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The effect of auditor competence and independence on audit quality

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ABSTRACT

The Public Accountant (auditor) profession is like a "double-edged sword", on the one hand auditors must pay attention to the credibility and ethics of the profession, but on the other hand they must also face pressure from clients in various decision-making. must face pressure from clients in various decision-making auditor's decision making. If the auditor is unable to resist pressure from clients such as personal, emotional or financial pressure, the auditor's independence will be compromised. personal, emotional or financial pressure, the auditor's independence has been reduced and can affect audit quality. and can affect audit quality. This study aims to analyze and prove empirical evidence of the effect of experience, knowledge, length of contact with clients, pressure from clients, peer review, and non-audit services provided by KAP on audit quality. provided by KAP on audit quality. The sample used was 79 respondents, namely auditors at 18 KAPs in Semarang City. Meanwhile, to answer the research hypothesis using multiple regression analysis tools analysis tool, after previously testing classical assumptions. Based on the results of the study, it can be concluded that experience in conducting audits, the knowledge of an auditor and the review of fellow auditors (peer review) have a positive effect on audit quality. So that the more deeper and broader the knowledge of an auditor and the more experienced in the field of auditing as well as peer review from fellow auditors (peer review). auditing field as well as peer review from fellow auditors, the better the audit quality will be. better the quality of the audit performed. Meanwhile, the length of the relationship with the client, pressure from clients, and non-audit services provided by KAP.

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1. INTRODUCTION

One of the benefits of the services of a public accountant is that it provides accurate and trustworthy information for decision making (Spathis & Ananiadis, 2005). Financial statements that have been audited by public accountants are fairer than financial statements that are not or have not been audited (Okoye & Ofoegbu, 2006). Users of audit reports expect that financial statements that have been audited by public accountants are free from material misstatements, can be trusted to be used as a basis for decision making and are in accordance with accounting principles in force in Indonesia (Boynton & Johnson, 2005) (Gray, 2008). Therefore, an independent and objective professional service

(i.e. a public accountant) is needed to assess the reasonableness of the financial statements presented by management.

The number of cases of companies "falling" due to business failures attributed to the failure of auditors, this threatens the credibility of financial statements (Mangena & Pike, 2005). This threat further affects public perception, especially users of financial statements on the quality of audits (Rezaee, 2004). The quality of this audit is important because the high quality of the audit will produce financial statements that can be trusted as the basis for decision making. De Angelo (1981) in (Watkins et al., 2004) defines audit quality as the likelihood that the auditor will find and report violations in the client's accounting system. Findings of misconduct measuring the quality of audits relate to the knowledge and expertise of auditors. Meanwhile, the reporting of violations depends on the auditor's encouragement to disclose the violations (Potoski & Prakash, 2004). This encouragement will depend on the independence that the auditor has. There are many factors that affect the ability of auditors, including knowledge and experience. To perform auditing tasks, auditors require auditing knowledge (general and specialized) and knowledge regarding the client's auditing, accounting, and industry areas (Low, 2004). The things owed in this General Standard will later be used as a benchmark or parameter for an auditor to be independent and competent or not in this study (Richard, 2006). In carrying out the audit, the auditor must act as an expert in the field of accounting and auditing. Expertise attainment begins with formal education, which is further expanded through audit experience and practice (SPAP, 2001). In addition, auditors must undergo sufficient technical training that covers both technical and general educational aspects (Eraut et al., 2004) (Wessels, 2005). Junior assistants to achieve expertise should receive adequate supervision and review of their work from their more experienced superiors. An auditor must constantly follow the developments taking place in his business and profession. An auditor must study, understand and apply new provisions in accounting principles and auditing standards applied by professional organizations. In order to support professionalism as a public accountant, auditors in carrying out audit duties must be guided by audit standards set by the Indonesian Institute of Accountants (IAI), namely general standards, field work standards and reporting standards. Where the general standard is a reflection of the personal qualities that an auditor must have that requires the auditor to have sufficient technical expertise and training in carrying out audit procedures. Meanwhile, field work standards and reporting standards regulate auditors in terms of data collection and other activities carried out during audits and require auditors to compile a report on the financial statements they audit as a whole. However, in addition to audit standards, public accountants must also comply with the professional code of ethics that regulates the behavior of public accountants in carrying out their professional practice both with fellow members and with the general public.

This code of ethics regulates professional responsibility, professional competence and prudence, confidentiality, professional behavior and technical standards for an auditor in carrying out his profession (Cosserat & Rodda, 2009). The public accountant or independent auditor in his task of auditing the client company has a strategic position as a third party in the client company environment, namely when the public accountant assumes the duties and responsibilities of the management (Agent) to audit the financial statements of the company he manages (Carmichael, 2004). In this case, the management wants its performance to always look good in the eyes of external parties of the company, especially the owner (principal). However, on the other hand, the owner (principal) wants the auditor to report truthfully the situation that exists in the company he has financed. From the description above, it can be seen that there is a different interest between management and users of financial statements. The great trust of users of audited financial statements and other services provided by public accountants is what ultimately requires public accountants to pay attention to the quality of the audits they produce. The question from the public about the quality of audits produced by public accountants is getting bigger after there are many scandals involving public accountants both abroad and domestically. Domestic scandals can be seen from the action taken by the Honorary Assembly of the Indonesian Institute of Accountants (IAI) against 10 Public Accounting Firms that were indicated to have committed gross violations when auditing banks liquidated in 1998. In addition,

there are financial and managerial cases of public companies that cannot be detected by public accountants that cause the company to be fined by Bapepam (Winarto, 2002 in (Christiawan, 2002)). De Angelo in (Tjun et al., 2012) Defining audit quality as a possibility (joint probability) where an auditor will find and report violations that exist in his client's accounting system. The probability that the auditor will find the misstatement depends on the quality of the auditor's understanding (competence) while the act of reporting the misstatement depends on the independence of the auditor. (Tjun et al., 2012)said that to perform auditing duties, auditors need auditing knowledge (general and special), knowledge of auditing and accounting areas as well as understanding the client's industry. In carrying out the audit, the auditor must act as an expert in the field of accounting and auditing. The achievement of expertise begins with formal education, which is then through audit experience and practice (SPAP, 2001). In addition, auditors must undergo sufficient technical training that covers both technical and general education aspects. Research conducted by Libby and Frederick (1990) in (Tjun et al., 2012) found that experienced auditors have a better understanding of financial statements. They are also better able to provide reasonable explanations for errors in financial statements and can group errors based on the objectives of the audit and the structure of the underlying accounting system (Libby et al, 1985) in (Mayangsari, 2000)).

Tubbs (1990) in (Mayangsari, 2000) Successfully showed that the more experienced auditors are, the more sensitive they are to the misrepresentation of financial statements and the more understanding of matters related to the errors found. However, in accordance with its responsibility to increase the level of reliability of a company's financial statements, public accountants not only need to have competence or expertise but must also be independent in auditing. In the absence of independence, the auditor means nothing. The public does not believe in the audit results of the auditors so the public will not ask for auditing services from the auditors. Or in other words, the existence of an auditor is determined by his independence (Supriyono, 1988). Second common standard (SA seksi 220 in SPAP, 2001) mentions that "In all matters relating to engagement, independence in mental attitudes must be maintained by the auditor". This standard requires that the auditor must be independent (not impressionable), since he carries out his work in the public interest. Thus he is not allowed to side with anyone's interests, because no matter how perfect the technical expertise he has, he will lose the impartial attitude that is precisely essential to defending his freedom of opinion. The independence referred to above is not as meaningful as the attitude of a prosecutor in a court case, but rather it can be equated with the impartial attitude of a judge. The auditor recognizes the obligation not only to the management and owners of the company, but also to creditors and other parties who place trust in the reports of independent auditors, such as prospective owners and creditors (Staubus, 2005). This is what is interesting to note that the profession of public accountant is like a double-edged sword. On the one hand, auditors must pay attention to credibility and professional ethics, but on the other hand, auditors must also face pressure from clients in various decision making. If the auditor is unable to resist pressures from clients such as personal, emotional or financial pressures then the auditor's independence has been reduced and may affect the quality of the audit. One of the other factors that influence such independence is the period of time during which the auditor provides services to the client (auditor tenure). In Indonesia, the issue of tenure audits for the period of work of auditors with clients is regulated in the decree of the Minister of Finance No. 423/KMK.02/2008 about the services of a Public Accountant. The Ministerial Decree limits the auditor's work period to a maximum of 3 years for the same client, while for Public Accounting Firms (KAP) it can be up to 5 years. This restriction is intended to prevent the occurrence of accounting scandals. Research conducted by Gash and Moon (2003) in (Tjun et al., 2012)resulted in the finding that the quality of audits improved with the length of tenure audits. This finding is interesting because it turns out to support the opinion that auditor considerations between auditors and clients are reduced. Related to the length of service between auditors and clients, auditor failures appear to be more in short and too long service periods (Wooten, 2003) in (Tjun et al., 2012). After the auditor receives the assignment of a new client, at the first assignment the auditor takes time to understand the client so that there is a possibility for the auditor to find a material misstatement. In addition,

auditors are not yet so familiar with the client's business environment and client's accounting system that it is difficult to detect misstatements. However, the longer this service life can make auditors too comfortable with clients and not adjust audit procedures to reflect business changes and associated risks (Khalifa et al., 2007). Auditors have become less skeptical and less vigilant when it comes to obtaining evidence. There are several studies on the quality of audits that have been carried out both in terms of topics and research methods (Tjun et al., 2012). In terms of research methods, currently there is still little research done on the development of a conceptual framework that can capture the construct of audit quality. It is necessary to develop a comprehensive model on audit quality so that the model can capture the complexity found in audit quality research.

Research conducted by Gash and Moon (2003) in (Tjun et al., 2012) resulted in the finding that the quality of audits improved with the length of tenure audits. This finding is interesting because it turns out to support the opinion that auditor considerations between auditors and clients are reduced. Related to the length of service between auditors and clients, auditor failures appear to be more in short and too long service periods (Wooten, 2003) in (Tjun et al., 2012). After the auditor receives the assignment of a new client, at the first assignment the auditor takes time to understand the client so that there is a possibility for the auditor to find a material misstatement. In addition, auditors are not yet so familiar with the client's business environment and client's accounting system that it is difficult to detect misstatements. However, the longer this service life can make auditors too comfortable with clients and not adjust audit procedures to reflect business changes and associated risks. Auditors have become less skeptical and less vigilant when it comes to obtaining evidence. There are several studies on the quality of audits that have been carried out both in terms of topics and research methods (Tjun et al., 2012). In terms of research methods, currently there is still little research done on the development of a conceptual framework that can capture the construct of audit quality. It is necessary to develop a comprehensive model on audit quality so that the model can capture the complexity found in audit quality research.

This research will use the De Angelo (1981) quality model in Deis and Giroux (1992), namely quality consisting of two variables. In this regard, the discussion will focus on the "two dimensions" of audit quality, namely expertise (competence) and independence. Furthermore, expertise is proxied with experience and knowledge. Meanwhile, independence is proxied by the length of contact with clients, pressure from clients, reviews from peer auditors, non-audit services.

2. RESEARCH METHOD

In this study, the variables to be studied are competence, independence, and audit quality (Khalifa et al., 2007). Competence will be proxied with experience and knowledge. Meanwhile, independence will be proxied by the length of the relationship with the client, pressure from the client, review from the peer auditor (peer review), non-audit services provided by the KAP. Independent variables in this study are experience, knowledge, relationship with clients, pressure from clients, peer review, non-audit services provided by kap. Meanwhile, audit quality as a dependent variable.

The population of this study is all independent auditors who work at a Public Accounting Firm (KAP) located in Semarang (Directory IAI Public Accountant Compartment, 2003). The reason is because the city of Semarang is one of the big cities in Central Java where there are many large and small public accountants, which demands the existence of independent auditors in conducting examinations of financial statements in providing opinions on the basis of the results of the examination, so that their involvement in determining the quality of audits. A selected sample from the population is considered representative of the existence of the population. As for the sampling technique using purposive sampling, this is done so that the data obtained with research objectives and can be relatively compared with the results of previous studies (Sheu et al., 2009) (Guarte & Barrios, 2006) (Tongco, 2007) (Noy, 2008). The type of data used in this study is primary data, primary data is data obtained directly sourced from questionnaire answers from respondents which will be sent directly to auditors from several public accountants in Semarang .(Hox & Boeije, 2005)

Data is collected through the questionnaire method, which is to spread a list of questions (questionnaires) that will be filled out or answered by auditor respondents at the public accounting firm in Semarang (Gosling et al., 2004). The questionnaire consists of two parts. The first section contains a number of questions of a general nature. The second part, contains a number of questions related to the expertise and independence of the auditor. Questionnaires are given directly to respondents. The respondent was asked to fill out the list of questions, then asked him to return them through the researcher who would directly take the completed questionnaire on the relevant Hood. The questionnaire that has been filled in by the respondent is then selected first so that the questionnaire that is not complete in filling is not included in the analysis. Measurement of variables using closed-question instruments. The instrument totaled 31 questions related to the independent variables studied and measured using a Likert scale from 1 to 5. Respondents were asked to give an opinion on each item of the question, ranging from strongly disagreeing to strongly agreeing.

Analysis methods.

This descriptive statistic is used to provide an overview of the demographics of research respondents (Yiing & Ahmad, 2009). The demographic data includes: position, length of work experience, special skills, length of time pursuing these specific skills, educational background, and other professional degrees that support the field of expertise. This data analysis tool is presented by inviting a frequency distribution table that exposes the theoretical range, actual range, average of the standard deviation.

Validity and reliability testing.

First, the instrument (questionnaire) used in this study must be tested for validity and reliability first. The validity test is intended to measure the extent to which the accuracy of the research measuring instrument or its true meaning is measured (Imam, 2005). The validity test in this study was carried out using grain analysis. The correlation used is Person Product Moment. If the correlation coefficient (r) is positive and greater than the table r, then it is stated that the item of the statement is valid or valid. If on the contrary, it is negative, or positive but less than the table r, then the statement item is declared invalid and should be deleted. The reliability test is intended to test the consistency of a questionnaire in measuring the same contract or the stability of a questionnaire if it is used over time (Imam, 2005). The reability test is carried out by the Internal consistency method. The reliability of the research instruments in this study was tested using Cronbach's Alpha coefficient. If the value of the alpha coefficient is greater than 0.6 then it is concluded that the research instrument is reliable or reliable (Nunnaly in(Imam, 2005))

Classic assumption testing.

Because the analytical tool used in this study is multiple regression analysis, it is necessary to test the assumptions hinted at in multiple regression analysis to meet the BLUE (Best Linear Unbias Estimate) criteria as suggested by Gujarti (1999). The classical assumption test in this study includes normality, multicholinearity, and heteroskedasticity tests.

3. RESULTS AND DISCUSSIONS

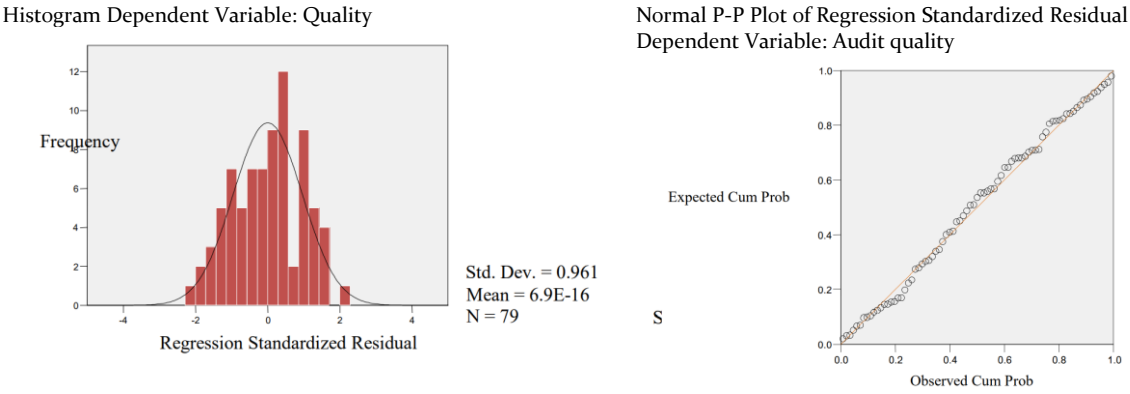
The number of respondents who can be the subject of research related to their participation in this study is as many as 18 Public Accounting Firms (KAP) in Semarang with a population of 377 auditors. In this study, the results of the questionnaire will be focused on 79 junior auditors who are in 18 public accountants in Semarang. The respondent's picture shows everything that is closely related to the respondent's individual self. The general description of the respondents is obtained from the respondent's identity listed in each answer to the questionnaire.

Classical assumption test results.

Normality test.

The normality test aims to test whether in a regression model, bound variables and free variables both have a normal distribution or not. A good regression model is to have a normal or close to normal data distribution. To test whether the data distribution is normal or not, one of the easiest ways to see normality is to look at a histrogram that compares the observational data with a

distribution close to the normal distribution. However, just looking at the histogram can be misleading, especially for small sample counts. A more reliable method is to look at the Normal Probability Plot which compares the cumulative distribution of the actual data with the cumulative distribution of the normal distribution. The normal distribution will form one diagonal straight line, and the data plotting will be compared with the diagonal line. If the distribution of data is normal, then the line describing the actual data will follow its diagonal line (Imam, 2005). The scatter plot results for the normality test are as follows:



Source: Primary Data processed

Figure 1. Data Normality Test

If viewed based on the graph above, then the data from all data is normally distributed. This is because all the lines of normality are indicated by dots not far from the diagonal lines.

Multicollinearity test.

Multicholinearity means the existence of a "perfect" or definite linear relationship, between some or all of the variables that describe the regression model. The term multicholinearity deals with the existence of more than one definite linear relationship, and the term colinearity with the degree of one linear relationship (Gujarati, 1999;157). According to (Imam, 2005) multicholinearity can also be seen from the value of Tolerance and its opponent Variance Inflation Factor (VIF). These two measures indicate which each free variable is presented by the other free variable. In a simple sense each free variable becomes a bound variable and regressed against another free variable. Tolerance measures the variability of selected free variables that cannot be explained by other free variables. So a low tolerance value is equal to a high VIF value (because VIF = 1/tolerance) and indicates the presence of high collinearity. A commonly used cutoff value is a tolerance value of 0.10 or equal to a VIF value above 10. Each analysis must determine the degree of colinearity that can still be tolerated. Multicholinearity testing is performed using the VIF value. The test results were obtained as follows:

Table 1. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	Experience	.757	1.321
	Knowledge	.724	1.381
	Client relationships	.817	1.223
	Pressure from clients	.857	1.166
	Review of fellow auditors	.927	1.078
	Non-audit services	.943	1.060

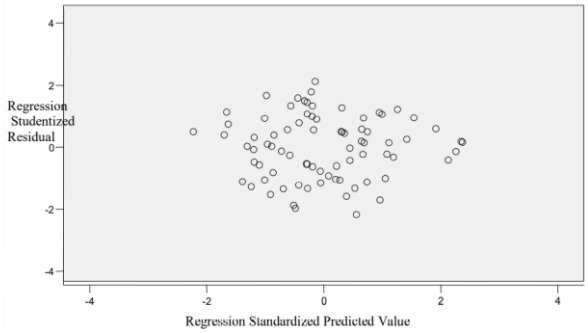
Source : Primary data processed

From these results, it shows that all free variables have a VIF value that is far below the number 10 so it can be said that all the measuring concepts of the variables used do not contain

multicollinearity problems. Then the existing regression model is feasible to use in predicting audit quality.

Heteroskedasticity test.

(Imam, 2005)also argues that the heteroskedasticity test aims to test whether in the regression model there is a variance dissimilarity from the residual of one observation to another. If the variance from the residual of one observation to another remains fixed, then it is called homoskedasticity and if it is different it is called heterochedasticity. A good regression model is that of homokedasticity or non-occurrence of heteroskedasticity. Detect heterochedasticity by looking at the absence of a certain pattern on the graph, where the X axis is the predicted Y, and the X-axis is the studentized residual (Y prediction – Y). (Singgih Santoso, 2000), the graph of the heteroskedasticity test results is as follows:



Source : Primary Data processed

Figure 2. Graph of heteroscedasticity test results

From the graph, it can be seen that the dots spread randomly, do not form a certain clear pattern, and are scattered both above and below the number 0 (zero) on the Y axis. This means that there is no heteroskedasticity in the regression model, so the regression model is feasible to use to predict Y.

Hypothesis testing.

The statistical tool used to test hypotheses is multiple regression. This is in accordance with the formulation of the problem, the objectives and the hypotheses carried out in this study. Multiple regression correlates one dependent variable with multiple independent variables in a single predictive modal. The multiple regression model used in this study is presented in the following equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_7 X_7 + e \quad \text{.....(1)}$$

Where:

Y : Audit Quality, X1 : Experience, X2 : Knowledge, X3 : Relationship with clients, X4 : Review from auditor colleagues, X5 : Non-audit services provided by KAP, X6 : Intrecept, β1, : Coefficient of experience variable, β : Coefficient of knowledge variable, β3 : Coefficient of relationship variable with client, β4 : Coefficient of pressure variable of the client, β5 : Coefficient of review variable of peer auditor, β6 : Coefficient of variable non-audit services provided by KAP, e : Error.

The effect of independent variables on dependent variables was tested at a significance level of 5%. The decision-making criterion in accepting and rejecting each hypothesis is to compare the value of t count with the t of the table for each of the regression coefficients. If t count is smaller than t table, then the null hypothesis (Ho) cannot be rejected. And if t count is greater than the table t value, then Ho is rejected. In addition to the comparison criterion t count with t table, the criterion of p value (the strength of the regression coefficient in rejecting Ho) is also used. If p value = 0.05 then Ho is rejected and if p value > 0.05 then Ho cannot be rejected.

Multiple linear regression analysis.

The statistical analysis used in this study is multiple linear regression. This analysis is used to determine the amount of free (independent) variables, namely Experience, Knowledge, Length of Contact with Clients, Pressure from Clients, Reviews from Auditor Partners and non-Audit Services on

bound variables (dependents), namely Audit Quality. the magnitude of the influence of independent variables, namely Experience, Knowledge, Length of Contact with Clients, Pressure from Clients, Reviews from Auditor Partners and non-Audit Services with dependent variables, namely Audit Quality Together, they can be calculated through a multiple regression equation. Based on the calculations obtained the following regression results:

Table 2. Regression Equation Model

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	19.945	5.961		3.346	.001		
	Experience	.335	.115	.287	2.900	.005	.757	1.321
	Knowledge	.435	.130	.338	3.343	.001	.724	1.381
	Relationship with clients	-.546	.249	-.208	-2.189	.032	.817	1.223
	Pressure from clients	-.518	.172	-.279	-3.010	.004	.857	1.166
	Review fellow auditors	.535	.258	.185	2.074	.042	.927	1.078
	Non-audit services	-.463	.186	-.221	-2.494	.015	.943	1.060

a. Dependent Variable: Audit quality

Source : Primary Data processed

Uji F (F-test).

The F test (F-test) is intended to determine the influence of independent variables, namely Experience, Knowledge, Length of Relationship with Clients, Pressure from Clients, Reviews from Fellow Auditors and non-auditing Services simultaneously (together).

The criteria used are:

Ho: No influence of Experience, Knowledge, Length of Relationship with Client, Pressure From Client, Review from Fellow Auditor and non-audit Services on audit quality.

Ha: There is an influence of Experience, Knowledge, Length of Relationship with Clients, Pressure From Clients, Reviews from Auditor Partners and non-audit services on the quality of audits.

Table 3. Model of Influence of Variables Together

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	433.301	6	72.217	10.554	.000 [a]
	Residual	492.648	72	6.842		
	Total	925.949	78			

a. Predictors: (Constant), Non-audit services, Experience, Pressure from clients, Review of fellow auditors, Relationship with clients, Knowledge

b. Dependent Variable: Audit quality

The test results of the overall model obtained an F value of 10.554 with a probability of significance of 0.000. Thus Ho was rejected so that Ha was accepted, meaning that the variables of Experience, Knowledge, Length of Relationship with Client, Pressure from Client, Review from Auditor Partners and non-audit Services together had a significant effect on audit quality.

Uji t (t-test)

This t-test is intended to determine the partial (individual) influence of independent variables, namely Experience, Knowledge, Length of Relationship with Client, Pressure from Client, Review from Fellow Auditors and non-audit Services on dependent variables, namely audit quality or testing the significance of constants and dependent variables.

Table 4. Hypothesis Testing

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
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	Experience	.335	.115	.287	2.900	.005	.757	1.321
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	Relationship with clients	-.546	.249	-.208	-2.189	.032	.817	1.223
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	Review fellow auditors	.535	.258	.185	2.074	.042	.927	1.078
	Non-audit services	-.463	.186	-.221	-2.494	.015	.943	1.060

a. Dependent Variable: Audit quality

Source : Primary Data processed

Coefficient of determination

Based on the results of the regression estimation calculation, the value of the Coefficient of Determination (R 2) is 0.424 meaning that 42.4% of the variation of all free variables such as Experience, Knowledge, Length of Relationship with Clients, Reviews from Auditor Partners and non-audit Services can explain non-free variables, namely audit quality, while the remaining 57.6% is explained by other variables that are not proposed in this study.

Table 5. Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684[a]	.468	.424	2.616

a. Predictors: (Constant), Non-audit services, Experience, Pressure from clients, Review of fellow auditors, Relationship with clients, Knowledge

b. Dependent Variable: Audit quality

Discussion.

The hypothesis of the influence of experience on the quality of the audit.

The existence of a positive influence of experience variables means that the higher the level of experience of auditors, the higher the level of audit quality. Experienced auditors tend to have good accuracy and ability in completing each job. The results of this study are supported by research conducted by Weber and Crocker (1983), (Choo & Trotman, 1991) Libby & Frederick (1990), and Tubs (1992) which suggest that experienced auditors find more unusual items than experienced auditors. The results of this test are also in line with (Harhinto, 2004) who stated that the auditor's experience is positively related to the quality of the audit. However, it disagrees with Ariesanti (2001) who argues that experience does not contribute to improving the expertise of auditors which means that experience does not affect the quality of audits. However, he disagrees with Arifianto (1999). The results showed that the education factor and the audit period perceived by respondents to have no significant effect on the quality of the audit.

Hypothesis of the long-standing influence of relationships with clients on the quality of audits.

The negative influence of the variable Length of Relationship with Client means that the longer the relationship with the client, the lower the level of audit quality. Because the longer the auditor is involved by the client, the auditor will become biased and not report his client's mistakes. The results of this study are supported by research conducted by (Deis Jr & Giroux, 1992) and (Harhinto, 2004) which in essence shows that the quality of audits is increasingly the relationship with clients (Audit tenure). This long-standing relationship has the potential to make auditors satisfied with what is done, perform audit procedures that are less assertive and too dependent on management statements (Deis Jr & Giroux, 1992). However, the results of testing this hypothesis are not in line with

the results of Ariesanti's research (2001), namely that the length of the relationship with the client does not affect the quality of the audit. This research shows auditors feel that long relationships with clients do not undermine their independence, and may even improve the quality of audits.

Hypothesis of the influence of pressure from clients on the quality of the audit.

The negative influence of the pressure variable from the client means that the higher the pressure from the client, the lower the level of audit quality. The results of this study are supported by research conducted by Nicholas and Price (1976), Berless and Simnet (1994) and (Harhinto, 2004) which in essence show that pressure from clients is a threat to the independence of auditors. However, this disagrees with Ariesanti (2001) who argues that auditors are effective enough to conduct audits even though auditors have been doing it for certain clients for several years. In addition, auditors can also overcome pressure from clients so that pressure from clients does not affect the quality of audits.

Hypothesis of the influence of peer auditors on audit quality.

The existence of a positive influence of the review variable from the auditor's colleagues means that the review of the auditor's colleagues can increase success in carrying out the audit. Because the purpose of reviewing the results of the auditor's examination carried out is in accordance with applicable Professional Standards. The results of this research are supported by research conducted by King et.al (1994), namely to maintain the quality of audits conducted by auditor colleagues who are the source of objective research on the quality carried out by fellow auditors. Peer auditors can support accounting firms to run and evaluate quality control of accounting and auditing practices (Evers and Person, 1989; Austin and Langston, 1981 ; and Forgarty 1996) in Ariesanti (2001). Even Bremster (1983) in (Harhinto, 2004) stated that the review of fellow auditors can improve the implementation of quality control carried out by accountants to maintain their performance. However, it is different from the opinion of Hernadianto (2002) who argues that the review of fellow auditors does not have a significant influence on the quality of audits. This may be because the auditor feels that the review from the auditor's colleagues has not been felt the benefits, even though the benefits are actually large enough to improve or improve the quality of the audits he conducts.

Hypothesis of the effect of non-auditing services on audit quality.

The negative influence of non-audit service variables means that the provision of services other than audit services can affect the destruction of the independence of public accountants so that it affects the quality of audits. The results of this study are supported by research conducted by Supriyono (1988) who using the Factorial Analysis of Venance technique succeeded in concluding that three varibaels, namely: Competence, management consulting services, and the size of a public accounting firm have a significant effect on the independence of public accountants. However, disagreeing with (Supriyono, 1988: 42) the growing and complexity of the company, will encourage management to need other services besides audit services. The request is encouraged because management considers that from the examination, the public accountant can find out the problems and difficulties faced by management so that it is expected that the problems and difficulties faced by management so that it is expected that these problems and difficulties can be solved appropriately and quickly. So that non-audit services do not have a significant effect on the quality of audits.

4. CONCLUSION

Based on the results of hypothesis testing and referring to the formulation and objectives of this study, the following conclusions can be drawn: 1. Experience in carrying out audits has a positive effect on the quality of audits at the Public Accounting Firm in Semarang City, so that the more experienced an auditor is, the better the quality of the audit he will do. 2. The knowledge of an auditor has a positive effect on the quality of audits, so that the deeper and broader the knowledge of an auditor, the better the quality of the audits produced. 3. The length of the relationship with the client negatively affects the quality of the audit, so the longer the relationship between the auditor and the client, the lower the quality of the audit carried out by the auditor. 4. Pressure from clients negatively affects the quality of audits, so the greater the pressure from clients felt by auditors, the lower the quality of audits carried out. 5. Pressure from fellow auditors has been shown to have a positive effect on audit quality even

though the benefits are not fully felt. However, it is proven that the review of fellow auditors can guarantee that the examinations carried out are in accordance with applicable professional standards and quality so as to improve the quality of audits.

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