate opinion compared to an auditor who is less experienced, because an experienced auditor has better understanding and knowledge.

Competence

Competency is a qualification needed by an auditor to carry out an audit correctly. In conducting an audit, an auditor must have good personal qualities, adequate knowledge, and special expertise in his field. Competency relates to the professional skills possessed by auditors as a result of formal education, professional examinations and participation in training, seminars, symposiums.

3. DATA AND RESEARCH TECHNIQUE ANALISYS

The data analysis technique used in this research is statistical analysis, the calculations of which were carried out using SPSS version 25. This research analysis aims to determine the influence of the variables Code of Ethics (X_1), Experience (X_2), Competence (X_3) on Auditors' Professional Skepticism (Y).

Descriptive statistics

According to Ghozali (2018:19) "descriptive statistics provide a description of data seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis and skewness". Descriptive statistics are usually used to describe the profile of sample data before utilizing statistical analysis techniques that function to test hypotheses.

Validity test

The validity test shows the extent to which the measuring instrument measures what it wants to measure, or the extent to which the measuring instrument used hits the target. The higher the validity of a test tool, the more the tool hits its target, or the more it shows what it should measure.

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Reliability Test

Reliability test is an index to determine the extent to which a measurement tool provides consistent results. The smaller the measurement error, the more reliable the measuring device. The basis for the small measurement error can be determined by using the correlation index for the level of reliability using the Cronbach Alpha method, measured based on an alpha scale of 0 (zero) to 1 (one).

Classic assumption test

The classical assumption test is a statistical requirement that must be met in multiple linear regression analysis. The use of the classical assumption test aims to determine and test the feasibility of the regression model used in this research. Another aim is to ensure that the regression model used has data that is normally distributed, free from autocorrelation and heteroscedasticity.

Heteroscedasticity Test

According to Ghozali (2018: 137) "the heteroscedasticity test aims to find out whether in the regression model there is an inequality of variance from the residuals of one observation to another". If the variance from the residual from one observation to another is constant, it is called homoscedasticity and if it is different it is called heteroscedasticity.

Multiple Linear Regression Test

The multiple regression method was carried out on the model proposed by the researcher using the SPSS version 25 application to predict the relationship between the independent variable and the dependent variable. This research examines the influence of the auditor's code of ethics, experience and competence on the auditor's professional skepticism. According to Umar (2014).

Hypothesis testing

Hypothesis testing is carried out to obtain an overview of the relationship between the independent variable and the dependent variable. The dependent variable used in this research is the Auditor's Professional Skepticism, while the independent variables used in this research are the Auditor's Code of Ethics, Experience and Competence.

Coefficient of Determination Test (R^2)

The coefficient of determination (R^2) essentially measures how far the model's ability is to explain variations in the dependent variable. The coefficient of determination value is between zero and one. A small R^2 value means that the ability of the independent variables to explain variations in the dependent variables is very limited. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2018).

Partial Regression Test (t Test)

The t statistical test is used to determine how far the influence of an individual independent variable is in explaining variations in the dependent variable (Ghozali, 2017). To determine whether there is an influence of each independent variable on the dependent variable, you can do it in the following way:

1. If the significant value is < 0.05 then H_a is accepted and H_o is rejected, meaning the independent variable has an effect on the dependent variable.
2. If the significant value is > 0.05 then H_a is rejected and H_o is accepted, meaning the independent variable has no effect on the dependent variable.

Simultaneous Test (F Test)

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The F test can be done by comparing Fcount with F Table: F Table in Excel, if Fcount > than Ftable, (Ho is rejected, Ha is accepted) then the model is significant or can be seen in the significance column in Anova (Processed with SPSS version 25, Use Regression Test with the Enter/Full Model Method). The model is significant as long as the significance column (%) < Alpha (readiness to make mistakes type 1, which is determined by the researcher himself, social sciences usually have a maximum alpha of 10%, or 5% or 1%). And conversely, if F count < F table, then the model is not significant, this also indicates that the value of the significance column (%) will be greater than alpha.

4. RESULT AND DISCUSSION

Analysis of the results of this research will be in the form of outlines in table 1 to table 4 :

Multiple Linear Test Results

Table 1 : Multiple Linear Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.246	2.230		2.352	.022
	Code of Ethics	.071	.054	.097	1.327	.190
	Experience	.127	.045	.220	2.826	.006
	Competence	.612	.076	.676	8.101	.000

a. Dependent Variabel: Auditor's Professional Skepticism

Source : Self Proceed

Based on table 1, the form of the multiple linear regression model equation is obtained as follows:

$$Y = a + b1X_1 + b2X_2 + b3X_3 + e$$

$$Y = 5,246 + 0,071.X_1 + 0,127.X_2 + 0,612.X_3 + 2,230 + e$$

This model can be interpreted as follows:

1. The constant value is 5.246, meaning that if all the independent variables are equal to zero, the Auditor's Professional Skepticism will be worth 5.246 units.
2. The coefficient value of the Auditor's Code of Ethics is 0.071 which means that for every additional 1 unit, the Code of Ethics will increase by 0.071 units, if other variables remain constant.
3. The Auditor Experience coefficient value of 0.127 means that for every additional 1 unit, the Auditor Experience will increase by 0.127 units, if other variables remain constant.
4. The Auditor Competency coefficient value of 0.612 means that for every additional 1 unit, the Auditor Competency will increase by 0.612 units, if other variables remain constant.

Hypothesis testing

Coefficient of Determination Test Results (R²)

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Table 2 : Coefficient of Determination Test Results (R²)

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930 ^a	.864	.857	1.462
a. Predictors: (Constant), Competence, Code of Ethics, Experience				
b. Dependent Variable: Auditor's Professional Skepticism				

Source : Self Proceed

The results of the coefficient of determination test (R²) can be seen in table 2, which shows that the Adjust R Square value produced by the independent variables is 0.857, which means that 85.7% of the auditor's professional skepticism variable can be explained by the independent variables code of ethics, experience and competence. Meanwhile, the remaining 14.3% is explained by other variables outside the model studied, both from internal and external factors that can influence auditors' professional skepticism such as gender, education level, audit risk, client business risk and the strength of the company's internal controls.

Partial Significance Test Results (Statistical t Test)

Table 3 : Partial Significance Test Results (t Test)

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.246	2.230		2.352	.022
	Code of Ethics	.071	.054	.097	1.327	.190
	Experience	.127	.045	.220	2.826	.006
	Competence	.612	.076	.676	8.101	.000
a. Dependent Variabel: Auditor's Professional Skepticism						

Source : Self Proceed

It can be seen that the number of samples studied (n) is 62 with a number of variables (k) 4, significance level (α) = 0.05 and degrees of freedom df = n - k = 62 - 4 = 58. By using t distribution table and a significance level of 0.05 obtained a t_{table} value of 2.001. From table 4.16, the partial test results for the Auditor Professional Skepticism variable can be explained as follows:

1. The Code of Ethics variable (X₁) has a t value of 1.327 with a significance of 0.190. In other words, t_{count} is 1.327 < 2.001 and the significance level is 0.190 > 0.05, resulting in that the Code of Ethics variable partially has no effect on Auditors' Professional Skepticism, **H₁ is rejected.**
2. The Experience variable (X₂) has a t_{count} value of 7.826 with a significance value of 0.006. It can be concluded that t_{count} is 7.228 > 2.001 with a significance value of 0.006 < 0.05, resulting in that the Experience variable partially influences the Auditor's Professional Skepticism, **H₂ is accepted.**
3. The Competency Variable (X₃) has a t_{value} of 8.101 with a significance value of 0.000. It can be concluded that t_{count} is 8.101 > 2.001 with a significance value of 0.000 < 0.05, it is explained that the Competency variable partially influences the Auditor's Professional

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Skepticism, H_3 is accepted.

Simultaneous Significance Test Results (F Statistical Test)

Table 4 : Simultaneous Significance Test Results (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	789.952	3	263.317	123.181	.000 ^b
	Residual	123.984	58	2.138		
	Total	913.935	61			
a. Dependent Variabel: Auditor's Professional Skepticism						
b. Predictors: (Constant), Competence, Code of Ethics, Experience						

Source : Self Proceed

5. CONCLUSION

This research aims to find out and prove empirically the factors that influence the skepticism of an Auditor at a Public Accounting Firm in the South Jakarta area. Based on the test results, the following conclusions can be drawn:

1. The Auditor Code of Ethics variable has no effect on the Auditor's Professional Skepticism. Based on the data obtained, 95.55% of the respondents had a Bachelor's degree level of education and gained knowledge of the code of ethics in college. However, it turns out that this is not enough to represent that auditors use their professional ethics properly in applying professional skepticism. It is suspected that this is caused by bias of the respondents, most of whom are junior auditors. As many as 88.71% of respondents have one to five years of experience with the number of assignments being relatively low so that their understanding and application of professional ethics is not as good as auditors with higher positions.
2. The Auditor Experience variable has a significant positive effect on Auditor Professional Skepticism. Audit experience is the experience gained by the auditor during the financial report audit process, both in terms of length of time or the number of assignments that have been handled. This means that the more experience an auditor has, the more the auditor's professional skepticism increases.
3. The Auditor Competency variable can be said to have a significant positive effect on Auditor Professional Skepticism. This means that the higher the competency an auditor has, it is believed that the more frequently the auditor will use the attitude of Professional Skepticism. A competent auditor will have special skills with adequate knowledge, experience, education and training in auditing, so that it can influence an auditor to have an attitude of professional auditor skepticism.

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