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### ANALYSIS OF THE DETERMINANT FACTOR OF AUDIT QUALITY IN BANDUNG PUBLIC ACCOUNTANT OFFICES

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#### ABSTRACT

Financial information created by the company should be examined by an external auditor where the internal auditor must have competence, independence, integrity and work experience so as to improve audit quality. The purpose of this study is to analyze the determinants of audit quality in Bandung Public Accountant Offices. Research methods using explanatory research. The sampling technique with nonprobability sampling is saturated sampling of 39 people. The data quality test using the validity test and reliability test.

Based on the results of the study indicate that the determinants of audit quality in Bandung Public Accountant Offices are independence, competence, integrity and work experience

**Keywords:** The determinant factor of audit quality

#### I. INTRODUCTION

Financial information is the final result of the accounting process. This financial information is a management accountability tool and is used by interested parties as a decision-making tool (Al Haryono, 2011). Financial information made by companies should be examined by external auditors with a view to providing certainty that financial information made by companies is reasonable (Hery, 2017). In examining financial information, an external auditor must have competence, independence, integrity and work experience because it will affect audit quality. Hidayat's research results (2014), Sukriyah (2009), Queena (2012) and Ayuningtyas (2012) concluded that the factors that influence quality audits are: independence, integrity, objectivity, competence and work experience.

Audit quality is a probability of an external auditor in disclosing and finding an error or non-compliance with a policy carried out by a client in the accounting system (Badjuri, 2012). At present there are many cases involving accounting manipulation

scandals as happened in a number of large companies in America, namely Enron, Tyco, Global Crossing, and Worldcom as well as several large companies in Indonesia, namely PT. Kimia Farma and Bank Lippo which used to have high audit quality. Some cases like this involve many parties, namely the involvement of the Chief Executive Officer (CEO), commissioners, audit committee, internal auditors, to the external auditors, one of which was experienced by Enron. The existence of several cases that occurred as previously described caused audit quality to decline because indicated by the loss of independence and integrity of the external auditor. Therefore we need a qualified auditor that meets auditing standards, this is in accordance with IAI (2015) which states that audits conducted by external auditors are said to be quality if they meet auditing standards and quality control standards. Thus, auditor quality is determined by the presence of several factors, namely independence, competence, integrity and work experience.

## **II. THEORETICAL BASIS**

### ***2.1 Audit Quality***

According to Badjuri (2012) that audit quality is a probability of an external auditor in revealing and finding an error or non-compliance with a policy made by a client in the accounting system.

### ***2.2 The Determinant Factor of Audit Quality***

The determining factors of audit quality based on Hidayat (2014), Sukriyah (2009), Queena (2012) and Ayuningtyas (2012) research are independence, integrity, objectivity, competence and work experience.

In this study the determinant factor of audit quality used are independence, competence, integrity and work experience.

#### **1. Independence**

Mulyadi (2014) explains that independence is an attitude that is not influenced by any party.

Indicators in measuring independence use the independence of program preparation, independence of work implementation and independence of reporting.

#### **2. Competence**

Hery (2017) states that competence is a skill and knowledge needed to carry out activities effectively.

Indicators in measuring competence use personal quality, general knowledge and special expertise. In accordance with research conducted by Sukriyah, Akram and Inapty (2009), Ayuningtyas and Pamudji (2012)

#### **3. Integrity**

Integrity is an honest, brave, wise attitude and the responsibility of auditors in carrying out audits. Indicators in measuring integrity use auditor honesty, auditor prudence, and auditor responsibility.

#### **4. The Work Experience**

Yuniarsih and Suwatno (2013) stated that, work experience is the experience of a workforce to carry out certain activities. Work experience is stated in: (a) the work to be performed (b) the length of time to carry out the activity

Indicators in measuring work experience using the auditor's tenure, most inspection tasks have been performed.

### III. RESEARCH METHOD

The research method used in this research is explanatory research. According to Sugiyono (2012), explanatory research is research that explains the variables to be studied.

In this study the population is the auditor at the Bandung Public Accountant Office. The following is a list of KAP names in Bandung that will be examined, namely:

Table 3.1  
Public Accountant Offices (KAP) in Bandung

No	Name	Respondents
1.	KAP Koesbandijah dan Rekan	10 people
2.	KAP Yati Ruhiyat	10 people
3.	KAP Djoemarma, Wahyudin dan Rekan	9 people
4.	KAP Gunawan Sudrajat	10 people
<b>Total</b>		<b>39people</b>

Source: Data Processed

The sample in this study is Nonprobability sampling, which is saturated sampling of 39 people.

Test data quality by using:

1. Validity test
2. Reliability test

### IV. RESEARCH RESULTS AND DISCUSSION

#### 4.1 Validity Test

The validity test results are used with the help of SPSS 23 (statistical product and service solutions) software program. The results of the validity test conducted on all items of variable X and variable Y show valid, because it has a value  $\geq 0.349$  good for all items of the variable.

#### 4.2 Reliability Test

The reliability test results are used with the help of the SPSS 23 (statistical product and service solutions) software program. The results of the reliability test conducted on all items of variable X and variable Y showed reliable, because it has a value of  $\geq 0.700$

### ***4.3 The Determinant Factor of Audit Quality in Bandung Public Accountant Offices***

The determinants factor of audit quality in Bandung Public Accountant Offices are independence, competence, integrity and work experience. This is consistent with the results of research Hidayat (2014), Sukriyah (2009), Queena (2012) and Ayuningtyas (2012).

The results of the questionnaire regarding the determinants of audit quality showed good, because it obtained a mean score of 3.68 where 3.68 were at intervals of 3.40 - 4.19 in the good category.

1. Independence  
Independence in Bandung Public Accountant Offices is adequate because it is supported by the independence of the preparation of the program, the independence of the implementation of work and the independence of reporting. The results of the questionnaire showed good, because it obtained a mean score of 3.95 where 3.95 were at intervals of 3.40 - 4.19 in the good category
2. Competence  
Competence in Bandung Public Accountant Offices is adequate because it is supported by personal quality, general knowledge and special expertise. The results of the questionnaire showed good, because it obtained a mean score of 3.75 where 3.75 were at intervals of 3.40 - 4.19 in the good category
3. Integrity  
Integrity in Bandung Public Accountant Offices is adequate because it is supported by honesty of the auditor, auditor's wise attitude, and responsibility. The results of the questionnaire showed good, because it obtained a mean score of 3.81 where 3.81 were at intervals of 3.40 - 4.19 in the good category
4. The Work Experience  
The Work experience in Bandung Public Accountant Offices is sufficient because it is supported by the length of time working as an auditor, and the number of audit tasks that have been carried out. The results of the questionnaire showed good, because it obtained a mean score of 3.52 where 3.52 were at intervals of 3.40 - 4.19 in the good category

## **V. CONCLUSIONS**

The conclusions in this study are as follows:

The determinants of audit quality in Bandung public accounting firms are as follows:

1. There is independence.
2. There is competence
3. There is integrity
4. There is work experience

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