

## The Effect of Expertise and Independence on Audit Quality (Study at Inspectorate of Southeast Sulawesi Province)

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**Abstract:** This study aims at investigating the effect of expertise and independence toward audit quality. The data were collected by using questionnaire. The sample of the study is 31 employees working in auditor Inspectorate of South East Sulawesi. This study applied multiple regression analysis for the data analysis.

The result of the study revealed that (1) expertise partially affect the audit quality, and the effect is insignificant, (2) Independence partially affect audit quality, and the effect is significant, and (3) expertise and independence simultaneously affect audit quality in significant way.

**Keywords:** Expertise, Independence, Audit Quality

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### I. Introduction

Business developments and global changes have resulted in an increase in the existence and role of the auditor profession so that demands for the implementation of public sector accountability towards the realization of *good governance* in Indonesia are increasing. This demand is natural, because several studies have shown that the economic crisis in Indonesia is due to *bad governance* and poor bureaucracy (Sunarsip, 2001). All levels of state administrators, both at the executive, legislative and judicial levels, must have a joint commitment to uphold *good governance* and *clean government*.

According to Mardiasmo (2005), there are three main aspects that support the creation of *good governance*, namely supervision, control and inspection. Supervision is an activity carried out by parties outside the executive, namely the community and the Regional People's Representative Council (DPRD) to oversee government performance. Control (*control*) is a mechanism carried out by the executive to ensure that the system and management policies are carried out properly so that organizational goals can be achieved. Whereas audit (audit) is an activity carried out by parties who have independence and have professional competence to check whether the government's performance results are in accordance with the standards set.

In accordance with Government Regulation (PP) No. 60 of 2008 concerning the Government's Internal Control System, the implementation of internal control is carried out by the Government Internal Supervision Apparatus (APIP), namely the Financial and Development Supervisory Agency (BPKP), Inspectorate General, Provincial Inspectorate, and City Inspectorate. The Provincial / District / City Inspectorate is a supervisory institution in the local government environment, both at the provincial, district or city level which plays a very important and significant role in the progress and success of regional government and regional apparatus in the regional government in carrying out governance in the regions and achieving goals and set targets.

The targets to be achieved by the Southeast Sulawesi Provincial Inspectorate are improving the competence of the internal supervisory apparatus, implementing good financial management supervision at the SKPD level (Regional Work Unit) and in the SKPKD (Regional Financial Management Work Unit), the completion of the follow-up recommendations (internal and external) and improve the performance of SKPD in the South east Sulawesi Provincial Government. Provincial / District / City Inspectorates have roles and functions regulated in article 4 of the Minister of Home Affairs Regulation No.64 of 2007. They are planning supervision programs, formulating policies and monitoring facilities; and inspection, investigation, testing and assessment of supervisory duties.

Based on Minister of Administrative Reform Regulation No: PER / 05 / M.PAN / 03/2008 concerning Audit Standards Government Internal Oversight Apparatus stated in the general standards of performance audits

and investigative audits covering standards related to the characteristics of organizations and individuals who conduct Audit activities must be independent, objective, have expertise (educational background, technical competence and position certification and ongoing education and training), professional accuracy and compliance with the code of ethics

The phenomenon that occurs in the Inspectorate of Southeast Sulawesi Province is seen from the auditor's educational background described in the following table:

**Table 1.1**  
**Officials of Regional Government Affairs**

No	Name Position	Number of Auditors Background of Accounting Education
1.	Supervisor of Middle Government	4
2.	Government Supervisor Young	1
3.	First Government Supervisor	3
<b>Total</b>		<b>8</b>

Source: Southeast Sulawesi Provincial Inspectorate (2018)

**Table 1.2**  
**Auditor Functional Position**

No	Name Position	Number of Auditors with Accounting Education Background
1.	First Expert Auditor	9
<b>Total</b>		<b>9</b>

Source: Southeast Sulawesi Provincial Inspectorate (2018)

From table 1.1 and table 1.2 above illustrates that there is still a lack of auditors with accounting education backgrounds. The auditor's professionalism obtained from formal and non-formal education must be continually improved. One source of increasing auditor expertise and competence can come from experiences in the field of auditing and accounting.

The independence of the Inspectorate of Southeast Sulawesi Province is very different from the independence held by the Indonesian Supreme Audit Institution(BPK), or the Public Accountant Office. According to the Government Regulation of the Republic of Indonesia Number 41 of 2007 concerning Regional Organizational Organizations, the Southeast Sulawesi Provincial Inspectorate is an internal government supervision apparatus that is directly responsible and reports the results of its supervision to the head of the regional government (governor, regent, or mayor). The results of the examination conducted by the Southeast Sulawesi Provincial Inspectorate can only provide advice or recommendations to each regional head through the inspection report to provide sanctions from the findings of abuse of authority SKPD in the provincial government. Unlike the examination conducted by the BPK or KAP, both of these institutions have the right to expose the center to the results of the examinations that have been conducted. The following are the findings of the Southeast Sulawesi Provincial Inspectorate and the Republic of Indonesia Representative Office of the Republic of Indonesia Representative Board.

**Table 1.3**  
**Number of Findings of the Inspectorate of Southeast Sulawesi Province and the BPK RI Representative of Southeast Sulawesi in 2015-2017**

No.	Findings	Year/Findings		
		2015	2016	2017
1.	Inspectorate of Southeast Sulawesi Province	127	247	53
2.	Representative of Southeast Sulawesi BPK	147	352	98

Source: Recapitulation of findings of Inspectorate of Southeast Sulawesi Province and BPK RI Representative of Southeast Sulawesi

Based on the number of findings presented in table 1.3 and table 1.4, shows that there are differences in findings between Southeast Sulawesi Inspectorate and Southeast Sulawesi BPK . The findings produced by the Republic of Indonesia BPK Representative of Southeast Sulawesi Province were greater than the findings of the

Southeast Sulawesi Provincial Inspectorate. The existence of these differences shows the quality of the Inspectorate of Southeast Sulawesi Province auditors who have not been optimal so that it reflects that inadequate expertise, and the independence of auditors at the Inspectorate.

Based on the background above, several problem formulations can be drawn, namely: 1) Does expertise have a significant effect on audit quality? 2) Does independence have a significant effect on audit quality? 3) Does expertise and independence have a significant effect on audit quality?

The objectives in this study are: 1) To find out and analyze the influence of expertise on audit quality 2) To find out and analyze the influence of independence on audit quality 3) To know and analyze the influence of expertise and independence on audit quality

## **II. Study Of Literature**

### **1. Expertise**

Regulation of the Minister of State for Administrative Reform No. Per / 05 / M.Pan / 03/2008 dated 31 March 2008 states that the auditor must have the knowledge, skills and other competencies needed to carry out his responsibilities. The APIP leadership must be sure that the auditor's educational background and technical competence are adequate for the audit work to be carried out. Therefore, the APIP leadership must create adequate criteria regarding education and experience in filling the auditor's position in the APIP environment.

APIP auditors must have a minimum formal education level of Bachelor (S1) or equivalent. In order to create a good audit work, APIP must have certain criteria from the auditor needed to plan the audit, identify the auditor's professional needs and to develop audit techniques and methodologies to fit the situation and conditions faced by the unit served by APIP. For this reason, APIP must also identify expertise that is not yet available and propose it as part of the recruitment process. The rules regarding minimal formal education and the necessary training must be evaluated periodically in order to adjust to the situation and conditions faced by the unit served by APIP.

Tan and Libby (1997), audit expertise can be grouped into two groups, namely: technical expertise and non-technical expertise. Technical expertise is the auditor's fundamental ability in the form of procedural knowledge and other abilities in the scope of accounting and auditing in general. While non-technical expertise is the ability of the inside of an auditor who is much influenced by personal factors and experience.

### **2. Independence**

Independence is the mental attitude of individuals who are free from influence, not controlled by others and do not side with anyone. Independence also means that there is honesty in the auditor in considering facts and the existence of objective, impartial considerations in the auditor in formulating and expressing his opinion.

In all matters relating to auditing, APIP must be independent and the auditors must be objective in carrying out their duties. APIP independence and auditor objectivity are needed so that the credibility of the results of the APIP work increases. The assessment of independence and objectivity includes two components, namely, the APIP status in the organization and the policy to maintain the auditor's objectivity towards the audit object.

According to Sawyer (2005) the independence of internal auditors is measured using indicators as follows:

1. Independence of Audit Program Preparation (*Independence of the Audit Program*)
  - a. Free from managerial intervention on the audit program
  - b. Free from all interventions on audit procedures
2. Independence of Verification (*Independence in Verification*)
  - a. Free in reading all notes, checking assets, and employees that are relevant to the audit conducted.
  - b. Obtain active collaboration from management employees during audit verification.
  - c. Free from any managerial effort that seeks to limit the activities that examine or limit the acquisition of evidence.
  - d. Free from personal interests that hinder audit verification.
3. Independence of reporting (*Independence in Reporting*)
  - a. Free from feeling obliged to modify the impact or significance of the facts reported.
  - b. Free from pressure not to report significant matters in the audit report.
  - c. Free from any effort to negate the auditor's consideration of facts or opinions in the internal audit report

### **3. Audit Quality**

According to Alvin A.Arens, Rendal J.Elder, Mark S.Beasley explained that there are five elements of quality control, namely:

1. Independence, Integrity and Objectivity
2. Human Resource Management
3. Client Acceptance and Continuation and Assignment
4. Assignment Performance and Consultation
5. Monitoring Procedure The

Quality of audit results also means reporting on internal control weaknesses and compliance with provisions, responses from responsible officials, keeping confidential disclosure of prohibited information, distributing audit reports and following up on auditor recommendations in accordance with legislation.

Deis and Giroux (1992) conducted a study of four things considered to have a relationship with audit quality, namely (1) the length of time the auditor has conducted an examination of a company (*tenure*), the longer an auditor has conducted an audit of the same client, the audit quality produced will be lower, (2) the number of clients, the more the number of clients, the audit quality will be better because auditors with a large number of clients will try to maintain their reputation, (3) the financial health of clients, the healthier the client's financial condition to pressure the auditor not to follow the standard, and (4) a *review* by a third party, audit quality will increase if the auditor knows that the work will be reviewed by a third party.

Audit quality is all possibilities where the auditor when auditing the client's financial statements can find violations that occur in the client's accounting system and report them in audited financial statements, where in carrying out their duties the auditor is guided by the auditing standards and relevant public accountant's code of ethics.

#### 4. Previous Research

Previous research is relevant to this research and can be used as the main material and comparison, namely the research conducted by Fauziah (2017) entitled "The Effect of Competence, Independence, and Motivation on Audit Quality in Regional Financial Supervision (Empirical Study of BPKP Auditors of Provincial Representatives North Sumatra)". The purpose of this study aims to prove empirically whether there is an influence of competency, independence and motivation for audit quality in the field of financial supervision in the BPKP Representative auditor of North Sumatra Province. This study resulted in the discovery of four as the research hypothesis. First, competencies and positive effects are significant for audit quality. Second, independence has a positive and significant effect on audit quality. Third, motivation does not have a significant effect on audit quality. Fourth, it can be concluded that the variables of competence, independence and motivation together have a strong relationship and a positive effect on audit quality.

The research conducted by Ayu Dewi Riharna Najib (2013) entitled "The Effect of Expertise, Independence, and Ethics on Audit Quality (Study of Government Auditors in the Representative of the North Sulawesi Provincial BPKP)". The purpose of this study was to analyze the influence of expertise (competence), independence, and ethics on audit quality in government auditors at the BPKP Representative of South Sulawesi Province. The results of the study show that expertise has a significant effect on audit quality variables, as well as independence and ethics. While hypothesis testing using multiple linear regression shows that expertise, independence, and ethics together have a significant effect on audit quality.

Wiwit Syafitri (2014) conducted a study entitled "The Effect of Expertise, Independence, Audit Experience, and Ethics on the Quality of Auditors at the Riau Islands Inspectorate". The purpose of this study was to determine the effect of Expertise, Independence, Audit Experience and Ethics and obtain empirical evidence on Audit Quality at the Riau Islands Inspectorate. The results showed that the variables of expertise, independence, ethics, did not affect the quality of the auditor and experience variables affected the quality of the auditor.

Research conducted by Muh. Taufiq Effendy (2015) entitled "The Effect of Competence, Independence, and Motivation on Audit Quality of Inspectorate Officials in Regional Financial Supervision (Empirical Study on Gorontalo City Government)". The purpose of this study was to examine the effect of competence, independence, and motivation on audit quality in the regional inspectorate apparatus. The results of this study indicate that competence and motivation have a positive and significant effect on audit quality, while the independence variable does not have a significant effect on audit quality.

Muh. Asriadi (2015) conducted a study entitled "The Effect of Expertise and Independence on the Quality of Auditors at the Kendari City Inspectorate". The purpose of this study was to determine the effect of keahlia and independence on audit quality at Kendari City Inspectorate. Muh. Research results. Asriadi (2015) shows that expertise has a significant effect on auditor quality. Independence has a significant effect on audit quality. And simultaneously expertise and independence have a significant effect on audit quality.

#### 5. Research Hypothesis

The hypothesis in this study are as follows:

H<sub>1</sub> : Expertise has a significant effect on audit quality

- H<sub>2</sub> : Independence has a significant effect on audit quality  
H<sub>3</sub> : Expertise and independence simultaneously have a significant effect on audit quality

### III. Research Methods

The object of this study is expertise and independence as independent variables and audit quality as the dependent variable carried out at the Inspectorate of Southeast Sulawesi Province. The population in this study was the Government Internal Supervision Apparatus in the Southeast Sulawesi provincial inspectorate. The number of Government Internal Supervisory Apparatus at the Southeast Sulawesi Provincial Inspectorate is 31 people. The sampling technique in this study uses saturated sampling or commonly called the census method, where all populations are sampled.

The types of data in this study are quantitative data and quantitative data. Qualitative data in the form of a description of the explanation of the variables and research objects and statements in the questionnaire classified into categories using the Likert scale. Quantitative data in the form of respondents' answers to questionnaire statements measured using a score from the Likert scale.

Sources of data in this study are primary data and secondary data. Primary data is in the form of data sourced directly from the respondents related to the object of this research, namely the auditor who is the sample. Secondary data in the form of data taken by the Southeast Sulawesi Provincial Inspectorate and other sources such as the profile and organizational structure of the Southeast Sulawesi Provincial Inspectorate and data on the findings of the Indonesian Supreme Audit Institution for 2015-2017 in Southeast Sulawesi Province.

The method of collecting data in this study are questionnaires, documentation, and literature studies. Questionnaires are data collection techniques by using a list of questions regarding the things studied. The answer value of the questionnaire was submitted in the form of a Likert scale modification with the value of agreement with the statement, namely: SS (strongly agree) = 5, S (agree) = 4, N (neutral) = 3, TS (disagree) = 2, STS (very not agree) = 1. Documentation is a research technique which collects the data needed in connection with research such as the organizational structure, duties and responsibilities of auditors, rank and class, and gender. Literature studies are data and information needed and obtained from various literature, journals and print media.

The analytical method used in this study is descriptive analysis method and multiple linear regression analysis. The regression model used in the hypothesis test is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e.$$

Where:

- Y = Quality audit  
X<sub>1</sub> = Expertise  
X<sub>2</sub> = Independence  
a = Constants  
b<sub>1</sub> and b<sub>2</sub> = Regression coefficient  
e = tolerated error (5%)

### IV. Results And Discussion

#### 1. Research Results

##### a. Research Description

VariableThe independent variable in this study is expertise(X1) is measured using 9 items of statement items from 4 indicators, the respondent's statement on the skill variable (X1) according to the respondent's response is good. This can be seen from the average perception value of 3.75 included in the good category. The independence variable (X2) is measured using 9 items of statement items from 3 indicators, the respondent's statement on the independence variable (X2) according to the respondent's response is good. This can be seen from the average perception value of 3.91 included in the good category. The dependent variable in this study is audit quality (Y1) measured using 9 items of statements from 3 indicators, respondents' statements on the audit quality variable (Y1) according to respondents' responses are good. This can be seen from the average perception value of 3.95.

##### b. Validity Test and Reliability Test

Based on the results of the validity test and reliability test states that the statements in the questionnaire are valid and reliable statements. This decision was taken because the Pearson correlation value > 0.30 with a significance level < 0.05 and the correlation coefficient value of the result *Cronbach alpha* > 0.60. So it can be concluded that all statement items used as instruments in this study are valid and reliable, or it can be said that the questionnaire used is appropriate as an instrument for measuring each variable.

**c. Description of Multiple Linear Regression Analysis**

Data from the results of this study are processed using the *IBM SPSS Statistics 22 program*, this is done to find out whether there is an influence of skill variables and independence on audit quality and the results obtained in the table are as follows:

**Results of Multiple Linear Estimates of Expertise and Independence of Audit Quality**

Model	Unstandardized Coefficients		Standardize Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.634	.698		.908	.372
Keahlian	.059	.181	.041	.324	.748
Independensi	.790	.129	.773	6.125	.000
R <sup>2</sup>	.620				

Source: Primary data processed in 2019

Based on the results of the regression coefficients in the table above, we can obtain the following equation:

$$Y = 0.634 + 0.059X_1 + 0.790X_2 + \epsilon$$

1. Regression coefficient for expertise variable is 0.059 times, it can be interpreted that there is a positive relationship between expertise to audit quality. So that if the expertise variable increases by one unit and the other independent variables are assumed to be constant or equal to zero, then the dependent variable of audit quality will increase by 0.059 or 5.9%.
2. The regression coefficient for the independence variable is 0.790 times, it can be interpreted that there is a positive relationship between independence to audit quality. So if the independence variable increases by one unit and the other independent variables are assumed to be constant or equal to zero, then the dependent variable of audit quality will increase by 0.790 or 79%.

**d. Hypothesis Testing**

Variables of expertise and independence partially and simultaneously have an influence on audit expertise can be proven by using the t test and F test as follows:

**Summary of t test, F test, and determination coefficient**

Variabel	t <sub>hitung</sub>	t <sub>tabel</sub>	sig.	F <sub>hitung</sub>	F <sub>tabel</sub>	sig.	R.Square
X <sub>1</sub>	.324	2.051	0.748	22.030	3.35	0.00	0.620
X <sub>2</sub>	6.125	2.051	0.000				

Source: Primary data is processed 2019

**Partial test (t test)**

Hypothesis testing can be done by comparing t<sub>arithmetic</sub> with t<sub>table</sub> and the value of the t-sig with α: 0.05. If t<sub>count</sub> > t<sub>table</sub> or t-sig <of α: 0.05, then H<sub>1</sub> accepted or reject H<sub>0</sub>. Conversely, if t<sub>count</sub> <t<sub>table</sub> or t-sig > of α: 0.05 then reject H<sub>1</sub> or accept H<sub>0</sub>.

1. Expertise (X<sub>1</sub>)

Hypothesis 1 states that "Expertise has a significant effect on audit quality". After testing using SPSS, the results of the t test in table are obtained which shows t<sub>count</sub> for expertise that is equal to 0.324 with a positive direction and has a sig value = 0.748 > α = 0.05 or t<sub>count</sub> = 0.324 <t<sub>table</sub> = 2.051. This shows that H<sub>1</sub> is rejected, which means that there is no significant effect of Expertise on Audit Quality.

2. Independence (X<sub>2</sub>)

Hypothesis 2 states that "Independence has a significant effect on audit quality". After testing using SPSS, the results of the t test in table are obtained which shows t<sub>count</sub> for independence that is equal to 6.125 with a positive direction and has a sig value = 0.000 < α = 0.05 or t<sub>count</sub> = 6.125 > t<sub>table</sub> = 2.051. This shows that H<sub>2</sub> is accepted, which means that there is a significant effect of Independence on Audit Quality.

**Simultaneous Test (F Test)**

To test the effect of independent variables together tested by using the F test. Table shows the results of the F<sub>count</sub> = 22.030 which is greater than F<sub>table</sub> = 3.35 (22.030 > 3.35) with a significance value = 0,000 smaller than the significant level of 5% (0,000 < 0,05), it can be concluded that all independent variables together both expertise and independence have a significant effect on audit quality. Thus H<sub>3</sub> is accepted.

**e. The coefficient of determination (R<sup>2</sup>)**

The coefficient of determination is intended to determine the contribution of expertise and independence of the audit quality. to see the value of coefficient of determination ( $R^2$ ). Based on table it is known that the amount of  $R^2$  ( $R$ -Square) = 0.620. This shows that the magnitude of the direct influence of the Expertise variable ( $X_1$ ) and Independence ( $X_2$ ) on audit Quality ( $Y$ ) is 62%. This means that there are other variables or epsilon variables ( $\epsilon$ ) of 38% that affect the  $Y$  variable but are not measured in this study such as ethics, and professional precision.

## **2. Discussion**

### **a. The Effect of Expertise on Audit Quality**

The results of hypothesis testing show that  $X_1$  has a sig value = 0.748 >  $\alpha = 0.05$  or  $t_{\text{count}} = 0.324 < t_{\text{table}} = 2.051$  and the coefficient of determination is 0.620 or 62% which means that expertise has an influence but not significant to audit quality. This shows that the high or low expertise of an auditor does not affect the quality of the audit produced.

The results of this study certainly cannot be separated from respondents' answers to their perceptions of expertise at the Southeast Sulawesi Provincial Inspectorate. The results of the study show that the expertise of an auditor in carrying out the audit process is good but does not have a more impact on audit quality.

The expertise possessed by auditors at the Southeast Sulawesi Provincial Inspectorate based on educational background, having technical competence, have a certificate of functional auditor position and participating in education and training, and audit experience play a role when auditors carry out checks but have not been so meaningful. Of these four aspects, educational background is the most dominating indicator in the expertise variable.

This can be seen from the average respondent's answer to this item in the good category. The high level of education that the auditor has means that the quality of the examination produced will also be good. This means that the majority of employees of the Southeast Sulawesi Provincial Inspectorate feel that a good auditor's educational background will affect their expertise which has an impact on audit quality.

Based on the answers of respondents in the Inspectorate of Southeast Sulawesi Province the indicators had a JFA certificate and attending education and training were in the good category but had a low average compared to the other three indicators. This explains that the Inspectorate of Southeast Sulawesi Province auditors who have auditors' functional job titles and take part in continuing professional education and training have a good but not significant impact on producing audit results.

The results of this study are not in line with the Minister of Administrative Reform Regulation No.Per / 05 / M.Pan / 03/2008 which explains that in the indicators of expertise, an auditor must have the knowledge, skills and other competencies needed to carry out his responsibilities. An auditor who has a good educational background, technical competence, has a JFA certificate and participates in education and training and audit experience, will not guarantee the quality of the audit that will be produced as well as vice versa.

The results of this study are in line with the theory of Brehmer (1980) which states that experience and expertise alone are inadequate for someone to make considerations of better decisions and become an expert, because basically humans have a number of other elements besides the element of expertise.

This research is in line with the results of research conducted by Wiwit Syafitri (2014) which states that expertise has no significant effect on audit quality.

### **b. The Effect of Independence on Audit Quality**

The results of hypothesis testing show that  $X_2$  has a sig value. . = 0.000 <  $\alpha = 0.05$  or  $t_{\text{count}} = 6.125 > t_{\text{table}} = 2.051$  and the coefficient of determination is 0.620 or 62%, which means that independence has an influence and is significant towards the quality of the audit. The result accepts the second hypothesis ( $H_2$ ) in the study this is that independence has a significant effect on audit quality. This means that this indicates that the more independent the auditor of the Southeast Sulawesi Provincial Inspectorate, the better the quality of the audit produced.

Independence held by the Inspectorate of Southeast Sulawesi Province auditors in carrying out their examinations is that they are free to arrange their inspection program, there is no intervention from the audit object or other parties in determining audit procedures according to their knowledge and beliefs, when the audit program is prepared, the auditor is free the existence of a relationship or position with the object of examination. If the auditor is able to maintain his independence in carrying out his professional assignments, the quality of the audit produced will be better.

In SPAP, 2011 states that in all matters relating to engagement, the independence of an auditor must be maintained and the auditors must be objective in carrying out their duties. Independence and objectivity are needed so that the credibility of work results continues to increase.

This research is in line with the theory put forward by Sawyer (2005) which explains that an auditor's independence can be seen from several sub-indicators such as free from managerial intervention on audit

programs and audit procedures, free from any effort to limit the scope of the audit, and free from pressure to modify the results of the examination. The results of this study are consistent with the research conducted by Fauziah (2017) which states that independence has a significant effect on audit quality.

### **c. The Effect of Expertise and Independence on Audit Quality**

The results of hypothesis testing indicate that expertise and independence simultaneously influence and are significant for audit quality. The influence is seen from the  $f_{\text{count}} \text{ of } 22,030 > f_{\text{table}} \text{ of } 3.35$  with a significance level of  $0.00 < 0.05$ , so it can be concluded that independence and ethics have a significant effect on the quality of the audit. Thus the third hypothesis (H3) is accepted. This shows that if the expertise and independence increases, the quality of the audit in this case the quality of the report on the results of the inspection produced by the Inspectorate of Southeast Sulawesi Province will increase.

The results of this study are in line with the theory put forward by Indra Bastian (2007) which states that in order for the audit results to be of higher quality, it must begin with planning before starting to carry out the examination and using expertise and accuracy in carrying out the profession ". The theory put forward by Randal J. Elder, Mark S. Beasley, Alvin A. Ages states that there are quality control elements, namely independence which functions to maintain objectivity in carrying out professional responsibilities and has good qualified human resource management so as to produce checks quality.

This research is in accordance with Muh. Asriadi (2015) which states that expertise and independence have a significant effect on audit quality.

## **V. Conclusions And Suggestions**

Based on the results and discussion and description in the previous chapters, the author draws the following conclusions: (1) Partial expertise has no significant effect on Audit Quality, (2) Independence partially has a significant effect on Audit Quality and ( 3) Expertise and Independence simultaneously have a significant effect on Audit Quality.

Some suggestions and recommendations submitted by the authors based on the results of the study are as follows: (1) Southeast Sulawesi Provincial Inspectorate should conduct training / training more often for auditors to improve their expertise and continue to improve the quality of their human resources so that they can have more impact on audit quality and always guided by audit standards and accuracy by emphasizing the applicable code of ethics. (2) This study only focuses on two variables, so that the next researcher is expected to test other variables that might influence audit quality but not measured in this study such as ethics and professional precision, and others that have an influence on audit quality.

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**APPENDIX**

**A.EXPERTISE (X1)**

NO.	STATEMENTS	SELECTION				
		STS (1)	TS (2)	N (3)	S (4)	SS (5)
<b>Educational Background</b>						
1.	Auditors have a minimum level of formal education is bachelor's degree					
2.	Auditor follows technical training / guidance in the fields of accounting, public sector accounting and regional finance					
<b>Having technical competence</b>						
3.	Auditor has expertise in auditing					
4.	Auditors have expertise in public accounting, finance, law, engineering, social politics and education					
5.	Auditor is able to speak effectively with the auditee					
<b>Has a functional auditor certificate and participates in continuing education and training</b>						
6.	Auditor has an functional auditor certificate					
7.	Auditorparticipates in continuing professional education and training					
<b>Audit Experience</b>						
8.	Auditors who have been working for a long time are getting more skilled so they can quickly finish their jobs					
9.	An auditor increases his audit experience along with the increasing types of entities / agencies examined					

**B. INDEPENDENCE (X2)**

NO.	STATEMENTS	SELECTION				
		STS (1)	TS (2)	N (3)	S (4)	SS (5)
<b>Independence of the Audit Program</b>						
1.	Auditor is free to compile the audit program, without any interference from the audit object					
2.	Auditor is free to determine audit procedures according to knowledge and beliefs without any intervention from the object of examination					
<b>Independence in Verification</b>						
3.	Audit implementation by auditor must be supported by managerial (client) with good cooperation and the boundary of the relationship between client and auditor.					
4.	Auditor does not have a close relationship with the auditee, such as social, family, or other relationships					
5.	Auditor is free from all managerial efforts (clients) who try to limit the activity being examined or limit the acquisition of evidence					
6.	Auditors are free to access all records, check assets, and					

	employees relevant to the audit conducted					
<b>Independence in Reporting</b>						
7.	Auditor is free to compile an audit report in accordance with the facts he knows during the audit activity without any influence from other parties					
8.	Auditor must maintain the considerations that are considered correct, without any interference from other parties that can affect the contents of the audit report					
9.	Auditor is free from any attempt to negate his consideration of facts or opinions in the internal audit report					

**C. AUDIT QUALITY (Y)**

NO.	STATEMENTS	SELECTION				
		STS (1)	TS (2)	N (3)	S (4)	SS (5)
<b>Process Quality(Accuracy of audit findings, skepticism)</b>						
1.	Auditor guarantees that the audit findings are accurate, and can find the slightest error / deviation which exists					
2.	Auditor never changed any findings					
3.	Auditor believes that errors / irregularities will not be found					
<b>Quality of Results (Value of recommendations, clarity of reports, benefits of audit)</b>						
4.	Recommendations given by the auditor can correct the causes of errors / irregularities that have occurred					
5.	Audit report can be understood by the auditee					
6.	the audit process can decrease the level of errors / irregularities that have occurred so far					
<b>Quality of Follow-Up Audit Results</b>						
7.	The results of audits conducted by the auditor can be followed up by the auditee					
8.	Auditor continues to monitor the follow-up of audit results					
9.	Follow-up reports on the results of the examination will be used as material for further evaluation					

**Recapitulation of Validity and Reliability Test Results**

Variable	Indicator	Item	Correlation Coefficient	Sig.	Ket.	Cronbach Alpha	Ket.
Expertise (X <sub>1</sub> )	Educational Background (X <sub>1.1</sub> )	X <sub>1.1.1</sub>	0.854	0.00	Valid	0.902	Reliable
		X <sub>1.1.2</sub>	0.910	0.00			
	Having technical competence(X <sub>1.2</sub> )	X <sub>1.2.1</sub>	0.778	0.00	Valid	0.902	Reliable
		X <sub>1.2.2</sub>	0.829	0.00			
		X <sub>1.2.3</sub>	0.730	0.00			
	Has a functional auditor certificate and participates in continuing education and training(X <sub>1.3</sub> )	X <sub>1.3.1</sub>	0.872	0.00	Valid	0.836	Reliable
		X <sub>1.3.2</sub>	0.859	0.00			
	Audit Experience(X <sub>1.4</sub> )	X <sub>1.4.1</sub>	0.874	0.00	Valid	0.888	Reliable
X <sub>1.4.2</sub>		0.875	0.00				
Independence (X <sub>2</sub> )	Independence of the Audit Program(X <sub>2.1</sub> )	X <sub>2.1.1</sub>	0.824	0.00	Valid	0.888	Reliable
		X <sub>2.1.2</sub>	0.897	0.00			
	Independence in Verification(X <sub>2.2</sub> )	X <sub>2.2.1</sub>	0.654	0.00	Valid	0.881	Reliable
		X <sub>2.2.2</sub>	0.826	0.00			
		X <sub>2.2.3</sub>	0.541	0.00			
		X <sub>2.2.4</sub>	0.799	0.00			
	Independence in Reporting(X <sub>2.3</sub> )	X <sub>2.3.1</sub>	0.807	0.00	Valid	0.796	Reliable
		X <sub>2.3.2</sub>	0.817	0.00			
Audit Quality (Y)	Process Quality (Y <sub>1.1</sub> )	Y <sub>1.1.1</sub>	0.891	0.00	Valid	0.833	Reliable
		Y <sub>1.1.2</sub>	0.904	0.00			
		Y <sub>1.1.3</sub>	0.907	0.00			
	Quality of Results (Y <sub>1.2</sub> )	Y <sub>1.2.1</sub>	0.604	0.00	Valid	0.940	Reliable
		Y <sub>1.2.2</sub>	0.815	0.00			
		Y <sub>1.2.3</sub>	0.796	0.00			
	Quality of Follow-Up Audit	Y <sub>1.3.1</sub>	0.722	0.00	Valid	0.816	Reliable

	Results(Y <sub>1,3</sub> )	Y <sub>1,3,2</sub>	0.667	0.00			
		Y <sub>1,3,3</sub>	0.848	0.00			

**Classical Regression and Assumption Test Results**

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	X2, X1 <sup>b</sup>		Enter

a. Dependent Variable: Y  
 b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	,787 <sup>a</sup>	,620	,592	,24032	2.039

a. Predictors: (Constant), X2, X1  
 b. Dependent Variable: Y

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,545	2	1,272	22,030	,000 <sup>b</sup>
	Residual	1,559	27	,058		
	Total	4,104	29			

a. Dependent Variable: Y  
 b. Predictors: (Constant), X2, X1

**Coefficients<sup>a</sup>**

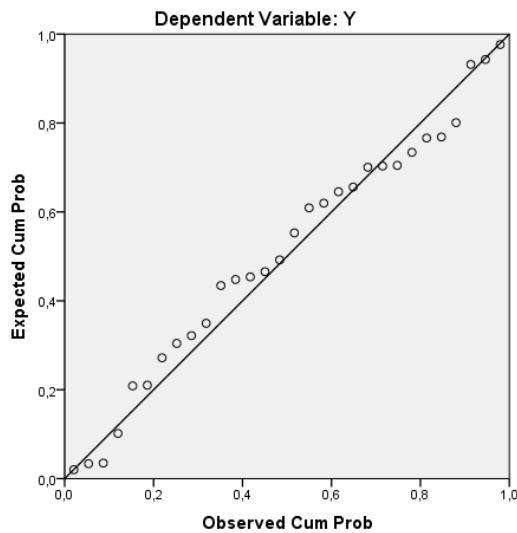
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	,634	,698		,908	,372
	X1	,059	,181	,041	,324	,748
	X2	,790	,129	,773	6,125	,000

a. Dependent Variable: Y

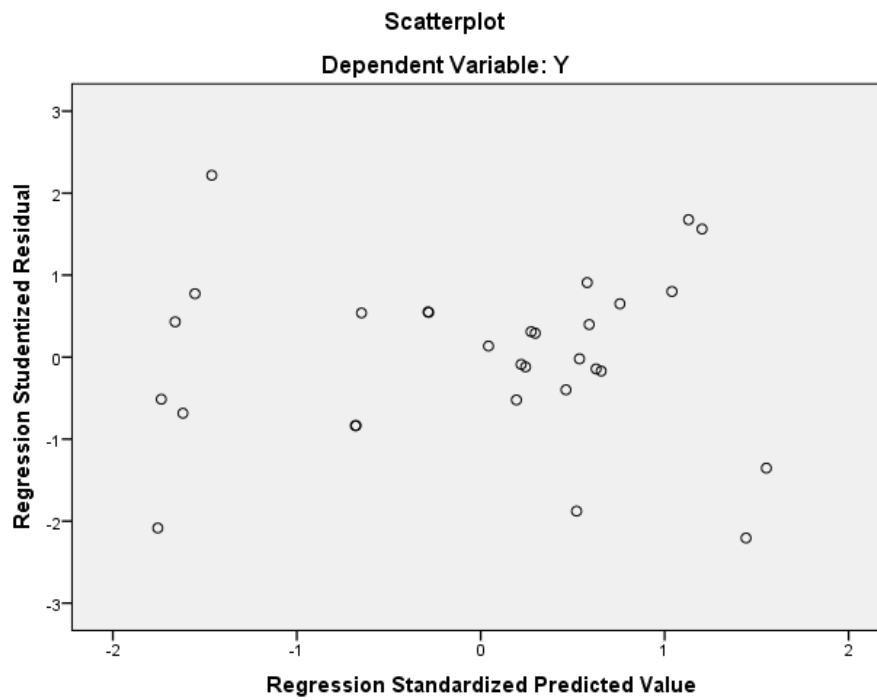
**Charts**

**Normal Probability Plot**

Normal P-P Plot of Regression Standardized Residual



**Heterocedasticity Test Results**



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