

Influence of auditor objectivity, independence, and competence on audit quality of Public Accounting Firm in Indonesia

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Abstract: This study aims to analyze the effect of auditor objectivity, independence and competence on audit quality of public accounting firms in Batam, Indonesia. This study uses quantitative methods with primary data through distributing questionnaires and using data processing with the help of the SPSS application. Data analysis using multiple linear regression. The population in this study were 44 KAP auditors with the research sample using saturated samples. The results of the study show that the objectivity affects significant on audit quality, Independence does not affect on audit quality and Competence does not affect on audit quality.

Keyword: *objectivity, independence, competence and audit quality*

1. Introduction

An audit is a professional service performed by a public accounting firm and carried out by an auditor whose character is as a service. Public Accountant Professional Standards require that a report be made every time an audit is conducted. The Public Accounting Firm can issue various audit reports, according to the circumstances. In conducting an audit of financial statements, the auditor cannot provide an absolute guarantee (assurance) for clients or other users of financial statements, that the audited financial statements are accurate. The auditor cannot provide absolute guarantees because the auditor cannot examine all transactions that have been recorded, summarized, classified and compiled properly into the financial statements. If the auditor is required to provide guarantees regarding the accuracy of the audited financial statements, this is not possible because it will require time and costs that far exceed the benefits generated. A public accountant in conducting audits of financial statements does not merely work for the interests of his clients, but also for other parties who have an interest in auditing reports. To be able to maintain the trust of clients and other users of financial statements, public accountants are required to have adequate competence.

Work in a professional manner is the demands of audiences. No exception against a public accountant, often heard complaints that the auditor is less professional. The survival of the profession of auditor in Indonesia is very dependent upon the Community trusts the user auditor's services primarily to the quality of the resulting services profession. When the auditor service users do not have confidence in the profession of auditor, then the services of these professions are not effective.

Public accounting profession recognized by the community of the audit services provided for the users financial information. The expansion of the public accounting profession in a country in line with the development of the company in the country. Even at companies that thrive in a country still small-scale capital owner who uses to finance his efforts, the audit produced by the public accounting profession began to be required by the such companies. Similarly, in most of the companies incorporated limited liability company law in particular is open, the audit by the public accountant is still required.

The auditor must also have an independent attitude. Auditor independence is one of the main things in determining the level of reliability of financial statements. The definition of independence itself is an attitude that does not take sides with the interests of other parties, free from any influence where an auditor is obliged to maintain that attitude while performing his duties so that the resulting financial statements can be relied upon and trusted (Pratista and Widhiyani, 2014). This opinion is supported by the results of research conducted (Diah and Akhmad, 2017) stating that auditor independence, objectivity and audit fees have a positive effect on audit quality.

The public accountant as the independent auditor is a person who has authority to give opinions on the financial statements of a company that audited. Audit quality is determined by two things namely brought competence and independence. In taking the decision of public accounting is influenced by the impulse to defend a client audit. On the other hand there are some strengths that could defuse the influence. The public accountant as the independent auditor is a person who has authority to give opinions on the financial statements of a company that audited. Independence should be viewed as one of the most important characteristics of the auditor. Independence means the public accountant is not easily influenced and impartial to anyone.

Objectivity and competence that is inherent in themselves no guarantee that auditors Auditors can improve the quality of the results of the examination. Sukriah *et al.*, (2009) stated that the higher the objectivity level of an auditor, the better the quality of the results of the examination. Not to mention the various facilities provided for the assignment of inspection object can influence objectivity the auditor, the auditor is not impossible as well as being not honest in expressing the fact that shows low integrity of the Auditors. Therefore it is interesting to have a study on the influence of audit experience, independence towards improved quality of audit results with competence as an moderating variable.

The remainder of this paper is organized as follows: Section 2 briefly discusses the relevant literature in terms of conceptual, theoretical and empirical reviews. The methodology and empirical model are described in Section 3. Section 4 presents the results and discussion, Section 5 discusses the implications of the empirical findings and conclusions, while Section 6

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recommends policies that will improve audit quality of companies worldwide, based on findings from the context of stock exchange-listed manufacturing companies Indonesia.

1.1 Conceptual Review

Independence

Auditor independence is one of the main things in determining the level of reliability of financial statements. The definition of independence itself is an attitude that is not in favor of the interests of other parties, free from any influence where an auditor is obliged to maintain this attitude when performing his duties so that the resulting financial statements can be relied on and trusted (Pratistha & Widhiyani 2014)

Objectivity

Objectivity means the attitude of the auditor who makes a balanced assessment of the existing conditions without being influenced by his own interests or the interests of others in making decisions. The indicators used to measure objectivity are (1) free from various interests, and (2) disclosure of conditions in accordance with facts. All questions are measured on a Likert scale of 1 to 5.

Competence

Competence is the qualification needed by the auditor to carry out the audit properly. This construct is measured using 5 questionnaire items that have been compiled based on the references set by the BPKP in Sukriah, *et.al* (2009). Competence in this study is expressed as X_1 . The questions consist of 10 items consisting of several indicators. Each item is given a score of 1 to 5.

Audit quality

Auditor Quality (Y) The definition of audit quality is the implementation of audits carried out in accordance with standards so that auditors are able to disclose and report if there is an error or violation committed by the client, the standard governing audit quality in Indonesia is the Public Accountant Professional Standard. De Angelo (1981) defines audit quality as the probability in which an auditor finds and reports about a violation committed by his client. The results of his research indicate that a large KAP will try to present a greater audit quality than a small KAP. The questions consist of 12 items consisting of several indicators

1.2 Theoretical Review

This section provides a brief overview of relevant extant theories of independence, objectivity and competence, with respect to their significance for audit quality.

Professional Ethics of Auditors

Ethical behavior in organizations is to carry out actions fairly in accordance with constitutional law and government regulations that can be applied (Steiner in Nugrahaningsih, 2005). Ethics are matters relating to the issue of right and wrong. Professional ethics is a special ethic that concerns the social dimension. Specific professional ethics applies in the professional group concerned, which in this study is the accountant. Ethical behavior is also often referred to as a component of leadership, where the development of ethics is essential for the success of individuals as leaders of an organization (Morgan, in Nugrahaningsih, 2005). Professionals are seen as having different attributes from non-professional workers, which makes them have different relationships with conventional management hierarchies (Evetts, 2011; Tobias, 2003; inThomas and Qiu, 2013:166).

Objectivity

Pusdiklat was BPKP (2005) in Sukriah, *et al.*, (2009), objectivity as free a person from the influence of subjective views of the other parties concerned, so as to put forward an opinion according to what it is. An element behavior can support objectivity among other things (1) reliable and trusted, (2) no tender Committee, doubles as another Committee and or other works that are the operational task objects are checked, (3) does not set out a task with the intention to find fault other people, (4) can maintain the criteria and wisdom-wisdom, and (5) of the Act or take decisions based on logical thinking. Article 1 paragraph 2 of the Indonesian Accountant Code of Ethics states that each member must maintain integrity and objectivity in carrying out their duties.

Independence

The Public Accountant Code of Ethics states that Independence is the attitude expected of a public accountant to have no personal interest in carrying out his duties, which is usually contrary to the principles of integrity and objectivity. Independent means that a public accountant is not easily influenced. Public accountants are not justified in favor of anyone's interests. Auditor independence is directly and indirectly described as the probability that an auditor will report a discovered breach in the financial reports (DeAngelo, 1981; Watts and Zimmerman, 1983; DeFond *et al.*, 2002)

Li (2009) states that auditors must be independent because litigation risk and reputational problems, but some incentives, such as significant client interests for auditors, a compromise of auditor independence.

Research on the factors that influence auditor independence, such as client interests, audit office tenure, auditor mandatory rotation, and fees for audit and non-audit services (Reynolds and Francis, 2000; Frankel *et al.*, 2002; Kinney *et al.*, 2004; Carey and Simnett, 2006; Chen and Xia, 2006; Lennox *et al.*, 2014; Zhang *et al.*, 2017).

Other studies on the characteristics of auditors and audit firms, such as demographic characteristics of auditors, were conducted by Cheng *et al.*, 2009; Gul *et al.*, 2013; He *et al.*, 2018), the characteristics of the auditor's experience (Zhang and Fu, 2008; Fang,

2011; Wang et al., 2015), the size and reputation of the audit firm (Qi et al., 2004; Liu and Zhou, 2007), and efficiency improvements associated with audit firm mergers (Gong et al., 2016).

Li (2009), auditors should be independent because of the litigation risk and reputation concerns, however some incentives, such as client importance which is quite significant for auditors, and compromise auditor independence. If the independence or objectiveness is compromised, whether factual or appearance, then the disorder should be reported to the leadership of the APIP. The auditor must report to the leadership about the situation as it is and APIP or interpretation of the existence of a conflict of interest, not independent or bias. The leadership of the APIP have to replace an auditor who delivered the situation with other auditors who are free of the situation. Independence in this study will be proxied by four dimensions (Lauwet *et al.*, 2015), namely audit tenure, client pressure, peer review, and non-audit service.

Competence

Amrizal (2010) the competence of the auditor was mandatory qualifications possessed a forensic Auditors in performing the duties of his job. Competence possessed by forensic Auditors will show the quality of forensic Auditors in performing the task. Competence with regard to professional expertise possessed by auditors as a result of formal education, professional examinations as well as participation in training, seminars, Symposium (Suraida in Sukriah, *et al.*, 2010). Lee and Stone (1995) suggest that the definition of competence is a sufficiently explicit skill that can be used to carry out an audit process objectively.

Behn *et al.* (1997) in Alim, *et al.*, (2007) developing quality audit attributes one of which is the high ethical standards, while other attributes related to the competence of the auditor. In producing a quality auditing, public accounting must be aware of the responsibility to the public, to clients, and to fellow practitioners, including the honorable behavior, even if it means doing the sacrifice of personal (Arens, Elder, Beasley, 2008; Marsellia, Meiden and Hermawan, 2009).

Audit Quality

AAA Financial Accounting Standards Committee (2000) stated that audit quality can be determined from two things, namely independence competence. These two things not only have a direct effect on audit quality but also influence potential effects. Onwuchekwa *et al.*, (2012) which explains that audit quality increases with increasing accounting size company.

Quality audits are probabilities at which an auditor finds and reports about the existence of a breach in the system accounting clients. Public accountant (KAP) which will seek to present a larger audit quality compared to its small HOOD (De Angelo, 1981, in Alim, Hapsari and Purwanti, 2007). Conducts research on the attributes the quality of Auditors by public accountant who has an impact on client satisfaction. Audit quality is the extent to which the auditor meets the applicable regulations and standards in carrying out his audit profession (Krishnan and Schauer, 2001). According to Al- Khaddash *et al.*, 2013 audit quality is influenced by many factors. Namely, (1) auditors' experience (2) honesty (3) knowledge of auditing and accounting standards (knowledge in accounting and auditing standards).

Hyphotesis

- H₁ : Objectivity affects on audit quality
- H₂ : Independence affests on audit quality
- H₃ : Competency affects on audit quality

1.3 Prior Research

Research conducted by Patrick I, Vitalis and Mdoom examined the effect of independent auditors on audit quality. An ex post facto research design was used. Information for this research was obtained from secondary sources in the form of journals, textbooks and other internet materials. Based on the review, the findings indicate that there is a strong relationship between auditor independence and audit quality. The review also reveals four threats to auditor independence, namely client interest, non-audit services (NAS), audit tenure, and client affiliation with CPA firms. However, some studies show a positive relationship while others show otherwise due to the type of study design used, sample size, data collection instruments and analytical techniques used. Most of the studies on auditor independence and audit quality have centered on one or two threats and have mostly been conducted outside Nigeria. Even what was done in Nigeria was focused on the banking sector. Therefore, this review recommends that further investigations should be carried out in Nigeria taking into account the four main threats exposed and extending to other sectors such as manufacturing, transportation, media, education, etc.

Research conducted by Ramlah, Syah and Dara (2018) aims to test and analyze audit quality, audit quality independence, audit quality and audit quality audits and audit auditors. Researchers used moderated regression analysis (MRA). Respondents in this study were 31 auditors who worked at Makassar City Public Accountants. The results showed a positive and significant competence on audit quality. Audit quality can be achieved if the auditors have good competence. Competence consists of two dimensions, namely experience and knowledge, positive and significant. Independence on audit quality. Independence is a determining factor for audit quality. To improve audit quality, auditors must have good independence. Auditors who have a high level of usefulness in known matters, have high selfish attitudes, audit processes, SOPs that must be carried out, even are not careful, audit quality does not produce good results, independent interactions and auditor ethics. In order for auditors to maintain their independence, auditors need to maintain work ethics, which in this case is called auditor ethics

Research conducted by Rahmina and Agoes (2014) aims to determine the effect of auditor independence, audit tenure, and audit fees both partially and partially on audit quality. This study uses primary data collected through distributing questionnaires in audits of companies registered at the Capital Market Accountants Forum - FAPM in Indonesia. The study population was senior auditors, supervisor positions, managers, and partners and worked at audit firms of FAPM members.

The results of this study indicate that in general auditor independence, audit tenure, and audit fees have a positive effect on audit quality. The determination test coefficient of 21.4% indicates that audit quality can be explained by variations in the independence of auditors and audits tenure, and audit fees, while the remaining 78.6% is explained by other variables not used in this study, such as auditor size, auditor industry specialization, and audit risk. To improve audit quality, the Indonesian Public

Accountants Association (IAPI) must establish an Independent Audit Review Board and the latest mandatory rotation of audit partners and public accounting firms must follow the IFAC Code of Ethics for Professional Accountants as revised in July 2009, which requires audit partner rotation every time. seven years for public interest entities.

Previous research will explain about the research results obtained by researchers related to the research conducted. Several studies have been conducted to examine the influence of the influencing variables. Research conducted by Kusumawarnani and Riduwan (2017) on the Effect of Independence, Audit Fees and Objectivity on Audit Quality. In this study, the dependent variable is audit quality, while the independent variables are independence, audit fee and objectivity. The results of this study indicate that independence, audit fees and objectivity have a positive effect on audit quality.

Suharti *et al* (2017) research on Work Experience, Professionalism, Integrity and Independence on Audit Quality: Auditor Ethics as Moderating Variables. This research was conducted at the Representative of BPKP Riau Province. The results of this study indicate that audit experience and independence do not have a significant effect on audit quality. Meanwhile, professionalism and integrity have a positive effect on audit quality. Then Auditor Ethics cannot strengthen the relationship between auditor work experience, professionalism, integrity and independence with audit quality.

From research conducted by Susilo (2015) on Integrity, Objectivity, Auditor Professionalism and Audit Quality at the South Jakarta Public Accountant Office, it shows that integrity and professionalism have an effect on audit quality. Mean while, objectivity has no positive effect on audit quality. Pratistha and Widhiyani (2014) on the Effect of Auditor Independence and the Amount of Audit Fees on the Quality of the Audit Process. In this study took place in the KAP of the City of Bali. The results of this study indicate that auditor independence and audit fees have a simultaneous or partial effect on audit quality.

2. Methodology

2.1 Research Design, Data Nature and Source

This is the kind of research the research hypotheses with causal research shaped research design. Causal research is used to analyze relationships between one variable with another variable or how a variable affects the other variable. The hypothesis in this study aims to find out the influence and brought the independence of the quality inspection results public accounting in Batam city with competence as a moderating variable. The nature of this research is research that explains (explanatory descriptive) the phenomena that occur in the object of research regarding the independence, objectivity, competence and audit quality of public accountants in Batam City. According to Sugiyono (2009: 22) that explanatory descriptive research is intended to explain the position of the variable under study and the influence of one variable on another.

This research was conducted in Batam City Public Accountant Office. The choice of location is based on the consideration that it is still necessary to improve the quality of audits of public accountants in Batam City by increasing the independence, objectivity and competence of those who are members of the Batam City Public Accounting Firm. Public Accounting Firm as quality assurance in facing audits from external parties. The population in this study were 44 public accountants in Batam City. Because the population in this study was below 100, this study used a saturated sampling technique where all members of the population were sampled (Sugiyono, 2008).

2.2 Model Specification and Estimation Technique

This study uses multiple linear regression data analysis methods using SPSS version 23 software which runs on computer media. The measurement model is multiple linear regression:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Y = audit quality

α = constanta

$\beta_{1,2,3}$ = coefficients regression

X_1 = objectivity, X_2 = independence, X_3 = competence, e = Standart error

3. Results and Discussion

3.1 Preliminary Tests

General Data of Respondents

This study takes the population at the Public Accounting Firm in Batam. Of the several KAP in Batam, only 44 auditors were used as a test research instrument. This research was carried out by spreading 44 questionnaire to the auditor who works at several KAP with level 100% refund. Respondents in this study can be classified based on age, sex, recent education, and position. Following is an explanation of respondent data:

Table1: Description of Respenden

Age	Respondens	Percentage (%)
< 25 years	25	56.8
25-40 years old	12	27.3
>40 years	7	15.9
Gender		
Male	18	40.9
Female	26	29.1
Education		
Diploma	9	20.5
Bachelor	24	54.5
Postgraduate	11	25.0

Position		
Junior auditor	29	65.9
Senior auditor	15	34.1

Data Quality Test

Test Validity

Validity test is done by comparing the calculated value with Correlated Item Total Correlation, which compares the r count with r table. Pearson correlation value (r arithmetic) obtained from all questions for all variables, both objectivity, independence, competence and quality of audit results have a calculated value uncorrected item-total correlation is greater than r table = 0.308. Because the value of r table for a sample of 44 at a significant level of 0.05 is 0.308. Based on the previous validity criteria, it can be concluded that all questions for all variables in this study are valid.

Reliability Test

The reliability test in this study uses the Cronbach's Alpha formula. Something the research questionnaire can be declared reliable if the calculated value is greater than 0.60. All variables have Cronbach's Alpha values above 0.60. Based on the reliability test criteria, it can be concluded that different from the whole the variables in this study are reliable.

4. Implication of the Findings and Conclusion

Results of Multiple Linear Regression Analysis

To determine the effect of objectivity, independence and Competency on the quality of audit results, used linear regression analysis multiple. Based on the results of processing statistical data through SPSS, obtained output as follows:

Table 2: Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
	1.028	0.375		2.744	0.009
Objectivity (X ₁)	0.847	0.081	0.948	10.446	0.000
Independence (X ₂)	-0.088	0.084	-0.088	-1.043	0.303
Competency (X ₃)	-0.014	0.099	-0.012	-0.137	0.892

Based on the multiple linear regression calculation shown the table above, then the regression equation model as follows:

$$Y = 1.028 + 0.847X_1 - 0.088X_2 - 0.014X_3 + e$$

Hypothesis 1. Objectivity affects on audit quality

The results of this study support the first hypothesis that there is influence auditor's objectivity is positive towards on audit quality. This matter indicated by the regression coefficient X₁ of 0.847 states that every increase in objectivity of 1 unit will increase the quality of audit results of 0.847 units. t value is equal to 10.446 is greater than table 1,6849 indicating that the variable objectivity has a positive and significant effect on the quality of the audit results. This is supported by a significance of 0.000 smaller than 0.05 states that the objectivity variable has a positive and significant effect on audit quality. From the research results obtained by R square value of 0.775 which means objectivity affects on audit quality 77.5% while the remaining 22.5% is explained by other factors in outside this research.

The results of this study support the results of research conducted by Ayuningtyas (2012) entitled "The Effect of Experience employment, Independence, Objectivity, Integrity and Competence Against quality of Audit Results (Case Study of City / Regency Inspectorate Auditors in Central Java)". The results of the study concluded that objectivity has a positive effect on the quality of audit results. Each auditor is required to behave objective towards the client, not easily collided with conflicts of interest, by being objective means an auditor has fulfilled responsibility of the profession, on the other hand the desired audit results as well will be difficult to achieve as long as the auditor is still collided with certain interests towards the client or not being objective in examination. Objectivity is a belief, a quality that provides value for auditor services or services. Objectivity is one of the characteristics which distinguishes the accounting profession from other professions.

Principle objectivity establishes an obligation for auditors to be impartial intellectually, and free from conflicts of interest. The auditor conduct a balanced assessment of all relevant conditions and not influenced by their own interests or the interests of others in making his decision (Ayuningtyas, 2012). Every the auditor must maintain objectivity and be free from conflicts of interest in fulfilling its obligations (Professional Ethics Association Accountant Principles Indonesia, 1998 in Mulyadi, 2011). In the principle stated objectivity is a quality that provides value for services was given. The principle of objectivity requires members to be fair, no impartial, intellectually honest, unbiased, and free from conflict of interest or under the influence of another party. The results of this study indicate that there is a positive influence auditor's objectivity to audit quality. So if someone has a high objectivity the better audit quality.

Table 3: Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	1.028	0.375		2.744	0.009
Objectivity (X ₁)	0.847	0.081	0.948	10.446	0.000

Hypothesis 2. Independence affects on audit quality

The results of this study support the second hypothesis: there is no effect auditor independence on t audit quality. This matter indicated by the regression coefficient X_2 value of -0.088 states that each increase of independence by 1 unit will decrease audit quality -0.088 units. t value is equal to -1.043 is smaller than t table 1.6849 indicating that the variable Independence has no positive and significant effect on quality audit. This is supported by a significance of 0.303 greater than 0.05 which states that the independence variable has no positive and significant effect on the quality of audit results. From the research results obtained by R square value of 0.775 which means objectivity affects on quality audit 77.5% while the remaining 22.5% is explained by other factors in outside this research.

The results of this study contradict research conducted by Reynolds and Francis, 2000; Frankel *et al.*, 2002; Kinney *et al.*, 2004; Carey and Simnett, 2006; Chen and Xia, 2006; Lennox, *et al.*, 2014; Zhang *et al.*, 2017; Xiao, *et al.*, 2020 regarding factors that affect audit quality from the perspective of auditor independence, including client interests, audit office tenure, mandatory auditor rotation, and fees from auditing and non-audit services. Other studies that support Xiao, *et al.*, (2020) research on the characteristics of auditors and other accounting firms, such as demographic characteristics of auditors and KAP size and reputation (Qi, *et al.*, 2004; Liu and Zhou, 2007; Zhang and Fu, 2008; Cheng *et al.*, 2009; Fang, 2011; Gul, *et al.*, 2013; Wang, *et al.*, 2015; Gong, *et al.*, 2016; He, *et al.*, 2018). Audit is considered as a process of seeking information, processing, assessing, and adjusting (Gibbins, 1984).

The results of this study contradict the results of research conducted by Alim *et al.*, (2007) with the title "The influence of competence and independence on audit quality with Auditor Etiology as a Variable Moderation in the East Java Region Public Accounting Firm". Alim, *et al.* (2007) test the effect of competence and independence on auditing quality with auditor ethics as a moderating variable finding evidence empirically that independence has a significant effect on audit quality and the interaction of independence and auditor ethics also has a significant effect on quality audit. This means that audit quality is supported by up to the extent to which auditors are able to withstand audit pressure is accompanied by ethical behavior that is owned. Auditors must be able to collect any information collected to make decisions in producing audits quality, it cannot be done if it is not supported by behavior and independent attitude of an auditor (Alim, *et al.* 2007).

The auditor is required to account for its independence from opinions, conclusions, recommendations or consideration given to the results the checks they carry out. This is due to services that are given will affect the trust of third parties. If an auditor being independent, then he will give a real assessment to the audited financial statements, without any burden against any party. Then, the higher the independence of a person the auditor the quality of the audit results it provides is getting better.

Table4: Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
Independence (X_2)	-0.088	0.084	-0.088	-1.043	0.303

Hypothesis 3. Competence affects on audit quality

The results of this study on the first hypothesis is absent positive effect of auditor competence on audit quality. This is indicated by the regression coefficient X_3 value of -0.014 states that each increase in competence of 1 unit will reduce on audit quality results by 0.014 units. T value count of -0.137 smaller than t table 1.6849 indicates that the Competency variable does not have a positive and significant effect on audit quality. This is supported by a significance of 0.892 greater than 0.05 states that the Competency variable has no effect positive and significant impact on audit quality. From the research results obtained by R square value of 0.775 which means objectivity affects on quality audit 77.5% while the remaining 22.5% is explained by other factors in outside this research.

The results of this study are in agreement with the results of research conducted by Wahyuni *et al.* (2013) entitled "The Effect of Independence, Competence, Professionalism and Sensitivity of Professional Ethics Against Quality Audit (Case Study on BPK RI Sulawesi Representative South)". The results of the study concluded independence positive effect on audit quality. Some research results previously, such as Alim, *et al.* (2007), Sukriah (2009) states that competence has a significant influence on audit quality.

The quality of the resulting audit results is considered not good if the auditor those who conduct the examination do not have the qualifications and competencies to understand the criteria for error forms during the inspection later conclusions will be drawn from the evidence collected (Arenset *et al.* 2012). Define competency as a sufficient expertise can be explicitly used to do objective audit. The auditor in carrying out the task can do work easily, quickly, and very rarely or never make mistakes, and are supported with knowledge and expertise equalized then it is not impossible that the quality of audit results produced will increase. If the higher the competency of an auditor then the better the quality of audit results to be produced. The results of this study indicate that there is a positive influence on audit quality. So if someone has high competence, it will get better audit quality.

Table5: Multiple Linear Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
Competency (X_3)	-0.014	0.099	-0.012	-0.137	0.892

Based on the results of this study, it can be concluded several things as following:

Objectivity affects significant on audit quality. This research is supported by research conducted by Kusumawarnani and Riduwan (2017) and Sukriah (2009) which states that objectivity has a significant effect on audit quality. Independence does not

affect on audit quality. This research is supported by research conducted by Suharti (2017), Suryanti (2017), Efendy (2010) and Sukriah (2009) which states that independence does not have a significant effect on audit quality. The factor that causes independence to have no effect on audit quality is because an auditor basically has an independent attitude which is a basic characteristic that must be owned even before entering into a cooperation contract with a client. So that independence does not have a significant effect on audit quality. Another factor that may cause independence not to affect audit quality is due to a violation by the auditor of his independent attitude. Possible violations committed are because the public accounting firm performs multi-service services to clients and there is no limit to the length of time that the public accounting firm conducts audits of clients (Maharani, *et al*, 2016). Competence does not affect on audit quality. The quality of the resulting audit results is considered not good if the auditor those who carry out the inspection do not have the qualifications and competence to understand the error form criteria during an examination later conclusions will be drawn from the evidence collected (Arens *et al*; 2012).

5. Policy Recommendations

Further research can further test the influence of the independence, objectivity and competence variables directly on audit quality and their effects on other variables. Further researchers need to dig deeper in the form of qualitative research to find the right questions to explore independence and objectivity so that they can find consistent results in influencing audit quality.

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