

## EFFECT OF INTERNAL QUALITY CONTROL SYSTEM AND AUDITOR COMPETENCE ON AUDIT QUALITY (Empirical Study on Public Accounting Firms in the DKI Jakarta Region)

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**Abstract** - One of the standards that contains guidelines for KAP in implementing quality control of services produced by their offices is quality control standards. In addition to the factors of implementing the KAP quality control system, auditor competence is one of the most important factors in producing quality audits. This study aims to partially and simultaneously determine the effect of the internal quality control system and auditor competence on audit quality at the Public Accounting Firm (KAP) in DKI Jakarta.

This research uses quantitative research, which is measured using multiple linear regression-based methods with SPSS 25. The sample was determined based on the convenience sampling method, with a total sample of 57 respondents. The data used in this study are primary data. The data collection technique used the method of distributing questionnaires in the KAP DKI Jakarta area. Hypothesis testing using the t-test and f-test.

The results of the study prove that 1) Quality Control System partially has a significant effect on Audit Quality, 2) Auditor competence partially has a significant effect on Audit Quality, and 3) Quality Control System and Competence simultaneously have a significant effect on Audit Quality

**Keywords:** *Internal Quality Control System, Auditor Competence, Audit Quality.*

**Abstrak**– Salah satu standar yang berisi panduan bagi KAP dalam melaksanakan pengendalian kualitas jasa yang dihasilkan oleh kantornya adalah standar pengendalian mutu.. Selain faktor penerapan sistem pengendalian mutu KAP, kompetensi auditor menjadi salah satu faktor terpenting dalam menghasilkan audit yang berkualitas. Penelitian ini bertujuan untuk mengetahui secara parsial dan simultan pengaruh sistem pengendalian mutu internal dan kompetensi auditor terhadap kualitas audit pada Kantor Akuntan Publik (KAP) di Wilayah DKI Jakarta.

Penelitian ini menggunakan jenis penelitian kuantitatif, yang diukur dengan menggunakan metode berbasis regresi linier berganda dengan SPSS 25. Sampel ditentukan berdasarkan metode *convenience sampling*, dengan jumlah sampel sebanyak 57 responden. Data yang digunakan dalam penelitian ini berupa data primer. Teknik pengumpulan data menggunakan metode penyebaran kuesioner di KAP wilayah DKI Jakarta. Pengujian hipotesis dengan menggunakan uji t dan uji f.

Hasil penelitian membuktikan bahwa 1) Sistem Pengendalian Mutu secara parsial berpengaruh signifikan terhadap Kualitas Audit, 2)

Kompetensi auditor secara parsial berpengaruh signifikan terhadap Kualitas Audit, dan 3) Sistem Pengendalian Mutu dan Kompetensi secara simultan berpengaruh signifikan terhadap Kualitas Audit. **Kata kunci : Sistem Pengendalian Mutu Internal, Kompetensi Auditor, Kualitas Audit**

## I. PRELIMINARY

The financial report is the final result of a process of recording financial transaction activities in a company that describes the company's financial condition in an accounting period and is a description of the elements of a company's performance. According to the Statement of Financial Accounting Standards (PSAK, 2015: 3) the purpose of financial statements is to provide information concerning the financial position, performance and changes in the financial position of a company that is useful for a large number of users in making decisions. The financial report must contain information as a medium of communication and accountability between the company and the owner or other interested parties. Therefore, the information presented in the financial statements must be easy to understand, relevant, reliable and comparable. so that it is useful for the wearer. Thus, to prove that the financial statements are reasonable, the services of a third party, namely a public accountant, are needed. Public accountants who have high competence and credibility will produce quality audit results.

Audit quality is a characteristic or description of the practice and results of audits based on auditing standards and quality control standards which serve as a measure of the implementation of the duties and responsibilities of an auditor's profession. Based on the Public Accountant Professional Standards (SPAP) audits carried out by auditors are said to be of good quality, if they meet the auditing requirements or standards.

Based on the background description above, this research takes the title "The Effect of Internal Quality Control Systems and Auditor Competence on Audit Quality.

### 1.1. Formulation of the problem

Based on the description above, the problem formulations which are the basis for this research are:

1. Does the internal quality control system have a positive influence on audit quality?
2. Does the competence of auditors have a positive effect on audit quality?
3. Do the internal quality control system and auditor competence together have a positive influence on audit quality?

### 1.2. Research purposes

The objectives of this study are:

This study aims to provide empirical evidence for:

1. The positive effect of the internal quality control system on audit quality
2. The positive effect of auditor competence on audit quality
3. The positive effect of the internal quality control system and the competence of auditors together on audit quality.

## II. LITERATURE REVIEW

### 2.1. Compliance Theory

In preparing financial reports, the process must comply with existing accounting standards, as well as in conducting audit engagements, based on Law no. 5 of 2011 concerning Public Accountants, Public Accountants must comply with the Auditing Standards and Professional Standards for Public Accountants.

### 2.2. Credibility Theory

Where the general public will have more confidence and tend to accept well the messages conveyed by people who are credible in their fields. In other words, sources with high credibility tend to have a greater impact on the public's opinion than sources with low credibility (Umeogu, 2012: 112). In an audit, the financial statements that have been audited by the auditor can increase the level of reliability or credibility so that it can be the basis for decision making. Although the frequent cases of violations of the auditor profession have made the credibility of auditors increasingly questionable. For this reason, auditors are expected to be able to maintain the quality of the resulting audits so that their credibility can be trusted.

### **2.3. Auditing**

Mulyadi (2014: 9) defines audit as a systematic process for obtaining and evaluating evidence objectively regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and predetermined criteria, as well as delivering the results. the results to the users concerned.

### **2.4. Quality Control System**

Quality control systems, policies and procedures are the responsibility of KAP. Based on SPM 1, KAP is obliged to establish and maintain a control system to provide sufficient assurance that KAP and its personnel comply with applicable professional standards and reports published by KAP or engagement partners are in accordance with the conditions. SPM regulates the responsibilities of the Public Accounting Firm (KAP) or the quality control system in carrying out assurance engagements (audits, reviews, and other insurance engagements) and non-insurance engagements.

### **2.5. Competence**

Wibowo (2017: 272) states that competence is a fundamental characteristic of each individual which is associated with superior or effective criteria in a job or situation.

### **2.6. Audit Quality**

Junaidi and Nurdiono (2016: 8) define that audit quality is the probability that the financial statements contain material errors and the auditor will find and report these material errors. Based on the Public Accountant Professional Standards (SPAP) audits carried out by auditors are said to be of good quality, if they meet the auditing requirements or standards.

### **2.7. Relationship Between Research Variables**

#### **2.7.1. Effect of Quality Control Systems on Audit Quality**

In a professional service engagement, KAP is responsible for complying with the Public Accountant Professional Standards (SPAP) issued by the Indonesian Institute of Certified Public Accountants (IAPI). One of the standards that contains guidelines for KAP in implementing quality control of services produced by their offices is quality control standards (SPM, 2013). Therefore, it is mandatory for every KAP to have an effective quality control system that can encourage the achievement of audit quality.

#### **H1: Effect of Quality Control Systems on Audit Quality**

#### **2.7.2. Effect of Auditor Competence on Audit Quality**

Competence is one of the factors that affect audit quality. Competence is needed because the audit must be carried out by one or more persons who have sufficient technical

expertise and training as an auditor. Owned knowledge and expertise can affect audit quality. Auditors who have high knowledge and expertise can produce high quality audits. Thus, auditor competence is an important factor affecting audit quality.

## H2: Effect of Auditor Competence on Audit Quality

### 2.8. Hypothesis Development

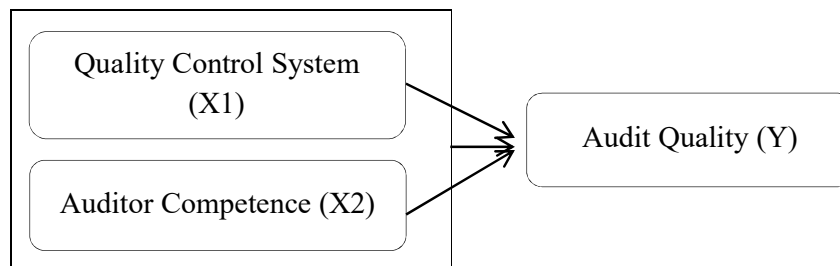
The hypothesis or basic assumption is a temporary answer to a problem that is still presumptive because it still has to be proven. The presumed answer is a temporary truth, which will be verified by data collected through research.

Based on the relationship between research variables, the hypothesis can be structured as follows:

- H1 : The Quality Control System affects Audit Quality
- H2 : Auditor competence affects the quality of the audit
- H3 : Quality Control System and Auditor Competence have an effect on Audit Quality

### 2.9. conceptual framework

Figure 2.1.  
Research Hypothesis Framework



## III. RESEARCH METHOD

### 3.1. Research Strategy

The research strategy is basically a scientific way of obtaining data with specific objectives that require a method that is relevant to the hope that the specified objectives can be achieved. The strategy used in this research is associative. According to Sugiyono (2014: 55) associative strategy is a strategy that aims to determine the influence or relationship between two or more variables. In this study, an associative strategy is used to explain the effect of the quality control system and auditor competence on audit quality

### 3.2. Population and Sample Research

The population used in this study were all auditors in the DKI Jakarta area according to the 2018 Directory of Public Accounting Firms and Public Accountants. finance. Auditor profession levels that were made respondents were partner, senior, and junior auditor

The sampling method in this study used a convenience sampling technique, which means that the sampling unit is easy to contact, easy to use, easy to measure, and cooperative (Sugiyono, 2017: 116). The convenience sampling method is used because researchers have the freedom to quickly select samples from population elements whose data are easily obtained by researchers. The samples chosen in this study were 10 KAPs in the DKI Jakarta area

### 3.3. Data Analysis Methods

The method used in this research is quantitative. The technical analysis of data in this study used the assistance of the SPSS version 25 program. This study used hypothesis testing with the t test and f test as a tool to determine whether the independent variable had an effect on or did not affect the dependent variable. Each variable will be measured by the following indicators:

- 1) The Quality Control System will be measured using indicators of an adequate quality control system in the Public Accounting Firm.
- 2) Auditor competence will be measured using indicators that the auditor has high competence.

This study uses data analysis, namely multiple linear regression. Multiple linear regression is a data analysis method used to examine more than one independent variable. The data obtained were then analyzed using analytical tools consisting of the following analysis:

#### 3.3.1. Descriptive statistics

Descriptive statistics are statistics that provide an overview or description of data seen from the average value, standard deviation, maximum, minimum, sum, range, kurtosis, and skewness (slope distribution). Descriptive statistics describe data into information that is clearer and easier to understand. (Ghozali, 2018: 19). Descriptive statistics in this study describe age, gender, latest education, auditor position and length of work in the company.

#### 3.3.2. Hypothesis testing

##### 3.5.2.1. Multiple Linear Regression Test

In this study, the data analysis technique used multiple linear regression, namely the analysis technique to determine the effect of independent variables on the dependent variable.

The models in this study are:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_n X_n + e$$

Information:

- Y = Bound Variable  
X = Independent Variable  
 $\alpha$  = Constant  
 $\beta$  = Regression Coefficient  
e = Standard error

##### 3.5.2.2. Determination Coefficient Test (R<sup>2</sup>)

The coefficient of determination (R<sup>2</sup>) is a coefficient that shows the percentage effect of all independent variables on the dependent variable in explaining the dependent variable. The coefficient of determination is between zero and one. The small value of R<sup>2</sup> means that the dependent variables' ability to explain the dependent variables is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variable (Ghozali, 2018: 95).

### 3.5.2.3. Partial Test (t test)

The t test is used to determine the effect of the independent variable on the dependent variable individually (partially). The t test can be done by comparing the t count with the t table (Ghozali, 2018: 78). At a significant level of 5% with the testing criteria used as follows:

- 1) If  $t_{count} < t_{table}$  and  $p\text{-value} > 0.05$ , then  $H_0$  is accepted and  $H_1$  is rejected, which means that one of the independent variables (independent) does not significantly affect the dependent variable.
- 2) If  $t_{count} > t_{table}$  and  $p\text{-value} < 0.05$  then  $H_1$  is accepted and  $H_0$  is rejected, which means that one of the independent variables affects the dependent variable significantly.

### 3.5.2.4. Simultaneous Test (Test f)

The F test is used to test the ability of all independent variables together in explaining the dependent variable. According to Ghozali (2018: 79) testing can be done by comparing the value of  $F_{count}$  with  $F_{table}$  at a significant level of  $< 0.05$  with the following testing criteria:

- 1) If  $F_{count} > F_{table}$  and the  $p\text{-value F-statistic} < 0.05$  then  $H_0$  is rejected and  $H_1$  is accepted, which means that the independent variables jointly affect the dependent variables.
- 2) If  $F_{count} < F_{table}$  and  $p\text{-value F-statistic} > 0.05$  then  $H_1$  is rejected and  $H_0$  is accepted, which means that the independent variables together do not affect the dependent variables.

## 3.3.3. Data Quality Test

### 3.5.3.1. Validity test

The validity test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions on the questionnaire are able to measure the variable to be measured. The validity test in this study uses the corrected item total correlation with the decision making criteria as stated by Ghozali (2018: 53), a research instrument is said to be valid if it meets the following criteria:

- 1) If  $r_{count} > r_{table}$ , then it is declared valid.
- 2) If  $r_{count} < r_{table}$ , it is declared invalid.

### 3.5.3.2. Reliability Test

Reliability test is a tool or way to measure a questionnaire which is an indicator of a variable or contract. A questionnaire can be said to be reliable or reliable if someone's answer to a question or statement is consistent over time (Ghozali, 2018: 47). The reliability test in this study used the Cronbach's Alpha formula. Cronbach's Alpha is a measure or benchmark used to interpret the correlation between the scales made with all the available variable scales. If the Cronbach's Alpha coefficient is  $\geq 0.7$  (Ghozali, 2018: 48).

## 3.3.4. Classic assumption test

### 3.5.4.1. Normality test

The normality test is carried out to test whether in the regression model the independent variable and dependent variable or both have a normal distribution or not (Ghozali, 2018: 154). A good regression is normal distribution data, to be able to detect whether the residuals are normally distributed or not. In this study, the authors used a histogram data aid tool. Data is said to be normally distributed, if the data spreads around the diagonal line and follows the direction of the diagonal line or histogram graph or curve perfectly. Conversely, the data is said to be not normally distributed, if the data spreads far from the direction of the line or does not follow the diagonal or the histogram graph or the curved curve is not perfect. In addition, graph analysis is one of the easiest ways to see data

normality by comparing the observed data with a distribution that is close to the normal probability plot distribution. Normal probability plot is comparing the cumulative distribution of the normal distribution. The basis for decision making through this analysis, if the data spreads around the diagonal line as a representation of the normal distribution, it means that the regression model meets the assumption of normality.

#### **3.5.4.2. Multicollinearity Test**

Ghozali (2018: 103), multicollinearity testing aims to test whether the regression model found a correlation between independent variables (independent). Multicollinearity testing is a test that has the aim of testing whether the regression model finds a correlation between the independent variables. The effect of this multicollinearity is that it causes high variables in the sample. This means that the standard error is large, consequently when the coefficient is tested, the t-count will be of a small value from the t-table. This shows that there is no linear relationship between the dependent variable and the dependent variable. To find the presence or absence of multicollinearity in the regression model, it can be seen from the tolerance value and the variance inflation factor (VIF) value. Tolerance measures the variability of the selected independent variable which cannot be explained by other independent variables. So a low tolerance value is the same as a high VIF value (because  $VIF = 1 / \text{tolerance}$ ) and indicates high collinearity. The cut off value that is commonly used is a tolerance value of 0.10 or equal to a VIF value above 10.

#### **3.5.4.3. Heteroscedasticity Test**

The heteroscedasticity test aims to test whether the regression model has an inequality of variance from the residuals of one observation to another. If the variance and residuals from one observation to another are constant, it is called homocedasticity and if it is different it is called heterocedasticity (Ghozali, 2018: 138). How to detect heteroscedasticity is to look at the plot graph between the predicted value of the dependent variable and its residual and see whether there is a certain pattern on the scatter plot graph.

If there is a certain pattern, such as the dots forming regular patterns (wavy, widening, then narrowing) it indicates heterocedasticity, if there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, there is no heterocedasticity (Ghozali, 2018: 138).

## **IV. RESULTS AND DISCUSSION**

### **4.1. Description of Research Object**

This study makes the Public Accounting Firm (KAP) located in the DKI Jakarta area the object of research with the intended respondents being the auditors who work at the KAP. The Public Accounting Firm is a service provider company that can be in the form of an individual and a civil partnership or a firm partnership. KAP services include attestation services and non-attestation services such as compilation services, management consulting, and taxation services

### **4.2. Data analysis**

Respondents in this study were 57 auditors who worked in KAP DKI Jakarta area. Table 4.1 below shows the level of distribution and questionnaires that are feasible to process. It can be seen that the questionnaire that the researchers succeeded in distributing was 57 out of the total number of 61 questionnaires that were received. This is because auditors are not in the Public Accounting Firm because of WFH (Work From Home) due to the impact of covid19.

**Table 4.1 Questionnaire Distribution Data**

No.	Nama KAP	Wilayah	Kuesioner Dikirim	Kuesioner Diterima
1	KAP Tjahjo, Machdjud Modopuro & Rekan	Jakarta Pusat	7	5
2	KAP DRa. Ellya Noorlisyati & Rekan	Jakarta Pusat	5	5
3	KAP Amachi Arifin, Mardani dan Muliadi	Jakarta Pusat	5	5
4	KAP Abdul Aziz Fiby Ariza	Jakarta Timur	7	7
5	KAP I Wayan Artawa	Jakarta Timur	5	5
6	KAP DRS. Rishanwar	Jakarta Timur	5	5
7	KAP Weddie Andriyanto & Muhaemin	Jakarta Selatan	7	5
8	KAP DRS. Bambang Mudjiono & Widiarto	Jakarta Selatan	10	10
9	KAP Tjahjadi & Tamara	Jakarta Selatan	5	5
10	KAP Ferdinand & Rekan	Jakarta Utara	5	5
<b>TOTAL</b>			<b>61</b>	<b>57</b>

Source: Primary data that has been processed

#### 4.2.1. Respondent Profile Characteristics

**Table 4.2 Details of Questionnaire Distribution and Return**

No.	Information	amount	Percentage (%)
1.	Number of questionnaires received	61	100%
2.	Number of questionnaires that are not suitable for processing	4	6.55%
3.	Number of questionnaires that can be processed	57	93.44%

Source: Primary data that has been processed

Researchers cannot distribute more questionnaires because many auditors refuse to fill out the questionnaire that researchers provide. This is because auditors are busy visiting clients and many auditors work from home due to the impact of covid-19. In addition, researchers are also constrained by the limited time for research.

This research is supported by the participation of auditors including partners, junior auditors and senior auditors. The following is a profile regarding the identity of the respondents that the researcher presents in table 4.3 to table 4.7 which consists of gender, age, education level, length of work, and position in the Public Accounting Firm (KAP).

##### a. Respondents' Description by Gender

Table 4.3 below presents a description of respondents based on gender.

**Table 4.3 Descriptions of Respondents by Gender**

Gender	amount	Percentage (%)
Male	30	52.63%
Women	27	47.37%
<b>Total</b>	<b>57</b>	<b>100%</b>

Source: Primary data that has been processed

The table above shows that the number of male respondents was 30 people or 52.63% and 27 female respondents or 47.37%.

##### b. Respondents' Description by Age

Table 4.4 below provides a description of respondents by age

**Table 4.4 Description of Respondents by Age**

Age	amount	Percentage (%)
21 - 30	34	59.65%
31 - 40	23	40.35%



<b>Total</b>	<b>57</b>	<b>100%</b>
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*Source: Primary data that has been processed*

The table above shows that the age of the respondents is dominated by respondents aged 21-30 years, namely 34 people or 59.65%. Respondents aged 31-40 years were 23 people or 40.35%.

**c. Descriptions of Respondents Based on Education Level**

Table 4.5 below provides a description of the respondents based on education level.

**Table 4.5 Descriptions of Respondents by Education Level**

<b>Level of education</b>	<b>amount</b>	<b>Percentage (%)</b>
D3	4	7.02%
S1	47	82.45%
S2	6	10.53%
<b>Total</b>	<b>57</b>	<b>100%</b>

*Source: Primary data that has been processed*

The table above shows that respondents based on education level show that most of the auditors who work at KAP have the latest education for Strata 1 (S1), namely as many as 47 people or 82.45%, and as many as 6 people or 10.53% of the auditors have the latest Strata 2 education. (S2). As well as auditors with a Diploma 3 level (D3) as many as 4 people or 7.02%.

**d. Description of Respondents Based on Length of Work**

Table 4.6 below provides a description of respondents based on length of work.

**Table 4.6 Descriptions of Respondents by Length of Work**

<b>Length of work</b>	<b>amount</b>	<b>Percentage (%)</b>
Less than 1 year	7	12.28%
15 years	33	57.89%
6 - 10 Years	13	22.81%
More than 10 Years	4	7.02%
<b>Total</b>	<b>57</b>	<b>100%</b>

*Source: Primary data that has been processed*

The table above shows that the majority of respondents were 57.89% or 33 auditors had worked for 1-5 years, 22.81% or as many as 13 people had worked for 6-10 years. While 7.02% or as many as 4 people have worked for more than 10 years, and as many as 12.28% or 7 respondents who worked for less than 1 year.

**e. Description of Respondents by Position**

Table 4.7 below provides a description of the respondents by position.

**Table 4.7 Descriptions of Respondents by Position in KAP**

<b>Position</b>	<b>amount</b>	<b>Percentage (%)</b>
Partner	0	0
Junior Auditor	27	47.37%
Senior Auditor	30	52.63%
<b>Total</b>	<b>57</b>	<b>100%</b>

*Source: Primary data that has been processed*

The table above shows that based on the position occupied in the KAP where the auditor works, it shows that most of the respondents in this study held positions as senior auditors, namely 30 auditors (52.63%), and junior auditors, namely 27 auditors (47, 37%). Meanwhile, in this study, none of the KAP partners filled out this questionnaire.

### 4.3. Data Analysis Test

#### 4.3.1. Multiple Linear Regression Test

Multiple linear regression analysis is used to determine the effect of the independent variable on the dependent variable. The results of the multiple linear regression analysis are as follows:

**Table 4.8 Multiple Linear Regression Analysis Test Results**

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	2,648	2016
	System Pengendalian Mutu	.116	.051
	Auditor Competence	.584	.075
a. Dependent Variable: Audit_Quality			

Source: Primary data that has been processed

Based on the regression output above, the regression equation model can be determined as follows:

$$Y = 2.648 + 0.116 X_1 + 0.584 X_2 \quad \dots\dots\dots (2.1)$$

The regression equation shows a constant value of 2.648, this means that in the absence of independent variables (quality control system and auditor competence), the audit quality produced by auditors is 2,648.

The regression coefficient on the quality control system variable is 0.116, which means that if other independent variables have a constant value, then any increase in the value of the quality control system by one unit will result in an increase in the value of audit quality by 0.116 or it can be said that the effect of the quality control system on audit quality is positive.

The regression coefficient on the auditor competency variable is 0.584, which means that if other independent variables have a constant value, then any increase in the value of auditor professionalism by one unit will result in an increase in the value of audit quality by 0.584 or it can be said that the effect of auditor professionalism on audit quality is positive.

#### 4.3.2. Statistical test t

The t test was carried out in order to determine the effect of each independent variable on the dependent variable tested at a significant level of 0.05. The following are the results of the t test for this study:

**Table 4.9 Statistical Test Results t**

Model	T	Sig.
(Constant)	1,313	.195
Quality Control System	2,285	.026
Auditor Competence	7,784	.000
a. Dependent Variable: Audit_Quality		

Source: Primary Data processed

Based on the table above, it can be explained as follows: The number of respondents is 57 ( $n = 57$ ), the independent variables are 2 ( $k = 2$ ) with Degree Of Freedom ( $df = nk-1$  or  $57-2-1 = 54$ ) so with  $df = 54$  and a significant level of 0.05 ( $\alpha = 5\%$ ), then the t table can be determined using Microsoft Excel with the Insert Function formula:

Table = TINV (probability, deg freedom)

$$= \text{TINV} (0.05, 54)$$

$$\text{Table} = 2,00488$$

Based on the test results listed in the table above by using multiple linear regression analysis, the following results are obtained:

- 1) The Quality Control System obtained a t-count value of 2.285, which means that it is greater than the t-table value which is equal to 2,00488 or ( $t_{\text{count}} > t_{\text{table}}$ ). The significance value in the table above is 0.026 which means it is smaller than 0.05, so it can be concluded that the quality control system has an effect on audit quality.
- 2) Auditor competence obtained tcount of 7,784, which means that it is greater than the t-table value of 2,00488 or ( $t_{\text{count}} > t_{\text{table}}$ ). The significance value in the table above is equal to 0.000, which means it is smaller than 0.05, so it can be concluded that auditor competence has an effect on audit quality.

#### 4.3.3. Statistical Test F

The f test is used to determine whether there is an effect of all the independent variables included in the regression model jointly on the dependent variable. If the results of the f test are significant, then all independent variables have a simultaneous effect on the dependent variable.

**Table 4.10 Statistical Test Results F**

Model		F	Sig.
1	Regression	128,949	.000b
	Residual		
	Total		
a. Dependent Variable: Audit_Quality			
b. Predictors: (Constant), Competence, Independence, Professionalism			

Source: Primary data that has been processed

The number of respondents was 57 ( $n = 57$ ), the research variable was 2 ( $k = 2$ ), with a significance of 0.05, then the F table can be determined using the degree of denominator ( $df1$ ) =  $k-1$  and the degree of numerator ( $df2$ ) =  $nk$ .

Then it is obtained  $df1 = 2$  and  $df2 = 54$  so that the value of f table can be found using Microsoft Excel with the Insert Function formula.

$$\begin{aligned} \text{Ftable} &= \text{FINV} (\text{probability}, \text{deg\_freedom1}, \text{deg\_freedom2}) \\ &= \text{FINV} (0.05, 2, 54) \end{aligned}$$

$$\text{Ftable} = 3,16825$$

Based on table 4.10, it shows that the value of the f test is 0,000, which means it is smaller than 5% (0.05) and the value of  $f_{\text{count}} > f_{\text{table}}$  is  $128,949 > 3,16825$  it can be concluded that the quality control system and auditor competence simultaneously influence audit quality.

#### 4.3.4. Determination Coefficient Test (R<sup>2</sup>)

The coefficient of determination is used to determine how much the contribution of the independent variable (independent) to the dependent variable (dependent) in percentage units. The coefficient of determination is between zero and one. If the coefficient of determination is large (close to 1), it can be said that the independent variable can provide almost all the information needed to predict the dependent variable. To find out the contribution of the independent variable to the dependent variable it can be seen from the R square.

**Table 4:16 Test Results of the Coefficient of Determination (R<sup>2</sup>)**

Model	R	R Square	Adjusted R Square
1	.909a	.827	.820
a. Predictors: (Constant), Auditor Competency, System Pengendalian Mutu			
b. Dependent Variable: Audit Quality			

Source: Primary data that has been processed

Based on the table above, it shows the Adjusted R Square value of 0.820 or 82%. This means that the variable quality control system and auditor competence contribute to the audit quality variable by 82% while the remaining 18% is influenced by other variables not examined.

#### 4.4. Data Quality Test Results

##### 4.4.1. Validity Test Results

The validity test used to measure a questionnaire can be said to be a valid questionnaire (valid) or not. A questionnaire is said to be valid if the statement in the questionnaire is able to reveal something that will be measured in the questionnaire. The validity test in this study was carried out by comparing the rcount value of the answer value of each respondent for each statement with the rtabel for degree of freedom = n-2, in this case n is the number of samples in the study, namely (n) = 57 then the amount of df can be calculated  $57-2 = 55$ . With  $df = 55$  and  $\alpha = 0.05$ , we get r table = 0.2609 (by looking at r table at  $df = 55$  with a two-sided test). If the value of rcount is greater than rtable ( $rcount > rtable$ ) and is positive, then each statement or indicator is declared valid.

**Table 4.11 Results of the Quality Control System Variable Validity Test**

Item No	Rhitung value	Rtabel value	Information
SPM1	0.765	0.2609	Valid
SPM2	0.509	0.2609	Valid
SPM3	0.814	0.2609	Valid
SPM4	0.734	0.2609	Valid
SPM5	0.691	0.2609	Valid
SPM6	0.673	0.2609	Valid
SPM7	0.697	0.2609	Valid
SPM8	0.476	0.2609	Valid
SPM9	0.668	0.2609	Valid
SPM10	0.758	0.2609	Valid
SPM11	0.722	0.2609	Valid
SPM12	0.659	0.2609	Valid
SPM13	0.574	0.2609	Valid
SPM14	0.607	0.2609	Valid

Source: Primary data that has been processed

Based on table 4.11, it shows that the quality control system variable consisting of fourteen statement items, it is known that all statement items for the quality control system variable are valid because they have a rcount value that is greater than r table.

**Table 4:12 Results of the Validity Test of Auditor Competence Variables**

Item No	Rhitung value	Rtabel value	Information
KA1	0.589	0.2609	Valid
KA2	0.379	0.2609	Valid
KA3	0.472	0.2609	Valid
KA4	0.535	0.2609	Valid

KA5	0.710	0.2609	Valid
KA6	0.626	0.2609	Valid
KA7	0.661	0.2609	Valid
KA8	0.808	0.2609	Valid
KA9	0.750	0.2609	Valid
KA10	0.719	0.2609	Valid

*Source: Primary data that has been processed*

Based on table 4:12, it shows that the auditor competency variable which consists of ten statement items, it is known that all statements for the competency variable have a value greater than r table so that all statement items for the competency variable in this study can be stated as valid items.

**Table 4:13 Results of the Validity Test of Audit Quality Variables**

Item No	Rhitung value	Rtabel value	Information
KUA1	0.829	0.2609	Valid
KUA2	0.675	0.2609	Valid
KUA3	0.763	0.2609	Valid
KUA4	0.534	0.2609	Valid
KUA5	0.810	0.2609	Valid
KUA6	0.602	0.2609	Valid
KUA7	0.739	0.2609	Valid
KUA8	0.466	0.2609	Valid

*Source: Primary data that has been processed*

Based on table 4.13, it shows that the audit quality variable which consists of eight statement items, it is known that all statement items for the audit quality variable have a value greater than r table so that all statement items for the audit quality variable in this study can be stated as valid items.

#### 4.4.2. Reliability Test

The reliability test was conducted to determine the extent of the consistency of the research instrument. A research instrument can be said to be reliable or consistency if the Cronbach Alpha value is  $> 0.7$ . The following table 4:14 shows the results of the reliability test in the study.

**Table 4:14 Reliability Test Results**

Variable	Cronbach's Alpha	Information
Quality Control System	0.926	Reliable
Auditor Competence	0.887	Reliable
Audit Quality	0.892	Reliable

*Source: Primary data that has been processed*

The reliability of the consistency between items or the reliability coefficient of the Cronbach's alpha value contained in table 4.14 above, namely the quality control system of 0.926. For the auditor competency instrument of 0.887, and for the audit quality instrument it was 0.892. Thus it can be concluded that all research instruments can be said to be reliable because they have Cronbach's alpha greater than 0.7. This shows that each statement item used as a research instrument is able to obtain consistent data, which means that if the statement is submitted again, an answer that is relatively the same as the previous answer will be obtained.

## 4.5. Classic assumption test

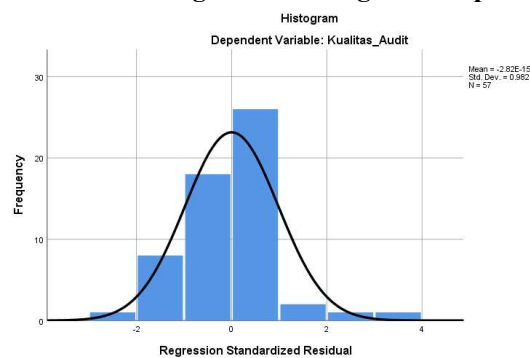
### 4.5.1. Normality test

The normality test is used in order to test whether the research data carried out has a normal distribution or not. As stated by Ghozali, 2018 the purpose of the normality test is to find out whether in the regression model, confounding or residual variables have a normal contribution or not. Good data is data that is normal in its distribution. There are two ways to detect whether the residuals are normally distributed or not, namely by using histogram analysis and graph analysis.

#### 1. Histogram Analysis

Basically, the normality of a data can be recognized or detected by looking at the curve shape of the Histogram graph. The data is said to be normally distributed, if the curve shape is perfectly curved. On the other hand, the data is said to be not normally distributed, if the curved shape is not perfect.

**Figure 4.1 Histogram Graph**



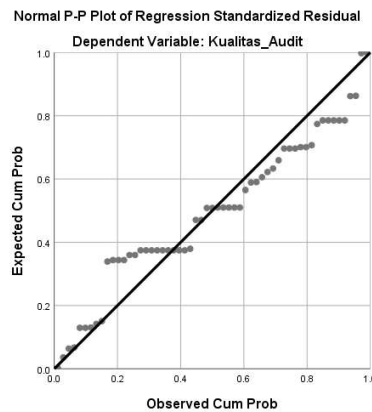
Source: Primary data that has been processed

From the results of the histogram graph in Figure 4.1 above shows the curve of the graph. The histogram is perfectly curved. So it can be said that the data is normally distributed.

#### 2. Graph Analysis

Decision making through graph analysis is by looking at the distribution of points around the diagonal line and following the direction of the diagonal line, so the regression model can be said to fulfill the assumption of normality. In the following Graph 4.2, it can be seen that the data spreads around the diagonal line and follows the direction of the diagonal line. Then the model in this study has met the assumption of normality.

**Figure 4.2 Normality Test Graph**



Source: Primary data that has been processed

#### 4.5.2. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should not have a correlation between the independent variables. To test the presence or absence of multicollinearity in the regression model, it can be seen through the Variance Factor (VIF) value and tolerance. Is  $VIF < 10$  and the tolerance value above 0.10.

**Table 4:15 Multicollinearity Test Results**

Predictor	Tolerance	VIF	Information
Quality Control System	0.365	2,739	Multicollinearity does not occur
Auditor Competence	0.365	2,739	Multicollinearity does not occur

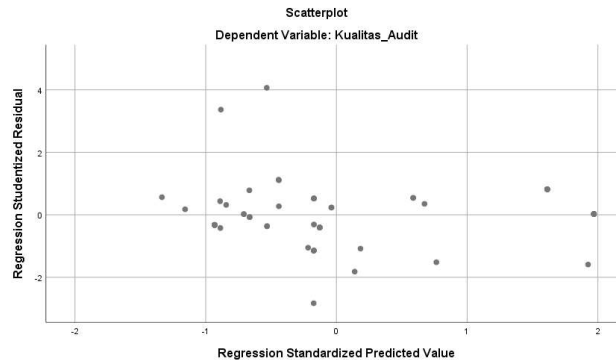
Source: Primary data that has been processed

Based on table 4.15 above, it can be seen that each independent variable has a VIF value of not more than 10 and a tolerance value of more than 0.10. So it can be concluded that between each independent variable there is no multicollinearity symptom in the regression model.

#### 4.5.3. Heteroscedasticity Test

Heteroscedasticity test is performed to test the difference in residual variance from one observation period to another. If the residuals have the same variance, it is called homoscedasticity or heteroscedasticity does not occur. The regression equation is good if there is no heteroscedasticity. How to predict the presence or absence of heteroscedasticity in a model can be seen from the following scatterplot pattern:

**Figure 4.3 Scatterplot Graph of Heteroscedasticity Test**



Source: Primary data that has been processed

Based on the scatterplot graph in Figure 4.3 above, it can be seen that the dots are spread randomly and are spread either above or below the zero on the Y axis. It can be assumed that heteroscedasticity does not occur in the regression model, so the regression model is feasible to use.

### 4.6. Research Discussion

#### 4.6.1. Effect of Quality Control Systems on Audit Quality

Based on statistical analysis in this study, it was found that the quality control system variable obtained a t-count of 2.285 with a significant value of 0.026. While the value of t table is equal to 2,00488. When compared with the tcount value, the ttable value is smaller than the tcount or  $tcount > ttable$  ( $2.285 > 2,00488$ ) and with a significance value less than the significant level of 0.05 ( $0.026 < 0.05$ ) so that the results of this study indicate that the

quality control system affects audit quality, thus the H1 hypothesis is accepted because it is proven by the results of the research that has been done.

The impact of the quality control system on audit quality because the quality control system is a system or policy that must be adhered to by a public accounting firm, where auditors who work in public accounting firms are required to obey and comply with all policies that have been determined and implemented. The quality control system is a supporting factor to produce auditors who have good integrity. With a good quality control system, auditors will carry out audits in accordance with applicable policies and ethics. That way, the quality of the audit that will be produced will be better.

The results of this study are in line with the research conducted Fauji et al. (2015), Mawarni (2019) and Faisal (2018) who found that the quality control system had an effect on audit quality. With a good quality control system, auditors will carry out audits in accordance with applicable policies and ethics. That way, the quality of the audit that will be produced will be better.

#### **4.6.2. Effect of Auditor Competence on Audit Quality**

Based on statistical analysis in this study, it was found that the auditor competence variable obtained a t-count value of 7,784 with a significant value of 0,000 while the value of the t-table was equal to 2,00488. When compared with the value of t, the value of t table is smaller than the value of t or  $t > t$  table ( $7,784 > 2,00488$ ) and with a significance value smaller than the significant level of 0.05 ( $0.000 < 0.05$ ) so that the results of this study indicate that the competence of auditors has an effect on audit quality, thus the hypothesis H<sub>2</sub> is accepted because it is proven by the results of research that has been done

This can be due to the competence of an auditor that will be able to broaden the auditor's insight in dealing with problems in their work so that auditors are better able to detect errors or fraud that occur in the financial statements. Auditors who have good knowledge and competence are also expected to be better able to explain errors in the financial statements and be able to classify errors based on audit objectives and the structure of the underlying accounting system. Competence in this research consists of knowledge, attitudes and skills. These three things, when owned by the auditor, will help an auditor to be more thorough in completing the audit so that the resulting audit quality will be more accurate.

The results of this study are similar to the results of research conducted by Falatah and Sukirno (2018), Anugrah and Akbar (2014: 147), and Usman et al which show that auditor competence has a significant effect on audit quality. competence is proven to positively affect audit quality, which means that increasing the competence of an auditor will increase the quality of the resulting audit.

However, the results of this research contradict research conducted by Priyambodo (2015), Ilham et al. (2019) and Dewa et al. (2015) who found the results that competence had no effect on audit quality. The competence of an auditor can be seen from the knowledge and experience in auditing the client's business. In this case, competence has no effect on audit quality because the client's business being audited is too monotonous so that audit knowledge and experience is limited to the business that has been handled.

#### **4.6.3. Effect of Quality Control Systems and Auditor Competence on Audit Quality**

The results of the research simultaneously prove that the quality control system and auditor competence have an effect on audit quality. This is based on the results obtained by the fcount value of 128,949 > ftabel of 3,16825 with p value  $0.000 < 0.05$ . This shows that the quality control system and competence can affect audit quality.

In accordance with the results of research which shows that there is a simultaneous influence of the quality control system and competence on audit quality, which means that the higher the quality control system and the more competent an auditor is, it is expected



that the better the audit quality will be. So the results of this study indicate that the process of getting good audit quality is influenced by the quality control system and competence factors.

Thus, when all the independent variables in the study are tested, they will simultaneously influence the dependent variable. In this study, the better the quality control system and the higher the competence of the auditor, the more likely it will affect the quality of the audits produced by the auditors.

## **V. CONCLUSIONS AND SUGGESTIONS**

### **5.1. Conclusion**

This study aims to determine the effect of the Quality Control System and Competence on audit quality. Research respondents were 57 auditors working in the KAP DKI Jakarta area. Based on the data that has been collected and tests that have been carried out on the problem formulation using multiple linear regression models, it can be concluded as follows:

1. The Quality Control System affects audit quality. So the better the quality control system, the better the resulting audit quality.
2. Competence affects audit quality. So the better the competence of an auditor, the better the resulting audit quality.
3. The quality control system and auditor competence jointly affect audit quality. This shows that the higher the quality control system and the competence of an auditor, the higher the quality of the resulting audit.

### **5.2. Suggestion**

The suggestions in this study are:

- 1) Public accounting firm is expected to maintain and strengthen the quality control system that has been determined and implemented. And supervise the auditors whether in carrying out their duties in accordance with the existing quality control system.
- 2) The auditors are expected to develop their competence, both in terms of formal and non-formal education. So that in carrying out their duties the auditor can provide the best results.

### **5.3. Research Limitations and Further Research Development**

This study has limitations that can be taken into consideration for future researchers in order to get even better results. The following are the limitations of the research experienced by researchers:

- 1) Researchers had difficulty distributing and collecting questionnaires because they were in the peak season and covid-19 periods.
- 2) This research, respondents focused on auditors who work in KAP DKI Jakarta Region. Henceforth, it is expected to select auditor respondents who work at KAP in Jabodetabek or even outside other cities.
- 3) This study uses a data collection method through a questionnaire so that the data obtained is based on the respondents' perceptions, so further research can be complemented by conducting deeper observations.

- 4) This study only focuses on two independent variables, namely the quality control system and competence. It is expected that further researchers can add other independent variables or add moderating and intervening variables.

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