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The Impact of Auditor's Competence & Independence & Time Budget Pressure on Audit Quality (Study at Accounting Firm in Bandung)

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Abstract. This study aims to examine the influence of auditor's competence and independence and time budget pressure on audit quality. The basic problem is that investors need true and fair information about the company. Investors want to invest in companies with good performance and financial condition. Therefore, a public accountant as a third party must be reliable to give assurance on the accuracy of financial statement.

Operationally, each research variable is divided into several dimensions. Auditor's competence is divided into two dimensions: knowledge and experience. Auditor's Independence is divided into four dimensions: long-term relationships with clients, peer review, non-audit services, and special relationships. Time Budget Pressure variable is divided into three dimensions: knowledge, responsibility, and performance appraisal. Audit Quality variable is divided into five dimensions: integrity, audit processes, timeliness, professional skepticism, and codes of conduct.

The population of this study is auditors who work in Public Accounting Firm in Bandung registered as members of IAPI. Data were collected by distributing questionnaires to respondents. The variables in this research are Auditor Competence (X1), Auditor Independence (X2), and Time Budget Pressure (X3) as independent variable and Audit Quality (Y) as dependent variable. The data were processed using multiple linear regression analysis.

The results showed that auditor's competence and time budget pressure did not significantly affect audit quality, while auditor's independence did significantly affects audit quality. Coefficient of determination value indicates that simultaneously auditor's competence, auditor's independence, and time budget pressure affect significantly on audit quality (32,4%) while the rest (67,6%) is affected by other factors outside this research model.

Keywords : auditor's competence, auditor's independence, time budget pressure, audit quality.