

The Influence of Auditor Independence, Auditor Competence, and Task Complexity on Audit Judgments at Food & Beverage Companies Period 2016 - 2020

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Abstract

This study aims to determine the influence of auditor independence, auditor competence, and task complexity on audit judgments at food & beverage companies period 2016 - 2020. The analytical method used in this study is multiple Linear Regression analysis using SPSS software. The results in this study are auditor independence, auditor competence, and task complexity has a positive effect on audit judgment.

Keywords

auditor independence; auditor competence; task complexity; audit judgment



I. Introduction

Financial statements are prepared to provide information about an entity that is useful for making business decisions. According to Financial Accounting Standard Board (FASB), there are 2 criteria that must be met fulfilled so that financial reports are useful for report users in making a decision, namely, reliability (reliability) and relevance. It is difficult to judge whether the report relevant and reliable, giving rise to the roles and duties of audits from outside the company in carrying out auditing duties regarding financial reporting company (Pratama et al., 2019).

Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021).

The independent auditor must be able to provide assurance on the fairness quality of the company's financial statements. Auditors are required to have an independent nature and carry out their duties in the public interest. In carrying out independent third party audit duties, namely public accountant. The services of public accountants are needed to assess Have the financial statements made by the company been presented? fairly and of course can be accounted for (Vice et al., 2020). The audit judgment aims to provide input on the audited financial statements so that the audit considerations are also determine the results and quality of the audit.

Amir Abadi KAP Scandal Jusuf, Aryanto, Mawar & Partners in May 2019, based on findings from the Ministry of Finance, it indicated that there was a violation of public accountant who audits the financial statements of PT Tiga Pilar Sejahtera Tbk (AISA). Ernst & Young's audit results found an overstatement IDR 4 trillion in accounts receivable, inventory, and fixed assets belonging to TPS Food Group, amounting to Rp 662 billion in sales and Rp 329 billion in Entity EBITDA. Based on the findings of KAP Purwantono, Sungkoro & Surja as for the flow of funds of Rp. 1.78 trillion through various channels schemes from the AISA Group to various parties suspected of being affiliated with old management (www.cnbcindonesia.com).

Based on the case above, it shows the importance of the auditor's opinion for many people parties such as creditors, investors, and many other parties. Like the case of SNP Finance that uses audited reports to obtain credit from banks. On the other hand, an erroneous audit opinion can mislead many users. Auditors have professionalism and professional ethics through the accuracy of auditors in making decisions in making the audit. The auditor's difficulty is usually due to: professionalism and independence but must comply with superior pressure or the entity under review (Aprilia Puspitasari, Zaki Baridwan, 2019).

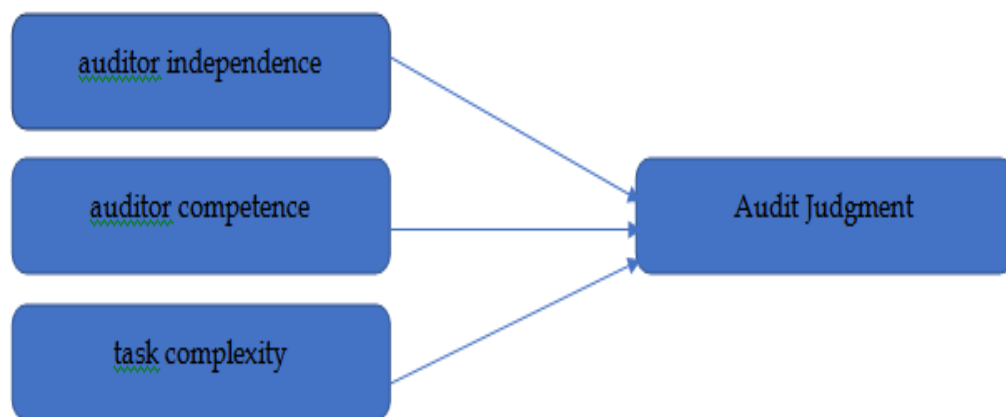
Auditor in dealing with these matters must maintain independence and integrity so as not to cast doubt on trust in public accountant. The competence of an auditor is also a crucial factor in audit judgment as can be seen in the case of PT Tiga Pilar Prosperous, KAP Amir Abadi Jusuf, Aryanto, Mawar and Partners as auditors independent could not find any overstatement on some account items that are quite significant in number and have an impact on audit judgment, namely giving a fair opinion in the 2017 financial year. Christanti and Dwirandra (2017) explain that knowledge can influence an auditor's judgment. Auditor knowledge (competence) related with the auditor's ability to control in the audit field, namely analyze the financial statements of a company or entity. Every supporter can interpret audit knowledge as a level of understanding auditor for a work both conceptual and theoretical. In detect a finding, an auditor must be supported by his knowledge.

In addition to the competence of an auditor, complexity is a non-technical factor that influences audit judgment. In determining the appropriate accounting records, the auditor Of course, you have to consider how complex the accounting records are. For example, the Public Accountant Company Supervisory Agency based in the United States reports KAP PSS has published a report for telecommunications company PT Indosat Tbk era 2011 with insufficient evidence. Looking at the case above, it is known that audit failure cases can show that task complexity affect the audit judgment. (St Ramlah et al., 2018) say that the level of complexity of a particular job can affect the effort the auditor devotes in producing quality audit reports and the results of his research show that task complexity has an effect on on the quality of audit results. Intended level of complexity related to tasks that are unstructured, difficult to understand and have high ambiguity. Independence focuses on audit results and make audit reports. Research conducted (Sari, 2011) states that the perceived independence of audit judgment will increase tall. When someone has high independence, it will result in that person being free move. So that he can choose a better judgment than people who do not have independence (Drupadi et al. 2015).

Financial literacy is a combination of knowledge and expertise and attitudes regarding financial management. Financial literacy according to the Financial Services Authority (2013) is a series of processes or activities to increase the knowledge, confidence and skills of consumers and the wider community so that they are able to manage their finances better. (Ritonga, M. et al. 2021)

Competence is the ability to provide feedback and opinions regarding the assignment and knowledge of an auditor. Judgment statement given on audit with competency level high and good in his field. If the auditor has more a lot of information, of course will consider appropriately decisions are based on the information collected and the information it has. This indicates that the auditor is required to have knowledge and adequate competence in terms of conducting audit activities and can produce a reliable audit opinion.

The complexity of the task affects the audit judgment where with the complexity of the task, the personal and individual of an auditor has a major role in addressing the work that is required pursued. The aims of this research are: Analyze whether auditor independence, auditor competence, and task complexity affect the audit judgment in Food & Beverage companies for the period 2016 – 2020



Source: Research Data (font 10)

Figure 1. Research Model

II. Research Methods

In this research, two types of variables are used, namely exogenous and endogenous variable. The authors used one endogenous variable and three exogenous. Endogenous variables using audit judgment (AJ). Audit judgment is a policy that isiambil by the auditor in order toino opinion the blesseditan audit results. If the audit judgment made by the auditor is in error, it will produce an audit report that cannot be trusted so that it will result in losses for several parties, including stakeholders and investors from the company (Pingyang; Gaoqing, 2015).

Exogenous variables are variables that have an influence on endogenous variables. The endogenous variable in this study is independence Auditor, Auditor Competence, and Task Complexity. Auditor independence in this study by looking at companies to replace KAP every 3 three) years. Auditor competence is done by looking at companies using KAPs that are members of the Big Four group, and the complexity of the task is done by looking at the overall audit results by looking at the notes on financial reporting.

Amount Normality tests and statistical tests, such as Student's t-test and one-way and two-way ANOVA require a normally distributed sample population. (Sugiyono, 2016).Classical assumption test is also a test that is generally performed on secondary data consisting of multicollinearity test, autocorrelation test, and heteroscedasticity test.

III. Result and Discusssion

Table 1. Coefficient of Determination Test (R2)

R	R Square	Adjusted R Square
.861a	.819	.722

Table 1 shows the Adjusted R Square of 0.722 or 72.2%, meaning 72.2%, the variable Audit Judgment as the dependent variable can be explained by the independent variables, namely Auditor Independence, Auditor Competence, and Task Complexity The remaining 27.8% is explained by other factors not included in this research model.

Table 2. F . Test Results

F	Sig.
13,367	.000a

Source: SPSS Output 22.0

Table 2 shows that the F value obtained is 13.367 with a significance level of 0.000 where the significance value is less than 5%. This means that the variable Audit Judgment simultaneously influenced by variables, namely Auditor Independence, Auditor Competence, and Task Complexity.

Table 3. T . Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.407	.123		3.298	.002
X1	.166	.186	.164	5.896	.000
X2	.187	.179	.185	7.049	.000
X3	.232	.159	.232	5.465	.000

a. Dependent Variable: Y

The results of the t statistical test can be seen in table 3, if the significant value is less than 5%, it can be concluded that the independent variable has a significant effect on the dependent variable, whereas if the significant value is greater than 5%, the independent variable has no significant effect on the dependent variable. The multiple linear regression equation is as follows:

$$Y = 0.407 + 0.166 X1 + 0.187 X2 + 0.232 X3 + e$$

H1: Auditor Independence Has a Positive Effect on Audit Judgment

In the independence variable (X1), the p-values are 0.000 where this value is below 0.05 and the t-statistic value is 5.896, above 1.66 so that H1 is accepted. The variable independence test concludes that auditor independence has a positive effect on audit judgment. This means that every time there is an increase in auditor independence, the more accurate the audit judgment will be. In Weiner's attribution theory, the cause of an event can occur due to internal factors. Weiner emphasized that causes are influenced by motivation and action. Attribution theory explains that behavior patterns have a relationship with a person's attitudes and characteristics. If an auditor is not affected by anything, then the auditor will be free to move to determine his judgment so that the audit judgment that will be produced is better. In carrying out his profession, an auditor must be free from conflicts of interest with the client being audited.

H2: Auditor Competence Has a Positive Effect on Audit Judgment

On variable I Auditor Competency (X2) p-values of 0.000 where the value is below 0.05 and t-statistic value 7.049 where this value is above 1.66 so that it makes H2 accepted. It can be concluded that the competence of auditors has a positive effect to audit judgments. This means that every time there is an increase competence possessed by an auditor, auditor,

the more accurate the audit judgment will be.. The effect of auditor competence on audit judgment is appropriate with Weiner's attribution theory which states that the causes of success and the failure of an event can occur due to internal factors including: ability which is the internal cause of the locus of dimension *control and controllability*.

H3: Task Complexity Has a Positive Effect on Audit Judgment

On variable I task complexity (X3) has a p-value of 0.004 and a t-statistic value of 2.622 so that H3 accepted. This means that task complexity has a positive effect on audit judgment. This means that every time there is an increase The complexity of the task, the more accurate the audit judgment will be This research can give confidence to auditors and audit partners to dare to accept audit task challenges from client companies that tend to have high business complexity. The higher the complexity of the audit task will encourage the auditor to be more careful in carrying out their audit tasks, so that the resulting judgment will be better. The placement of an auditor in a complicated and unclear situation can spur the creativity and self-control of the auditor, which in turn can improve the auditor's ability to provide better audit judgment.

IV. Conclusion

This study tested the research model with three hypotheses. Hypothesis first about : Auditor Independence Has a Positive Effect on Audit Judgment, the second hypothesis regarding Auditor Competence Has a Positive Effect on Audit Judgment, and the third hypothesis regarding Task Complexity Has a Positive Effect on Audit Judgment the results of the discussion and data analysis, it can be drawn the following conclusions:

1. Auditor Independence (X1) has a positive effect on audit judgment, so H1 is accepted.
2. Auditor Competence (X2) has a positive effect on audit judgment, so H2 is accepted.
3. Task Complexity (X3) has a positive effect on audit judgment so that H2 is accepted

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