THE EFFECT OF AUDIT FEE, AUDIT TENURE AND SIZE OF KAP (PUBLIC ACCOUNTANT OFFICE) ON AUDITOR INDEPENDENCE

(Empirical Study at Public Accounting Firms in East Jakarta, South Jakarta and Central Jakarta)

1st FANGGA AKBAR SYAHPUTRA, 2nd Kus Tri Andyarini,SE,M.Si,CSRS,CSRA

Department of Accounting, Falkutas Ekonomi, Indonesian College of Economics

STIE INDONESIA

panggapura4@gmail.com, Kus3andyarini@stei.ac.id

ABSTRACT

This study aims to examine empirically the effect of the Audit Fee, Audit Tenure, and Size of the Public Accounting Firm (KAP) on Auditor Independence. This research was conducted at the Public Accounting Firm (KAP) in East Jakarta, South Jakarta and Central Jakarta.

This study uses a causal associative strategy with multiple linear regression approaches. The sample used was convenience sampling technique. Meanwhile, to answer the hypothesis in this study used a descriptive type of quantitative approach, which is calculated using multiple linear regression-based methods with the help of SPSS 23.0 software.

The results of this study indicate that (1) Audit Fee has a positive and significant effect on auditor independence, (2) Audit tenure has a positive and significant effect on auditor independence, (3) Public accounting firm size has no significant effect on auditor independence, (4) Audit Fee , Audit tenure, and size of public accounting firm have a positive and significant effect on auditor independence.

Keywords : *Audit Fee*, Audit Tenure, Public Accountant Firm Size, Auditor Independence.

PRELIMINARY

The development of business in this era is so fast that there is an increasing need for an independent third party, namely the profession of public accounting or independent auditors who provide services to the public, namely attestation and nonatestation services. One of the attestation services provided by public accountants or auditors is auditing services. The implementation of audits often occurs collisions that can affect the independence of public accountants, where the client as an employer tries to condition the financial statements to have a good opinion, while on the other hand public accountants must be able to carry out their duties in a professional manner, namely the auditor must be able to maintain an independent attitude and objective.

Financial reports are the main media for companies to convey financial information regarding the accountability of management. One of the information contained in the financial statements is information about company profits. From some of the information obtained in the financial statements, profit is usually the center of attention of the user. To be useful information, profit must be of quality, in addition to its ability as a predictor and variability. Profits that do not show actual information about management performance can mislead users of the report, if such profits are used by investors to form the company's market value, profits cannot explain the company's true market value (Gideon Setyo Budiwitjaksono, 2015).

The public accountant profession is a profession that is trusted by the public, which now in carrying out its duties auditors need to be supported by an attitude of competence and independence. These attitudes are contained in the general auditing standards contained in the SKPN. In the SKPN, it is stated that the general attitude of an auditor regarding his / her personality is competence (technical expertise and training) and independence (not bound). Therefore, auditors must have a strong attitude of competence and independence so as not to fail in detecting fraud - fraud committed by clients and providing opinions in accordance with the evidence found in the field.

The public accountant profession in the current era is difficult to enforce the independence of auditors, which is an important attitude needed by someone who is trusted by the wider community whose opinion is needed whether financial accounting is presented by management is presented fairly or not. (Mohammad Fadly Assagaf, 2017) Auditors who try to maintain a high level of independence in order to maintain the trust of users who rely on their reports. However, the demands desired by clients who pay fees for their services

must be fulfilled so that their clients are satisfied with their work and continue to use their services in the future. This places the auditor in a dilemma so that it can affect his independence (Ng and Tan, 2016).

How important the independence of public accountants is as important as the expertise in accounting practices and auditing procedures that every public accountant must have. Public accountants must be independent from any obligations or independent from the ownership of interests in the company being audited. Besides the public accountant must be truly independent, he must also create a perception among the public that he is truly independent. Auditor independence is an important factor or attitude that an auditor must have. Auditor independence has a very important role in carrying out its audit duties, namely in maintaining an honest and impartial attitude to anyone.

The competence and independence attitudes of the auditors, the freedom of the auditors will be guaranteed and the quality of the audit will be better based on the competence and independence that the auditors have mastered well. An auditor who has a good attitude of competence and independence will not be easily influenced by clients who try to bribe the auditor, on the contrary, the auditor will be responsible to society, to clients and to colleagues, including to behave respectfully, even though this is a sacrifice. personal.

For example, the case of PT Jasa Marga, which is currently happening in Indonesia, has shocked the BPK auditors, who should have become a benchmark for all auditors with their level of independence no doubt involved in bribery cases. PT Jasa Marga Tbk, Purbaleunyi branch, Setia Budi, was charged with bribing a Harley Davidson motorcycle to BPK auditor Sigit Yugoharto. The bribe was related to the investigation with the aim of PT Jasa Marga (Persero). The audit was carried out on the use of the budget in 2015-2016. Sigit, as an intermediate auditor at the BPK, allegedly received a gift or promise that contradicts his obligations regarding a specific purpose investigation of PT Jasa Marga in 2017. Meanwhile, Setia Budi is the giver of the moge bribe.

Based on the Indonesian Institute of Certified Public Accountants (IAPI) (2016) in the Guidelines for Audit Quality Indicators at KAP, another factor that can produce quality audits is the audit fee. Qualified auditors will charge a high fee, because the higher the audit fee the auditor receives, the auditors will carry out broader and more in-depth audit procedures so that the quality of the audits presented will be higher. The greater the audit services provided by the client, and the higher the indication of the loss of auditor independence. The amount of audit fee earned by an auditor can affect the independence of an auditor. High quality auditors will get a high audit fee, and vice versa.

*Tenure audit*or the length of the relationship or audit assignment with the client can also affect the independence of the auditor, because the longer the relationship between the auditor and the client will result in a strong emotional bond that can affect the auditor's independence. Audit tenure is defined as the number of years a KAP or an auditor audits a company. The length of the relationship or audit engagement performed by the auditor may affect the auditor's independence. The relationship between the auditor and the old client company has the potential to make the auditor feel satisfied with what is being done, such as auditing that is less assertive and too dependent on management statements so that independence is increasingly difficult to enforce (Gideon Setyo Budiwitjaksono, 2015).

The size of the public accounting firm (KAP) itself can also result in disruption of the independence of auditors because larger public accounting firms will be independent because large public accounting firms lose one client does not really influence their opinion, while smaller public accounting firms lose their opinions. one client can influence his opinion because the client of the accounting firm

THEORETICAL BASIS

AGENCY THEORY

Agency theory or agency theory is a theory of the relationship between the party providing authority (principal) and the party receiving authority (agent) in the form of a partnership. Jensen and Meckling (2009) in Winanto and Widayat (2013) agency relationship as a contract in which one or more principals hire other people (agents), to perform several services for their interests by delegating some authority to make decisions to the agent. Meanwhile, research by Ma'rifatumbillah et al., (2016) argues that agency theory explains the conflict between principals (stakeholders, company owners and shareholders) and agents (managers). However, Hartadi (2012) in his research also explains agency theory that a complex system of written and unwritten contracts is an effective disciplinary mechanism for different individuals, especially principals and agents in decision making. The main purpose of agency theory is to explain how the parties to a contractual relationship can design a contract with the aim of minimizing costs due to asymmetric information and uncertainty conditions.

Herawaty (2008) in his research revealed that with the financial statements reported by the agent as the accountability for his performance, the principal can assess, measure, and monitor the extent to which the agent works to improve welfare and as a basis for providing compensation to the agent. Then Waluyo and Suryono (2015) agency theory

to help auditors as a third party in understanding conflicts of interest that arise between principals and agents. Principals as investors cooperate and sign work contracts with agents as company managers to invest their finances. Thus, with an independent auditor, it is hoped that fraud will not occur in the management of financial reports.

AUDITING

An audit is an examination that is carried out critically and systematically, by an independent party, of financial reports that have been prepared by management, along with accounting records and supporting evidence, with the aim of providing an opinion on the fairness of the financial statements (Agoes, 2014). : 4).

Mayangsari and Wandanarum (2013) and Messier, Glover and Prawit (2014) auditing is a systematic process for obtaining and evaluating evidence objectively, which relates to assertions to determine the level of conformity with the criteria determined by the results to parties - interested party.

AUDIT FEE

Mulyadi (2011: 63) Audit fee is a fee received by a public accountant after carrying out his audit services, the amount depends on the risk of the assignment, the complexity of the services provided, the level of trustworthiness required to carry out these services, the cost structure of the KAP concerned.

The audit fee is usually determined at the beginning of the contract between the auditor and the party being examined in accordance with the audit process, and the number of staff required for the audit process.

AUDIT TENURE

Agung Rai (2011: 120) states that the relationship between auditors and auditees in determining and developing audit criteria is quite important, but auditors must be aware of its negative effects. Independence will increasingly disappear if the auditor is involved in many personal relationships with clients, because this can affect the auditor in providing an opinion on his client.

Fini (2015) states that when auditors have a long term relationship with their clients, this will encourage a deeper understanding of the client's financial condition and therefore they will be able to detect problems.

PUBLIC ACCOUNTANT OFFICE SIZE

Arens et al (2011: 34) Classifying the size of the size of the Public Accounting Firm, it is said that the size of the Public Accountant Office is large or has branches and clients of large companies that have professional staff above 25 people. The Public Accounting Firm is said to be small if it is not operated, does not have branch offices and the clients are small companies and the number of professionals is less than 25 people.

Public Accounting Firm (KAP), is a form of public accountant organization that has obtained a license in accordance with laws and regulations engaged in providing professional services in public accounting practices (Agoes, 2012: 65).

INDEPENDENCE

Independence is a translation of the word independence which comes from English, which means "in an independent state", while the meaning of the word independent means "not dependent or controlled by (other people or objects), not based on others, acting or thinking according to their wishes. heart, free from the control of others, not influenced by others Arens et al (2008: 111).

Yossi (2012) states that independence in general can be defined as a mental attitude that is free from influence, not controlled and does not depend on other parties. An impartial attitude (independence) to anyone is very much needed in conducting audits made by management in a company. An honest attitude must also be shown by an auditor, an honest attitude is not only shown to management but to third parties, such as users of financial statements, creditors, owners and prospective owners.

RESEARCH STRATEGY

The research strategy used in this research is associative / causality. Causality is a relationship designed to examine the possibility of cause-and-effect between independent and dependent variables. (Sansusi, 2017: 56). Causality associative aims to determine the existence of cause-and-effect between variables in the form of professional skepticism, independence and experience of the auditor as independent variables and the ability of auditors to detect fraud as the dependent variable. The approach used in this research is a quantitative approach.

POPULATION AND SAMPLES

POPULATION

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions (Sugiyono, 2017).

Sanusi (2011) also states that population is a set of elements that show certain characteristics that can be used to make conclusions. The population in this study were auditors who worked at the Jakarta Public Accounting Firm (KAP) which were registered with the Ministry of Finance in 2018 as of February.

SAMPLE

The sample is part of the number and characteristics of the population (Sugiyono, 2017). The sample in this study were auditors who work at Public Accountant Offices (KAP) in the areas of East Jakarta, South Jakarta, and Central Jakarta who are registered with the Ministry of Finance, on the grounds that DKI Jakarta is the heart of the state, city center, industry.

The sampling technique used in this study is by using the convenience sampling method. As the name suggests, easy sampling (convenience sampling) is the collection of information from members of the population who are happy to provide it (Syllabus 2019) Based on the description above, this study uses the method convenience sampling because it is more efficient with affordable access to researchers.

Data and Data Collection Methods

Research data

In this study, the type of data used is primary data. Primary data according to (Sanusi, 2017: 104) is the first data recorded and collected by researchers. Usually through interviews, questionnaires and other opinions. Sources of data in this study are based on easy-to-reach locations, namely external auditors who work at public accounting firms in East, South and Central Jakarta.

Data Collection Methods

The data collection method in this research is using survey respondents. Researchers will distribute questionnaires to respondents, namely auditors who work in public accounting firms in East, South and Central Jakarta.

Data Collection Instruments

The research instrument is used to measure a variable to be studied. Each instrument has a measurement scale. This study uses a Likert scale. The Likert scale is a scale based on the sum of the respondents' attitudes in responding to questions related to indicators of a variable. (Sansusi, 2017: 59). Respondents were asked to agree or disagree with each question. The value given uses a Likert scale which is made using a score of 1 to 4 in the following way:

1) Respondents are asked to answer general questions that will be used as a basis for measuring variables.

2) Respondents are asked to state:

a. Strongly Agree (SS),

b. Agree (S),

c. Disagree (TS),

d. Strongly Disagree (STS). by giving a tick mark (☐)

3) The scoring of each answer is as follows:

Answer	Score
Strongly Disagree (STS)	1
Disagree (TS)	2
Agree (S)	3
Strongly Agree (SS)	4

DATA ANALYSIS METHOD

The analysis method used in this research is data quality test, classical assumption test, multiple regression analysis and hypothesis testing with the help of SPSS version 23.

DESCRIPTIVE STATISTICS

Descriptive statistics are statistics that are used to analyze data by describing or describing the collected data without the intention of making generally accepted conclusions and generalizations. In presenting descriptive statistics with tables, graphs, pie charts, calculations (mode, median, mean), percentage and standard deviation. (Sanusi, 2017: 115-116)

DATA QUALITY TEST

The data quality test aims to measure the accuracy of the statements or questions contained in the research instrument. The test was carried out using the Validity Test and Reliability Test methods (Sugiyono, 2015).

CLASSIC ASSUMPTION TEST

To perform the classical assumption test, this study conducted a normality test, heteroscedastity test and multicolonierity test (Ghoxali, 2016)

MULTIPLE REGRESSION ANALYSIS

Multiple linear regression is the dependent variable (Y) connected or explained by more than one variable, maybe one, two and so on the independent variable (X1, X2, ……Xn) but still shows a linear relationship diagram. Multiple regression analysis with the aim of knowing the relationship between two or more independent and dependent variables (Ghozali, 2016: 175)

The formula for multiple linear regression analysis is as follows:

$$X = \alpha + b1\ X1 + b2\ X2 + b3\ X3 + e$$

Where: Y   : Independence

a   : Constants

β_1, $\beta2$, $\beta3$ and $\beta4$: Regression coefficient

X_1 : *Audit Fee*

X_2 : *Tenure Audit*

X_3 : Size of Public Accounting Firm (KAP)

E   : Error

RESULTS AND DISCUSSION

DESCRIPTIVE STATISTICS

Descriptive Statistics Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistics	Statistics	Statistics	Statistics	Statistics
Audit_Fee	110	11	16	14.06	1,448
Audit_Tenure	110	8	16	12.54	2,140
CAP_Size	110	11	20	17.01	1,835
Independency_Auditor	110	11	20	17.38	1,896
Valid N (listwise)	110				

Explain that the number of respondents (N) was 110 people. Of these 110 respondents, the minimum answer to the auditor independence variable is 11 and a maximum of 20, with an average total answer of 17.38 and a standard deviation of 1.896.

The results of the analysis using descriptive statistics on the audit fee variable show a minimum value of 11, a maximum value of 16 with an average of 14.06 and a standard deviation of 1.448.

The results of the analysis using descriptive statistics on the audit tenure variable show a minimum value of 8, a maximum value of 16 with an average of 12.54 and a standard deviation of 2.140.

The results of the analysis using descriptive statistics on the KAP size variable showed a minimum value of 11, a maximum value of 20 with an average of 17.01 and a standard deviation of 1.835.

DATA QUALITY TEST RESULTS

VALIDITY TEST

Results of the Audit Fee Variable Validity Test (X1)

Correlations

		AF1	AF2	AF3	AF4	AF5	Total
AF1	Pearson Correlation	1	.157	.387 **	.423 **	-.045	.742 **
	Sig. (2-tailed)		.101	.000	.000	.643	.000
	N	110	110	110	110	110	110
AF2	Pearson Correlation	.157	1	.446 **	.094	.406 **	.499 **
	Sig. (2-tailed)	.101		.000	.330	.000	.000
	N	110	110	110	110	110	110
AF3	Pearson Correlation	.387 **	.446 **	1	.486 **	.194 *	.777 **
	Sig. (2-tailed)	.000	.000		.000	.042	.000
	N	110	110	110	110	110	110
AF4	Pearson Correlation	.423 **	.094	.486 **	1	.046	.779 **
	Sig. (2-tailed)	.000	.330	.000		.633	.000
	N	110	110	110	110	110	110
AF5	Pearson Correlation	-.045	.406 **	.194 *	.046	1	.566
	Sig. (2-tailed)	.643	.000	.042	.633		.083
	N	110	110	110	110	110	110
Total	Pearson Correlation	.742 **	.499 **	.777 **	.779 **	.566	1
	Sig. (2-tailed)	.000	.000	.000	.000	.083	
	N	110	110	110	110	110	110

Based on the table above, it is known that the r count for AF1 is 0.742, AF2 is 0.499, AF3 is 0.777, AF4 is 0.779 and AF5 is 0.566. These results indicate that AF1 to AF5 are valid because the r value is greater than 0.187.

Results of the Validity Test of Audit Tenure Variables (X2)

Correlations

		AT1	AT2	AT3	AT4	AT5	Total
AT1	Pearson Correlation	1	.367 **	.227 *	.364 **	.322 **	.673 **
	Sig. (2-tailed)		.000	.017	.000	.001	.000
	N	110	110	110	110	110	110
AT2	Pearson Correlation	.367 **	1	.421 **	.197 *	.331 **	.686 **
	Sig. (2-tailed)	.000		.000	.039	.000	.000
	N	110	110	110	110	110	110
AT3	Pearson Correlation	.227 *	.421 **	1	.278 **	.353 **	.664 **
	Sig. (2-tailed)	.017	.000		.003	.000	.000
	N	110	110	110	110	110	110
AT4	Pearson Correlation	.364 **	.197 *	.278 **	1	.388 **	.652 **
	Sig. (2-tailed)	.000	.039	.003		.000	.000
	N	110	110	110	110	110	110
AT5	Pearson Correlation	.322 **	.331 **	.353 **	.388 **	1	.715 **
	Sig. (2-tailed)	.001	.000	.000	.000		.000
	N	110	110	110	110	110	110
Total	Pearson Correlation	.673 **	.686 **	.664 **	.652 **	.715 **	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

Based on the table above, it is known that the r count for AT1 is 0.673, AT2 is 0.686, AT3 is 0.664 AT4 is 0.652 and AT5 is 0.715.These results indicate that AT1 to AT5 are valid because the r value is greater than 0.187.

Results of the Validity Test of the Size of the Public Accounting Firm (X3)

Correlations

		UKAP1	UKAP2	UKAP3	UKAP4	UKAP5	Total
UKAP1	Pearson Correlation	1	.602 **	.527 **	.144	.330 **	.701 **
	Sig. (2-tailed)		.000	.000	.133	.000	.000
	N	110	110	110	110	110	110
UKAP2	Pearson Correlation	.602 **	1	.590 **	.382 **	.409 **	.808 **
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110
UKAP3	Pearson Correlation	.527 **	.590 **	1	.364 **	.400 **	.778 **
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110
UKAP4	Pearson Correlation	.144	.382 **	.364 **	1	.494 **	.654 **
	Sig. (2-tailed)	.133	.000	.000		.000	.000
	N	110	110	110	110	110	110
UKAP5	Pearson Correlation	.330 **	.409 **	.400 **	.494 **	1	.730 **
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110
Total	Pearson Correlation	.701 **	.808 **	.778 **	.654 **	.730 **	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

Based on the table above, it is known that the r count for UKAP1 is 0.701, UKAP2 is 0.808, UKAP3 is 0.778 UKAP4 is 0.654 and UKAP5 is 0.730.These results indicate that UKAP1 to UK5AP are valid because the r value is greater than 0.187.

Table 4:11. Test Results of Variable Validity of Auditor Independence (Y)

Correlations

		IA1	IA2	IA3	IA4	IA5	Total
IA1	Pearson Correlation	1	.593 **	.283 **	.302 **	1,000 **	.775 **
	Sig. (2-tailed)		.000	.003	.001	.000	.000
	N	110	110	110	110	110	110
IA2	Pearson Correlation	.593 **	1	.158	.251 **	.593 **	.724 **
	Sig. (2-tailed)	.000		.098	.008	.000	.000
	N	110	110	110	110	110	110
IA3	Pearson Correlation	.283 **	.158	1	.314 **	.283 **	.618 **
	Sig. (2-tailed)	.003	.098		.001	.003	.000
	N	110	110	110	110	110	110
IA4	Pearson Correlation	.302 **	.251 **	.314 **	1	.302 **	.676 **
	Sig. (2-tailed)	.001	.008	.001		.001	.000
	N	110	110	110	110	110	110
IA5	Pearson Correlation	1,000 **	.593 **	.283 **	.302 **	1	.775 **
	Sig. (2-tailed)	.000	.000	.003	.001		.000
	N	110	110	110	110	110	110
Total	Pearson Correlation	.775 **	.724 **	.618 **	.676 **	.775 **	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

Based on the table above, it is known that the r count for IA1 is 0.775, IA2 is 0.724, IA3 is 0.618 IA4 is 0.676 and IA5 is 0.775.These results indicate that IA1 to IA5 are valid because the value of r is greater than 0.187.

Reliability Test

Reliability Test Results

Variable	*Cronbach's Alpha*	Information
Auditor Independence	0.823	Reliable
Audit Fee	0.753	Reliable
Tenure Audit	0.770	Reliable
Public Accounting Firm Size	0.778	Reliable

The reliability of the consistency between items or the fairness coefficient of the Cronbach's Alpha value in table 4.12 above, namely the auditor's independence of 0.823. For the audit fee instrument of 0.753, the audit tenure instrument of 0.770, the instrument for the size of the public accounting firm is 0.778. Thus, it can be concluded that all research instruments can be said to be reliable because they have a Cronbach's Alpha value> 0.70. This shows that each statement item used by each research instrument will be 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.

CLASSIC ASSUMPTION TEST RESULTS

NORMALITY TEST

Graphical Normality Test Results

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Independensi_Auditor
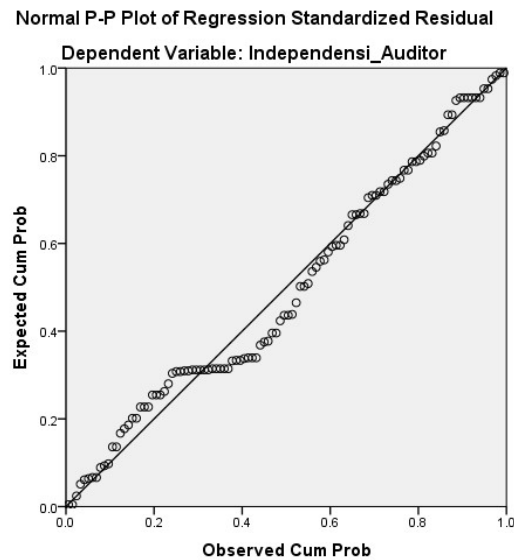
In the normal P-Plot chart above, it can be concluded that the data distribution is around the diagonal line and follows the direction of the diagonal line, so the regression model fulfills the normality assumption.

In addition to the graphical normality test analysis, the normality test can be carried out by means of statistical analysis. The statistical normality test aims to ensure that the data is actually normally distributed. The analysis used the Kolmogorov-Smirnov (KS) non-parametric statistical test, by looking at the significance value (asymp.sig).

One-Sample Kolmogorov-Smirnov Test

		Independency_Audit or
N		110
Normal Parametersa, b	Mean	17.38
	Std. Deviation	1,896
Most Extreme	Absolute	.132
Differences	Positive	.132
	Negative	-116
Statistical Test		.132
Asymp. Sig. (2-tailed)		.200c

Based on table 4:12 above, it is found that the value of all variables from the logrov-smirnov column> 0.05 is seen in Asymp. Sig (2-tailed) is 0.2. Thus it can be said that the data are normally distributed.

Multicolonieriety Test

Multicolonieriety Test Results

Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Audit_Fee	.880	1,136
Audit_Tenur	.744	1,344
CAP_Size	.749	1,335

a. Dependent Variable: Independensi_Auditor

Based on the results of the table above, it shows that the audit fee variable has a VIF value of 1.136, the audit tenure variable has a VIF value of 1.344, and the public accounting firm size variable has a VIF value of 1.335. The table above also shows that the three variables have tolerance values above 0.10. So it can be concluded that all the variables used in this study do not have multicolonieriety problems.

Heteroscedasticity Test

Heteroscedasticity Test Results

Scatterplot
Dependent Variable: Independensi_Auditor
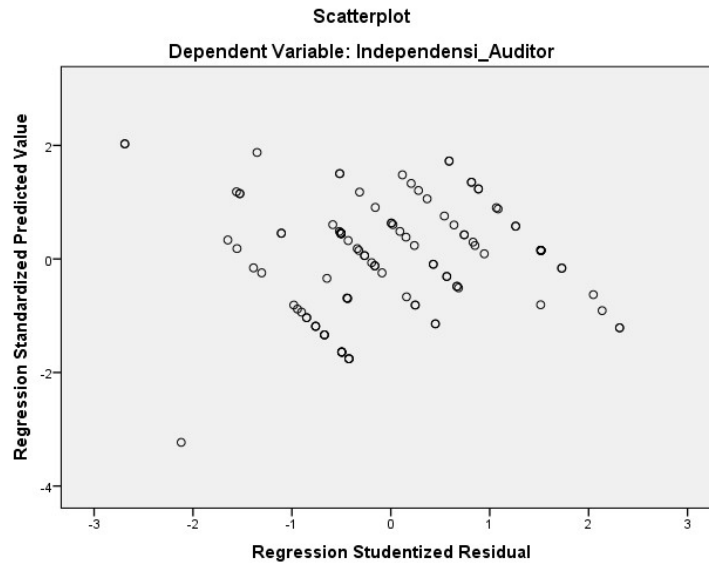
Based on Figure 4.2, it shows that the data is spread above and below the number 0 (zero) on the Y axis and there is no clear pattern in the distribution of the data. This means that there is no heteroscedasticity in the regression model, so the regression model is appropriate to be used to predict auditor independence based on variables that influence it, namely audit fees, audit tenure and size of public accounting firms.

MULTIPLE LINIER REGRESSION ANALYSIS

Results of Multiple Linear Regression Analysis

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	6,950	1,908	
	Audit_Fee	.184	.087	.297
	Audit_Tenure	.146	.078	.165
	CAP_Size	.407	.097	.394

a. Dependent Variable: Independensi_Auditor

Based on Table 4:15 above the results that have been obtained from the regression coefficients above, a regression equation can be made as follows:

Auditor independence = 6,950 + 0.184 Audit fee + 0.146 Audit tenure - 0.407 Public accounting firm size + error

HYPOTHESIS TESTING

Determination Coefficient Test (R2)

Result of Determination Coefficient Test (R2)

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.508a	.258	.237	1,656

a. Predictors: (Constant), Size_KAP, Audit_Tenure, Audit_Fee

b. Dependent Variable: Independensi_Auditor

Based on the results of the table above, indicates the R value of 0.508 or 50.8%. This means that the relationship or correlation between the factors that affect auditor independence is weak because it is less than 1, while the adjusted R2 value is 0.237. This indicates that the variation in the audit fee, audit tenure, and KAP size variables explains 23.7% of the variation in the auditor independence variable. While the rest, (100% -25.8% = 74.2%)explained by other variables that are not in the research variable. Standard Error of Estimation (SEE) is 1.656. The smaller the SEE value will make the regression model more precise in predicting the dependent variable.

T test (partial)

T test result (partial)

Coefficientsa

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	6,950	1,908		3,643	.000
Audit_Fee	.184	.087	.186	2,107	.037
Audit_Tenure	.146	.078	.165	1,879	.043
CAP_Size	.407	.097	.394	4,205	.000

a. Dependent Variable: Independensi_Auditor

Based on the results of the individual test (partial) calculation, the audit fee variable shows the t value of 2.107 with a significance level of 0.037. The significance value is more than α = 0.05, it means that partially the audit fee variable has a significant positive effect on auditor independence. The audit tenure variable shows the t value of 1.879 with a significance level of 0.043. This significant value is more than α = 0.05, it means that individually (partially) the audit tenure variable has a significant positive effect on auditor independence. And finally, the results of the partial test calculation of the KAP size variable determine the t value of 4.205 with a significant level of 0.000. The significance value is less than α = 0.05,

F Test (Simultaneous)

F Test Result (Simultaneous)

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	101,272	3	33,757	12,310	.000b
	Residual	290,691	106	2,742		
	Total	391,964	109			

a. Dependent Variable: Independensi_Auditor

b. Predictors: (Constant), Size_KAP, Audit_Tenure, Audit_Fee

The F value is obtained for 12.310 with a significance level of 0.000. This means that this regression model is feasible to use, because the level of significance is less than 0.05, so it can be said that the audit fee, audit tenure, and KAP size together (simultaneously) have a significant effect on auditor independence.

DISCUSSION

Effect of Audit Fees on Auditor Independence

Based on the results of the first hypothesis for the audit fee variable, the results obtained from the t test showed a significant value less than 0.05, namely 0.037 <0.05. Thus, H0 is rejected and Ha is accepted. So it can be concluded that the audit fee has a significant effect on auditor independence.

Effect of Audit Tenure on Auditor Independence

Based on the second hypothesis for the audit tenure variable, the results obtained from the t test showed a significant value less than 0.05, namely 0.043 <0.05. Thus, Ha is accepted and H0 is rejected. So it can be concluded that audit tenure has a significant effect on auditor independence.

Effect of KAP Size on Auditor Independence

Based on the third hypothesis for the KAP size variable the results obtained from the t test show a significant value smaller than 0.05, namely, 0.000 <0.05. Thus Ha is accepted and H0 is rejected. So it can be concluded that KAP size has a significant effect on Auditor Independence.

CONCLUSIONS AND SUGGESTIONS
CONCLUSION

Based on the results of testing the results of hypotheses related to the formulation of the problem and the objectives of this study, it can be concluded as follows:

1) *Audit Fee* has a significant positive effect on auditor independence produced by auditors who work in public accounting firms (KAP) located in the areas of East Jakarta, South Jakarta and Central Jakarta. The results of this study indicate that a high audit fee will carry out a broader and more in-depth audit procedure of the client company and will act independently due to sufficient fees received by the auditor so that the possibility of anomalies that occur in the client's financial statements can be detected and can be overcome, by thus the resulting audit results can be trusted and accurate.

2) *Tenure audit* has a significant positive effect on auditor independence produced by auditors who work in public accounting firms (KAP) located in the areas of East Jakarta, South Jakarta and Central Jakarta. The results of this study indicate that the relationship between the auditor and the auditee that lasts for a long time provides in-depth knowledge of the auditor, so that the auditor is maximized when he is in charge of auditing his client company and will act independently because he already knows and has sufficient experience in examining client offices.

3) The size of the public accounting firm has a significant effect on the independence of auditors produced by auditors who work in Public Accounting Firms (KAP) located in East Jakarta, South Jakarta and Central Jakarta. The results of this study indicate that the size of the public accounting firm cannot be used as a benchmark for measuring the level of independence of an auditor. Because there are often cases with a larger public accounting firm than a smaller public accounting firm ..

Suggestion

Based on the results of research conducted, the authors provide suggestions in this study as follows:

1) Auditors are advised to always add to their audit experience by adding insight into auditing science and being able to attend training held by IAPI. In addition, auditors can maintain professional skepticism and independence in order to obtain good results.

For further researchers, it is hoped that it can add other variables that can affect the ability of auditors to detect fraud that is not in this study. In addition, it is recommended that researchers increase the number of statements in the questionnaire, increase the number of respondents and the number of samples and expand the object of research. This was done in order to obtain more representative research results to represent the real situation

REFERENCE LIST

AchmatBadjuri. 2011. Factors Influencing the Quality of Audit Auditor Independence in Public Accounting Firms (KAP) in Central Java. Finance and Banking Dynamics. Vol.3, No.2.UniversitasStikubank.

Agoes, Sukrisno. 2012. Auditing Practical Guidelines for Auditing Accountants by Public Accountants. Jakarta: Four Salemba.

Agoes, Sukrisno. 2014. Auditing Auditing: Practical Guidelines for Accountant Examination by Public Accountants. Volume 1. Fourth Edition. Jakarta: Four Salemba.

Akbar and Kartika 2015JurnalDinamikaAccounting, Finance and Banking, Vol. 4, No.2. UniversityStikubank.

Anang Didik Waluyo and Bambang Suryono. 2015. The Effect of Audit Quality, Audit Fee, and Public Accountant Profile on Auditor Independence. Journal of Accounting Science & Research Vol. 4 No. 1. Indonesian College of Economics (STIESA) Surabaya.

Arens et al. 2008. Auditing and Assurances Services - An Integrated Approach. Twelfth Edition. Prentice Hall

Arens, AA, RJ Elder. And Ms. Beasley. 2014. Auditing and Assurance Services. Fifteenth Edition. Volume I.

Arens, AA, SB Mark, RJ Elder, and AA Jusuf. 2011. Audit and Assurance Services, Integrated Approach. Book 1. Salemba Empat. Jakarta.

Brilliant Akbar and Andi. 2015. Factors Affecting Auditor Independence in Central Java. Dynamics of Accounting, Finance and Banking, Vol 4, No.2.

Chinwe Claire and Chinwuba Okafor. 2012. Auditors Independence, Auditors' Tenure and Audit Firm Size in Nigeria.Research Journal of Finance and Accounting, Vol. 3, No.10. University of Benin Nigeria.

Danang, Sunyoto. 2013. Accounting Research Methodology. PT RefikaAditama Member Account: Bandung

Dewi Rosari Putri Zam and Sri Rahayu. 2015. The Effect of Time Budget Pressure, Audit Fee, and Auditor Independence on Audit Quality. E-Proceeding of Management: Vol. 2 No.2. Telkom University.

Fierdha, Hendra, Pupung. 2015. The Effect of Audit Rotation and Audit Tenure on Audit Quality with Audit Fees as Moderating Variables. Research Proceedings of Unisba Academics (Social and Humanities). Bandung Islamic University.

Fini Rizki Nanda. 2015. The Effect of Audit Tenure, Disclosure, KAP Size, Debt Default, Opinion Shopping and Financial Conditions on the Acceptance of Going Concern Audit Opinions. Journal of Economics, Management and Accounting IVol.24 No.1 June. Riau Islamic University.

Fransiska Dian PermatasariKono and Etna Nur AfriYuyetta. 2013. The Influence of Free Cash Flow, KAP Size, KAP Industry Specialization, Audit Tenure and Auditor Independence on Profit Management. Diponegoro Journal of Accounting Vol.2 No.3. Diponegoro University.

Ghozali, Imam. 2016. Multivariate Analysis Application with IBM SPSS 23. Diponegoro University, Semarang.

Hartadi, Bambang. 2012. The Effect of Audit Fee, KAP Rotation, and Auditor's Reputation on Audit Quality in Indonesia Stock Exchange. Journal of Economics and Finance Volume 16, Number 1, March 2012: 84-103

Herawaty, Netty. 2011. The Effect of Internal Control and the Length of Audit Time on the Audit Fee (Case Study at KAP Jambi and Palembang). Research Journal of Jambi University Humanities Series Vol. 3 (1) January-June: 7-12.

I Gusti Agung Rai. 2011. Performance Audit in the Public Sector. Jakarta: Salemba Empat - Third Edition.

Indonesian Institute of Public Accountants (IAPI) KEP.024 / IAPI / VII / 2008.

Indonesian Institute of Public Accountants. 2008. Decree of the General Chairperson of IAPI Number: KEP.024 / IAPI / VII / 2008

Listya Yuniastuti Rahmina and Sukrisno Agoes. 2014. Influance Of Auditor Independence, Audit Tenure, and Audit Fee On Audit Quality of Members of Capital Market Accountant Forum in Indonesia.Procedia - Sosial and Behavioral Sciences 164 (2014) 324 - 331.

M. Sukamdani. 2016. The Influence of KAP Size, Audit Fees, Relationships with Clients, Professional Commitment and Competition Between KAPs, Against Independence of Public Accountants Firm.JomFekonVol.3 No.1 (February). Riau University. Pekanbaru.

Ma'rifahtumbillah, Kharis Raharjo, and Rita Andini. 2016. The Effect of Public Accountant Firm Size, Audit Fee, Auditor Ethics on Audit Quality. Journal Of Accounting, Volume 2 No. 2

Messier, WF, SM Glover, and DF Prawitt. 2011. Auditing and Assurance Service: a systematic approach. Eight Edition. Jakarta: Four Salemba. Prianthinah and Wedari translations. 2014. Audit and Assurance Services: A Systematic Approach. Delepan Edition. Book 1.Jakarta: Salemba Empat.

Mulyadi. 2011. Auditing. (Book 1, 6th Edition). Jakarta: Four Salemba.

Ni Wayan Rustiarini and Ni Wayan Mita Sugiarti. 2013. The Influence of Auditor Characteristics, Audit Opinion, Audit Tenure, Auditor Change in Audit Delay. Scientific Journal of Accounting and HumanikaJINAH Vol.2 No. 2. Ganesha University of Education.

Onalapo, Ajulo, and Onifade. 2017.Effect of Audit Fees on Audit Quality: Evidence from Cement Manufacturing Companies in Nigeria.Europan Journal of Accounting, Auditing and Finance Research. Vol. 5, No.1.

Minister of Finance Regulation No. 17 / PMK.01 / 2008.*www.online-pajak.com*

Primadita, Indria and Fitriany. 2012. The Influence of Tenure and Specialist Auditors on Information Asymmetry. Proceedings of the XV National Symposium on Accounting. Banjarmasin.

Sanusi, Anwar. 2011. Business Research Methodology. Four Salemba. Jakarta.

Sarjono, Haryadi and WindaJulianita. 2011. SPSS vs LISREL: An Introductory Application for Research. Fourth Salemba, Jakarta

Sekar Mayangsari and Puspa Wandanarum. 2013. Auditimg Public and Private Sector Approaches. Jakarta: Media Bangsa.

Syllabus 2019 https://www.silabus.web.id/convenience-sampling/

Public Accountant Professional Standards (SPAP). 2011. Formulation of Quality Control Policies and Procedures for Section 200. Jakarta: Salemba Empat.

Sugiyono. 2017. Quantitative, qualitative, and R&D research methods. Bandung: Alphabet, CV

Tarigan, Malem Ukur and Prisma Bangun Susanti. 2013. The Influence of Competence, Ethics and Audit Fees on Audit Quality. Accounting Journal, Volume 13, Number 1, Year 2013: 803-832.

Tiara Margaetha Simatupang. 2014. Factors Affecting the Independence of Public Accountants. Journal of Accounting Science & Research Vol.3 No.4. Indonesian College of Economics (STIESIA) Surabaya.

William FM, Steven MG, Douglas FP 2014. Audit and Assurance Services. Edition 8 Book 2. Jakarta: Salemba Empat.

Winanto and Widayat. 2013. The Effect of Tax Planning and Corporate Governance Mechanisms on Firm Value. Papers of the National Accounting Symposium XVI.

Yossi Septriani. 2012. The Effect of Auditor Independence and Competence on Audit Quality, Case Study of KAP Auditors in West Sumatra. Journal of Accounting & Management Vol. 7, No. 2, December 2012. ISSN 1858-3687 pp 78-100. Padang State Polytechnic.

Detik news. 2017. The Case of the BPK Auditor. Downloaded on September 3, 2019,https://news.detik.com/berita/d-3817969/auditor-bpk-segara-jalani-sidang-kasus-suap-moge

Detik news. 2017. The Case of BPK and JasaMarga Auditors. Downloaded on September 3, 2019,https://news.detik.com/berita/d-3798995/eks-gm-jasa-marga-purbaleunyi-didakwa-beri-suap-moge-ke-auditor-bpk

National Compass. 2017. The Case of the BPK Auditor. Downloaded on September 3, 2019https://nasional.kompas.com/read/2017/12/18/11330371/kpk-p Call-empat-pegawai-bpk-terkait-kasus-suap-auditor-bpk