

**THE INFLUENCE OF PROFESSIONALISM, COMPETENCY, AND
WORK EXPERIENCE ON AUDIT QUALITY
AT THE PUBLIC ACCOUNTANT OFFICE IN MEDAN CITY**

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Abstract

This study aims to examine and analyze the effect of professionalism, competence and work experience on audit quality. This study uses an associative approach. The population in this study were all auditors who work at the Public Accounting Firm (KAP) in Medan City with a sample of 50 auditors . The sampling technique in this study used a convenience sampling technique. Collecting data used in this study using a questionnaire. The data analysis technique was carried out by using multiple linear regression analysis. The results showed simultaneously and partially professionalism, competence and work experience had a significant effect on audit quality .

Keywords: *Professionalism, Competence, Work Experience, Audit Quality*

1. INTRODUCTION

Profesi public accountant is an assessment that is free is responsible for raising the level of reliability of the financial statements of the company, so that users of financial statements obtain reliable financial information as a basis for making public keputusan. Akuntan as the party that guarantees on the fairness opinion from the financial statements presented by management . In carrying out their audit duties, public accountants must adhere to the audit standards set by the Indonesian Institute of Public Accountants (IAPI), namely general standards, field work standards, and reporting standards.

One of the cases that occurred abroad was the issue of accounting *fraud* at large multinational companies in *British Telkom* since the beginning of the second quarter of 2017. Fraud at *British Telkom* had an impact on its public accountant, *Price Waterhouse Coopers* (PWC), which is the world's leading public accounting firm. and including *the bigfour* . The impact of accounting *fraud* not only causes the reputation of the public accounting firm to be tarnished, but also tarnishes the public accounting profession. *British Telkom* replaced PWC with KPMG even though PWC's relationship with *British Telkom* has been going on for a very long time, namely 33 years since British Telkom was

Accounting and Bussiness Journal

privatized. *British Telcom's Board of Directors* was dissatisfied with PWC's failure to detect accounting *fraud* in Italy, *fraud* was detected by *whistleblowers* followed by forensic accounting by KPMG. This *fraud* accounting mode is to inflate (increase) the company's profits for several years in an unnatural way through corrupt cooperation with corporate clients and financial services. this case of accounting *fraud* has an impact on losses to shareholders and investors. (Warta Ekonomi.co.id, Jakarta 2017).

The case that occurred in Indonesia was the manipulation of financial statements that hit PT. SNP *Finance* and the KAP it uses. SNP *Finance's* annual financial statements have been audited by Public Accountants (AP) Marlinna and Merliyana Syamsul from KAP Satrio, Bing, Eny and Partners and received an unqualified opinion, but based on the results of the OJK examination, SNP *Finance* indicated that it has presented financial reports that are significantly inconsistent with actual financial condition. The audited LKT is used by SNP *Finance* to obtain credit from banks and issue MTNs that have the potential to experience default and become non-performing loans. Regarding this case the Financial Services Authority (OJK) imposed administrative sanctions in the form of cancellation of registration to AP Marlinna and Merliyana Syamsul and KAP Satrio, Bing, Eny and Partners. The imposition of sanctions on AP and KAP only applies to the banking, capital market and IKNB sectors. OJK and the Financial Professional Development Center (P2PK) of the Ministry of Finance assessed that the two APs had committed serious violations so that they violated POJK Number 13 / POJK.03 / 2017 concerning the Use of Public Accountant Services and Public Accounting Firms, among others with the consideration that they had provided an opinion that did not reflect the conditions. actual company. (Jakarta, Kompas.com 2018).

In North Sumatra, there was also a case of the head of the Public Accountant Office Hasnil M Yasin & Rekan, who engineered the calculation of overpayment of civil servant income taxes in two districts, namely in Simalungun and Langkat. For both cases, the result was a fine of Rp. 200 million and sentenced to 6 years in prison for his actions. In this case the head of the Public Accounting Firm Hasnil M Yasin & Rekan received a payment of Rp. 400 million in the engineering calculation of overpayment of civil servant income tax. This case also dragged former Regional Secretary Langkat Surya Djahisa and also former Simalungun Secretary Abdul Muis Nasution. The result of this case resulted in a total loss of Rp. 2.9 billion, with details of the loss of Rp. 1.2 billion in Langkat Regency Government and Rp. 1.7 Billion in Simalungun Regency Government (Tribun-Medan.com, 2018).

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Audit quality is the probability that the auditor will find and report violations of the client's accounting system (DeAngelo in Nurjanah and Kartika 2016). Auditors must have adequate audit quality so that they can reduce the inconsistencies that occur between management and shareholders because users of financial statements, especially shareholders, will make decisions based on reports that have been audited by the auditor (Fictoria and Manalu 2016).

One of the factors that influence audit quality is professionalism. Professionalism is a responsibility to do more than fulfill one's own responsibilities as well as the laws and regulations of society (Arens, et al, 2015, p. 96). The higher the level of professionalism of an auditor, the better the quality of the audit produced by the auditor.

The First General Standard of SA Section 210 (SPAP 2001) states that auditors must be carried out by one or more persons who have sufficient technical expertise and training as auditors. Skills attainment begins with formal education which then follows through experience and practice of auditing. An auditor must have special training for auditors whose aim is to improve personal quality and improve special skills in one area for auditors to produce good audit quality.

Apart from professionalism and competence, work experience is also a very important factor to support a good audit quality. The experience referred to here is the experience of the auditor in examining financial statements in terms of both the length of time and the number of assignments that have been performed. The more an auditor checks the financial statements, the better the level of audit quality that is owned (Nurjanah and Kartika 2016).

2. LITERATURE REVIEW

Audit Quality

According to DeAngelo (1981) in Nurjanah and Kartika (2016) Audit quality is: "Audit quality is the probability that auditors will find and report violations of their client's accounting system."

According to Lee, Liu, and Wang (1999) in Tandiontong (2018 , p. 79) Audit quality is: "Audit quality is the probability that the auditor will not report the audit with an unqualified opinion for financial reports that contain material errors."

Based on the definition above, it can be concluded that audit quality is the probability that the auditor will find and report violations of the financial statements that

Accounting and Bussiness Journal

contain material errors. Quality audits are used as a reference for users of financial statements to make decisions.

Professionalism

According to Arens, et al (2015, p. 96) the definition of auditor professionalism is: "Professionalism is a responsibility to act more than just fulfilling one's own responsibility and legal provisions and community regulations."

The definition of professionalism according to the Big Indonesian Dictionary (2005, p. 897) is: "Professionalism is the quality, quality, and behavior which are the characteristics of a profession or a professional person."

Based on the description above, it can be concluded that professionalism is the attitude and behavior of auditors in carrying out their profession with seriousness and responsibility to produce good audit quality. A public accountant, as a professional, must be aware of the responsibility to the public, to clients and to fellow practitioners, including respectful behavior, even if it means making sacrifices for personal gain. The indicators used to measure professionalism in this study are based on Agustia and Pertiwi (2013), namely (1) Professional service , (2) Social obligation , (3) Independence , (4) Belief in the profession , (5) Relationships with fellow professions .

Competence

According to Mathius Tandiontong (2018, p. 172) states that: "Competence relates to expertise, knowledge and experience so that a competent auditor is an auditor who has sufficient knowledge, training, skills and experience to successfully complete his audit work."

According to Arens et al (2011, p. 322) states that: "Competence is the knowledge and skills needed to achieve the tasks that define each person's task."

Based on the above understanding, it can be concluded that competence is the ability to complete an audit task based on adequate knowledge, training, skills and experience over a certain period of time. The indicators used to measure competence in this study are based on Oklivia and Marlinah (2014), namely: (1) personal quality , (2) general knowledge , (3) special skills .

People experience Work

In SA section 210 the third paragraph states that in carrying out an audit to arrive at a statement of opinion, the auditor must always act as an expert in accounting and

auditing. This expertise in accounting and auditing can be achieved through formal education developed through experiences in auditing tasks (SPAP 2001).

According to Fransiska and Betri (2014), experience is as follows: " Experience is a learning process and additional potential development of behavior from both formal and non-formal education or it can also be interpreted as a process that leads a person to a more behavioral pattern. high."

According to Nurjanah and Kartika (2016), the experience is as follows: "The experience that is meant is the experience of the auditor in examining financial statements measured in terms of length of time and number of assignments that have been performed."

Based on the definitions described above, it can be concluded that work experience is a learning process and an additional development of the potential for auditors to conduct audits of financial statements measured in terms of length of time and number of assignments that have been performed. The more experience the auditor has, the higher the level of professional skepticism of the auditors in conducting audits so as to produce credible opinions or opinions. The indicators used to measure professionalism in this study are based on Oklivia and Marlinah (2014), namely: (1) The length of time working as an auditor , (2) The number of audit tasks

3. RESEARCH METHOD

Research Approach

This study uses an associative approach. Associative research is research that aims to analyze the relationship between one variable and another or how the relationship between one variable affects other variables .

Operational Definition of Variables

Audit quality (Y)

Audit quality is the probability that the auditor will find and report violations of financial statements that contain material errors. The indicators used to measure the quality of the audit in this study are based on Oklivi and Marlinah (2014), namely (1) The conformity of the audit with the audit standards , (2) The quality of the inspection results report .

Professionalism (X2)

Professionalism is the attitude and behavior of auditors in carrying out their profession with sincerity and responsibility to produce good audit quality. The indicators

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used to measure professionalism in this study are based on Agustia and Pertiwi (2013), namely (1) Professional dedication , (2) Social obligation. , (3) Independence , (4) Belief in the profession , (5) Relationships with fellow professions .

Competence (X2)

Competence is the ability to complete an audit task based on sufficient knowledge, training, skills and experience over a certain period of time. The indicators used to measure competence in this study are based on Oklivia and Marlinah (2014), namely (1) personal quality , (2) general knowledge , (3) special skills .

Work Experience (X3)

Work experience is a learning process and adds to the development of the potential for auditors in conducting audits of financial statements measured in terms of length of time and number of assignments that have been performed. The indicators used to measure professionalism in this study are based on Oklivia and Marlinah (2014), namely (1) duration work as an auditor , (2) The number of audit tasks .

Population and Sample

The population in this study is a Public Accountant who worked in Public Accounting Firm (KAP) in Kota Medan. Daf tar public accounting firm in the city of Medan whose licenses registered in the Professional Development Center for Finance (first-aid) per December 12, 2018 and January 3, 2019 .

The sampling technique in this study used a convenience sampling method, which is a sample selection method based on population elements whose data is easily obtained by researchers. The population elements selected according to the sample subjects are not limited so that researchers have the freedom to choose samples quickly (Indriantoro and Supomo, 2011). The total sample was 159 respondents and the sample studied were auditors at the Public Accounting Firm in Medan City. Sample calculation by calculating the questionnaire returned by the respondent.

Data collection technique

The data used in this study are primary data. The data collection technique used in this study was a questionnaire. Respondents in this study were auditors at the Public Accounting Firm in Medan City. The questionnaire used in this study includes five parts, namely a questionnaire to examine audit quality, professionalism, competence, and work experience. The scale used in this study is the Likert scale. Before the questionnaire is

distributed, first the instrument quality test is conducted in the form of validity and reliability tests.

Data Analysis Techniques

Data analysis techniques yang digunakan in this research that test descriptive statistics, regression analysis test, the classical assumption test, test hypotheses, and test the coefficient of determination and hypothesis testing.

4. RESEARCH RESULTS AND DISCUSSION

Research result

Multiple Regression Analysis Test

Table 1
Regresi Linear Regression
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	9,238	4,540		2,035	.048
Professionalism	.236	.092	.352	2,551	.014
Competence	.218	.100	.249	2,187	.034
Work experience	.519	.139	.506	3,737	.001

a. Dependent Variable: Audit Quality

Source: Pen g processed SPSS Data

Based on the above table of results p roses yang using SPSS as the calculation, the results are as follows:

The Multiple Regression Equation is:

$$Y = 9.238 + 0.236X1 + 0.218X3 + 0.519X4$$

1. Variable Professionalism (X1)

T table is calculated from α 5% df (n) -k = df (n) is the number of data or observations, k is the number of independent variables means $47 - 4 = 43$, so t table $43 = 2.016$. The test results obtained that the professionalism variable shows t count = 2.551 is greater than t table 2.016, with a significant value of $0.014 < 0.05$. By such means the significant value of 0.014 is less than 0.05 which indicates that

professionalism significant effect on audit quality . The first hypothesis yan g stating there is pen g aruh professionalism on audit quality received.

2. Competency Variable (X 2)

The test results obtained that the competency variable shows that $t = 2.187$ is greater than t table 2.016, with a significant value of $0.034 < 0.05$. Thus, it means that the significant value of 0.034 is smaller than 0.05, which indicates that competence has a significant effect on audit quality . Then by a third hypothesis g a yan g stating that there are pen g aruh accepted the competence to audit quality.

3. Work Experience Variable (X 3)

The test results obtained that the work experience variable shows that t count = 3.737 is greater than t table 2.016, with a significant value of $0.001 < 0.05$. Thus, it means that the significant value of 0.001 is smaller than 0.05, which indicates that work experience has a significant effect on audit quality . The fourth hypothesis yan g stating that there are pen g aruh p engalaman k Gov on audit quality received.

F test

Table 2
F test
ANOVA ^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	225,289	4	56,322	15,349	.000 ^a
	Residual	154,115	42	3,669		
	Total	379,404	46			

a. Predictors: (Constant), Work Experience , Competence, Professionalism
b. Dependent Variable: Audit Quality

Source: Pen g processed SPSS Data

From the results of the pen g processed the data above shows that the probability that the value of g $0.000 < 0.05$. Den g 's conclusion is thus no pen g aruh si g nifikan professionalism, competence, and pen g people experience work together (simultaneously) on audit quality. Therefore, the fifth hypothesis yan g expressed profesiona lisme, competence, and pen g people experience work berpen g aruh simultaneously on audit quality.

Determination Coefficient Test

Table IV-21
Determination Coefficient Test
Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771 ^a	.594	.555	1,91557

a. Predictors: (Constant), Work Experience , Competence, Professionalism,
b. Dependent Variable: Audit Quality

Source: Pen g processed SPSS Data

From the results pengolahan above data shows that the value of the coefficient of determination (as seen from R squer) amounted to 0.594 it means that 59.4% variation in the audio quality is not determined by the variations in the value of professionalism, competence, and pen g people experience work while the rest influenced by variables others who were not examined in this study.

Discussion

1. The Effect of Professionalism on Audit Quality at the Public Accounting Firm in Medan City

The test results obtained that the professionalism variable shows t count = 2.551 is greater than t table 2.016, with a significant value of 0.014 <0.05. Thus, the significant value of 0.014 is smaller than 0.05, which indicates that professionalism has a significant effect on audit quality at public accounting firms in Medan.

The results are consistent den g 's research Jasmadeti, Widyastuti, and Suyanto (2018) and Adhi, Surya ni, and Budiono (2018) found results that partially professionalism berpen garuh on audit quality. professionalism is the attitude and behavior of auditors in carrying out their profession with seriousness and responsibility to produce good audit quality. Professionalism means being able to be professional. A professional auditor who is obliged to work according to the standard examination, memperhatikan k 's principles of public interest, the objective in audit activity, have an attitude of high integrity and capable of maintaining mental free from influence or independently so that the quality of audits produced minimal to doubt .

2. The Effect of Competence on Audit Quality at the Public Accounting Firm in Medan City

The test results obtained that the competency variable shows that t = 2.187 is greater than t table 2.016, with a significant value of 0.034 <0.05. Thus, the significant

value of 0.034 is smaller than 0.05, which indicates that competence has a significant effect on audit quality in public accounting firms in Medan.

The results are consistent den g an Nurjanah research results and Kartika (2016) who found results that competence and significant positive effect on audit quality. The higher the competence of the auditor, the better the quality of the resulting audit. With the competence possessed, the auditor can perform audit tasks easily.

3. Influence Pen g people experience Work on the Quality Audit on Public Accounting Firm in Medan

The test results obtained that the work experience variable shows that t count = 3.737 is greater than t table 2.016, with a significant value of 0.001 <0.05. Thus, it means that the significant value of 0.001 is smaller than 0.05, which indicates that work experience has a significant effect on audit quality at public accounting firms in Medan.

The results are consistent den g an Oklivia research results and Marlinah (2014) yan g find results that pen g people experience the auditor berpen g aruh positive and the g nifikan on audit quality. Pen g people experience has a role pentin g on audit quality. The more hours Terban g yan g is owned by auditors in men g audit a report keuan g of an enterprise, the greater the pen g aruh yan g is given to audit quality. Auditor yan g berpen g people experience is assumed to provide quality audit yan g better dibanding kan den g of an auditor yan g yet berpen g people experience. This is because the pen g people experience will form the membership seseoran g both technically and psychologically.

4. Effect of professionalism , competence, and Pen g people experience Work on the Quality Audit on Public Accounting Firm in Medan

Results Pens g processed the data shows that the value of F coun g = 15.349 is greater than F table 2.59, den g an a probability value that the g 0.000 <0.05. Den g 's conclusion is thus no pen g aruh si g nifikan professionalism, competence, and pen g people experience work together (simultaneously) on audit quality in the public accounting firm in the city field.

The results are consistent den g an Fietoria research results and Manalu (2016) yan g find results that professionalism, competence, and pen g people experience work berpen g aruh simultaneously to quality audit. Auditor in doing tu g as the examination must have an attitude of professionalism, competence, and pen g people experience work yan g quite a g ar can download g generate audit yan g quality.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Professionalism has a significant effect on audit quality at public accounting firms in Medan.
2. Competence has a significant effect on audit quality in public accounting firms in Medan.
3. Work experience has a significant effect on audit quality in public accounting firms in Medan.
4. Professionalism, competence, and work experience simultaneously affect audit quality.

Suggestion

Based on the conclusions yang obtained in this study, it proposed some suggestions sebagai follows:

1. For further researchers, it is advisable to add other variables that are more influential on audit quality such as audit fees, accountability, professional ethics, time budget and so on because the variables in this study only represent 59.4%, the remaining 40.6% is influenced by other variables not used in this study.
2. For future researchers, it is better to increase the scope of the research sample by expanding the area.
3. For further research, recommend that the respondent yang men g contents of the questionnaire is a senior auditor yang more berpen g people experience sehing a result yang will get will be maximum.
4. Suggested to KAP to provide training to auditors agar add insight and ability tentang auditin g sehing A will add pen g people experience work yang will shortly g generate audit quality yang good.

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