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MODERATION OF AUDITOR ETHICS ON THE INFLUENCE OF COMPETENCE, INDEPENDENCE AND AUDITOR EXPERIENCE ON AUDITING QUALITY IN PUBLIC ACCOUNTING FIRM IN MEDAN

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ABSTRACT

This study was made to test and prove empirically the influence of competency, independence and auditor experience on audit quality, which is moderated by auditor ethics. This study is a quantitative study with a causal associative approach. The survey method was used by giving questionnaires to the auditors who work in the public accounting office in Medan. Sixty-one persons chose non-probability sampling as a sample. The data was analyzed by multiple regression and moderated regression analysis (MRA). The results showed that simultaneously, there was a positive effect and significant competency, independency and auditor experience to the audit quality. Besides, partially or based on the T-test, positive effects and significance were found between competency and independency to audit quality. However, the working experience could have been more positive and significant to audit quality. This study also found that auditor ethics could not moderate the influence of competency, independence, and audit quality on working experience. For further study, it is suggested to use other moderation variables, which influence competency, independency and auditor experience to audit quality.

Keywords: Competency, Independency, Working Experience, Auditor Ethic, Audit Quality

INTRODUCTION

The accounting profession has an important role in providing reliable financial information for governments, investors, creditors, shareholders, employees, and debtors, as well as for the public and other interested parties (Saragih et al, 2023). The public accounting profession is responsible for increasing the level of reliability of the company's financial statements so that the public obtains reliable financial statement information as a basis for decision-making. The public expects a free and impartial assessment of the information presented by company management in the financial statements (Mulyadi & Puradiredja, 1998).

In supporting the professionalism of public accountants, auditors must be guided by the auditing standards set by the Indonesian Institute of Accountants-Public Accounting Department (IAI_KAP), 2001. Public Accountant Professional Standards, namely general standards, field work standards and reporting standards. Where the general standard is a reflection of the personal qualities that must be possessed by an auditor, which requires the auditor to have sufficient technical expertise and training in carrying out audit procedures; meanwhile, field work standards and reporting standards regulate auditors in terms of data collection and other activities carried out during the audit and require auditors to prepare a report on the financial statements as a whole.

Basically, audit quality is very important so that the resulting financial statements can be trusted as a basis for decision-making (Lubis, et al, 2024). In addition, there are concerns that financial scandals will erode public confidence in audited financial reports and the public accounting profession. Audit quality is basically the auditor's technical ability and probability (Deis and Groux, 1992 in Alim *et al*., 2007) of finding and reporting violations of his client's accounting system (Kusharyanti, 2003: 25) through the competence and independence (Christiawan, 2002; *AAA Financial Accounting Committee,* 2000) of auditors. Where competence is more emphasized on procedural skills (Trotter, 1986) and knowledge (Lastanti, 2005; Kusharyanti, 2003: 3), the independence (Supriyono, 1988) of auditors obtained through formal education, experience (DeAngelo, 1981) and audit practice (SPAP, 2001), so that auditors are sensitive and understand errors (Tubbs, 1990) in presenting better financial statements (Kusharyanti, 2003). In addition, an IFAC ethical guideline is needed (Payamta, 2002) in public accounting organizations.

Various findings on the financial statements produced by public accountants, in general, have created a negative perception in the community and users of public accounting services, and this can be found in various cases that have occurred, including the Enron Corporation bankruptcy case through the services of Arthur Anderson, public accountants (Santoso, 2002), the Kimia Farma and Lippo Bank cases, the PT. Telkom involving KAP "Eddy Pianto & Partners" (Winarto, 2002), the case of PT. Eastman Christensen in tax evasion advised by KPMG Sidharta Sidharta & Harsono (Sinaga et al. in Ludigdo, 2006). So, in this case, a question arises: do competence, independence, and experience affect audit quality and whether auditor ethics can moderate the relationship between competence, independence and work experience with audit quality?

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LITERATURE REVIEW

Audit Quality

High audit quality will produce reliable financial reports through competence (expertise) and independence (Christiawan, 2002; AAA Financial Accounting Committee (2000)), misstatement detection, conformity with SPAP, compliance with SOPs, audit risk, the precautionary principle, the process of controlling work by supervisors, and attention given by managers or partners (Alim et al., 2007). Simamora (2002: 47) suggests eight principles that public accountants must comply with, namely professional responsibility, public interest, integrity, objectivity, professional competence and

prudence, confidentiality, professional behavior, and technical standards. In addition, public accountants must be guided by the Public Accountant Professional Standards (SPAP) set by the Indonesian Accountants Association (IAI) through auditing standards, including general standards, fieldwork standards and reporting standards (SPAP, 2001; 150: 1). Moizer (1986) states that measuring the quality of the audit process is centred on the performance performed by the auditor and compliance with the standards that have been outlined.

Research by Deis and Giroux (1992) found that the length of the relationship with the client (audit tenure), the number of clients, peer review, the size and financial health of the client and audit work hours are significantly related to audit quality. Other factors that can affect audit quality are education, audit structure, supervisory ability, professionalism and workload. The longer the audit tenure, the lower the audit quality will be. Meanwhile, audit quality will increase as the number of clients increases and the auditor's reputation, technical ability and expertise increase.

Auditor Competence in Knowledge and Experience

Christiawan (2002) emphasizes that competence is related to adequate education and experience possessed by public accountants in the fields of auditing and accounting. Meanwhile, Mayangsari (2003) in Alim et al. (2007) suggest that competence is also job-related knowledge, skills, and abilities, as well as the abilities needed for non-routine jobs. Lee and Stone (1995) define competence as sufficient expertise that can be explicitly used to conduct audits objectively.

Dreyfus and Dreyfus (1986) define competence as a person's expertise that plays a sustainable role in which the movement is through a learning process, from "knowing something" to "knowing how", for example, from just knowledge that depends on certain rules to an intuitive statement. Sri Lastanti (2005: 88) defines expertise or competence as someone who has extensive procedural knowledge and skills demonstrated in audit experience. Meanwhile, in the same article, Shanteau (1987) defines expertise as a person who has a high degree of skill and ability.

Ashton (1991) in Alim et al. (2007) found in the psychological literature that specific knowledge and length of work experience are important factors in increasing competence. This opinion is supported by Kusharyanti (2003), who found that more experienced auditors have a better understanding of financial statements so that better decisions can be made. Meanwhile, Alim et al. (2007) obtained research results showing that knowledge of specific tasks can improve the performance of experienced auditors, although only in determining analytical risk.

So, the achievement of competence can begin through formal education, which is expanded through subsequent experiences in audit practice. To meet the requirements as a public accountant, the first is to graduate with a Bachelor of Economics majoring in Accounting, take the Professional Accountant Education (PPA), take the Public Accountant Certification Exam (USAP), and have a license certification degree for practice, namely Certified Public Accountant (CPA). In addition to these requirements, auditors must also undergo sufficient technical training, this training must adequately cover technical aspects as well as general education. Formal education and professional experience complement each other.

Relation to auditor knowledge can be measured by looking at how high an auditor's education is because then the auditor will have more knowledge (views) about the field he is in so that he can find out various problems in more depth besides that the auditor will find it easier to keep up with increasingly complex developments (Meinhard et.al, 1987 in Harhinto, 2004: 35). So Harhinto (2004) found that knowledge will affect audit expertise which in turn will determine audit quality.

Kusharyanti (2003) suggests that there are 5 of knowledge that must be possessed by an auditor, namely general auditing knowledge, functional area knowledge, knowledge of the most recent accounting issues, knowledge of specialized industries, and knowledge of general business and problem-solving. Murtanto and Gudono (1999)

emphasize two views on auditor knowledge, namely, first, the behavioral view of expertise based on the einhorn paradigm. This view aims to use more objective criteria in defining an expert. Second, a cognitive view that explains expertise from a knowledge point of view. Knowledge is gained through direct experience (judgments made in the past and feedback on performance) and indirect experience (education).

Auditor Work Experience

Auditor experience is the activity of conducting audits of financial statements both in terms of length of time and the number of assignments that have been handled. Libby and Frederick (1990) found that the more experience auditors have, the more they can generate various kinds of conjectures in explaining audit findings. Harhinto (2004) found that auditor experience is positively related to audit quality. Tubbs (1992) in Mayangsari (2003) suggest that experienced auditors have advantages in detecting errors, understanding errors accurately, and finding the causes of errors, as well as better understanding (Kusharyanti, 2002: 5). Jeffrey (1996) suggests a person with more experience in a substantive field has more things stored in his memory and can develop a good understanding of events.

Butt (1988) revealed that experienced examining accountants will make relatively better judgments in professional tasks than inexperienced examining accountants, Marchant G.A. (1989) found that experienced examining accountants were able to identify errors in analytical reviews better. Experienced examining accountants also show a higher level of selective attention to relevant information (Davis 1996). Tubbs (1992) found in one of his studies that experienced examining accountants become aware of unusual errors. So the auditor must be able to provide a reasonable explanation for errors in the financial statements and be able to classify errors based on the audit objectives and the structure of the underlying accounting system (Libby et. al, 1985) in Mayangsari (2003: 4).

Auditor independence

Independence means that public accountants are not easily influenced. Public accountants are not allowed to favor anyone's interests. Public accountants are obliged to be honest not only to management and company owners but also to creditors and other parties who place their trust in the work of public accountants (Christian, 2002). According to Mulyadi (1998), factors that can affect the independence of public accountants include financial relationships with clients, positions in the company, involvement in businesses that are incompatible with clients and inconsistent, performance of other services for audit clients, family and personal relationships, compensation for professional services, receipt of goods or services from clients, provision of goods or services to clients. Shockley's research (1981) found four factors that affect the independence of public accountants, which include competition between public accountants, provision of management consulting services to clients, size of public accounting firms, and long relationships between public accounting firms and clients.

Indah, (2010) categorizes independence into two aspects, namely independence in fact and independence in appearance. Harhinto (2004) categorizes auditor independence including two aspects, namely: independence in mental attitude means that there is honesty in the auditor to consider objective impartial in formulating and expressing his opinion; independence of appearance means that there is a public impression that independent auditors are not free or independent so that auditors must avoid circumstances or factors that cause people to doubt their freedom.

AAA Financial Accounting Standards Committee's (2000) research on independence shows that in making decisions, public accountants are influenced by the urge to retain their audit clients. The results of the study also provide evidence that the influence of community or organizational culture on the public accountant's personality will affect the public accountant's independence attitude. The independence of public accountants is as important as the expertise in accounting practices and audit

procedures that every public accountant must have. Public accountants must be independent of any obligations or independent of ownership of interests in the company being audited. In addition, the public accountant must be truly independent; he must also create a perception among the public that he is truly independent. Lavin (1976) found three factors that affect the independence of public accountants, namely financial ties and business relationships with clients, the provision of services other than audit services to clients, and the length of the relationship between public accountants and clients. Shockley (1981) found four factors that affect independence, namely competition between public accountants, providing management consulting services to clients, work experience, and the length of the audit relationship.

Auditor Ethics

Ethics is defined as behavioural values or rules of behaviour that are accepted and used by a certain group or individual (Sukamto, 1991: 1). Ethics is a set of moral principles or values (Alvin A. Arens, at all, 2008). Meanwhile, Maryani and Ludigdo (2001) in Alim et al. (2007) defines ethics as a set of rules or norms or guidelines governing human behavior, both those that must be done and those that must be abandoned by a group or group of people or society or profession. According to Suseno Magnis (1989: 14) and Sony Keraf (1991: 20) to understand ethics, it is necessary to distinguish it from morality. Morality is a system of values about how one should live as a human being. This value system is contained in teachings; morality gives humans rules or concrete instructions on how to live, how to act in this life as a good human being and how to avoid bad behaviours. Meanwhile, ethics talks about moral values and norms that determine human behavior in life.

The dimensions of ethics that are often used in research are 1) personality consisting of external locus of control and internal locus of control; 2) ethical awareness; and 3) concern for professional ethics, namely concern for the IAI Code of Ethics, which is a guide and rule for all members, both those practising as public accountants, working in the business environment in government agencies and in the world of education in fulfilling their professional responsibilities. For this purpose, four basic needs must be met, namely credibility, professionalism, service quality and trust. The Principles of Professional Ethics in the IAI Code of Ethics include professional responsibility, public interest, integrity, objectivity, competence and professional prudence, confidentiality, professional behavior, technical standards, must carry out work in accordance with established technical standards and professional standards.

In carrying out his profession, an accountant is governed by an accountant's code of ethics. The Public Accountant Professional Code of Ethics (Code of Ethics) contains the basic principles and rules of professional ethics that every individual must apply in a public accounting firm (KAP) or KAP network, both members of the Indonesian Public Accountants Association (IAPI) and those who are not members of IAPI, which provide professional services which include assurance services and services other than assurance. In their research, Alim et al. (2007) suggested four things that are used as indicators of auditor ethics, namely (1) rewards received, (2) organizational influence, (3) family environment, and (4) emotional quotient.

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RESEARCH METHOD

Research Design

This research approach is a causal associative approach, which is research that aims to analyze the relationship between one variable and another or how one variable affects another. This study aims to examine the cause-and-effect (*causal*) relationship because it traces the effect of competence, independence, and auditor work experience on audit quality with auditor ethics as a moderator variable which may strengthen or weaken the relationship. Judging from the characteristics of the problem, this research is quantitative. The object of research is the Public Accounting Firm in Medan City, with a research

period of April - September 2014.

Operational Variables

In this study, there are two independent variables, namely competence and independence, one dependent variable, namely audit quality, and one moderator variable, namely auditor ethics. Operationally. The variables in this study are presented in Table 1 below:

Table 1. Operational Definition Matrix of Research Variables

Variables	Definition	Indicator	Measurement Scale
Audit Quality (Y)	Any possibility (*probability*) where the auditor, when auditing the client's financial statements, can find violations that occur in the client's accounting system and report them in the audited financial statements, wherein carrying out their duties, the auditors are guided by auditing standards and the relevant public accountant code of ethics.	Audit conformity with audit standards. The quality of the audit report.	Ordinal
Competence (X1)	Auditors with sufficient and explicit knowledge and experience can conduct audits objectively, carefully, and thoroughly. Personal quality, general knowledge, and special expertise are indicators of auditor competence.	Personal quality General knowledge Special Skills	Ordinal
Independence (X2)	The attitude expected of a public accountant is not to have a personal interest in carrying out his duties, which is contrary to the principles of integrity and objectivity.	Relationship with clients Independence of work execution. Report independence.	Ordinal
Experience (X3)	The auditor's experience in auditing financial statements is measured by the length of time and the number of assignments that have been handled.	Length of employment Number of inspection tasks	Ordinal
Auditor Ethics (X4)	A set of rules or norms or guidelines governing human behaviour, both do's and don'ts, adopted by a group or class of people or society or profession.	Auditor's professional responsibility Integrity Objectivity.	Ordinal

Data Analysis Method

The data analysis method used is *Multiple Regression* and *Moderated Regression Analysis (MRA). The Multiple Regression* method or multiple regression is used to analyze the relationship pattern between the independent variable and the dependent variable without including moderator variables. The MRA method is used to analyze the relationship pattern between the independent variable and the dependent variable by including moderator variables. Data analysis is used in 2 ways, namely:

- *The Multiple Regression* Equation is as follows:
  $Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$
- The MRA model equation in this study is as follows:
  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_1X_4 + \beta_5X_2X_4 + \beta_6X_3X_4 + \varepsilon$

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RESULTS

Statistical Description

The results of the analysis on statistical descriptions are presented in Table 2 below:

Table 2. Statistical Description of Research Variables

Descriptive Statistics						
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
Audit Quality (Y)	61	30.00	48.00	39.9016	.57389	4.48221
Competence (X1)	61	31.00	48.00	39.1475	.51259	4.00348
Independence (X2)	61	20.00	28.00	23.1967	.34972	2.73142
Experience (X3)	61	17.00	28.00	21.5574	.33267	2.59823
Auditor Ethics (Z)	61	36.00	52.00	42.7541	.59811	4.67139
Valid N (listwise)	61					

Table 2 shows that the number of respondents (N) is 61 people. Each variable has a minimum value, maximum value, average value (*mean*) and standard deviation value that varies.

- Auditor competence (X_1) respondents have a minimum value of 31 and a maximum value of 48. The average value of respondents' competence is 39.15. The standard deviation value of auditor competence is 4.03, which means that the deviation from auditor competence is very small.
- Auditor Independence ($X)_2$ respondents have a minimum value of 20 and a maximum value of 28. The average value of supervisory effectiveness is 24. The standard deviation value of auditor independence is 2.73, which means that the deviation of auditor independence is very small.
- Auditor Experience (X_3) respondents have a minimum value of 17 and a maximum value of 28. The average value of auditor experience is 21.56. The standard deviation value of the auditor's experience is 2.60, which means that the deviation of the auditor's experience is very small.
- Auditor Ethics (Z) has a minimum value of 36 and a maximum value of 52. The average value of auditor ethical competence is 42.75. The standard deviation value of auditor ethics is 4.67, which means that deviations from auditor ethics are very small.
- Audit Quality (Y) respondents have a minimum value of 30 and a maximum value of 48. The average value of audit quality is 39.90. The standard deviation value is 4.48, which means that the deviation in audit quality is very small.

Classical Assumption Test Results

- **Normality Test Results**

The normality test results show that the normal P-P Plot graph is spread along the diagonal line. This graph shows that the data is normally distributed. This can be seen in Figure 1 below:

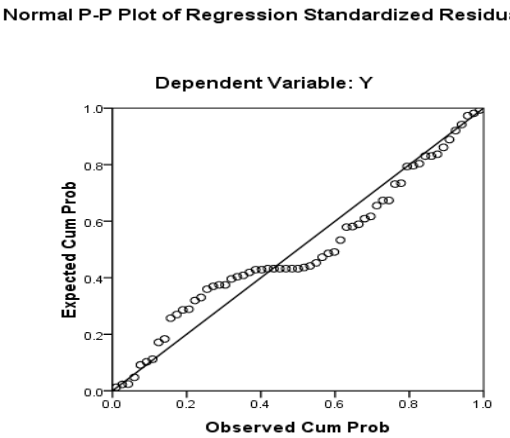

Figure 1. Normal P-P Plot

- **Heteroscedasticity Test Results**

The results of the heteroscedasticity test show that the points spread randomly do not form a clear or regular pattern and are scattered both above and below the number 0 on the Y-axis. This can be seen in Figure 2 below:

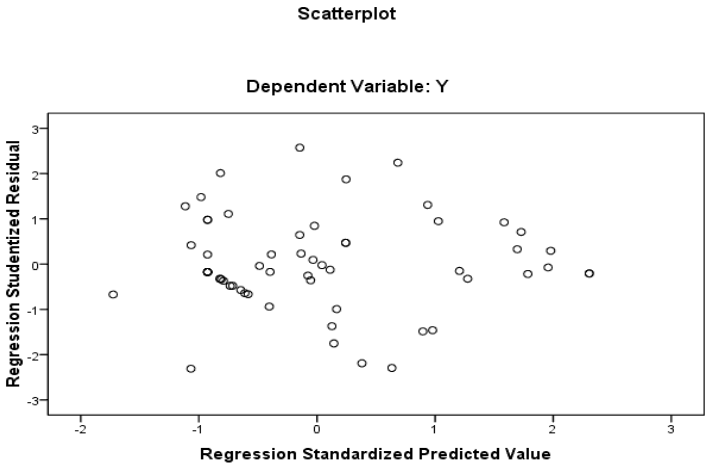

Figure 2. scatter-plot

- **Multicollinearity Test Results**

The multicollinearity test results show that all independent variables have a *Tolerance* value> 0.1 or *variance inflation factor* (VIF) < 10, so this research data is free from multicollinearity problems. This can be seen in table 5 below:

Table 3. Multicollinearity Test Results

Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Auditor Competency	.402	2.488
	Auditor independence	.502	1.991
	Auditor Experience	.591	1.693

a. Dependent Variable: Audit Quality

Hypothesis Test Results

- **Multiple Regression Test Results (Multiple Regression)**

The results of the Multiple Regression Test (Multiple Regression) can be presented in Table 6 below:

Table 6. Multiple Regression Results

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.597	3.595		1.279	.206
	Auditor Competency	.436	.136	.389	3.197	.002
	Auditor independence	.840	.179	.512	4.698	.000
	Auditor Experience	-.057	.173	-.033	-.330	.742
a. Dependent Variable: Audit Quality						

The coefficient values in Table 6, the regression equation can be arranged as follows:

$$Y = 4.597 + 0.436\ X_1 + 0.840\ X_2 - 0.057\ X_3$$

Based on the regression equation, it can be explained as follows:

- The constant is positive at 4.597, meaning that if the variables of auditor competence, auditor independence and experience are constant, then audit quality has been formed at 4.597.
- The regression coefficient of the effect of competence on audit quality is positive at 0.436. If the auditor's competence is increased by 100%, the audit quality will increase by 0.436.
- The regression coefficient of the effect of independence on audit quality is positive at 0.840. If the auditor's independence is increased by 100%, the audit quality will increase by 0.840.
- The regression coefficient of the effect of auditor experience on audit quality is negative 0.057. If the auditor experience is increased by 100%, it will reduce the audit quality by 0.840.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) from the results of data analysis in the study can be stated in table 7 below:

Table 7. Test Results of the Coefficient of Determination (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.830[a]	.689	.648	2.66077	2.027
a. Predictors: (Constant), X3Z, X2, X1, Z, X3, X2Z, X1Z					
b. Dependent Variable: Y					

Table 8 shows that the Coefficient (R) value is 0.689, indicating a strong relationship between variables, with a coefficient of determination (*Adjusted R square*) of 0.648 or 64.8%. This means that the auditor competency, auditor independence, and

auditor experience variables can explain the audit quality variable by 64.8%. While the remaining 35.2% is explained by other variables outside this estimation model.

F Test Results (Simultaneous)

Based on the F Statistical Test in this study, it is known that the significant value of F 0.000 is smaller than 0.05 or F count> F table (16,752> 4,031). Ho is rejected, and Ha is accepted. This means that simultaneously, the variables of auditor competence, auditor independence and auditor experience moderated by auditor ethics have a positive and significant effect on audit quality variables. This can be stated in table 8 below:

Table 8. F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	830.186	7	118.598	16.752	.000[a]
	Residuals	375.224	53	7.080		
	Total	1205.410	60			
a. Predictors: (Constant), Moderating 3, Auditor Independence, Auditor Competence, Auditor Ethics, Auditor Experience, Moderating 2, Moderating 1						
b. Dependent Variable: Audit Quality						

The result of t-test (Partial)

The t-statistical test shows whether the independent variable individually or partially affects the dependent variable. The results of the t-test can be presented in Table 9 below:

Table 9. T-test results

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.597	3.595		1.279	.206
	Auditor Competency	.436	.136	.389	3.197	.002
	Auditor independence	.840	.179	.512	4.698	.000
	Auditor Experience	-.057	.173	-.033	-.330	.742
a. Dependent Variable: Audit Quality						

Table 9 shows that the significant value of the auditor competency variable is 0.002 <0.05 or t count> t table (3.197> 2.001). Thus, Ho is rejected, and Ha is accepted. This shows that auditor competence is proven to have a significant effect on audit quality. Judging from the direction, competence has a positive effect on audit quality. The auditor independence variable obtained a sig value of 0.000 <0.05 or t count> t table (4.698> 2.001). Thus, Ho is rejected, and Ha is accepted, meaning that auditor independence has a significant effect on audit quality. Judging from the direction, auditor independence has a positive effect on audit quality. Meanwhile, for the auditor experience variable, the sig value is 0.742> 0.05 or t count < t table (-0.330 < 2.001). From these results, Ho is accepted, and Ha is rejected, meaning that there is no significant effect of auditor experience on audit quality. Judging from its direction, auditor experience has a negative effect on audit quality.

- ***Moderated Regression Analysis*** **Results (Interaction Test)**

The results of the auditor ethics variable interaction test in moderating the effect of the auditor competency variable, independent auditors and auditor experience on audit quality. This can be stated in Table 10 below:

Table 10: Interaction Test

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	34.614	36.831		.940	.352

	X1	3.319	1.954	2.965	1.698	.095
	X2	-2.789	2.840	-1.699	-.982	.331
	X3	-3.004	1.777	-1.741	-1.691	.097
	X4	-.556	.875	-.580	-.636	.528
	X1X4	-.068	.045	-5.219	-1.506	.138
	X2X4	.082	.065	4.018	1.255	.215
	X3X4	.067	.040	2.949	1.670	.101

a. Dependent Variable: Y

Based on the output *coefficient* table 10, it can be stated that:

- Sig value of 0.138> 0.05 or t count < t table (-1.506 < 2.001), this means H0 is accepted. This means that auditor ethics does not moderate the effect of auditor competence on audit quality.
- Sig value of 0.215> 0.05 or t count < t table (1.255 < 2.001), this means H0 is accepted. This means that auditor ethics does not moderate the effect of auditor independence on audit quality.
- Sig value of 0.101> 0.05 or t count < t table (1.670 < 2.001), this means H0 is accepted. This means that auditor ethics does not moderate the effect of auditor experience on audit quality.

DISCUSSION

Competence, independence, and work experience simultaneously and partially affect audit quality.

Based on testing the first hypothesis, it is known that the significant value of 0.000 is less than 0.05 or F count> F table (36.95> 4.031), so it can be said that simultaneously, the variables of auditor competence, auditor independence and auditor experience have a positive and significant effect on audit quality variables. However, when viewed from partial testing, the auditor competency and auditor independence variables have a positive and significant effect on the audit quality variable. In contrast, the auditor experience variable has a negative and insignificant effect on audit quality.

The results of this study show that auditor competence and auditor independence affect audit quality. These results are in accordance with Christiawan's research (2002). This means that audit quality can be achieved if auditors have good competence. Auditors, as the spearhead of the implementation of audit tasks, must constantly improve their knowledge so that the application of knowledge can be maximized in practice. Knowledge that is continuously added and improved can help auditors carry out their duties in examining the company's financial statements and produce good and reliable audit quality.

Christiawan (2002), an independent public accountant is a public accountant who is not easily influenced, does not take sides with anyone, and is obliged to be honest not only to management and company owners, but also other parties who use financial statements who trust the results of his work. If an auditor is independent, then he will provide a true assessment of the financial statements being examined without having any burden on any party. Then, the assessment will reflect the actual condition of the company being examined. Thus, the guarantee of the reliability of the report provided by the auditor can be trusted by all interested parties. The conclusion is that the higher the independence of an auditor, the better the quality of the audit he provides.

De Angelo's (1981) opinion that independence is important in addition to the auditor's technical ability is also in accordance with the results of this study. Auditors must have the ability to collect any information needed in making audit decisions which an independent attitude must support. It cannot be denied that an independent attitude is inherent in the auditor so independence has become an absolute requirement that must be possessed. It takes work to maintain the level of independence to stay on track. Cooperation with clients that is too long can cause vulnerability to the independence of the auditor. Not to mention the various facilities provided by clients during audit assignments for auditors. The auditor can be "easily controlled" by the client because

the auditor is in a dilemmatic position.

Auditor experience has no significant effect on audit quality. These results are in line with research by Aji (2009) and Rahman (2009). Both concluded that the lack of effect of auditor experience on audit quality may be due to the fact that most of the respondents in their study were auditors who served as juniors, and their tenure was at most five years. In this study, it was found that 81% of respondents were under five years of work and 54.1% were audit juniors so the respondents' responses to answer questions related to the experience variable tended to produce answers that were not positive.

The results of this study are different from what Kusharyanti (2003: 26) found that experienced auditors have a better understanding of financial statements. They are also better able to provide reasonable explanations for errors in the financial statements and can categorize errors based on the audit objectives and the structure of the underlying accounting system. Then Tubbs (1990), in the same article, successfully showed that the more experienced auditors are, the more sensitive they are to financial statement misstatements and the more they understand the matters related to the errors found.

In accordance with general standards, auditors are required to have sufficient work experience in the profession they are engaged in, meet technical qualifications, and be experienced in the industry in which their clients are engaged (Arens & Loebbecke, 1997). Experience will also impact every decision made in the audit, so it is hoped that every decision made is the right decision. This indicates that the longer the working period the auditor has, the better the quality of the resulting audit will be.

Auditor ethics can moderate the effect of auditor competence, auditor independence, and work experience on audit quality.

Based on the *Moderated Regression Analysis (*Interaction Test) test, it can be seen that a Sig value of 0.138> 0.05 or t count < t table (- 0.1506 < 2.001), this means H0 is accepted. This means that auditor ethics needs to moderate the relationship between auditor competence and audit quality. Then, for the second variable, the Sig value is 0.215> 0.05 or t count < t table (1.255 < 2.001). This means that H0 is accepted. This means that auditor ethics needs to moderate the relationship between auditor independence and audit quality. Meanwhile, for the third variable, the Sig value is 0.101> 0.05 or t count < t table (1.670 < 2.001); this means Ho is accepted. This means that auditor ethics does not moderate the relationship between auditor experience and audit quality.

The results of this study are different from research conducted by Deis and Giroux (1992) that the auditor's ability to survive under client pressure, in this case independence, also depends on professional ethics. Judging from the direction, competence strengthened by auditor ethics has a negative effect on audit quality. This means that this is not in line with the theory and research hypothesis. Although competence is an important thing for an auditor to have, with a level of competence that is not too high, as long as the auditor continues to work by paying attention to the professional ethics that bind him, he can still produce audit quality that is just as good, even better than auditors who have a very high level of competence. This is because auditors who have a high level of competence in terms of experience and knowledge tend to have a highly self-centred attitude, so in carrying out the audit process, they often ignore the Standard Operating Procedures (SOP) that must be carried out, even being less careful, so that in the end the resulting audit quality is not good.

The credibility of auditors certainly depends on the trust of the people who use their services. Auditors who are considered to have made mistakes will result in a reduction in client trust. However, even so, the client is still a party that has a big influence on the auditor. This can be seen from the current conditions where there are various regulations governing client cooperation with auditors. In addition, it is very difficult for an auditor to remain independent, especially if, in addition to providing audit services for client financial statements, the auditor also provides other non-audit services. Thus, the provision of non-audit services to audit clients, good relationships with clients, or the

length of cooperation with clients will make it easier for auditors to maintain their independence, and this will have an impact on the quality of audits produced by auditors. To overcome these three things, auditors need to maintain professional ethics in carrying out their work, which in this case is called audit ethics. This is in accordance with research conducted by Deis and Giroux (1992) in Alim *et al*. (2007), which states that "the auditor's ability to survive under client pressure, in this case, independence, also depends on professional ethics."

The testing results obtained a coefficient of determination (*Adjusted R square*) of 0.648, or 64.8%. This means that the auditor competency, independence, and experience variables can explain the audit quality variable by 64.8%, while the remaining 35.2% is explained by other variables outside this estimation model.

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CONCLUSION

Auditor competence and auditor independence are partially proven to have a positive and significant effect on audit quality, while auditor experience has no significant effect on audit quality. Simultaneously, auditor competence, auditor independence and auditor experience have a positive and significant effect on audit quality. Meanwhile, auditor ethics proved unable to moderate the relationship between auditor competence, auditor independence and auditor experience with audit quality.

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