

Auditor Skill, Work Experience and Professional Skepticism on Performance of Auditors

Sunarmin¹, Ahmad Junaidi²

¹²Institut Ilmu Sosial dan Manajemen STIAMI, Indonesia

Correspondent: sunarmin3@gmail.com¹

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ABSTRACT: Auditor is an accounting profession that is expected to be able to produce audit report products that can be accepted by both internal and external companies. The audit report must be existence and accuracy, completeness, rights and obligations, valuation or allocation, presentation and disclosure. To achieve this, several measuring tools are needed on how to determine the level of good auditor performance. The performance of professional auditors and having performance and broad insight will produce report products that can be accounted for and have reliable financial report functions and information. The research method used in this research is to use literature review, a systematic, explicit and reproducible method to identify, evaluate and synthesize research works and ideas that have been produced by researchers and practitioners. The results of this study can be concluded that good governance, audit structure, role conflict, role ambiguity, understanding of good governance, task complexity, have no effect on auditor performance. While organizational commitment, leadership style, professional training, competence, Locus of Control, and Auditor Integrity affect the performance of the auditor. For professional skepticism and audit knowledge, it turns out to have a positive and significant influence on the indications of regional loss findings.

Keywords: Skill, Work Experience, Professional Skepticism, Auditor Performance.



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INTRODUCTION

Accountants are one of the professional fields that require special skills. The accounting profession has been around since the 15th century, although experts are still debating when this profession actually started ([Gammie & Whiting, 2013](#); [Walker, 2017, 2021](#)). In 15th century England, non-owners and non-managers who are now called auditors were asked to check whether there was fraud in the books or in the financial statements submitted by the owner's wealth manager ([Annisette, 2017](#); [O'Regan & Killian, 2021](#); [van der Steen, 2022](#)). The accounting profession is all fields of work that use expertise in the field of accounting, including the field of work of public accountants, internal accountants working in industrial, financial or trade companies, accountants

working in the government, and accountants as educators ([Antonelli et al., 2022](#); [Karlsson & Noela, 2022](#); [Xue & Zan, 2022](#)).

One of the keys to building the Unified Theory of Acceptance and Use of Technology (UTAUT) is facilitating conditions ([Ronaghi & Forouharfar, 2020](#); [Venkatesh et al., 2012](#)). These factors influence behavioral intentions to use technology and/or use technology. The application of information technology, which is represented by three independent variables, skills and knowledge, system use and perceived usefulness, has a positive and significant effect on auditor performance ([Al Aufa et al., 2020](#); [Dwivedi et al., 2020](#)). The findings of this study recommend increasing the use of information technology so that the effectiveness and efficiency of the audit process can be increased ([Ayaz & Yanartas, 2020](#); [Rengganis & Isgiyarta, 2015](#)).

Accountants who have a career and work in offices or in private companies are responsible for processing transactions professionally based on the current Statement of Financial Accounting Standards ([Huang & Yan, 2020](#)). Accountants who work in the government or in the government inspectorate will have the task of controlling and maintaining state assets ([Chychyla et al., 2019](#)). Accountants who work in external audits such as public accountants have the task of being a means of control over the company's financial transactions, the results of which can provide independent information on the company's performance for a certain financial year according to their assignment ([Pucci & Skærbæk, 2020](#)). Accountants who work in public accounting firms must be independent in accordance with the auditing standards set by IAPI ([Khumawala et al., 2020](#)). The product of the internal accountant is a financial report that will be used as a measurement of the company's performance and used as a management benchmark for the achievements and success of the management in managing the company ([Flesher et al., 2018](#)).

The requirements that must be met by a public accountant as contained in Article 6 of Law No. 5 of 2011 concerning Public Accountants are: have a certificate of passing a valid public accounting professional exam, have a certificate of passing a legal public accounting professional exam, have experience in providing services as intended in Article 3, domiciled in the territory of the Unitary State of the Republic of Indonesia, has a Taxpayer Identification Number, has never been subject to administrative sanctions in the form of revocation of a Public Accountant license, has never been sentenced to a permanent legal force for committing a criminal offense punishable by imprisonment 5 (five) years or more, become a member of the Association of Professional Public Accountants as determined by the Minister; and not in custody. An independent auditor is an auditor who is responsible for meeting auditing standards set by the Indonesian Institute of Certified Public Accountants ([Agoes, 2017](#)). There are differences in behavior and motivation between male auditors and female auditors, while the Professional Commitment dimension shows no difference ([Anggrainy et al., 2018](#)).

However, overall, the results of data processing show that there is a difference in performance between male auditors and female auditors. These differences prove that a person's performance will still be different, especially when compared to men and women, which are basically different in many ways because they are influenced by gender factors. In assessing performance in the field, some companies look at the ability side more than looking at gender differences. One of the considerations for employers is the experience and insight of a person in carrying out the work and the job

responsibilities that will later become the responsibility for the job. Research related to the influence of competence and compensation on employee performance by adopting a contingency approach ([Brownell, 1982](#); [Jalaluddin, 2010](#); [Sutrisno, 2010](#)). Experienced auditors are auditors who have a better understanding, they are also better able to provide reasonable explanations for errors in financial statements and can classify errors based on audit objectives and the structure of the underlying accounting system ([Agoes, 2017](#); [Asif et al., 2022](#); [Yu et al., 2022](#)).

In carrying out audit assignments in the field, an auditor does not only follow audit procedures that are summarized in the audit program that has been created and becomes a guideline by the implementers in the field by the personnel of the Public Accounting Firm. But it must also be accompanied by an attitude of professional skepticism ([Rodgers et al., 2017](#)). Professional skepticism in the professional standards of public accountants defines professional skepticism as an auditor's attitude that includes a questioning mind and critical evaluation of audit evidence ([Kang et al., 2015](#)). Auditors are said to be skeptical if in their attitude they will not take for granted explanations and oral information from clients. But with a critical nature will ask questions to obtain reasons, evidence and confirmation of the object in question ([Zarefar et al., 2016](#)). Without applying professional skepticism, an auditor will only find misstatements caused by errors and it is difficult to find misstatements caused by fraud, because fraud is usually hidden by the perpetrators. Professional skepticism is an employee attitude that includes a mind that always questions and evaluates critically what its performance is ([Cohen et al., 2017](#)). As previously explained, professional skepticism carefully and thoroughly requires performance to carry out professional skepticism for the better ([Noviyanti, 2008](#)). Evaluators do not affect the outcome effect in evaluating auditor performance. The outcome effect is the result of the professional auditor on the audited report product produced ([Sari et al., 2018](#)). This product will be used as a handle for accurate information on the company that is the subject of his work. Auditor performance is a public accountant who carries out objective examination assignments on the financial statements of a company or other organization with the aim of determining whether the financial statements present fairly in accordance with generally accepted accounting principles, in all material respects, the financial position and company results. Internal auditor performance measurement uses the Balanced Scorecard which suggests aspects of internal audit performance measurement into perspective: innovation and learning to answer the question of whether internal audit is able to continuously improve and create value, internal audit process to answer questions in which areas of internal audit has expertise, management/ auditee adaptation of customer perspective is to answer the question of how the customer views internal audit, the board/audit committee adapts from a financial perspective to answer the question of how internal audit views stakeholders.

METHOD

In this study, the authors use a literature review as a framework designed to classify sources of general data and information studied in the study. Literature review is a systematic, explicit and reproducible method for identifying, evaluating and synthesizing research works and ideas that have been produced by researchers and practitioners. Some sources of information used in this research as literature study materials include the following: Research Journal, in this journal several selected research results are published so that they can be used as a reference for the development of new science; Books, books are a very important source of information because some fields of

science that are closely related to research are manifested in the form of books written by an author who is competent in his field of science. Newspapers and Magazines, this print media is a good source of literature and is easily available everywhere; Internet, technological advances have a very significant impact in the field of information, researchers can directly access the internet and get the desired information from various countries very quickly. In order to collect valid and accurate data and information, to collect the main data (to obtain primary data) the researcher will conduct a literature review and supporting literature such as media information, internet and other supporting information which are studied in depth. A good literature review is one that evaluates the quality and new findings of a scientific paper. It should be understood that the so-called scientific literature can be in the form of: Papers from Scientific Journals, Papers from Conferences (Proceedings), Thesis and Dissertations, Reports from Trusted Organizations, and Textbooks. This source literature is useful as a cross-check material, if it turns out that there is data that is considered less valid. Literature study is a data collection technique by using books or references as research support, and by completing or searching for data needed by researchers from journals, magazines, papers, print media and so on, which are relevant to the problems studied to get clarity of concepts in the preparation effort. theoretical basis that is useful in the discussion. Internet searching is research conducted by collecting various additional references sourced from the internet in order to complete the author's references regarding the problem under study.

RESULT AND DISCUSSION

Auditors are one of the accounting professions that focus on and work as examiners, both in external accounting firms and as internal audits. The performance of this auditor has an important and significant role in the audit (client). Parties with an interest in financial statements include investors, creditors, and stakeholders. The users of this audit report also expect that the financial statements that have been audited by the auditors produce an opinion that is free from material misstatement, so that they can be trusted to be used as a basis for decision making and are in accordance with accounting principles applicable in Indonesia. Therefore, an independent and objective public accounting firm is needed to assess the fairness of the financial statements presented by management. Prajitno's research (2012) shows that understanding good governance, audit structure, role conflict, role ambiguity, understanding good governance, and task complexity have no significant effect on auditor performance and only organizational culture has a significant effect on auditor performance. Problems in the field and the number of material transactions that require an auditor's professional opinion, so that an auditor must be ready for professional skills, insight and skepticism. The results of Amandani and Wirakusuma's research (2017) show that organizational commitment has a positive effect on auditor performance, which indicates that the higher the attitude of an auditor's commitment to a public accounting firm, the more it will affect its performance. Leadership style has a positive effect on auditor performance which shows that the better the way to lead a leader in a public accounting firm, the more it will affect the performance of the auditor. Professional training has a positive effect on auditor performance, which indicates that the more often training is given to auditors in a public accounting firm, the auditor's performance will tend to increase. Competence has a positive and significant effect on auditor performance, compensation has a positive and significant effect on auditor performance. While the moderating effect of professional skepticism strengthens the effect of competence on auditor performance, the moderating effect of professional skepticism strengthens the effect of compensation on auditor performance (Putra and Sintaasih, 2018). The results of Nurhayati's research (2018) that partially Locus of Control has a significant positive effect on auditor

performance, Auditor Integrity has a significant positive effect on Auditor performance, Leadership style has a significant positive effect on auditor performance. And Locus of Control, Auditor Integrity, leadership style can have a significant positive effect on auditor performance simultaneously. Rahmat's research (2017) that professional skepticism and audit knowledge have a positive and significant effect on indications of regional loss findings.

CONCLUSION

Auditor performance is a benchmark for the results issued in the form of audit reports that will be used by various audiences. Internal companies starting from the board of directors, managers and employees really need valid data and reports in order to determine future strategic policies and internal management rights if the company has good performance in the form of business profits. External parties such as shareholders, creditors and the government have an interest in valid, reliable and trustworthy audited report products. From the literature related to research that has an influence on auditor performance, among others, Prajitno (2012) that good governance, audit structure, role conflict, role ambiguity, understanding of good governance, and task complexity have no effect on auditor performance. It is different from research by Amandani and Wirakusuma (2017) that organizational commitment, leadership style, professional training, competence have a positive and significant effect on auditor performance. Putra and Sintaasih (2018) research, highlighting the moderating effect of professional skepticism strengthens the effect of compensation on auditor performance. While Nurhayati (2018) partially Locus of Control, Auditor Integrity, Leadership style has a significant positive effect on auditor performance. Rahmat (2017) in his research, that professional skepticism and audit knowledge have a positive and significant effect on indications of regional loss findings. This study focuses on literature research, where the source of this research is the results of analysis and research from sources of books, journals and literatures that are considered valid and have been published in official journals. This research still needs several more valid research sources or extensions of variables that have not been studied by previous researchers. Or some of the journals and books on which the literature is based are still too narrow. So it is hoped that further researchers can expand the discussion, variables or come from more valid journal sources, so that the conclusions that become the core and final goals can be supported with more accurate data.

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