

## **THE COMPETENCY AND INDEPENDENCY AUDITORS TO AUDIT QUALITY AT AUDITORS OF PUBLIC ACCOUNTANT IN PALEMBANG**

**Aries Veronica**

University of Tamansiswa, Indonesia

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**ABSTRACT:** *This study aims to test the competency and independency of the Auditor on the Quality Audit Office Public Accountant Auditor Palembang. The study sample as many as 39 registered Public Accountants in Palembang, used multiple regression analysis. The results of calculations using SPSS, showed that: 1)  $R^2$  of 0.499, illustrates that the quality of the audit, can be explained by the dependent variables amounted to 49.9%, while the remaining 51,1%, can be explained by other factors, which are not included in this study. ;2) Obtained value of  $F(7.309)$  Sig(0,000), means that there is a significant influence of dependent variables together to quality audit; 3) there are no significant effect from experience, knowledge, and non audit services on the quality of audit; 4) and there are significant effect of long relationships with clients, pressure from clients, and review co-auditors on audit quality.*

**KEYWORDS:** Experience, knowledge, long relationships with clients, pressure from clients, review co-auditor, non-audit services, audit quality

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### **INTRODUCTION**

People still do not understand that the auditor only expresses the fairness in the presentation of financial statements. The responsibility of public accountant to the financial statements only to the extent the opinion given on the fairness of presentation of financial statements. Disseminate the tasks and areas of work accountant through advertising was actually already be thinking long and often into the pro and contra among the accounting profession itself. One of the benefits of a public accounting firm is providing information that is accurate and reliable for decision making. The financial statements have been audited by a public accountant the fairness more trustworthy than the financial statements have not yet been audited (Meutia, 2004).

Many of cases of companies who "fall" due to business failure that is associated with the failure of auditors, it threatens the credibility of the financial statements. The threat of further influence public perception, especially users of financial reports on audit quality. Audit quality is essential for high quality audits will produce reliable financial reports as a basis for decision making. There are many factors that affect the ability of auditors, including knowledge and experience. To perform auditing tasks, auditor requires a knowledge of auditing (general and specific) and knowledge of the field of auditing, accounting, and industrial clients (Kusharyanti (2003).

Terms auditing on the Auditing Standards, includes three things: 1) The audit must be carried out by one or more persons who have the skills and technical training is sufficient. 2) In all matters relating to the engagement, independence in mental attitude must be maintained by the auditor. 3) In the conduct of the audit and the preparation of its report, the auditor shall

use the professional skills (competence) carefully and thoroughly (SA Section 150 SPAP, 2011).

According to Mulyadi (2002: 4) to support the professionalism as a public accountant, the auditor in carrying out audit tasks should be guided by the auditing standards established by the Institute of Indonesian Chartered Accountants (IAI), the general standards, standards of field work and reporting standards. But in addition to the standard audit, public accountant must also comply with a code of ethics governing the conduct of public accountants in conducting the practice of his profession with fellow members and the general public. This code of conduct governing the professional responsibility, competence and professional caution, confidentiality, professional behavior and technical standards for an auditor in their profession (Elfarini (2007).

Public accountant or an independent auditor in auditing duties client company has a strategic position as a third party in a corporate environment the client when the public accountant to carry out the duties and responsibilities of the management (agent) to audit the company's financial management. In this case the management wanted the performance always look good in the eyes of external companies especially the owner (the principal). But on the other hand, the owners wish their auditors report truthfully state that existed at companies that have financed. From the description above shows the existence of different interests between management and users of financial statements.

Great confidence of users of financial statements audit and other services provided by public accountants is what ultimately requires attention to quality public accountant audit generates. As for the question of the public about the quality of audits produced by the greater public accountant after the many scandals involving public accountant both abroad and within the country. The scandal in the country will be visible from actions by the Honorary Council of Institute of Indonesian Chartered Accountants (IAI) against 10 public accounting firm indicated committed serious violations when auditing banks were liquidated in 1998. In addition, there are cases of managerial finance and public company can not detected by the public accountant who led the company was fined by Bapepam (Christiawan, 2003).

Kusharyanti (2003) says that in order to perform auditing tasks, auditor requires a knowledge of auditing (general and specific), knowledge about the field of auditing and accounting as well as to understand the client's industry. In carrying out the audit, the auditor shall act as an expert in the field of accounting and auditing. Achievement of expertise begins with formal education, which further through experience and practice of auditing (SPAP, 2011). In addition, the auditor should have sufficient technical training that includes aspects of technical and general education.

Angelo in Kusharyanti (2003) defines quality audit as a possible (joint probability) in which an auditor will find and report violations that exist in the accounting system of its clients. The possibility that the auditor will find misstatement depends on the quality of the auditor's understanding (competence) while measures reported misstatements depends on auditor independence. Independence referred to above do not mean like the attitude of a prosecutor in a court case, but more can be equated with an attitude of impartiality of a judge. Auditor recognizes the obligation to be honest not only to the management and owners of the company, but also to creditors and other parties who put trust in the independent auditor's report, as prospective owners and creditors.

It is interesting to note that the public accounting profession is like a double-edged sword. On one side of auditor must pay attention to the credibility and ethics of the profession, but the other auditor must also face pressure from clients in a variety of decision-making. If the auditor is not able to resist the pressure from clients such as personal stress, emotional or financial, the independence of auditors has been reduced and can affect the quality of the audit. One of the other factors that affect the independence of these is the period that the auditor provides services to clients (auditor tenure).

In Indonesia, the problem of tenure for future audit work of auditors with clients is set in the decision of the Minister of Finance No.17/PMK.01/2008 on Public Accounting services. The Minister's decision limiting the tenure of auditors maximum of 3 years for the same client, while for the Public Accounting Firm (KAP) may be up to 5 years. This restriction is intended to prevent accounting scandals.

Related to the long time period between auditors work with clients, failure to appear more the auditor tenure is short and too long Wooten (2003) in Kusharyanti (2003). After the auditor received a new client assignments, the first assignment auditor needs time to understand the client so that there is the possibility of the auditor's finding of material misstatement. In addition, the auditor has not so familiar with the client's business environment and the client's accounting system so difficult to detect misstatements. But the longer working lives can make auditors becoming too cozy with the client and does not adjust audit procedures in order to reflect changes in the business and the associated risks. Auditors have become less trusting and less vigilant in terms of obtaining evidence.

There are several studies on the quality of audits that have done well in terms of topics and research methods (Kusharyanti, 2003). In terms of research methods, it is still little research done on the development of a conceptual framework that could get something to audit quality. Development of a comprehensive model of the quality of audit needs to be done so that the model can obtain the complexity found in audit quality research. According to the study Mayangsari (2003) states that the inexperience of the auditor, they are increasingly sensitive to the misstatement of financial statements and to better understand matters relating to the errors found. Meanwhile, according to research Harhinto (2004) stated that the behavior of the auditor on the audit of conflict situations. This research studied the characteristics of the auditor relating to the auditor's ability to cope with pressure from management to conflict situations.

Research of Aji (2009) states that the independence, experience, and accountability influence simultaneously to audit quality. In addition, the independence and accountability of the variable partial effect on audit quality and the experience variable has no effect on audit quality. As well as the variables that have the most impact on audit quality is accountability. Based on the description above, the researchers are interested in trying to examine more deeply about the influence of competency, independency of the auditors' opinion on the independence of the Auditor on the Quality Audit on Public Accounting Firm Palembang.

## **LITERATURE**

Agency Theory describes the conflict between management as an agent by the principal as the owner. Principal wants to know all information including management activities, related to investments or funds in the company. This is done by asking the accountability report on the agent (management). Based on these reports principals assess management performance. But what often happens is the tendency of management to take action that makes the report look good, so its performance is considered good. To reduce or minimize the fraud committed by management and financial reports made management more reliable required testing. Testing was conducted by an independent party, ie an independent auditor (Ismiyanti and Hanafi, 2004: 176).

Users of financial statements will take into consideration the auditor's opinion before using the information as a basis for economic decision making. Economic decisions including the auditor's report is to give credit or loans, investments, mergers, acquisitions and others. Users of financial statements will trust the information provided by the auditor credible. To keep the model agency theory could happen to the engagement of a contract of employment which maximizes the usefulness of which is expected by the principal, while maintaining the agent employed and ensure that he is choosing the optimal action, or at least equal to the level of effort that is optimal from an agent (Irfan, 2002 : 88).

### **Auditing**

According to Mulyadi (2002) Examination is the process of collecting and evaluating evidence and the information that can be measured on an economic entity which is carried out by someone competent and independent to be able to determine and report the suitability of the information referred to criteria that have been applied. Inspection should conducted by an independent and competent.

### **Quality Audit**

AAA Financial Accounting Standard Committee (2000) states that: "the quality of audits is determined by two things, namely competence (skills) and independence, both of these directly influence the quality and potentially affect each other. Furthermore, the user perception of the quality of the audit of financial statements is a function of their perceptions of the independence and expertise of auditors ".

De Angelo (1981) in Watkins et al (2004) defines quality audit as the possibility that the auditor will find and report violations in the accounting system with the knowledge and expertise of auditors. While reporting the violation depends on the impulse auditor to disclose such breaches. This push will depend on the independence of the auditor it.

During an investigation, there are three components that must be owned auditors are competence (expertise), independence, and due professional care (professional austerity) Lucas (1996) in Meutia (2004). Public accountants must also be guided by the Public Accountants Professional Standards (SPAP) established by the Indonesian Institute of Chartered Accountants (IAI), in this case the auditing standards. Auditing standards consist of general standards, standards of field work and reporting standards (SPAP, 2011):

### 1. General Standards.

- a. Audits should be carried out by one or more persons who have the skills and technical training quite as auditor.
- b. In all matters relating to the engagement, independence in mental attitude must be maintained by the auditor.
- c. In the implementation of the audit and the preparation of its report, the auditor shall use the professional skills carefully and thoroughly.

### 2. Field Work Standards.

- a. Work must be planned well and if assistants should be properly supervised.
- b. Adequate understanding on internal control structure must be obtained to plan the audit and determine the nature, timing, and extent of tests to be performed.
- c. Sufficient competent audit evidence should be obtained through inspection, observation, submission, inquiry and confirmation as a reasonable basis for our opinion on the audited financial statements.

### 3. Reporting Standards.

- a. The auditor's report must state whether the financial statements are prepared in accordance with generally accepted accounting principles in Indonesia.
- b. The auditor's report should indicate or declare if there are inconsistencies in the application of accounting principles in the preparation of financial statements of the current period as compared with the application of the accounting principles in the previous period.
- c. informative disclosures in the financial statements should be considered sufficient, unless otherwise stated in the auditor's report d. The auditor's report must contain a statement of opinion on these financial statements on an assertion.

Indonesian Institute of Chartered Accountants (IAI) stating that the auditor audit quality is said, if it meets the standards of auditing and quality control standards. Furthermore, according to De Angelo (1981) in Kusharyanti (2003: 25) defines quality audit as a probability that the auditor will find and report violations that exist in the client's accounting system. The ability to find a material misstatement in the financial statements of the company depends on the competence of auditors, while the willingness to report the findings of the misstatement depends on its independence.

### **Competency**

The first general standard (SA section 210 in SPAP, 2011) mentions that the audit should be carried out by a person or who has the expertise and technical training quite as auditor. Meanwhile, a third general standard (SA section 230 in SPAP, 2011) mentions that in the audit will be the preparation of his report, the auditor shall use the professional skills carefully and thoroughly. Therefore, each auditor is required to have professional skills and expertise in carrying out his duties as auditor. In practice, the definition of membership is often indicated by the recognition of the (official recognition) as intelligence partner and consensual Acclamation as recognition of a specialist in a particular industry, the absence of an official list of the attributes of expertise (Mayangsari, 2003).

### **Independency**

Supriyono (2008) stated the importance of the independence of public accountants as follows: 1) Independence is a condition that is very important for the public accounting profession to initiate the fairness of the information presented by management to user information: 2) The independence required by public accountants to earn the trust of clients and community,

especially users of financial statements; 3) Independence obtained in order to increase the credibility of the financial statements presented by management; 4) If a public accountant is not independent then the opinion he gave no meaning or have no value; 5) Independence is essential dignity of public accountants need to be maintained on an ongoing basis.

According to Donald and William (1982) in Harhinto (2004) the independence of the independent auditor includes two aspects, namely: a) The independence of mental attitude means that their honesty in accountants in considering the facts and their judgment objectively, impartially within auditor in formulating and stating opinions; b) Independence of appearances means the public impression that the independent auditor or an independent act freely, so that the auditors suggest should avoid circumstances or factors that cause people to doubt his freedom.

### **Hypothesis**

H<sub>1</sub>: audit experience positive effect on audit quality.

H<sub>2</sub>: Knowledge auditor positive effect on audit quality.

H<sub>3</sub>: Old relationships with clients negatively affect audit quality.

H<sub>4</sub>: Pressure from clients negatively affect audit quality.

H<sub>5</sub>: The study of co-auditor positive effect on audit quality.

H<sub>6</sub>: The provision of services other than audit services negatively impact on audit quality.

### **METHODOLOGY**

This research includes field studies, based on the relationship between variables, this research included in an associative causal research as it aims to determine the effect between variables. The object of research only in Public Accountant Palembang amounted to 9 (nine) KAP. Source data used are primary and secondary data. Data were collected through questionnaire to be filled or answered by 39 (thirty-nine) of respondents auditor at KAP in Palembang. The questionnaire consisted of two parts. The first section contains a number of questions of a general nature. The second part, containing a number of questions related to the expertise and independence of auditors. Questionnaires were completed by respondents was selected in advance so that the questionnaire is incomplete contents were not included in the analysis. Technical analysis used include: (1) descriptive statistics; (2) The classical assumption; and (3) the statistical test. To support the data analysis used SPSS for windows version 20.

### **RESULTS**

#### **Description of Respondents**

The number of respondents who could be the subject of research related to participation in this research that is as much as 9 Public Accounting Firm (KAP) in Palembang. In the present study the results of the questionnaire will be focused on the auditor as many as 39 people who were at 9 KAP in Palembang. The details of the results of the questionnaire can be seen in Table 1, respectively KAP.

**Table 1. Overview of Distribution Questionnaire**

No.	Description	Amount Questionnaire	Percentage
1.	Distribution of the questionnaire	45	100%
2.	Questionnaire back	39	87%
3.	The questionnaire was not returned	6	13%
4.	The questionnaire can be processed	39	87%

Sources : data processed, 2017

### Descriptive statistics

**Table 2. Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Quality Audit	39	14.00	29.00	21.9231	3.73028
Experience	39	13.00	27.00	21.7436	2.97991
Knowledge	39	10.00	24.00	18.2308	2.99527
Long Relation With Clients	39	2.00	10.00	6.3077	1.62471
Pressure Clients	39	8.00	20.00	14.7436	2.60281
Review Co Auditor	39	2.00	10.00	6.5641	1.69822
Non Audit Services	39	6.00	15.00	11.2564	1.90177
Valid N (listwise)	39				

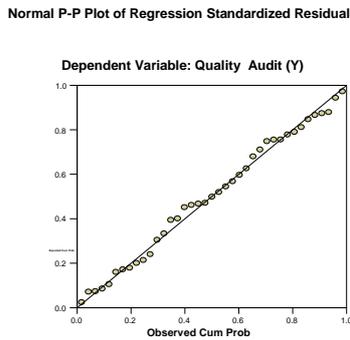
Sources: data processed with SPSS 20, 2017

Table 2 shows the experience variable informs an average of 21.74. It shows the subject of research in general have shown their work experience as auditor relatively large of auditors during auditing. Variable knowledge indicates that, on average, the study subjects had good knowledge as an auditor at 18.23. Variable long-standing relationships with clients show an average yield of 6.31 means that they have a pretty good relationship with the client. Variable pressure from clients in the self-assessment auditor shows an average yield of 14.74 means that the assessment of the subjects that they receive enough pressure from clients to provide the best for the client. Variable review co auditor auditor with the self-assessment show an average yield of 6.56, meaning the assessment of the subjects that they are they enough to get a review of the audit results of the auditor colleagues. Variable non-audit services from auditors with auditor self-assessment show an average yield of 11.26 indicates their assessment of the subjects that they can provide non-audit services. The variable quality of the audit of the auditor with auditor self-assessment show an average yield of 21.92. The average value indicated the assessment of the subjects that they can provide high-quality audit.

### Validity and Reliability

After the validity test showed that all the indicators used to measure all the variables in this study declared as valid items. Provided that the indicators for the variables used in this study do not all have the correlation value is greater than 0.316 is r table to sample as many as 39. Likewise, variable testing Experience, Knowledge, Long-standing Relationships With Clients, Pressure From Client, review of the Companion auditor and Non Audit Services has a reliable status. This is because the value of the variable Cronbach's alpha greater than 0.6. This condition also gives the sense that all these variables can be used in subsequent analysis.

**Classic Assumption Testing Results**  
**Normality test**



**Figure 1. Normality Test**

If seen by the graph above, the data from all the normal distribution of data. This is because all follow the line normality indicated by dots which are not far from the diagonal line.

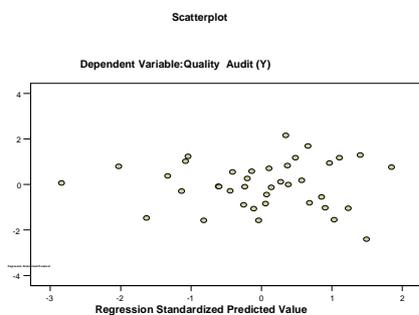
**Multicollinearity Test**

**Table 3. Testing Multicollinearity Results**

Model	collinearity Statistics		Result
	tolerance	VIF	
1 Experience	, 885	1,130	There is no multicollinearity
Knowledge	, 786	1,272	There is no multicollinearity
Long Relation With	, 584	1,712	There is no multicollinearity
Clients	, 525	1,905	There is no multicollinearity
Pressure Clients	, 941	1,062	There is no multicollinearity
Review Co Auditor	, 979	1,022	There is no multicollinearity
Non Audit Services			

Sources: data processed, 2017

**Heteroskedasticity Test**



**Figure 2. Heteroskedasticity Test**

From the graph, dots are spread randomly, do not form a particular pattern is clear, and spread both above and below the 0 (zero) on the Y axis Due to a problem heteroscedasticity on the white test data must be improved by way Transform Compute Variable. Transform Compute Variable aims to minimize the data in order to avoid problems heteroskedastistas. The test results after Transform Compute Variable white can be seen from the table below.

Based on the results above the white test after transform compute variable it can be concluded that there was no trouble heteroskedastistas for  $N \cdot R^2 < X^2$  is  $7.566 < 12.5916$ .

## DISCUSSION

### Analysis of Effect of Competency and Independency Auditor to the Quality Audit of Auditor Public Accountant Firm in Palembang.

**Table 4 . Model Summary**

Model Summary											
Model	R	R Squar	Adjusted R Squar	Std. Error the Estim	Change Statistics					Durbin-Watson	
					R Squar Change	F Chang	df1	df2	Sig. F Char		
1	.440	.194	.043	6.8214	.194	1.281	6	32	.294	1.912	

a. Predictors: (Constant), Non Audit Services, Knowledge, Experience, Review Co Auditor, Long Relation With Client, Pressure Clients

b. Dependent Variable: Audit Quality

### Hypothesis testing

Multiple regression model used in this study stated following equation:

$$Y = 2,571 + 0,067 X_1 - 0,074 X_2 + 0,700 X_3 + 0.652 X_4 + 0.559X_5 + 0,132X_6 + e$$

Where

Y : Quality Audit

X<sub>1</sub>: Experience

X<sub>2</sub>: Knowledge

X<sub>3</sub>: Long relationships with clients

X<sub>4</sub>: Pressure from clients

X<sub>5</sub>: Review of co-auditor

X<sub>6</sub>: non-audit services provided by KAP

β<sub>1</sub>- β<sub>6</sub>: Coefficient

e: Error

### F-test

F-test was intended to determine the effect of independent variables namely Experience, Knowledge, long Relationships With Clients, Pressure From Client, Review of the Companion Auditor and non-audit services simultaneously (together).

The criteria used is

H<sub>0</sub>: There is no effect of Experience, Knowledge, long Relationships With Clients, Pressure From Client, Review of the Companion Auditor and non-audit services to audit quality.

H<sub>a</sub>: There is the influence of Experience, Knowledge, long Relationships With Clients, Pressure From Client, Review of the Companion Auditor and non-audit services to audit quality.

**Table 5. Anova**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	305,709	6	50,951	7,309	,000 <sup>a</sup>
	Residual	223,061	32	6,971		
	Total	528,769	38			

a. Predictors: (Constant), Non Audit Services (X6), Knowledge (X2), Review Co-Auditor (X5), Experience (X1), Long Relation With Clients (X3), Pressure Clients (X4)

b. Dependent Variable: Quality Audit (Y)

The test results overall model obtained F value of 7.309 with a significance probability of 0.000. Thus H<sub>0</sub> rejected and H<sub>a</sub> accepted, meaning that the variable Experience, Knowledge, long Relationships with Clients, pressure from clients, review of co-Auditor and non-audit services jointly significant effect on audit quality.

Variable Experience, long relationships with clients, pressure from clients, review co-auditors and non-audit services positive effect on audit quality, while the variable Knowledge of a negative impact on audit quality. The positive influence of variables experience means the higher the level the higher the auditor's experience level of audit quality. Experienced auditors tend to have good accuracy and the ability to resolve any job.

The results of this study are supported by research conducted by Harhinto (2004) which states that the auditor's experience is positively related to audit quality. But disagreed with Suyatmini (2002) who found the experience not contribute to improve the skills of auditors, which means the experience nor affect the quality of the audit.

#### **t-test**

t-test was conducted to understand the effect of partially independent variables namely Experience, Knowledge, long Relationships with Clients, pressure from the Client, review of the Companion Auditor as well as services and non-audit on the dependent variable is the quality of the audit or test the significance of the constants and the dependent variable.

**Table 6. Hypothesis Testing**

Model		Coefficients						
		Unstandardized Coefficients		Standardized Coefficient	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,571	5,827		,441	,662		
	Experience (X1)	,067	,161	,051	,416	,680	,885	1,130
	Knowledge (X2)	-,074	,207	-,046	-,356	,724	,786	1,272
	Long Relation With Clients (X3)	,700	,340	,309	2,056	,048	,584	1,712
	Pressure Clients (X4)	,652	,227	,455	2,871	,007	,525	1,905
	Review Co Auditor (X5)	,559	,260	,254	2,149	,039	,941	1,062
	Non Audit Services (X6)	,132	,228	,067	,580	,566	,979	1,022

a. Dependent Variable: Quality Audit (Y)

#### a. Effect of Experience to the Quality Audit

From the calculation results obtained t value of 0.416 with a significance level of 0.680. It can be concluded  $H_0$ . That is the experience not significant effect on audit quality. So the decline in the perception of the respondents fellow auditors and non-audit services positive effect on audit quality, while the variable knowledge of a negative impact on audit quality. The positive influence of variables experience means the higher the level the higher the auditor's experience level of audit quality. Experienced auditors tend to have good accuracy and the ability to resolve any job. The results of this study are supported by research conducted by Harhinto (2004) which states that the auditor's experience is positively related to audit quality. But disagreed with Suyatmini (2002) who found the experience not contribute to improve the skills of auditors, which means the experience nor affect the quality of the audit.

#### b. Effect of Knowledge to Quality Audit

From the calculation results obtained t value of -0.356 with a significance level of 0.724. It can be concluded  $H_0$ . This means that the knowledge no significant effect on audit quality. Increasing reception respondents' knowledge can result in reduced audit quality in the examination of financial statements. Their negative influence knowledge variable means the lower the auditor's knowledge, then the lower the level of success in carrying out the audit. The results of this study are supported by research conducted by Bonner (2006) who found knowledge about the specific task of helping experienced auditor performance through component selection and waste proof of the determination of audit risk.

#### c. Effect of Long Relationships With Clients to the Quality Audit.

From the calculation results obtained t value of 2.056 with a significance level of 0.048. It can be concluded  $H_a$  accepted. Meaning effect of long-standing relationships with clients have a significant effect on audit quality, increasing the reception of respondents to a long relationship with clients may result in improvement of audit quality in the examination of financial statements.

The duration of the positive influence of variables long-standing relationships with clients means that the longer the relationship with the client could result in increasing the level of audit quality. Because the longer the auditor engaged by the client, the auditor will be able to and did not report the error of his clients. The results of this study are supported by research

conducted by Harhinto (2004), which essentially indicates that the length of audit quality relationships (audit tenure). This long relationship has the potential to make the auditor is satisfied in what you do, perform audit procedures that are less assertive and less dependent on the management's statement. But the result of testing this hypothesis is not consistent with the result of research Suyatmini (2002), which long-standing relationship with clients does not affect the quality of audit. This study shows auditors feel that long-standing relationship with clients does not undermine its independence, may even improve the quality of audits.

#### **d. Effect of Pressure from Client to the Quality Audits**

From the calculation results obtained t value of 2,871 with a significance level 0,007. It can be concluded  $H_a$  accepted. This means that pressure from client significant effect on audit quality. So the increase in respondent's perceptions of pressure from clients and influence of clients in the audit process may result in improvement of audit quality in the examination of financial statements.

The positive influence of the client variable pressure means the higher the pressure the higher the level of client audit quality. The results of this study are supported by research conducted by Harhinto (2004), which essentially shows that the pressure from clients represent a threat to the independence of auditors. But this does not agree with Suyatmini (2002) which found an objective auditor to audit even though the auditors has been doing it for a particular client for several years. In addition, the auditor also to overcome the pressure of the client so that the pressure of a client does not affect the quality of audit.

#### **e. Effect of Review Co-Auditors to Quality Audit**

From the calculation results obtained t value of 2,149 with a significance level 0,039. It can be concluded  $H_a$  accepted. Meaning that review co-auditor significant effect on audit quality. So increasing the reception of respondent to the review co-auditor of the audit may result in improvement of audit quality in the examination of financial statements.

The positive influence of study variables with their co-auditors means the review of co-auditors can enhance the success in implementing the audit. Because the purpose of the review results auditor's examination performed in accordance with applicable professional standards. The results of this study are supported by research conducted by Harhinto (2004) stated that the review of co-auditor can improve the implementation of quality control do accountants to maintain performance.

However, different opinions Hernadianto (2002) who found the review of co-auditor does not have a significant effect on audit quality. This may be due to the auditor feels that the review of co-auditor has not been perceived benefits, even though the benefits are large enough to repair or improve the quality of audit does.

#### **f. Effect of Non-Audit Services to Audit Quality**

From the calculation results obtained t value of 0.586 with a significance level of 0.566. It can be concluded  $H_0$ . This means that non-audit services not significant effect on audit quality. So increasing the reception of respondents to the non-audit services to the auditor can result in reduced audit quality in the examination of financial statements. The positive influence variable non-audit services means the provision of services other than audit services can affect the high public accountant independency so that the effect on audit quality. The results of this study are supported by research conducted Supriyono (2008), using the technique of factorial

analysis of venance managed to conclude that the three variables, namely: Competency, management consulting services, and the large public accounting firms a significant effect on the independency of public accountants.

However, do not agree with (Supriyono, 2008: 42) the development and complexity of the company, will encourage the management need of services other than audit services. Demand was boosted because management considers that the examination public accountant can find out the problems and difficulties faced by the management so expect problems and difficulties faced by the management so expect problems and difficulties can be resolved properly and quickly. So that the non-audit services did not have a significant effect on audit quality.

### Coefficient of Determination

**Table 7. Coefficient of Determination**

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,760 <sup>a</sup>	,578	,499	2,640	2,280

a. Predictors: (Constant), Non Audit Services (X6), Knowledge (X2), Review Co Auditor (X5), Experience (X1), Long Relation With Cilents (X3), Pressure Clients (X4)

b. Dependent Variable: Quality Audit (Y)

Based on the calculation of regression estimation, the value of the coefficient of determination ( $R^2$ ) was 0.499 means that 49.9% of variation of all the independent variables such as experience, knowledge, long-standing relationships with clients, review co-auditors as well as non-audit services can explain the dependent variable is the quality audit, while the remaining 50.1% is explained by other variables not proposed in this study.

### CONCLUSION

1. Experience auditor, the auditor's knowledge, long relationships with clients, pressure from clients, review of the co-auditors and non-audit services jointly significant effect on audit quality.
2. Experience not significant effect on audit quality.
3. Knowledge not significant effect on audit quality.
4. Effect of Long relationships with clients have a significant effect on audit quality.
5. Pressure from clients significant effect on audit quality.
6. Review of co-auditor significant effect on audit quality.
7. The non-audit services not significant effect on audit quality.

### FUTURE RESEARCH

1. The audits should be conducted by an auditor who is experienced and is deemed to have adequate knowledge. Auditing can also be given to junior auditors but must be accompanied by a minimum of senior auditor. Patterns like this assignment as an effort to maintain the quality of the audit so that the credibility of the results of audits in the eyes of the users of

financial statements information can be maintained. It can also provide an opportunity for junior auditor to add his experience and knowledge as an auditor. In addition, the study results should be made audit procedures to ensure that the checks conducted in accordance with applicable professional standards and quality.

2. It should be done so that the rotation of an auditor is not involved for too long and is close to a particular client. Rotation is done in an effort to maintain the independence of auditors, which in turn affects the credibility of the audit results.

3. The sample of this study is limited to the auditor that comes from public accounting firm in the area of Palembang, so that research results can not be generalized to represent all auditors in Indonesia. In addition, the measurement of the variables rely on measurement of subjective or based on the perception of respondents. Subjective measurements can be susceptible to the emergence or keasalahan measurement.

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