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THE INFLUENCE OF AUDIT COMPETENCE AND AUDITOR PERFORMANCE ON AUDIT QUALITY ACCORDING TO AUDITOR'S PERCEPTION

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ABSTRACT

This study examines the impact of audit competence and auditor performance on audit quality. Auditors are individuals who conduct audits, which are systematic processes to obtain and evaluate objective evidence related to the financial reports of entities such as companies, organizations, or government agencies. Audit competence includes sufficient knowledge and experience to conduct audits objectively and meticulously. Auditor performance, encompassing work quality, timeliness, and error rates, also plays a significant role in determining audit quality. This study aims to determine whether audit competence and auditor performance individually and collectively affect audit quality. The results of this research are expected to provide benefits to Public Accounting Firms (PAFs), auditors, and future research by offering insights into the importance of competence and performance in producing high-quality audits.

INTRODUCTION

An auditor is an individual who performs an audit, which is a systematic process of obtaining and evaluating objective evidence related to the financial statements of an entity such as a company, organization, or government agency. Auditors have specialized knowledge and skills to audit financial statements and assess the performance of the entity. A performance audit is an independent, systematic, and objective evaluation of evidence to determine the performance of an organization, program, or government activity, which can improve accountability and oversight (Bastian, 2007).

Auditor performance, which is the result of the auditor's work in carrying out the task, is used as a basis for evaluation to determine whether the work meets the standards (Kalbeirs & Forgaty, 2012). Auditor performance is assessed through the quality of work, timeliness, and error rate (Wilson, 2012). To produce a quality audit report, the auditor must have adequate competence and expertise. Audit competence includes sufficient knowledge and experience to conduct an audit objectively and carefully.

Auditors who have higher education and extensive knowledge of their field can understand the problem in depth and conduct an audit objectively, carefully, and carefully. The high competence of the auditor is directly proportional to the quality of the audit produced. Audit quality is an essential aspect in the presentation of audit results that reflect good financial management. An incompetent auditor can cause errors or fraud in the audit of financial statements. Therefore, a competent auditor is critical to ensure optimal audit quality. If an indication of error or fraud is found in the financial statements, the auditor must report it according to the existing facts.

RESEARCH METHOD

The research method is a method used by researchers to conduct research with the aim of obtaining information that has specific uses (Sugiyono, 2016). The subject of the study refers to individuals or groups who provide the necessary information or data, while the object of the research is the problem or theme being studied.

Research Subject

The subjects of this research are auditors who work in large companies in the field of audit services located in Jakarta and Bandung. The research sample was taken from public accounting firms in these two cities because of the large number of leading public accounting firms there, including those classified as first-tier and second-tier.

Research Object

Audit Competence: This independent variable includes the auditor's knowledge, skills, and attitudes toward audit practices, which are studied to understand their influence on auditor performance.
Auditor Performance: This independent variable includes the auditor's work results in carrying out audit tasks, such as accuracy, speed, accuracy, and quality of the audit reports produced. This study aims to understand how audit competence affects auditor performance.
Audit Quality: This research involves evaluating various aspects of auditors' audit implementation, including compliance with audit standards, the ability to detect errors and fraud, objectivity, independence, quality of documentation, quality of audit reports, and compliance with the code of professional ethics.

Data Collection Method

This study uses quantitative data in the form of primary data obtained through questionnaires. This questionnaire is intended for internal and external auditors and contains questions related to the influence of audit competence and auditor performance on audit quality. The questionnaire will be created using Google Forms and distributed through social media (Line, Whatsapp, Instagram, email, etc.).

Data Processing Method

This study will use several data processing methods to process the collected data, such as validity testing, reliability testing, classical assumption testing, descriptive statistics, linear regression analysis, and hypothesis testing.

HASIL DAN PEMBAHASAN

Research results

1. **Testing of Analysis Tools**

a. Validity Test Results
   Validity is related to the extent to which the measurement is in accordance with what should be measured. In the context of research, validity refers to how precisely the measuring instrument used truly reflects the concept or variable to be measured. Validity testing is the process of assessing the extent to which the measuring instrument actually measures what should be measured. Determining the validity of the measuring instrument is based on various methods and relevant decision-making criteria:
   1) If the calculated r is good and the calculated r> r table, then the variable is considered valid.
   2) If the calculated r is not good and the calculated r < r table, then the variable is considered invalid.
   3) The validity testing criteria include the correlation coefficient f count> f table with a significance level of 0.05. This means that a statement is considered valid if the calculated f> f table. Conversely, if the computed f < f table, then the statement is considered invalid. Invalid questions will not be used in the survey.
b. Reliability Test Results
   Reliability refers to the ability of a research instrument to collect reliable and accurate data in describing actual conditions in the field. Reliability testing involves assessing the extent to which the measuring instrument remains consistent and stable in measuring a phenomenon or event. A construct is considered reliable if it produces a Cronbach's Alpha value > 0.6.

2. Descriptive Analysis

a. Respondents' Responses Regarding Audit Competence at KAP in Jakarta City (X1)
   The respondents' responses regarding the audit competence of Public Accounting Firms (KAiP) in Jakarta City were measured by statements consisting of 4 questions. The respondents' assessments regarding the independence of Public Accounting Firms (KAiP) in Jakarta City. The actual score obtained was 528, and the ideal score was 552. From the results of comparing the actual score with the ideal score, a percentage value of 79.57% was obtained. This value is located in the interval range of >68% - 84% and is considered high. This result shows that the audit competence formed by the Public Auditor and the Public Auditor (KAiP) in Jakarta City is classified as good.
b. Respondents' Responses Regarding Auditor Performance at Public Accounting Firms in Jakarta City (X2)
   Respondents' responses regarding auditor performance at Public Accounting Firms (KAP) in Bandung City which were measured by four questions. Respondents' reactions regarding auditor performance at Public Accounting Firms (KAP) were obtained at 552, and the ideal possible score was 531. This shows that the performance of auditors at Public Accountants or Auditors at Public Accounting Firms (KAP) in
c. Respondents' Responses Regarding Audit Quality at Public Accounting Firms in Bandung City (Y)
   Respondents' responses regarding audit quality at Public Accounting Firms (KAP) in Bandung City were measured by four questions. From the data

presented in the table above, it can be seen that the actual score obtained was 531, and the ideal possible score was 576. This shows that the audit quality of Public Accountants or Auditors at Public Accounting Firms (KAP) in Bandung City is classified as Good.

3. **Verification Analysis**
   The Influence of Auditor Competence and Auditor Performance on Audit Quality at Public Accounting Firms in Jakarta City
   a. Classical Assumption Test
      Before building a regression model, a test is first carried out to ensure that the model formed provides optimal and unbiased estimates. This test includes three main assumptions, namely the Normality Test, Multicollinearity Test, and Heteroscedasticity Test.
   b. Normality Test
      It can be seen that the value of the normality test is 0.245. Thus, from these results, the data can follow a normal distribution significantly.
   c. Multicollinearity Test
      It is known that Audit Competence has a tolerance value of 0.711, which indicates that more than 71% of the variation in the variable can be explained by other variables in the model. The Audit Performance variable also has a tolerance value of 0.211. The VIF for both variables is 4.739.
   d. Heteroscedasticity Test
      It is known that the value of the heteroscedasticity test of audit performance is 0.077. Thus, from these results, there is no heteroscedasticity in audit performance. The value of the heteroscedasticity test for the competency variable is 0.087, which can be symbolized as audit competency.
   e. Multiple Linear Regression Analysis
      From the results of the regression equation, each variable can be interpreted as follows:
      1) The value of the audit competency regression coefficient is -0.05, which means that if the audit competency variable (X1) increases by 5% with the assumption that the auditor performance variable (X2) and the constant (a) is 0, then the effect of audit competency on audit quality decreases by 0.05. This indicates that audit competency has a negative impact on audit quality.
      2) The value of the auditor performance regression coefficient is 0.7, which means that if the auditor performance variable (X2) increases by 1%, this indicates that audit performance has a positive effect on audit quality.

CONCLUSION

From the results of data analysis and discussion that have been carried out with a confidence level of 95% and an error rate of 5%, the following conclusions were obtained from the study regarding "The Effect of Audit Competence and Auditor Performance on Audit Quality":

1. Audit Competence can be proven to affect audit quality, this proves that auditors must have competent abilities in carrying out audits so that the quality of the audit is better.
2. Auditor performance harms audit quality. This is because auditors need Experience and Training: Auditors who are less experienced or who do not

receive adequate training may need to gain the skills and knowledge needed to conduct audits properly. This can cause errors, inaccuracies, or incompleteness in the audit.

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