EFFECT OF WORK EXPERIENCE, COMPETENCE, INDEPENDENCE, ACCOUNTABILITY, COMPLEXITY IN AUDIT QUALITY
(Empirical Study in Public Accountant Office of Medan City)

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Abstract

Auditors are professions whose job is to audit financial statements. This study aims to obtain empirical evidence of the influence of Work Experience, Competence, Independence, Accountability, Complexity on Audit Quality. This research was conducted at a public accounting firm spread out in the city of Medan with the primary data collection method using questionnaire data. The number of samples analyzed there were 81 respondents using the sample determination method that is saturated sample. Data is valid and reliable, fulfilling the classic assumption test. The analysis technique used is Multiple Linear Regression with SPSS 25 software. The results of this study indicate that work experience, competence, independence, accountability, and complexity have a significant positive effect simultaneously and partially on audit quality.

Keywords: Work Experience, Competence, Independence, Accountability, Audit Quality.

1. Introduction

Public Accounting Firm is an organization formed to provide professional accounting services. Generally established as private ownership or partnership. One of the benefits of public accounting services is providing accurate and reliable information for retrieval decision. Financial statements that have been audited by a public accountant are reasonable more trustworthy than financial statements that are not or have not been audited. Audit report users expect that the financial statements audited by public accountants are free from material misstatements, can be trusted to be used as a basis for decision making and are in accordance with accounting principles in force in Indonesia. Audit quality is determined by two things, namely competence and independence, competence related to education and adequate experience possessed by public accountants in the field of auditing and accounting, while independence is related to ethical issues of public accountants who are not easily influenced. Competence lies in the interior of every human being and forever exists on the personality of someone who can predict behavior and performance widely in all situations and job tasks or jobs tasks.

The auditor's maturity in carrying out his duties to conduct an audit is determined by the knowledge gained and also the experience gained during conducting an audit audit. There are many factors that affect the ability of auditors, including knowledge and experience. To carry out auditing tasks, auditors need auditing knowledge (general and specific) and experience in the field of auditing, accounting and client industry. Competence can be obtained through education and experience, competencies that can ensure that the quality of audit services provided meets a high level of professionalism. Independence is an attitude that is not easily influenced, and does not side with anyone. Public accountants are not justified in favor of anyone's interests. Public accountants are obliged to be honest not only to the management and owners of the company, but also
to creditors and other parties who place their trust in the work of public accountants. The complexity of an audit is based on an individual's perception of the difficulty of an audit task, difficult for one person but easy for others. The complexity of the audit is also important because of the tendency that the task of carrying out audits is a task that often faces complex problems.

2. Literature Review

According to Mubarok (2017), audit quality is the accuracy of information reported by the auditor in accordance with the audit standards used by the auditor including accounting violation information in the client's company financial statements. According to Djatmiko (2016), work experience is a factor that can influence the occurrence of work accidents. Based on research with increasing experience and skills will be accompanied by a decrease in the number of accidents due to work accidents. According to Mathius (2016), competence is someone who has adequate knowledge, training, skills and experience in order to successfully complete his work. According to the state financial audit standard (2007), independence is an attitude and action in carrying out an examination to not take sides with anyone and not be influenced by anyone. According to Ghazali (2016), accountability is the obligation of each individual, group or agency to fulfill the responsibilities that are mandated. According to Publishing (2011), complexity is the specialization of work that is horizontal if the work is carried out vertically or hierarchically.

Hypothesis Development

Theory of Influence of Work Experience on Audit Quality

According to Rachim (2015), research also provides empirical evidence that experience will influence the auditor's ability to identify errors, while training will increase expertise in conducting audits. For that reason, input from other parties or organizational advisors is needed to develop an audit quality.

Theory of Influence of Competence on Audit Quality

According to Rachim (2015), the results of research on competence indicate that the auditor profession began to be unattractive and displaced by other professions. This has an impact on quality perspective auditors from Civil Servants (PNS), they will eventually exodus to other work units.

Theory of the Effect of Independence on Audit Quality

According to Rachim (2015), the results of research on independence show that making decisions, auditors are influenced by the drive to maintain the audit image. The results of the study also provide evidence that the influence of the culture of the community or organization on the auditor's personality will affect his independent attitude.

Theory of Effect of Accountability on Audit Quality

According to Radyati (2014), if individuals in an organization are morally incapable of being accountable for their actions, an organization cannot automatically account for decisions and actions taken from outside parties. Meanwhile, transparency does not mean openness, but the provision of relevant information for relevant parties.

Theory of Effect of Task Complexity on Audit Quality

According to Boyton (2003), with increasing complexity, the risk of misinterpretation and the incidence of unintentional mistakes also increases. Because users find it increasingly difficult, or even impossible to evaluate the quality of financial statements themselves, they produce an independent auditor to assess the quality of information contained in the report.
3. Methods

The data collection method was carried out by means of a questionnaire. Measurement of respondents' answers is done by using a Likert scale used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena.

Population and Sample

The population used by researchers is 21 Public Accountant Firms (KAP) in Medan which are registered at www.iapi.or.id. From the results of direct confirmation the KAP's willingness to participate in filling out the questionnaire. From the results of the researchers' confirmation with the Public Accounting Firm there are only 8 Public Accounting Firms who want to participate in filling out the questionnaire, while the sample used in this study there are 81 people from 8 public accounting firms who are willing to participate in filling out the questionnaire.

4. Results and Discussion

Descriptive statistics relate to how data can be described, described, or summarized to get a glimpse of the data so that it is more readable and meaningful.

Classic Assumption Test Results

Data normality test is used to test whether in the regression model, the dependent variable and the independent variables both have normal distribution or not. A good regression model has a normal distribution or at least close to normal. In this study, to test the normality of data used histogram graphs and P-P Plot of Regression Standardized Residual charts and statistical tests (Kolmogorov-Smirnov nonparametric (K-S), the test results can be seen in the following figure:

![Figure 4.1 Histogram Normality Test](image)

*Source: Primary Data Processed, 2019.*
Based on Figure 4.1 and 4.2 it can be seen that the histogram graph display has a curve that tends to be balanced, both on the left and right side and the plot graph display that has points that spread around the diagonal line and its spread in the direction following the diagonal line. Thus the regression model meets the assumption of normality.

**Table 4.1 One-Sample Kolmogorov-Smirnov Test**

<table>
<thead>
<tr>
<th>N</th>
<th>Standardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Normal Parameters&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>0,0000000</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
</tr>
<tr>
<td></td>
<td>0,94868330</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>0,101</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>0,049</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td></td>
<td>-0,101</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>0,101</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>0,200&lt;sup&gt;c,d&lt;/sup&gt;</td>
</tr>
<tr>
<td>a. Test distribution is Normal.</td>
<td></td>
</tr>
<tr>
<td>b. Calculated from data.</td>
<td></td>
</tr>
<tr>
<td>c. Lilliefors Significance Correction.</td>
<td></td>
</tr>
<tr>
<td>d. This is a lower bound of the true significance.</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Primary Data Processed, 2019.*

Based on the table above, the Kolmologrov-Smirnov value is 0.101 and significant at 0.200 where the significant value is above 0.05 (0.200 > 0.05). Thus, it can be said that the residual value is normally distributed.

Multicollinity test aims to test whether the regression model found a correlation between independent variables (Independent). A good regression model should not occur correlation between independent variables. To test multicollinity it can be seen from the tolerance value of the VIF value. If the tolerance value ≥ 0.10 or VIF value ≤ 10 means there is no multicollinity. The results of multicollinity testing can be seen in the following table.

**Table 4.2 Multicollinierity Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>0,889</td>
</tr>
<tr>
<td>Competency</td>
<td>0,397</td>
</tr>
<tr>
<td>Independency</td>
<td>0,499</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processed, 2019.*
The regression results carried out in the table above show the VIF value of the Experience variable is 1.124, the Competency variable is 2.517, the Independence variable is 2.003, the Accountability variable is 3.738 and the Complexity variable is 1.053. All of these values are less than 10. While the Tolerance value for the Experience variable is 0.889, the Competency variable is 0.397, the Independence variable is 0.499, the Accountability variable is 0.267, and the Complexity variable is 0.950. These values are greater than 10%. It can be concluded that this regression model found no correlation between independent variables.

Heteroscedasticity test aims to test whether the regression model occurs variance inequality from the existing data residuals. A good regression model is one that does not experience symptoms of heteroscedasticity. To detect the presence or absence of heteroscedasticity in the regression model can be done by analyzing the distribution of points on the scatterplot and glacial test.

Based on the picture above, it can be seen that the points on the scatterplot have no clear pattern spreading above and are answered by the number 0 on the y axis. Thus, the regression model does not occur heteroscedasticity.

### Table 4.3 Glejser Tets

| Source: Primary Data Processed, 2019. |
Based on the table above, the Glejser test results of work experience variables (X1), Competence (X2), Independence (X3), Accountability (X4), Complexity (X5) where the value is significant, the regression model does not occur heteroscedasticity.

**Regression Analysis**

**Table 4.4 Hypothesis Regression Coefficient**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>5.388</td>
<td>4.742</td>
</tr>
<tr>
<td>Experience</td>
<td>0.202</td>
<td>0.066</td>
</tr>
<tr>
<td>Competency</td>
<td>0.446</td>
<td>0.155</td>
</tr>
<tr>
<td>Independence</td>
<td>0.785</td>
<td>0.172</td>
</tr>
<tr>
<td>Accountability</td>
<td>0.312</td>
<td>0.116</td>
</tr>
<tr>
<td>Complexity</td>
<td>0.187</td>
<td>0.088</td>
</tr>
</tbody>
</table>

*Source: Primary Data Processed, 2019.*

Based on the above table, then the multiple linear regression equation can be formulated as follows:

\[
Y = \alpha + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + e
\]

\[
Y = 5.388 + 0.202 x_1 + 0.446 x_2 + 0.785 x_3 + 0.312 x_4 + 0.187 x_5
\]

1. Constant \((\alpha) = 5.388\), although the independent variable \((X_1)\) is work experience with a value of 0.202, the independent variable \((X_2)\) Competence with a value of 0.446, the independent variable \((X_3)\) Independence with a value of 0.785, the independent variable \((X_4)\) Accountability with a value of 0.312, the independent variable \((X_5)\) Complexity with a value of 0.817, the Audit Quality \((Y)\) at the Public Accountant Office in the City of Medan is 5.388.

2. Work Experience Variable has a positive relationship to audit quality where every increase of one-unit variable Work Experience will increase the quality of the Auditor by 0.202 units.

3. Competency variable has a positive relationship to audit quality where each increase in one-unit competency variable will increase the quality of the Auditor by 0.446 units.

4. The Independence variable has a positive relationship with audit quality where each increase in one-unit Independence variable will increase the quality of the Auditor by 0.785 units.

5. The Accountability variable has a positive relationship with audit quality where each increase in one-unit variable Complexity will increase the quality of the Auditor by 0.312 units.

6. The Complexity variable has a positive relationship with audit quality where each one-unit increase in the Complexity variable will increase the Auditor's quality by 0.187 units.

**Hypothesis Determination Coefficient**

The Hypothesis Determination Coefficient basically measures how far the model's ability to explain the variation of the dependent variable.
Table 4.5 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.919</td>
<td>0.844</td>
<td>0.827</td>
<td>1.251</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2019.

Based on the table above, the F_count value is obtained 48,808 where the value of F_count > Ftable (48.808 > 2.31) with a significant value of 0.000 is smaller than α = 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected which means Work Experience, Competence, Independence, Accountability and Complexity simultaneously affect audit quality at the Public Accountant Office in Medan.

Table 4.6 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-7.716</td>
<td>4.742</td>
<td>-1.627</td>
<td>0.111</td>
</tr>
<tr>
<td></td>
<td>Experience</td>
<td>0.202</td>
<td>0.066</td>
<td>0.191</td>
<td>3.063</td>
</tr>
<tr>
<td></td>
<td>Competency</td>
<td>0.446</td>
<td>0.155</td>
<td>0.268</td>
<td>2.876</td>
</tr>
<tr>
<td></td>
<td>Independency</td>
<td>0.785</td>
<td>0.172</td>
<td>0.379</td>
<td>4.557</td>
</tr>
<tr>
<td></td>
<td>Accountability</td>
<td>0.312</td>
<td>0.116</td>
<td>0.306</td>
<td>2.690</td>
</tr>
<tr>
<td></td>
<td>Complexity</td>
<td>0.187</td>
<td>0.088</td>
<td>0.129</td>
<td>2.132</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed, 2019.

Partial Hypothesis Test Work Experience Variables

Value of t_calculated variable Work experience (X1) is spread in 3.063 where the value of \( t \) _calculated> t_table is 3.063> 2.68959 with a significant value of 0.004 smaller than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means that Work Experience has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan City.

Partial Hypothesis Test Competency Variables

The value of the t_calculated Competency variable (X1) is scattered 2.876 where the value of \( t \) _count> t_table is 2.876> 2.68959 with a significant value of 0.006 smaller than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Competence has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan.

Partial Hypothesis Test for Independent Variables

The value of t_calculated Independence variable (X1) is spread 4.557 where the value of \( t \) _calculated> t_table is 4.557> 2.68959 with a significant value of 0.000 less than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Independence has a positive and significant effect on Audit Quality at the Public Accountant Office in Medan.

Partial Hypothesis Testing Accountability Accountability

The t-value of the Accountability variable (X1) is scattered at 2.690 where the value of \( t \) _count> t_table is 2.689> 2.68959 with a significant value of 0.010 less than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means that Accountability has a positive and significant effect on Audit Quality at Public Accountants in Medan.

Partial Hypothesis Test for Complexity Variables

The value of the complex variable t_calculate (X1) is spread 2.132 where the value of \( t \) _count> t_table is 2.132> 2.68959 with a significant value of 0.039 less than 0.05. The results of this study indicate that
H_a is accepted and H_0 is rejected, which means complexity has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan.

Discussion

Effect of Auditor Work Experience on Audit Quality

Value of t_calculated variable Work experience (X1) is spread in 3.063 where the value of \( t \) _calculated > ttable is 3.063 > 2.68959 with a significant value of 0.004 smaller than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Work Experience has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan City. The results of this study are in line with previous research by Rachim (2015). The study also provides empirical evidence that experience will influence the auditor's ability to identify errors, while training will increase expertise in conducting audits. Very necessary to develop an audit quality.

Effect of Auditor Competence on Audit Quality

The value of t_calculated Competency variable (X1) is scattered 2.876 where the value of \( t \) _calculated > ttable is 2.876 > 2.68959 with a significant value of 0.006 smaller than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Competence has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan. The results of this study are in line with previous studies by Kompri (2017), in broad outline, competencies explain what people do at work at various levels and specify the standards of each level, identify the characteristics of knowledge and skills needed by individuals that enable them to carry out duties and responsibilities effectively so as to achieve professional quality standards at work.

Effect of Auditor Independence on Audit Quality

The value of t_calculated Independence variable (X1) is spread 4.557 where the value of \( t \) _calculated > t_table is 4.557 > 2.68959 with a significant value of 0.000 less than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Independence has a positive and significant effect on Audit Quality at the Public Accountant Office in Medan. The results of this study are in line with previous research by Boyton (2003), research shows that if employees know that an independent audit will be conducted, they will be more careful and try to make as little mistakes as possible in carrying out the accounting function and misusing company assets. Therefore audits can encourage data in the company to be more reliable and can also reduce losses due to embezzlement and so on. In addition, the fact that research will be carried out at the assertion of their financial statements can also reduce the ability of management to commit fraud in financial reporting.

The Effect of Auditor Accountability on Audit Quality

The t-value of the Accountability variable (X1) is scattered at 2.690 where the value of \( t \) _count > t_table is 2.689 > 2.68959 with a significant value of 0.010 less than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means Accountability has a positive and significant effect on Audit Quality at Public Accountants in Medan. The results of this study are in line with previous research by Tasmara (2006), accountability is related to the attitude of openness (transparency) in relation to the way we are responsible for something in front of others. So that accountability is an inherent part of credibility. Increasing the accountability and good that we have, the greater the credibility savings as a deposit of people's trust in us. The greater the credibility deposits, the wider the influence we have.

Effect of Auditor Complexity on Audit Quality

The value of the complex variable t_calculate (X1) is spread 2.132 where the value of \( t \) _count > t_table is 2.132 > 2.68959 with a significant value of 0.039 less than 0.05. The results of this study indicate that H_a is accepted and H_0 is rejected, which means complexity has a positive and significant effect on Audit Quality at the Public Accounting Firm in Medan. The results of this study are in line with previous studies by Boyton (2003), with increasing complexity, the risk of misinterpretation and the emergence of unintentional mistakes also increases. Because users find it increasingly difficult, or even impossible, to evaluate the quality
of financial statements themselves, they produce an independent auditor to assess the quality of information contained in the report.

5. Conclusion

F Test results show that the value of F_count is 48.808 where the value of F_count > F_table (48.808 > 2.31), and the t test shows that the t_count value of Work Experience is greater than the t_table where [t]_count > t_table i.e. (3.063 > 2.68959) which means Work Experience has a simultaneous and partial effect on Audit Quality in Medan City Public Accounting Firm. F Test results show that the value of F_count is 48.808 where the value of F_count > F_table (48.808 > 2.31), and the t test shows that the value of Competency t_count is greater than t_table where [t]_count > t_table i.e. (2.876 > 2.68959), which means Competency influence simultaneously and partially on Audit Quality in Medan City Public Accountant Firm. F Test results show that the value of F_count is 48.808 where the value of F_count > F_table (48.808 > 2.31), and the t test shows that the value of t_count Independence is greater than the t_table where [t]_count > t_table is (4.557 > 2.68959), which means Independence influence simultaneously and partially on Audit Quality in Medan City Public Accountant Firm. F Test results show that the value of F_count is 48.808 where the value of F_count > F_table (48.808 > 2.31), and the t test shows that the value of t_count Accountability is greater than t_table namely (2.690 > 2.68959), which means Accountability influence simultaneously and partially on Audit Quality in Medan City Public Accountant Firm.

The suggestions that can be given by researchers in this study are as follows, in carrying out their duties the auditor must uphold the values of competence, independence, accountability and complexity so that unhealthy actions will not occur during the auditing process. Input for the Public Accounting Firm is to provide an opportunity for auditors in the Public Accounting Firm to develop the auditor’s knowledge and provide facilities for the auditor to participate in training, seminars and continuing education. For future researchers to further develop their knowledge by adding the variables studied or considering choosing other variables that can affect audit quality.

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