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The Effect of Competence, Experience, Independence, Due Professional Care, And Auditor Integrity On Audit Quality With Auditor Ethics As Moderating Variable

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Abstract

This research aims to analyze and get empirical evidence about the effect of competence, experience, independence, due professional care, and integrity on audit quality with auditor ethics as a moderating variable. The data used in this study are primary data obtained through questionnaires obtained from external auditors in South Sumatra, Indonesia. The sample used was 97 auditors. The analytical tool used in this study is multiple linear regression analysis with moderating variables which are estimated using Ordinary Least Square (OLS). The results of the study show that the variables of competence, due professional care, and integrity significantly affect audit quality, the form of positive influence. Experience and independence variables do not significantly affect audit quality. Auditor ethics variables do not significantly moderate competence, experience, independence, due professional care, integrity to audit quality.

1. Introduction

Audit quality is a joint probability in which an auditor will find and report violations in his client's accounting system (Deangelo, 1981). The frauds carried out by external auditors in the country open the horizon of Indonesian citizens about how the entity being examined makes a bribe to get a good audit result. Different interests between business people and management make audit quality not easy to do. Corporate and government management requires the services of an external auditor so that financial accountability presented to external parties can be trusted, while outside parties require third party services to obtain confidence that the financial statements presented by company management can be trusted as the basis for decisions made (Mulyadi, 2014)

This study uses auditing theory and attribution theory to explain the quality of audits conducted by external auditors. According to Mautz and Sharaf (1961) Auditing Theory is a guide for carrying out a normative audit. To conduct a quality audit, the auditor must comply with generally accepted standards and regulations. Audit quality is measured using auditing standards, and generally accepted regulations. According to Heider (1958) Attribution theory refers to how a person explains the cause of another person's behavior or himself which will be determined whether from internal eg nature, character, attitude, etc. or externally, for example the pressure of certain situations or circumstances that will influence individual behavior. Auditing standards that are generally accepted in Indonesia require auditors to have and apply competence, experience, independence, due professional care, integrity and ethics, this is used as a basis for measuring the quality of the auditor's personal quality so that the audit results are quality.

Competence is the overall knowledge, ability or skill and work attitude plus personality attributes possessed by a person (Dinata, 2006). Incompetent auditors tend to depend on the opinions of others in completing their audit tasks, because they have very limited knowledge. While competency in the applicable auditing standards must be owned by the auditor. The more competent auditors are the higher the quality of audits they provide. This shows a positive relationship between competence and audit quality conducted by the auditor.

Another factor that influences audit quality is According to Ningrum and Budiarta (2017) Auditors who have good work experience have several advantages including being able to

detect errors, understand the errors and find out connect decisions taken. A person will be more careful in taking an action. Experienced auditors can provide better audit quality compared to inexperienced auditors

In addition to the influence of audit quality with competence and experience, independence also influences auditors to provide quality audit. Independence means a mental attitude that is free from influence, not controlled by other parties, not dependent on others. Auditor independence is the main basis of public trust in the profession of external auditors and is one of the most important factors to assess the quality of audit services (Mulyadi, 2014). Therefore, it is reasonable that to produce a quality audit, an independent attitude is required from the auditor. Because if the auditor is not independent, the audit report does not show economic reality. so that it cannot be used as a basis for decision making. Another factor that can improve audit quality is due professional care.

Due professional care requires auditors to carry out professional skepticism, of questioning mind (Mulyadi, 2014). Auditors who apply due professional care are easier to detect fraud in the entity being audited. Research by Beasley et, al (2001) based on AAERs (Accounting and Auditing Releases) from SEC (Securities and Exchange Commission), states that one of the causes of auditor failure in detecting financial statements is the low level of skepticism of audit professionals. Based on this study, of the 45 cases of fraud in the financial statements, 24 cases (60%) occurred because the auditor did not apply an adequate level of professional and ethical skepticism. This makes due professional care very much needed to produce a quality audit. Another factor that also influences audit quality is integrity.

Integrity is a quality that underlies public trust and is a benchmark for members in testing all decisions taken. Integrity requires a member to, among other things, be honest and forthright without sacrificing the secrets of the recipient of services, services and public trust should not be defeated by personal gain (Mulyadi, 2014). Integrity can accept unintentional errors and disagreements honestly, but cannot accept fraud or abolition of principles, the higher the integrity an auditor has and to comply with the code of ethics of the auditor's profession, the more quality the audit will be. Another understanding of ethical principles factor that also influences audit quality is ethics. According to Mulyadi (2014) auditor ethics are behavioral values or behavioral rules that are accepted and used by the accounting profession organization which includes personality, professional skills,

responsibilities, implementation of the code of ethics and interpretation and improvement of the code of ethics. Each auditor is also expected to uphold the established ethics, by upholding the professional ethics of decisions / opinions produced by an auditor will be more independent and objective.

The difference between the results of research or club research between the variables that affect the quality of the external auditor's audit and some of the audit case quality phenomena in Indonesia conducted by external auditors has motivated the author to continue the research conducted by Ningrum and Budiarta (2016) by adding independence and integrity is an independent variable and makes auditor ethics a moderating variable. The author uses auditor ethics as a moderating variable because the results of testing the auditor's ethics variable in the previous research are more consistent than other research variables.

Based on the description of the background of the problem and several previous studies and still in accordance with the suggestions of previous studies which stated that the lack of research instruments to examine audit quality has encouraged the author to compile research with the title "The Effect of Competence, Experience, Independence, Due Professional Care, and Auditor Integrity on Audit Quality With Auditor Ethics As Moderating Variable".

2. Literatur Review

2.1. Auditing Theory

According to Mautz and Sharaf (1961) Auditing Theory is a guide for carrying out a normative audit. To conduct a quality audit, the auditor must comply with generally accepted standards and regulations. Audit quality is measured using auditing standards, and generally accepted regulations.

2.2 Attribution Theory

According to Heider (1958) This theory refers to how someone explains the causes of the behavior of others or themselves which will be determined whether from internal such as the nature, character, attitude, etc. or external such as the pressure of certain situations or circumstances that will influence individual behavior.

2.3. Conceptual Framework and Hypothesis Development

2.3.1 The Effect of Competence on Audit Quality

Competence is the overall knowledge, ability or skill and work attitude plus personality attributes possessed by a person (Dinata, 2006). competence is the expertise of an auditor obtained from knowledge and training. Each auditor must fulfill certain requirements to become an auditor. Each practitioner must maintain his professional knowledge and expertise at a required level on an ongoing basis, so that the client or employer can receive professional services provided competently based on the latest developments in practice, legislation, and methods of carrying out the work (Mulyadi, 2014). Every Practitioner must act professionally and in accordance with professional standards and professional codes of ethics that apply in providing professional services. An auditor must be competent, an incompetent Auditor tends to depend on the opinions of others in completing audit tasks, because of the very limited knowledge and experience they have.

In auditing theory, to conduct a quality audit, the auditor must adhere to generally accepted standards and regulations (Mautz and Sharaf, 1961). In conducting an audit, an auditor must have good personal quality, adequate knowledge, and special expertise in his field. This means that the auditor can find deviations that occur if he has a lot of knowledge in the field of auditing and accounting so that with high competence can improve the quality of audit results.

This is strengthened by the results of research conducted by Halim, Sutrisno, and Achsin (2014), Octavia and widodo (2015), Pandoyo (2016), Wardayanti (2016), Zahmatkesh and Rezazadeh (2017), Darayasa and Wisadha (2016) , Pitaloka and Widanaputra (2016), Ningrum and Budiarta (2017) which show that competence has a positive effect on auditor quality.

H1: Competence has a significant effect on audit quality

2.3.2 The Effect of Experience on Audit Quality

Experience is a learning process and the addition of potential development behavior both from formal and non-formal education or can also be interpreted as a process that brings someone to a higher pattern of behavior (Knoers and Haditono; 1999) in (Saripudin et al, 2012). Psychologically, experience will shape a person's personality, which will make someone wiser both in thinking and acting, because one's experience will feel his position

when he is in good condition and when he is in a bad state (Bawono and Singgih, 2010). A person will be more careful in acting. Experienced auditors can provide better audit quality compared to inexperienced auditors.

This is strengthened by the results of research conducted by Cahan and Sun (2014), Pandoyo (2016), Wardayanti (2016), Parasayu and Rohman (2014), Dwitariani and Suputra (2016), Oktarini and Ramantha (2016), Rahayu and Suryono (2016), Ningrum and Budiarta (2017), the results of the study show that experience **has a positive effect on audit quality.**

H2: Experience **has a significant effect on audit quality**

2.3.3 The Effect of Independence on Audit Quality

Independence **is the** attitude of auditors who are impartial, do not have personal interests, and are not easily influenced by parties who have an interest in giving opinions (Mulyadi, 2014). Auditor independence is one of the important factors to produce a quality audit. Independence is a determinant of audit quality, because if the auditor is truly independent it will not be affected by his client. The auditor will freely carry out his audit duties. However, if auditors do not have independence, especially if you get pressure from the client, the audit quality that is produced is also not optimal. The auditor cannot provide an objective opinion if he is not independent. Even though auditors have sufficient technical capabilities, the public will not believe if they are not independent, the more independent an auditor is, the more quality the audit results will be.

This is strengthened by the results of research conducted by Suyono (2012), Halim, et.al (2014), Rahmina and agoes (2014), Octavia and widodo (2015), Brown et, al (2016), Pandoyo (2016) , Wardayanti 2017, Dewi and Budiarta (2015), Darayasa and Wisadha (2016), Rahayu and Suryono (2016), Pitaloka and Widanaputra (2016), Ariningsih and Mertha (2017) from the research results show that independence influences audit quality.

H3: Independence **has a significant effect on audit quality**

2.3.4 The Effect of Due Professional Care on Audit Quality

The auditor must have several attitudes as a basis for making decisions on audit activities. The attitudes that auditors must possess include: due professional care. Due professional care is the use of healthy considerations in determining the scope, in the choice of methodology, and in the selection of tests and procedures for auditing. Auditors must use

sound professional judgment in determining the standards set for the work performed (Mulyadi, 2014). due professional care requires the auditor to carry out professional skepticism, namely an attitude that includes thoughts that question and critically evaluate audit evidence. The use of due professional care is needed to produce a quality audit.

This conclusion is strengthened by the research conducted by Ningrum and Budiarta (2017) from the results of research showing that due professional care have a positive effect on audit quality.

H4: Due professional care has a significant effect on audit quality.

2.3.5 The Effect of Integrity on Audit Quality

Integrity is an element of character that underlies the emergence of professional recognition. Integrity is a quality that underlies public trust and is a benchmark for members in examining all decisions taken. Integrity requires a member to, among other things, be honest and forthright without sacrificing the secrets of the recipient of services, services and public trust should not be defeated by personal gain (Mulyadi, 2014). Integrity can accept unintentional errors and disagreements honestly, but cannot accept fraud or abolition of principles, the higher the integrity that an auditor has, the more quality the audit will be. Integrity requires members to comply with technical and ethical standards. This shows that with high integrity, the auditor can improve the quality of audit produced. Audit quality can be achieved if the auditor has good integrity and the results of his research find that integrity affects audit quality (Annisa and Abdul, 2014). Auditors as the spearhead of the implementation of audit assignments must always improve the knowledge they already have so that the application of knowledge can be maximized in practice. The influence of auditor integrity on audit quality on integrity has a significant effect on audit quality, meaning that if an auditor has an honest, courageous, prudent and responsible attitude in carrying out the audit it will build trust and provide a basis for reliable decision making (Wardayati, 2016).

This conclusion is strengthened by the results of research conducted by Annisa and Abdul (2014), Wardayanti (2017) The results of the research showing that integrity has a significant influence on the quality of audit results. Theory and previous studies I develop the following hypothesis.

H5: Integrity has a significant effect on audit quality.

2.3.6 The Effect of Auditor Ethics as Moderating Variables

The rationale that underlies the preparation of professional ethics in every profession is the need for the profession about the public's trust in the quality of services delivered by the profession, regardless of the members of the profession who submit these services (Mulyadi, 2014). The obligation of an auditor is to uphold their professional ethical standards for the organization they work for, the community and themselves. Ethics is a set of moral or value principles or rules of conduct established by professional organizations to protect the interests of members and society as service users (Arens, et al. 2011). The difficult problem faced by an auditor to improve audit quality is how to improve the attitude and behavior of auditors in carrying out audits, so that the supervision carried out is reasonable, effective and efficient. Ethics plays an important role in audit activities, when the auditor has adequate personal qualities, such as competence, experience, independence, due professional care and integrity, the auditor may continue to commit fraud if the auditor does not have good ethics, this will have an impact on audit quality carried out This is reinforced by the results of research conducted by Ningrum and Budiarta (2017) which shows that ethics has a positive relationship to audit quality.

H6: Ethics moderates the influence of competence, experience, independence, due professional care, and integrity on audit quality.

3. Research Methodology

This section Explains population, sample, sampling method, research variables. And the method of the data analysis

3.1. Population, Sample and Sampling Method

The research population is working all auditors in external audit offices spread across South Sumatra, Indonesia. The sample selection in this study uses purposive sampling method. Some criteria that must be met in determining the sample of this research are:

- a. Auditors working in the external auditor's office in South Sumatra.
- b. The auditor has worked at least 1 year or more in 2018.
- c. Auditors who are willing to fill out the questionnaire.

d. The auditor who completes the complete information on the questionnaire that is needed in relation to the calculation indicator used as a variable in this study.

The number of external auditor offices in South Sumatra are as follows: KAP Drs.Achmad Djunaidi B, KAP Drs.Ahmad Nuroh, KAP Drs. Achmad Rifai & Bunyamin, KAP Drs.H.Suparman., Ak, KAP Drs.Muhamad Zen & Partners (CAB), KAP Dra. Ellya Noorlisyati & Partners, KAP Drs.Charles Panggabean & Partners, Edward L. Tobing Madilah Bohori (CAB) Public Accountant Office, KAP Drs.Tanzil Djunaidi, KAP Delfi Panjaitan and the Republic of Indonesia Representative Office of South Sumatra, with a total of 135 external auditors, Observation criteria are 97 questionnaires.

3.2. Research variables

The variables used in this study contain one dependent variable and five independent variables and one moderating variable. Below is the information related to variables used:

a. Audit quality becomes dependent variable that is measured using instruments used by (Okliwia & Marlinah, 2014) Suitability of the audit with the Auditing Standards and Quality of the audit report.

b. Competence becomes independent of variables measured using instruments used by Okliwia and Marlinah (2014) namely Personal Quality, General Knowledge, and Special Skills

c. Experience becomes an independent variable that is measured by using the instrument used by (Saripudin et al., 2012), namely: Number of Assignments, Experience in Auditing, Length of Being an Auditor and Added to the Problem Solving Ability.

d. Independence becomes an independent variable that is measured by using instruments developed by (Mautz & Sharaf, 1961), namely: programmatic independence, investigative independence, and reporting independence.

e. Due professional care becomes an independent variable that is measured using the instruments used by (Saripudin et al., 2012) namely: Professional Skepticism and Adequate Belief

f. Integrity is an independent variable that is measured using the instruments used by (Parasayu & Rohman, 2014), namely: auditor honesty, auditor courage, auditor's wise attitude and auditor's responsibilities.

g. Ethics to be moderating variables measured by using instruments is in the book Arens, et al (2011), namely objectivity, confidentiality, professional behavior by ignoring integrity and professional competence and accuracy of this matter because these indicators are used as variables in this study and also this research adds to the Public Interest in the book Mulyadi (2014) because this indicator is important in assessing ethics.

3.4. Data Analysis Methods and Analysis Techniques

3.4.1 Data analysis

Data analysis method used by the writer in this study is quantitative analysis. In this study the questionnaire uses semantic differential scale. semantic differential scale that is by using the bar line where a very positive answer is located on the right side of the line, and a very negative answer is located on the left side of the line. The score on this questionnaire is by checking the options along the bar line in the range of lines 1 to 10 and the data obtained in this study is interval data.

3.4.2 Analysis technique

This study analyzes the influence of competence, experience, independence, due professional care, and auditor integrity on audit quality using the ordinary least square model through the regression equation as follows:

$$AQ = \alpha + \beta_1 KOMP + \beta_2 PENG + \beta_3 IND + \beta_4 DPC + \beta_5 ING + e \dots \dots \dots \text{Equation 1}$$

This study uses the OLS model so that it must pass the validity test, reliability test, and classical assumption test which consists of multicollinearity test, heteroscedasticity test and autocorrelation test.

The study also analyzed the influence of competence, experience, independence, due professional care, and auditor integrity on audit quality which was moderated by auditor ethics by using the following:

$$ETK = \alpha + \beta_1 KOMP + \beta_2 PENG + \beta_3 IND + \beta_4 DPC + \beta_5 ING + e \dots \dots \dots \text{Equation 2}$$

$$\{e\} = \alpha + \beta_6 AQ$$

Information :

AQ : Audit Quality

KOMP : Competence

PENG : Experience

IND : Independence

DPC : Due Professional Care

ING : Integrity

ETK : Auditor Ethics

a : Constant value

β_1, β_6 : Variable regression coefficient X

e : Error/ Residual

4. Results and discussion

This section displays seven points. The first point is the results of descriptive statistics of variables used in this study. The second one is the test results of classical assumptions of regression model. The third one is the estimation result of regression model. The fourth one is the estimation result of moderating model. The fifth one is test result of hypothesis. The sixth one is discussion. The seventh one is managerial implication.

4.1 The result of descriptive statistics

Table 1 Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
KOMP	97	7,4	9,9	8,4852	0,72063
PENG	97	4,3	9,7	8,4910	0,82224
IND	97	3,6	9,6	8,3859	0,81564
DPC	97	5,0	9,7	8,3822	0,89065
ING	97	7,4	9,6	8,5054	0,72837
ETK	97	4,0	9,6	8,4751	0,78691
AQ	97	4,0	9,6	8,5027	0,71583
Valid N (listwise)	97				

4.2. The test results of classical assumptions of regression model.

The results of the classic assumption test using statistical testing tools can be seen as follows:

4.2.1. Multicollinearity

Multicollinearity test results with show the following values:

Table 2 Multicollinearity test

Variable	VIF
KOMP	1,013
PENG	1,103
IND	1,242

DPC	1,119
ING	1,212

Based on the results table of the regression equation table 2, it can be seen that all explanatory variables have a smaller VIF value 10 so that it can be concluded that this regression model does not have multicollinearity problems.

4.2.2 Heteroscedasticity

Heteroscedasticity test demonstrate the value as follows

Table 3 Heteroscedasticity Test

Variable	Sig
KOMP	0,573
PENG	0,135
IND	0,533
DPC	0,488
ING	0,754

Significance value is more than 0.05 so it can be concluded that the model is free from heteroscedasticity

4.2.3 Autocorrelation

Autocorrelation test shows Durbin Watson value of 1,851, so that the Durbin Watson value is between DU and 4-DU values, then the regression model is free from autocorrelation

4.3 The estimation result of regression model

After the classical assumption test, we will test the regression model with following the regression test:

Table 4 Estimation Model Regression Test Results

Variabel	Coefficients	Std.Error	t	Sig.
	-0,039	0,789	-0,049	,961
KOMP	0,110	0,051	2,136	,035
PENG	-0,005	0,044	-0,114	,909
IND	0,056	0,053	1,057	,293
DPC	0,100	0,038	2,620	,010
ING	0,746	0,038	19,849	,000

4.4 Moderation test results

Table 5 Residual Test Results

Variabel	Coefficients	Std.Error	t	Sig.
(Constant)	1,124	,619	1,816	,072
AQ	-,090	,073	-1,242	,217

4.5 Hypotesis Test

Statistical testing in this study was carried out by comparing the significance value of each variable, if the significance value is less than 5% then the hypothesis is accepted and if more than 5% the hypothesis is rejected.

The first hypothesis of competency significantly influences audit quality, the form of influence is positive because the significance value is 0.035 smaller than 0.05. The second hypothesis of experience does not significantly affect audit quality because the significance value is 0.909 greater than 0.05. The third hypothesis of independence does not significantly affect audit quality because the significance value is 0.293 greater than 0.05. The hypothesis of the four professional due care significantly influences audit quality, a positive effect on audit quality because the significance value is 0.010 smaller than 0.05. The fifth hypothesis of integrity significantly affects audit quality, the form of influence is positive because the significance value is 0,000 smaller than 0.05. The sixth hypothesis of the ethical variable does not significantly moderate the relationship of variables of competence, experience, independence, due professional care, integrity to audit quality because the coefficient shows a negative value of -0.90 and the significance is 0.217 greater than 0.05.

4.6 Discussion

In the regression equation, it can be seen that competence has a significant effect on audit quality. The results indicate the higher the competence of external auditors, the higher the audit quality produced by external auditors. Competence is fundamental to becoming an

auditor, to produce a quality audit report by the auditor must be supported by adequate expertise and knowledge to carry out audit tasks, without which the resulting report will make other parties doubt about the audit report. Competence influences audit quality because higher educated auditors will have a broader view of various matters. The auditor will increasingly have a lot of knowledge about the field he is engaged in, so that he can find out various problems in more depth. In addition, with extensive knowledge, auditors will be easier in following increasingly complex developments. Complex audit analysis requires a broad spectrum of expertise, and knowledge.

The results of this study support the auditing theory proposed by Mautz and Sharaf (1961) when auditors adhere to generally accepted standards and regulations, one of which is competence, the audit results will be of high quality. Auditor competence is closely related to the knowledge structure of the auditor and also supports attribution theory proposed by Heider (1958). This theory refers to how a person explains quality is influenced by several factors within the auditor itself, such as competence, because the factors within the auditor will indirectly influence whether or not the decision to be taken by the auditor so that the information users who rely on audited financial statements can make audit results as a reference in making decisions. The results of this study support several research results including Halim, Sutrisno, and Achsin (2014), Octavia and widodo (2015), Pandoyo (2016), Wardayati (2016), Zahmatkesh and Rezazadeh (2017), Darayasa and Wisadha (2016), Pitaloka and Widanaputra (2016), Ningrum and Budiarta (2017) which show that auditor competence has a significant effect on audit quality, but does not support the results of Dewi and Budiarta's (2015) research which shows that competence does not affect audit quality.

In the regression equation, experience does not have a significant effect on audit quality. It can be explained that experience cannot be used when supervision and supervision carried out by superiors in the audit process are good and a good system has been implemented. so that experienced auditors or not experienced audit results will remain quality. The results can be explained using attribution theory proposed by Heider (1958). This theory refers to how someone explains the causes of other people's behavior or themselves which will be determined whether from internal such as the nature, character, attitude. or externally, for example the pressure of certain situations or circumstances that will influence individual

behavior. When external factors such as supervision and supervision carried out by superiors in the audit process are good. This will make internal factors (experience) not too influential for the output produced. This result also supports the results of research by Suyono (2012) which shows that experience does not affect audit quality, but does not support the results of research from Cahan and Sun (2015), Pandoyo (2016), Wardayanti (2016), Parasayu and Rohman (2014), Dwitariyani and Suputra (2016), Oktarini and Ramantha (2016), Rahayu and Suryono (2016), Ningrum and Budiarta (2017), the results of the study show that experience influences audit quality.

The results of this study support the auditing theory when auditors adhere to generally accepted standards and regulations (Mautz and Sharaf, 1961). One of which is the auditor must have due professional care, the audit results will be of high quality. due professional care is closely related to the knowledge structure of the auditor and also supports the attribution theory proposed by Heider (1958). This theory refers to how a person explains quality is influenced by several factors within the auditor itself, such as due professional care, because the factors within the auditor will indirectly affect whether or not the decision will be taken by the auditor so that the information users who rely on audited financial statements can make the audit results as a reference in making decisions. These results also support the results of research from Ningrum and Budiarta (2017) from the results of the study showing that due professional care affects audit quality, but the results of this study do not support the research of Saripudin, Herawaty, and Rahayu (2012) from the results of the research shows that due professional care no effect on audit quality.

In the regression equation can be seen the integrity of the auditor has a significant effect on audit quality. This means that the higher the integrity, the better the audit quality will be. It can be explained that integrity is a quality that underlies public trust and is a benchmark for members in examining all decisions taken. Integrity requires a member to, among other things, be honest and forthright without sacrificing the secrets of the recipient of services, services and public trust should not be defeated by personal gain. Integrity can accept unintentional mistakes and disagreements honestly, but cannot accept fraud or abolition of principles, so the higher the integrity of an auditor, the more qualified the audit will be.

The results of this study support the auditing theory when the auditor complies with generally accepted standards and regulations (Mautz and Sharaf, 1961), one of which is the

auditor must have integrity, the audit results will be of high quality. auditor integrity is closely related to honest, right and fair and also supports attribution theory proposed by Heider (1958). This theory refers to how a person explains quality is influenced by several factors within the auditor itself, such as integrity, because the factors within the auditor will indirectly influence whether or not the decision will be taken by the auditor so that the information users who rely on audited financial statements can make audit results as a reference in making decisions. These results also support the results of research from Wardayanti (2016), Parasayu and Rohman (2014), from the results of the study indicate that integrity has a significant influence on audit quality, but does not support the results of research from Purnomo (2017), which shows that Integrity has no effect on audit quality.

The test results of the dependent variable (Y) audit quality of the absolute residual moderating variables namely ethics obtained negative coefficient value of -0.90 and significance > 5% it can be concluded that the ethical variables cannot moderate the relationship between competency, experience, independence, professional due care, integrity to audit quality. It can be explained that ethics is a set of moral principles or values, is the moral behavior of individuals who grow from within a person (Arens et al, 2011). Auditor ethical behavior is a character that is carried by each individual auditor and is not obtained from education results formally or informally, so that in carrying out audit activities will ignore the internal factors that are owned due to more dominating external factors. The results can be explained using attribution theory proposed by Heider (1958). This theory refers to how someone explains the causes of other people's behavior or themselves which will be determined whether from internal such as the nature, character, attitude, or externally, for example the pressure of certain situations or circumstances that will influence individual behavior. when there are interventions from superiors on audit results. The supervisor's intervention in the audit results can be in the form of an agreement or negotiation of findings with the audit object. This will make internal factors (competence, experience, independence, due professional care, integrity and ethics) not have a major impact on the results of the audit resulting from more dominating external factors.

The results of this study are consistent with the results of research conducted by Astrawan, Mimba, and Dwirandra (2016) which show that ethics cannot be a moderating variable for

independent variables of audit quality variables. In addition this study does not support research conducted by Ningrum and Budiarta (2017) which shows that ethics can be a moderating variable for independent variables of audit quality variables.

4.7 Research Implications

This study is in accordance with the implications of audit theory and attribution theory that audit quality can be influenced by internal and external factors of the company, the auditor has personal qualities and applies applicable auditing standards, the auditor can improve the quality of audit results, so that internal factors such as competence, experience, independence, integrity, due professional care must be owned by an auditor. External factors are also very influential in determining the audit results, because of the many interventions, politics and bribery from the parties in power full make the audit not in accordance with the facts, such as the events that have occurred in the few past years.

The auditor must also pay attention to ethics in auditing, high ethical application can strengthen audit results and become the basis of trust given by the community. This research is also expected to improve the understanding of external auditors that the importance of audit quality carried out by auditors for interested parties so that there is not mistake in making decisions. In accordance with the phenomena that occur in Indonesia where audit results are an important decision in investment and activities in the company.

5. Conclusions and recommendations

The purpose of this study was to determine the effect of competence, experience, independence, due professional care, integrity on audit quality which was moderated by auditor ethics. The results of the study show that the variables of competence, due professional care, and integrity significantly affect audit quality, the form of positive influence. Experience and independence variables do not significantly affect audit quality. Auditor ethics variables do not significantly moderate competence, experience, independence, due professional care, integrity to audit quality.

Suggestions for future research are expected to use a much larger number of samples and a larger sample distribution so that the results obtained can better represent the population.

Subsequent research can specify other factors that can affect audit quality by adding several variables related to audit quality conducted by external auditors.

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