



“Determinants of audit quality: Role of time budget pressure”

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DETERMINANTS OF AUDIT QUALITY: ROLE OF TIME BUDGET PRESSURE

Abstract

There are many problems related to audit quality, which are often associated with audit failures. Internal government auditors in Indonesia also have issues with audit quality. Therefore, this study aims to present empirical evidence on the relationship between independence, competence, motivation, and audit quality. It will also determine the moderating effect of time budget pressure on the relationship between factors and audit quality. Data of this study were collected through a google form, in which 57 questionnaires were sent to internal auditors of government within the Principal Inspectorate of Indonesia's Supreme Audit Institution for at least two years. The study adopted a quantitative approach using purposive sampling. Data were analyzed using Structural Equation Modeling (SEM) with PLS version 3.0. The result findings of this study revealed that competence and motivation have a significantly positive effect on the quality of audit while independence does not. Time budget pressure does not significantly moderate such a relationship. In addition, these results have several significant implications for internal auditors as an object of consideration and evaluation relating to audits in the government sector, and information for government internal auditors to improve and maintain the quality of audit.

Keywords

government, behavior, competence, independence,
motivation

JEL Classification

D23, H10, L20, M48

INTRODUCTION

Financial statements need to be audited by independent and objective professionals to ensure the fairness of the financial statements and the absence of material misstatement. However, recently there have been many cases of companies that "fell" due to business failures that were linked to auditor failure. In this case, accounting fraud committed by management involves public accountants (Rahmina & Agoes, 2014). The audit process in the private or public sector still often occurs in several cases of violations that impact the audit result quality.

During the 2018/2019 cycle, many low audit practices by the Big Four audit firms and mid-tier audit firms were discovered by the Financial Reporting Council (FRC) inspection team in the United Kingdom, resulting in audit failures. It caused sanctions and fines of £42.9 million, increased from the 2017/2018 cycle of £15.5 million (White, 2019). In Indonesia, there are several cases involve Indonesia's Supreme Audit Institution (BPK RI) auditors. First, the case of bribery of Indonesia's Supreme Audit Institution auditors for Examination with Specific Purposes (PDTT) to change the amounts of financial findings of PT Jasa Marga in 2016, which was initially around Rp 13 billion to Rp 842.9 million. Second, Indonesia's Supreme Audit Institution auditors and Village Ministry officials including the Inspector General who are involved in bribery cases to obtain an unqualified opinion for the 2016 financial statements (Bernie, 2019).

Based on this phenomenon, this study is interested in conducting a study on audit quality. The perception of audit quality can help in formulating policies based on empirical evidence, so it becomes important for the accounting profession and regulators (Al-Khaddash et al., 2013). DeFond and Zhang (2014) revealed that the higher audit quality is, the higher financial reporting quality assurance will be. Audit quality can limit managerial opportunistic attitudes and can detect the possibilities of audit failure by the auditors (Heras et al., 2012).

The objectives of this study are twofold. First, to examine the determinant factors on audit quality. Several previous studies in the private and public sectors have shown the factors that influence audit quality. The auditor's internal forces will indirectly influence the auditor's consideration in conducting the audit, so the information generated can be a reference in making accurate decisions (Kertarajasa et al. 2019). The ability and expertise are considered to be related to audit quality (Mansouri et al., 2009). Furthermore, independence is a factor of audit quality. The auditor's independence refers to the right to disclose findings of accounting system breaches to the client (DeAngelo, 1981). Auditor's independence affects the possibility of the auditor not reporting material misstatements. If auditors are unable to maintain their independence, this will certainly reduce the quality of the audit (Deis & Giroux, 1992). Mansouri et al. (2009) argued that if the auditor is less competent, the auditor tends to depend on client management, and this can disrupt the independence of the client. Furthermore, the audit quality will be higher if the needs of auditors can be realized. Therefore, great motivation is needed so that the tasks can be completed properly (Zahmatkesh & Rezazadeh, 2017). In conducting the audit process, motivation is also needed because it will affect the performance of auditors.

Second, it is crucial to examine the role of time budget pressure that strengthens or weakens the effect of determinant factors on the audit quality. IAPI (2016) considers time budget pressure to be one factor that influences audit quality. Halim et al. (2014) and Pasamba et al. (2019) argued that time budget pressure can weaken the relationship between independence and competence of auditors in detecting accounting fraud. However, Wiguna et al. (2019) proved that time budget pressure did not moderate the relationship between factors that affect audit quality, such as professionalism, experience, and audit fees. When auditors are under a lot of pressure due to the lack of audit time, this will lead to impaired competence and independence in detecting accounting fraud. Thus, the resulting audit quality may decrease. Based on this explanation, the study tries to see the insufficient time budget pressure experienced by the government internal auditors /APIP who are in the BPK Main Inspectorate.

1. LITERATURE REVIEW

DeAngelo (1981) defined audit quality as the market-assessed and combined probability that the auditor will find a violation in the client's accounting system and report the violation. High audit quality, according to Titman and Trueman (1986), would improve the accuracy of financial statement data and enable stakeholders to make more reliable valuation estimates. The likelihood of financial statements correctly reflecting the financial situation and operating performance of the company being audited rises as audit quality improves (Schauer, 2002). In other words, audit quality is related to the quality of accounting information reported, and higher disclosure quality results in less information asymmetry (Clinch et al., 2011).

According to the Government Accounting Office (2003), high-quality audits are completed in line with widely accepted auditing standards in the public sector to provide fair confidence that audited financial statements and disclosures presented follow recognized accounting principles. In general, GAAP does not include content misstatements as a result of human error or fraud.

In the public sector, BPK auditors use the state audit standards as a guide in conducting audits of the management and accountability of state finances. In both mind and appearance, a public accountant must preserve independence (Arens et al., 2012). Halim et al. (2014) stated that independence and competence can improve audit quality. Apart from that, motivation is one of the factors that improve auditor success in

conducting audit tasks (Zahmatkesh & Rezazadeh, 2017). In addition, audit quality is also determined by the time budget pressure allocated for the implementation of the audit task (Margheim et al., 2005). The more depressed auditors become as the deadline for completing the audit approaches, the more likely they are to take measures that would lower the audit quality (Zakaria et al., 2013).

Competent auditor is someone who has the knowledge and attitude as well as ethical behavior in working effectively. Knowledge can be obtained from education, expertise, skills, and experience at work. Without adequate knowledge, auditors may not be able to provide good and quality services (Bedard & Chi, 1993). Libby and Frederick (1990) stated that the competence of auditors is obtained from experience and knowledge that contributes significantly to the improvement of audit quality. Furthermore, competence is related to adequate education and the experience they have regarding examinations or other certain fields.

Competence and expertise are considered to be related to audit quality (Mansouri et al., 2009). Auditors are usually able to identify numerous hazards in a certain business and obtain a better understanding of the accounting laws and reporting requirements for that business (Clinch et al., 2011). The auditor's expertise can gradually develop through training and practical experience from the audit process. Hakim and Omri (2010) mentioned that auditors must have special knowledge to detect misstatements of financial statements better. Furthermore, Kertarajasa et al. (2019) found that auditors have a lot of experience in the subject of auditing and accounting, and they can spot abnormalities, so they will be able to increase the quality of audits they provide. Zahmatkesh and Rezazadeh (2017), Ismail et al. (2019) proved that competence significantly influences the quality of audit. To become a professional auditor, the auditor must meet certain requirements.

DeAngelo (1981) defined an independent auditor as someone who can reveal all errors and fraud committed by management and can report the results of audit findings in the audited financial statements. Honesty in considering facts and impartiality in objective considerations to formulate and express opinions depends on the attitude of independence. Francis (2004) and Watkins et al.

(2004) stated that auditor independence is considered important because it can affect audit quality. This is based on the general framework and the literature on the theory and empirical evidence of audit quality. Alzeban and Gwilliam (2014) stated that with independence and objectivity, internal auditors are expected to be able to carry out their duties freely without interruption and avoid conflicts of interest. Baharud-din et al. (2014) stated that independence is an important element because auditors will provide professional reports and considerations on the performance of the audit performed. Therefore, if the auditors are not independent, the opinions expressed in the audit reports and professional judgments are not useful for management to make organizational decisions.

The possibility of the auditor not reporting material misstatements depends on the independence of the auditors. If auditors cannot maintain their independence, this will certainly have an impact on reducing audit quality (Deis & Giroux, 1992). Mansouri et al. (2009) argued that if auditors are less competent, auditors tend to rely on client management, which can interfere with the independence of the client. Independence is a causal factor or internal attribution in performing high-quality audits. Al-Khaddash et al. (2013), Patrick et al. (2017), and Ismail et al. (2019) proved that independence significantly affects the quality of audit. Therefore, any threat to independence will affect audit quality (Tepalagul & Lin, 2015).

Robbins and Judge (2011) stated the definition of motivation as "a process that determines the intensity, direction, and persistence of a person in achieving a goal." Intrinsic reward is the satisfaction that a person receives in the process of taking certain actions. Extrinsic rewards are awards given by other people, usually supervisors, such as raises and promotions. According to Zahmatkesh and Rezazadeh (2017), auditor motivation is the motivation that auditors have that supports performance to achieve goals. Motivation is considered important for the behavior of accountants or auditors in carrying out their duties. Auditor's intrinsic motivation will have an impact on the quality of work (Becker et al., 1998). The main factor affecting individual performance is the level of effort spent or motivation (Mathis & Jackson, 2004).

Audit quality will be high if the wishes and needs of the auditors can be met. Therefore, great motivation is needed to complete the task properly (Zahmatkesh & Rezazadeh, 2017). According to Kuntari et al. (2017), motivation is one aspect that affects the quality of government audit performance. In conducting the audit process, motivation is also needed because it will affect the performance of auditors. According to Herrbach (2001), the disparity in auditor motivation to work has an impact on audit quality and is a critical component for auditors to be able to survive in the long run. Mathis and Jackson (2004) revealed that the main factor affecting individual performance is the level of effort expended or motivation.

Time budget pressure is a situation in which auditors are required to complete the audit on time and demand that the auditor perform time efficiency against the time budget that has been prepared (Otley & Pierce, 1996). The time budget is an estimation of the time allocated for the audit assignments and activities to be completed (Margheim et al., 2005). A detailed time budget is prepared for each stage of the audit process, and it serves as the foundation for calculating audit costs, allocating audit staff, and assessing auditor results (Shapeero et al., 2003). Time budget pressure has a possible influence in creating pressure (McNamara & Liyanarachchi, 2008). This is because time budget pressure is a performance assessment method for public auditors as well as an organizational and monitoring mechanism (McNamara & Liyanarachchi, 2008). Time budget pressure has a possible influence to increase the pressure of an auditor. In this condition, auditors will be faced with a choice of dysfunctional behavior (Margheim et al., 2005).

Arnold et al. (2000) proved that a too-limited time budget in an audit will reduce auditor competence through a limited scope. The auditor will rely on lower-quality evidence and eliminate some audit procedures. Empirical results showed that time budget pressure weakened the effect of competence on the quality of the audit (Halim et al. 2014). When auditors experience high pressure because of limited audit time, this will disrupt the ability and expertise of auditors to detect error or fraud, which can reduce the quality of audit.

Time budget pressure occurs when time is too limited and achieving a set of targets becomes difficult. Since the auditor considers time to be a performance metric, the burden on the auditor may increase (Zakaria et al., 2013). Coram et al. (2004) explained that the auditor will receive doubtful audit evidence and ignore the risks if there is high pressure on the time budget. Thus, material misstatement cannot be detected, which can cause a reduction in audit quality. Halim et al. (2014) and Pasamba et al. (2019) found that time budget pressure weakens the influence of independence on the quality of the audit. This indicates that the less time budget pressure is, the more the auditor's ability to report findings in the client's accounting system will be. Therefore, it will improve the audit result quality.

The auditors are required to finish their tasks according to the specified time when planning the audit. The pressure of time budget is a factor that causes work pressure. The auditor is required to carry out the audit task without being affected by time constraints and motivation disruptions. The auditors must set a time budget standard and audit fees appropriately. Incorrect audit fees standards will cause the time budget not to be accurately measured. A longer time budget can make the auditor not motivated to work harder. Conversely, a too-limited time budget can lead to counter-productive behavior (Waggoner & Cashell, 1991).

2. AIMS AND HYPOTHESES

The study aims to examine time budget pressure moderating effect on determinant factors of audit quality in Indonesian supreme audit institution. Specifically, the study hypothesizes that:

- 1) competence significantly affects the quality of the audit;
- 2) independence significantly affects the quality of the audit;
- 3) motivation significantly affects the quality of audit;
- 4) time budget pressure moderates the effect of competence on the quality of the audit;

- 5) time budget pressure moderates the effect of independence on the quality of the audit;
- 6) time budget pressure moderates the effect of motivation on the quality of the audit.

2.1. Hypotheses formulation

Based on the reviewed literature, the following hypotheses were put forward:

- H_1 : *Competence significantly affects the quality of the audit.*
- H_2 : *Independence significantly affects the quality of the audit.*
- H_3 : *Motivation significantly affects the quality of the audit.*
- H_4 : *Time budget pressure moderates the effect of competence on the quality of the audit.*
- H_5 : *Time budget pressure moderates the effect of independence on the quality of the audit.*
- H_6 : *Time budget pressure moderates the effect of motivation on the quality of the audit.*

3. METHODOLOGY

This study used a causal research method. The causal method is used to determine the influence of factors on audit quality, which is moderated by time budget pressure. Measurement of these vari-

ables adopted from previous studies with a different number of statements. The measurement scale used the Likert scale with five measurement interval scales starts from score 1 (strongly disagree) to score 5 (strongly agree). Table 1 shows the measurement of each variable.

The survey was conducted among government internal auditors of BPK RI. There are 67 officials and staff auditors, which are divided into two groups, namely the Inspectorate of Obtaining Audit Quality Confidence (PKMP) and the Inspectorate of Internal Audit and Institutional Quality (PIMK). The sample was selected using a purposive sampling technique with the criteria that the auditors who worked for at least two years at the BPK RI. A list of structural positions is presented in Table 2.

Table 2. List of structural positions of BPK RI

Source: Authors' elaboration.

| Structural position | PKMP Inspectorate | PIMK Inspectorate |
|--------------------------|-------------------|-------------------|
| Inspector | 1 | 1 |
| Head of departments | 3 | 2 |
| Head of sub-departments | 7 | 5 |
| Staff | 26 | 22 |
| Total number of auditors | 37 | 30 |

In this study, the data collection procedure used a questionnaire based on indicators from previous studies. The questionnaires were distributed between the PKMP Inspectorate and the PIMK Inspectorate. The questionnaires were sent to one of the staff in the staffing department of each inspectorate via electronic communication using

Table 1. Variable measurement

Source: Authors' elaboration.

| Variable | Indicator | Scale | Number of statements | Source |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------------|-----------------------------------|
| Competence | Personal quality, general knowledge, and special expertise | Likert | 10 | Hikmayah and Aswar (2019) |
| Independence | Independence of program planning, independence of investigation, and independence of reporting | Likert | 10 | Kertarajasa et al. (2019) |
| Motivation | Extrinsic motivation and intrinsic motivation | Likert | 10 | Kadous and Zhou (2018) |
| Audit quality | Expertise, compliance with audit standards, response to client needs, due professional care, non-audit services, professional skepticism, audit tenure, communication, auditor's ethical standards, involvement of audit managers | Likert | 12 | Samelson et al. (2006) |
| Time budget pressure | Budget attainability and budget achievement | Likert | 8 | McNamara and Liyanarachchi (2008) |

WhatsApp or e-mails with a google form link that has been structured to be distributed to all government internal auditors. The number of targeted questionnaires filled in by respondents was 67 questionnaires, the target is adjusted to the number of auditors in the PKMP Inspectorate and the PIMK Inspectorate.

4. RESULTS

The sample of this study is all government internal auditors contained in the PKMP Inspectorate and the PIMK Inspectorate, which consisted of heads of department, heads of sub-department, and staff who met the criteria. The process of distributing the questionnaire was assisted by the Inspectorate Secretariat and the staffing department of each inspectorate. Data collection procedures of this study took 35 days and collected 57 responses with a response rate of 85.1%.

Table 3. Descriptive statistics

Source: Authors' elaboration.

| Variable | Mean | Std. deviation |
|----------------------------|------|----------------|
| Audit quality (AUQ) | 4.06 | 0.294 |
| Competence (COM) | 4.08 | 0.220 |
| Independence (IND) | 3.27 | 0.372 |
| Motivation (MOT) | 3.82 | 0.569 |
| Time budget pressure (TBP) | 3.77 | 0.451 |

The results of descriptive statistics result in Table 3 show that the mean score obtained by audit quality is 4.06 with a standard deviation of 0.294. The mean score obtained by competence is 4.08 with a standard deviation of 0.220. The mean score obtained by independence is 3.27 with a standard deviation of 0.372. The mean score obtained by independence is 3.82 with a standard deviation of 0.569. Then, the mean score obtained by time budget pressure is 3.77 with a standard deviation of 0.451. According to Cooper and Schindler

Table 4. Convergent validity and reliability

Source: Authors' elaboration.

| Variable | AVE | Composite reliability | Cronbach's alpha |
|----------|-------|-----------------------|------------------|
| IND | 0.511 | 0.892 | 0.867 |
| COM | 0.606 | 0.932 | 0.916 |
| AUQ | 0.506 | 0.901 | 0.875 |
| MOT | 0.644 | 0.941 | 0.930 |
| TBP | 0.566 | 0.883 | 0.841 |

(2014), all standard deviation scores of each variable are smaller than the mean scores, which indicates the low level of deviation in the research data.

Based on the test results in Table 4, average variance extracted (AVE) was used for the convergent validity test. AVE scores must be greater than 0.50 and must be greater than its cross-loadings (Garson, 2016). AVE score for all variables of this study is more than 0.50. Therefore, it can be concluded that all are valid. Other than that, the composite reliability score for all constructs indicates scores greater than 0.70. These results prove that all constructs have met the criteria for good reliability. Then, the reliability test can be strengthened by looking at Cronbach's alpha scores. The recommended score for Cronbach's alpha is more than 0.60 (Hair et al., 2013) and Table 4 shows that Cronbach's alpha scores for all variables of this study are greater than 0.60. Thus, it can be concluded that all the variables have good reliability on each construct.

Furthermore, the discriminant validity test was carried out using the Fornell-Larcker criterion in Table 5. The construct score of each variable is more than 0.60. Independence (IND) has a score of 0.715, competence (COM) has a score of 0.779, audit quality (AUQ) has a score of 0.711, motivation (MOT) has a score of 0.802, and time budget pressure (TBP) has a score of 0.753. Therefore, it can be concluded that all constructs for each variable are valid.

Meanwhile, as can be seen from Table 6, the path coefficient score for testing the relationship between independence (IND) on audit quality (AUQ) is 0.043, competence (COM) on audit quality (AUQ) is 0.808, motivation (MOT) on audit quality (AUQ) is 0.164. The effect of IND on AUQ which is moderated by TBP is 0.048, COM on AUQ which is moderated by TBP is -0.044, and MOT on AUQ which is moderated by TBP is 0.040.

Table 5. Discriminant validity of the Fornell-Larcker criterion

Source: Authors' elaboration.

| Variable | Independence (IND) | Competence (COM) | Audit quality (AUQ) | Motivation (MOT) | Time budget pressure (TBP) |
|----------|--------------------|------------------|---------------------|------------------|----------------------------|
| IND | 0.715 | | | | |
| COM | 0.379 | 0.779 | | | |
| AUQ | 0.412 | 0.950 | 0.711 | | |
| MOT | 0.321 | 0.695 | 0.747 | 0.802 | |
| TBP | 0.100 | 0.318 | 0.336 | 0.215 | 0.753 |

Table 6. PLS path algorithm and bootstrapping

Source: Authors' elaboration.

| Relation | Path coefficient | T value | P value |
|---------------|------------------|---------|---------|
| IND → AUQ | 0.043 | 0.723 | 0.470 |
| COM → AUQ | 0.808 | 12.239 | 0.000 |
| MOT → AUQ | 0.164 | 2.092 | 0.037 |
| IND*TBP → AUQ | 0.048 | 0.493 | 0.622 |
| COM*TBP → AUQ | -0.044 | 0.429 | 0.668 |
| MOT*TBP → AUQ | 0.040 | 0.308 | 0.758 |

Table 6 summarizes the hypothesis testing results using SEM with SmartPLS version 3.0, namely PLS path algorithm and bootstrapping. The results show that competence (COM, $\beta = 12.239$ and $P = 0.000$) and motivation (MOT, $\beta = 2.092$ and $P = 0.037$) influences quality of audit, which mean that H_1 and H_3 are accepted. Furthermore, independence (IND, $\beta = 0.723$ and $P = 0.470$) has no significant relationship with audit quality, which indicates that H_2 is rejected. However, time budget pressure does not moderate the effect of competence on the quality of the audit (COM*TBP → AUQ, $\beta = 0.429$ and $P = 0.668$), which means H_4 is rejected. Besides, time budget pressure does not moderate the relationship between independence and audit quality (IND*TBP → AUQ, $\beta = 0.493$ and $P = 0.622$), which means H_5 is rejected. Finally, time budget pressure does not moderate the relationship between motivation on the audit quality (MOT*TBP → AUQ, $\beta = 0.308$ and $P = 0.758$), which means H_6 is rejected.

5. DISCUSSION

The test results show that competence significantly affects the quality of audit because the auditors have professional abilities and special expertise, which continue to be developed gradually through training and practical experience from the audit process, and adequate knowledge of accounting and auditing

or certain other sectors. This enables the auditors to carry out audit tasks with high quality and effectiveness. These results support attribution theory, which explains how competence as an auditor's internal forces can affect audit result quality. The auditor's internal forces will indirectly influence the auditor's judgment in the audit process, so the audit results can be a reference in making accurate decisions for stakeholders, specifically information users. It is also consistent with Halim et al. (2014), Idawati (2015), Asmara (2016), Zahmatkesh and Rezazadeh (2017), Kertarajasa et al. (2019), and Ismail et al. (2019), which proved that competence significantly affects the quality of audit. However, the result is contrary to Aprianti and Sudaryati (2019), and Hikmayah and Aswar (2019), who stated that competence does not significantly affect the quality of audit.

The empirical evidence shows that independence does not significantly affect the quality of audit because the auditors paying more attention to the importance of the understanding quality factor or competence of the auditors in carrying out audit tasks. In addition, the result of the independence mean score in descriptive statistics shows the lowest number of 3.27, which means that each indicator of independence does not contribute maximally to audit quality. This might occur because the sample of this study was dominated by 46 staff auditors (81%) who in general often experience a dilemma in maintaining an independent attitude due to the intervention from

superiors such as the heads of sub-department or the heads of departments when carrying out audit tasks. For example, based on the results of responses in the questionnaire, most of the auditor staff do not have full freedom, especially in determining, eliminating, or modifying certain parts of the audit, and in determining the subject of the audit. These results do not support the attribution theory, which explains that independence is a factor that affects the quality of the audit. Independence is not a causal factor or internal attribution in performing high-quality audits.

The results show that motivation significantly affects the quality of the audit. Auditors have high intrinsic motivation, such as feeling happy when learning new things, having high curiosity, enjoying every challenge while carrying out audit tasks, and making it an opportunity to improve analytical skills. Therefore, the high motivation of auditors both intrinsically and extrinsically enables the auditor to perform high-quality audits. These results support the attribution theory, which reveals a factor that can encourage motivation – the auditor's confidence to complete audit tasks. Audit quality will be higher if the needs of the auditor can be realized. Therefore, great motivation is needed so that the audit task can be completed properly. These results are in line with Idawati (2015), Asmara (2016), Kuntari et al. (2017), and Haryana et al. (2019) who proved that motivation significantly affects the quality of audit. However, the result is contrary to Furiady and Kurnia (2015) and Zahmatkesh and Rezazadeh (2017) who stated that motivation does not significantly affect the quality of audit.

Meanwhile, the empirical evidence shows that time budget pressure does not moderate the effect of competence on the quality of the audit. This shows that when auditors experience high pressure due to a limited audit time budget, it does not cause disruption to the ability and expertise of the auditors in completing their responsibilities, so it does not affect the audit result quality. In addition, Table 3 shows that

most of the auditors who experience time budget pressure do not perform dysfunctional audit behavior. This behavior might cause poor audit quality. These results are in line with Wiguna et al. (2019) who proved that time budget pressure cannot moderate the effect of the audit quality factors, such as professionalism, experience, and audit fees. However, the result is contrary to Halim et al. (2014) who stated that time budget pressure weakens the effect of competence on the quality of the audit.

Other than that, the test results show that time budget pressure does not moderate the effect of independence on the quality of the audit. This indicates that when the auditors experience high pressure due to limited audit time budget, it does not cause interference in maintaining the independence of the auditors to report their findings of error or fraud that occurred on the object examined, so it does not affect the audit result quality. In addition, Table 3 shows that most of the auditors who experience time budget pressure do not perform dysfunctional audit behavior. This behavior might cause poor audit quality. These results are in line with Wiguna et al. (2019) who proved that time budget pressure does not moderate the effect of the audit quality factors, such as professionalism, experience, and audit fees.

Finally, empirical evidence shows that time budget pressure does not moderate the effect of motivation on the quality of the audit. This indicates that when the auditors experience high pressure due to a limited audit time budget, it does not interfere with the motivation of auditors either intrinsically or extrinsically, so it does not affect the audit result quality. In addition, Table 3 shows that most of the auditors who experience time budget pressure do not perform dysfunctional audit behavior. This behavior might cause poor audit quality. These results are in line with Wiguna et al. (2019) who proved that time budget pressure does not moderate the effect of the audit quality factors, such as professionalism, experience, and audit fees.

CONCLUSION

The purpose of this study is to assess if there is a link between independence, competence, motivation, and audit quality. This study concluded that competence has a significant effect on audit quality. This indicates that if the auditors have professional abilities and special skills that are developed gradually through training and practical experience of the audit process, as well as adequate knowledge of ac-

counting and auditing or certain other fields, it will enable the auditors to carry out audit assignments effectively and qualitatively. Independence does not have a significant effect on audit quality. The reason is that staff of auditors pay more attention to the importance of the quality factor of the understanding or the competence of the auditor in carrying out audit assignments rather than independence. Motivation has a significant effect on audit quality. This shows that the high motivation of the auditors, both intrinsically and extrinsically, enables the auditors to produce quality audits.

In addition, time budget pressure does not moderate the effect of the relationship between competence and audit quality. This shows that the existence of time budget pressure does not interfere with the ability and expertise of auditors in completing their duties so that it does not affect the quality of the resulting audit. Then, time budget pressure does not moderate the effect of the relationship between independence and audit quality. This shows that the time budget pressure does not cause interference in maintaining the independence of the auditors to report findings of errors or deviations that occur on the object being examined. Thus, it does not affect the quality of the resulting audit. Lastly, time budget pressure does not moderate the effect of the relationship between motivation and audit quality. This shows that the existence of time budget pressure does not interfere with the auditors' motivation, either intrinsically or extrinsically. Thus, it does not affect the quality of the resulting audit.

There are several ways to increase audit quality. First, the internal auditors are expected to be able to improve the attitude of independence according to the audit task implementation procedures and standards that apply as APIP. Second, the internal auditor improves their training and practical experience from the audit process being carried out. Auditors must have special knowledge to enable them to better detect financial statement misstatements. Third, auditors must also foster enthusiasm or great motivation so that the implementation of audit tasks can be completed properly. In addition, auditors must avoid all forms of dysfunctional audit behavior due to high time budget pressure.

The limitations of this study are caused by the analysis of only one inspectorate as of the object of study, so the results of the study cannot be generalized. The data collection method used is a survey by distributing questionnaires with a google form. This allowed respondents to be less serious in filling out the questionnaire and it took longer to reach the targeted number of respondents. Then, most of the respondents are staff auditors, so the results of the study might be different if there were more respondents with higher positions such as inspectors, heads of departments, or heads of sub-department. These results have several significant implications for BPK RI auditors as an object of consideration and evaluation relating to audits in the public sector, an aid to government internal auditors in maintaining and improving the efficiency of government internal audits, a factor for the government in formulating audit policies and regulations, and an aid to the public in overseeing the audit quality of state financial accountability and management. Further study is expected to add other variables that can affect audit quality, such as due professional care, professional skepticism, locus of control, task complexity, audit procedures, and others.

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