

# The Effect of Competence, Time Budget Pressure and Audit Complexity with Motivation as Moderation

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DOI: [10.36348/sjbms.2021.v06i09.003](https://doi.org/10.36348/sjbms.2021.v06i09.003)

| Received: 01.08.2021 | Accepted: 04.09.2021 | Published: 14.09.2021

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## Abstract

The purpose of this research was to analyze the influence of competence, time budget pressure and audit complexity with motivation as moderating. The study uses quantitative methods, by sending a survey to a population of 100 respondents from external parties, namely accountants and KAP auditors who are domiciled in the DKI Jakarta area. The survey was conducted on several sample members whose data were collected using a questionnaire. The results showed that the competence variable and time budget pressure had a positive effect on audit quality, because the better the competencies possessed by each auditor, the higher the quality of financial reports, while a tight time budget caused the auditor to leave the planned part in the audit stage. (part of the audit plan) which can be important and can result in lowering the quality of the resulting audit, while complexity has a negative effect on audit quality, because in this study the auditors felt it was easier because of the use of accounting software in carrying out the audit process. An integrated accounting system helps auditors to carry out audits more easily. The results showed that motivation was unable to moderate the effect of competence and complexity on audit quality when the tasks assigned to the auditors were not in accordance with their competencies and the emphasis was only on understanding the client's systems and SOPs without discussing the breadth of divisions within the company or its industry. Meanwhile, the results of data processing show that motivation can moderate the effect of time budget pressure on audit quality.

**Keywords:** Audit, Public Accounting Firm, Auditor, Audit Quality, Auditor Competence, Audit Complexity and Auditor Motivation.

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## 1. INTRODUCTION

In the past few years, especially in 2008 when the world was hit by a global crisis, the leaders of countries who were members of the G20 group of countries (London Summit 2008) formulated several joint policies to reform the economy. One of the most important policies is to increase the transparency and accountability of the financial statements of issuers in the capital market, including how to improve the audit quality of Public Accountants to ensure the transparency and accuracy of the Company's financial reporting information. Because the Public Accountant is considered a bridge between the interests of the principal (shareholders) and the agent (company management) to carry out each of its functions properly. Auditors must be able to produce audited financial statements with quality opinions that will be used by stakeholders in the business world, as well as the wider

community, which in turn will have a positive impact on economic growth.

The public accountant profession is a profession that is trusted by the public, although it is realized or not that audit quality also determines the smooth running of business and a country's economic system, especially in activities in the capital market. However, the main problem in determining the level of audit quality is determining a reliable method to measure audit quality accurately. One reliable method with measurable proxies is to use information from audited financial statements (Carey & Simnett, 2006).

Failure to provide its services can have a negative impact on the public accounting firm and its public accountants, such as lawsuits from third parties, suspension of licenses, revocation of permits by the government or even the dissolution of KAP. Big

questions from the public about the quality of audits produced by public accountants are increasingly becoming when there are many financial scandals involving public accountants. Garuda Indonesia Group posted a net profit of USD 809.85 thousand or equivalent to Rp. 11.33 billion (assuming an exchange rate of Rp. 14,000 per US dollar) in 2018 (<https://economy.okezone>, 2019). This figure rose sharply compared to 2017 which suffered a loss of USD216.5 million. The financial statements caused a prolonged polemic, because two of the eight commissioners of Garuda Indonesia namely Chairul Tanjung and Dony Oskaria (currently no longer in office) refused to sign the financial statements, and considered that the financial statements of PT. Garuda Indonesia for the 2018 financial year is not in accordance with the standards in the Statement of Financial Accounting Standards.

In addition to Garuda Indonesia, the public accountant who signed the financial statements of Garuda Indonesia, namely Br. Kasner Sirumapea Public Accountant (AP) from the Public Accounting Firm (KAP) Tanubrata, Sutanto, Fahmi, Bambang & Partners, (BDO Indonesia) as the public accountant for the financial statements of PT. Garuda Indonesia (Persero), Tbk (GIAA) and its Subsidiaries for Financial Year 2018.

Another case, fraud at British Telecom a large multinational company in the UK. At the beginning of the second quarter of 2017 the issue of accounting fraud emerged. namely in one of its lines of business in Italy. Similar to the fraud that occurred in various countries, the fraud that occurred at British Telecom certainly had an impact on the public accounting firm and the accountants who signed it. And this time it happened to Price Waterhouse Coopers (PwC), quoted from *Warta Ekonomi.co.id*, Jakarta, June 22, 2017. It was further stated that this fraud failed to be detected by PWC as an auditor. However, it was detected by the complaint reporting channel (Whistleblowing System) which was followed up by a forensic audit by KPMG. Where, the relationship between PWC and British Telecom has been established for 33 years since it was privatized. This practice has occurred since 2013 with the main stimulus being the encouragement to get Bonus (tantiem) carried out by the CFO.

Various cases that befell KAP and its public accountants, such as some of the things described above, can reduce public confidence in the performance of KAP and its public accountants, especially regarding audit quality issues. Whereas Auditing Standard 220 concerning "Quality Control for Audits of Financial Statements" published by the Indonesian Institute of Certified Public Accountants (IAPI) states that the objective of public accountants is to implement quality control procedures at the engagement level to provide

adequate assurance for public accountants that the audit has been carried out properly. comply with professional standards and applicable laws and regulations; and public accountant reports issued are in accordance with the conditions. An audit is an independent examination of an entity where public accountants provide unbiased results regarding the use of funds by the organization (IFAC, 2001).

Based on the description of the phenomena and background described above, there are still inconsistencies between the variables to be tested and the differences in the results of previous studies. the research is interested in this taking the title "*The Influence of Competence, Time Budget Pressure, and Audit Complexity on Audit Quality With Motivation as Moderation*".

## 2. LITERATURE REVIEW

### *Theory of Planned Behavior (TPB)*

Theory of Planned Behavior (TPB) is a theory stated by Ajzen (1991) which is the development of The Theory of Reasoned Action (TRA) from Fishbein and Ajzen (1975). TRA explains that a person's intentions towards behavior are shaped by two main factors, namely attitude toward the behavior and subjective norms (Fishbein and Ajzen, 1975). The assumption of TRA is that individuals have volitional control over certain behaviors. Therefore, an individual will behave when he intends to do so and will not perform the behavior when he does not intend to do so. In addition to attitude factors and subjective norms, TPB adds one more factor, namely perceived behavioral control (Ajzen, 1991). TPB predicts a person's intentions towards his behavior at a certain time and place.

### **Competence**

Competence is closely related to the expertise, knowledge and skills possessed by the auditor from a combination of education, work experience and training obtained from various trainings, in-house training organized by an accounting firm or an accountant association in this case the Indonesian Institute of Certified Public Accountants (IAPI).

### **Time Budget Pressure**

Time Budget Pressure is a condition where the auditor is under pressure from his place of work to be able to complete his duties in accordance with the set time (time schedule). Time Budget Pressure Used to demand that the auditor perform the time efficiency that has been prepared to complete each stage of the assignment. When facing Time Budget Pressure, the auditor will respond in 2 (two) ways, namely: functional and dysfunctional (DeZoort & Lord, 1997). Where, Functional is the behavior of the auditor to work better by using the time as well as possible, while the dysfunctional type of behavior is an attitude where the

auditor has the potential to cause behavior to decrease in quality.

### **Audit Complexity**

Audit work will become complex when the combination of the level of difficulty (task difficulty) and task variability (task variability) of auditing is getting higher, such as the number of divisions within the Company, the number of business lines in one corporate group. According to Widiarta, audit complexity is the process of each individual in dealing with the difficulties of a task caused by limited capabilities and memory as well as the ability to integrate the problems of decision makers (Widiarta, 2013).

### **Motivation**

According to DeCenzo and Robbins (2008) as quoted in the book *Managing The Psychological Contract* by ABM Abdullah (Abdullah, 2017) defines motivation as a process that explains the intensity, direction, and persistence of an individual to achieve his goals. Public confidence in the quality of audit services will increase, if the auditor realizes high standards of work and behavior and meets all work standards and can continue to grow motivation in each assignment so that audit quality increases. The ability and quality of the performance of public accountants can be determined by several factors including the individual and the work environment.

### **Audit Quality**

Public Accountants in providing services through KAP that are formed alone or jointly (partnerships) and are required to comply with and carry out work in accordance with the Professional Standards of Public Accountants (SPAP) where there is a professional code of ethics in it, as well as laws and regulations relating to the services provided.

## **3. Hypothesis**

### **The effect of auditor competence on audit quality**

Competence is closely related to expertise, proficiency and professional skills that must be possessed by an auditor which can be obtained from formal and informal education, professional exams as well as participation in training, seminars, continuing training education (PPL) which is followed alone or held by the office or association. . Auditors with education and high insight will have a broader view on various matters. Auditors will increasingly have a lot of knowledge and experience regarding the field they are involved in, so they can find out various problems in greater depth. In addition, with a fairly broad knowledge, auditors will find it easier to follow increasingly complex developments. The results of this study are in line with research conducted by Winda Kurnia (Winda et al., 2014)

H<sub>1</sub>: Auditor competence has a positive effect on audit quality.

### **Effect of time budget pressure on audit quality**

Simajuntak Piter (2008) found that a tight time budget often causes auditors to leave an important part of the audit program and consequently can reduce the quality of the resulting audit. If the time allocation / deadline in completing an assignment is very limited, it can reduce audit quality. Likewise with Diki Sukmawijaya's research (Sukmawijaya, 2018) Time budget pressure has a significant influence on audit quality. Auditors who have a lot of time will be able to carry out their duties more carefully and thoroughly compared to auditors who have limited time, which will require an auditor to carry out their duties faster but have an impact on audit quality.

H<sub>2</sub>: Time budget pressure has a positive effect on audit quality.

### **The Effect of audit complexity on audit quality**

The complexity of the audit is considered as one that influences in producing a good audit quality. Audit complexity is based on individual perceptions of the difficulty of an audit assignment, difficult for one person but easy for another (Prasita and Priyo, 2007). The complexity here can be obtained from the number of tasks assigned / clients handled or the complexity of an assignment to a client with various business variations in a corporate group.

H<sub>3</sub>: Audit complexity has a negative effect on audit quality.

### **The effect of moderating motivation of auditor competence on audit quality**

The need for actualization is basic and human for each individual as well as auditors, the desire for a career and an increased level of course must be accompanied by knowledge, education and experience (flying hours) that are possessed over time. According to research by Ika Safitri (Ika, 2020) motivational variables can moderate competence on audit quality, Kristianto *et al.*, (2020) research shows that auditor motivation is able to influence the effect of auditor independence on audit quality. The results of this study are in line with Enni Savitri's research (Savitri & Indrawati, 2019)

H<sub>4</sub>: Motivation can moderate the effect of competence on audit quality.

### **Pengaruh *time budget pressure* terhadap kualitas audit yang di moderasi oleh motivasi**

Menurut DeZoort (2002) *Time Budegt Pressure* didefinisikan sebagai bentuk tekanan yang muncul dari adanya keterbatasan waktu (sumber daya) yang diberikan untuk melaksanakan tugas. Dalam keterbatasan tersebut auditor dituntut untuk melakukan

efisiensi waktu sehingga seluruh tugas selesai sesuai jadwal dan dikerjakan dengan baik (sesuai standar / prosedur) yang ditentukan. Sedari junior, auditor ditempa dengan tenggat waktu yang terbatas untuk menyelesaikan tugasnya yang selanjutnya akan masuk pada tugas berikutnya, sehingga auditor diharapkan terbiasa bekerja dibawah tekanan waktu. Tentu dengan reward yang sesuai atas keberhasilan dan punishment akan melewatnya suatu target pekerjaan.

H<sub>5</sub>: Motivasi dapat memoderasi pengaruh time budget pressure terhadap kualitas audit

#### **Pengaruh Kompleksitas Audit Terhadap Kualitas Audit yang di moderasi oleh motivasi**

Semakin kompleks tugas / beban kerja auditor, maka semakin dapat menekan auditor untuk melakukan tindakan yang mungkin berdampak terhadap proses audit yang sedang dikerjakan. Padahal, hasil akhir pekerjaan audit sangat bergantung pada proses audit tersebut. Namun, dengan dukungan infrastruktur IT Audit yang tersedia pada suatu kantor KAP, ditambah lagi adanya insentif diharapkan dapat memacu kinerja

auditor dan menjaga kualitas audit sesuai standar yang telah ditetapkan.

H<sub>6</sub> : Motivasi dapat memoderasi pengaruh kompleksitas audit terhadap kualitas audit.

#### **4. RESEARCH METHOD**

The research used quantitative methods, where researchers used questionnaires as a source of data collection. The population taken is individuals who work daily as auditors and public accountants. By selecting the non-probability sample category, namely the purposive sampling. The selection of purposive sampling in this research, because of certain categories that have limited information sought for research purposes. The criteria for selecting the sample are auditors and accountants who work at KAP domiciled in DKI Jakarta, namely accountants with partner positions and audit managers. The technique of collecting data is through a questionnaire survey method with a minimum number of respondents multiplied by 10.

#### **5. RESULTS**

**Table 1: Characteristics of Respondents by Gender**

Description	Frequency	Percentage	Valid Percentage	Cummulative Percent
Male	79	79,0	79,0	79,0
Female	21	21,0	21,0	100,0
<b>Total</b>	<b>100</b>	<b>100,0</b>	<b>100,0</b>	

Results indicate that the majority of auditors are male with more numbers than female auditors.

**Table 2: Characteristics of Respondents by Type of Work**

	Frequency	Percentage	Valid Percentage	Cummulative Percentage
Partner	50	50,0	50,0	50,0
Audit Manager	21	21,0	21,0	71,0
Senior Auditor	29	29,0	29,0	100,0
<b>Total</b>	<b>100</b>	<b>100,0</b>	<b>100,0</b>	

Based on Table 2, it can be seen that there are 29 respondents with positions as senior auditors (29.0%). And respondents with positions as audit

managers were 21 people (21.0%) while the remaining 50% were Partner positions, which made up the majority of questionnaires.

**Table 3: Characteristics of Respondents Based on Education Level**

	Frequency	Percentage	Valid Percentage	Cummulative Percentage
S1	61	61,0	61,0	61,0
S2	33	33,0	33,0	94,0
S3	6	6,0	6,0	100,0
<b>Total</b>	<b>100</b>	<b>100,0</b>	<b>100,0</b>	

Based on Table 3, it can be seen Bachelor Degree that 61 respondents (61.0%). Respondents with Graduate education level were 33 people (33.0%) and respondents with Post Graduate education were 6

people (6.0%). This shows that most of the auditors in this study have an education level equivalent to Bachelor's.

**Table 4: Statistical Descriptive Analysis**

	N	Minimum	Maximum	Mean	Std. Deviation
Competence	100	3.44	5.00	4.4178	4.77180
Time_Budget_Pressure	100	3.13	5.00	4.2250	4.66667
Complexity	100	2.80	5.00	4.1340	3.17520
Motivation	100	3.14	5.00	4.1728	3.66059
Quality Audit	100	2.89	5.00	4.3778	4.69472
Valid in i(listwise)	100				

Based on Table 4 above, it can be seen that the descriptive statistics of each variable are as follows:

1. The value of N indicates the amount of data contained in this study, which is 100 data.
2. Competence variable has a minimum value of 3.44 and a maximum value of 5. The average value of the variable is 4.4178 with a standard deviation of 4.77180. The average value of 4.4178 ( $4.4178 > 4$ ) indicates that the research respondents strongly agree with the statements put forward on the Competence variable.
3. The Time Budget Pressure variable has a minimum value of 3.125 and a maximum value of 5. The average value of the variable is 4.225 with a standard deviation of 4.66667. The average value of 4.225 ( $4.225 > 4$ ) indicates that the respondents in this study strongly agree with the statements put forward on the Time Budget Pressure variable.
4. The audit complexity variable has a minimum value of 2.80 and a maximum value of 5. The average value of the variable is 4.134 with a standard deviation of 3.17520. The average value of 4.134 ( $4.134 > 4$ ) indicates that the respondents in this study strongly agree with the statements put forward on the Audit Complexity variable.
5. Motivation variable has a minimum value of 3.143 and a maximum value of 5. The average value of the variable is 4.173 with a standard deviation of 3.66059. The average value of 4.173 ( $4.173 > 4$ ) indicates that the respondents in this study strongly agree with the statements put forward on the Motivation variable.
6. The audit quality variable has a minimum value of 2.89 and a maximum value of 5. The average value of the variable is 4.378 with a standard deviation of 4.69472. The average value of 4.378 ( $4.378 > 4$ ) indicates that the respondents in this study strongly agree with the statements put forward on the Audit Quality variable. The results of the statistical descriptive analysis for each question item can be seen in the table below.

**Table-5: Descriptive Statistics of Competency Variables**

No	Pernyataan	Mean	Std idev
K1.	The auditor staff recruitment process is preceded by a selection of entrance tests and psychological tests.	4,510	0,608
K2.	For staff auditors, preferably a graduate of an economics degree with a GPA >3.00	4,450	0,555
K3.	Before starting to be involved in a job, junior auditors are provided with basic education / audit techniques according.	4,130	0,833
K4.	Before starting the assignment, a junior auditor is required to study the previous working papers according to their respective assignments.	3,790	1,116
K5.	When carrying out field work, the auditor is required to request SOPs and study them carefully, and be matched in later sampling tests.	4,720	0,449
K6.	In audit assignments, at least the auditor applies sampling selection using at least ACL software.	4,640	0,539
K7.	In audit assignments, at least the auditor applies the ATLAS software as the minimum requirement required by the regulator.	4,460	0,741
K8.	After conducting the tests, the auditor is expected to draw conclusions from the audit based on the accounts in the working papers.	4,590	0,492
K9.	Periodically all auditors are included in the Continuing Education staff level at IAPI, at least once a year.	4,470	0,655

Based on Table 5 above, it can be seen that the K4 statement has the lowest mean value of 3.790 and the highest K5 statement with a mean value of 3.790.



**Table-6: Descriptive Statistics of Time Budget Pressure**

No	Pernyataan	Mean	Std idev
1.	Timing is part of the audit plan that is set in advance and must be communicated to the client.	4,250	0,779
3.	Refuse to accept clients who request completion of an audit within an unreasonable deadline on an engagement.	4,010	1,005
2.	When facing a tight audit time budget, we conduct a quick review or quickly examine audit evidence to adjust to the available audit time as long as it does not violate the office's Quality Control System.	4,110	0,926
4.	When facing a tight audit time budget, the number of team members is increased.	4,130	0,770
5.	The existence of IT Audit / Tools can shorten work	4,430	0,621
6.	At least the existence of ATLAS can make work easier (in this case making audit work papers)	4,510	0,608
7.	In order to meet work deadlines, overtime is optimized	4,170	0,775
8.	In busy times, overtime pay can be a trigger for enthusiasm to work.	4,270	0,859

In the time budget pressure variable, the TBP2 statement has an average value of 4.010 with a standard deviation of 1.005.

**Table-7: iDeskriptif iStatistik iVariabel iKompleksitas iAudit i**

No	Pernyataan	Mean	Std idev
1.	Client accounting system (Group) with diverse businesses becomes easy if you have used a uniform Accounting Software.	4,210	0,791
2.	Accounting systems with different business divisions become easier if you have used an integrated Accounting Software.	4,310	0,643
3.	An accounting system that helps make work easy is under Windows.	3,900	0,954
4.	The number of daily transactions will affect the number of samples taken	4,080	0,821
5.	In terms of the number of transactions between groups of companies, the nature and timing of transactions will be more in-depth.	4,210	0,657

The audit complexity variable has the lowest average value of 3.900 and a standard deviation of 0.954. The lowest average value is found in the KoA3

statement, namely the accounting system that helps make work easier is under Windows.

**Table 8:iDeskriptif iStatistik iVariabel iMotivasi**

No	Pernyataan	Mean	Std idev
1.	The importance of understanding and knowledge of business variations.	3,860	0,837
2.	Auditors must understand the Company's SOPs and their relationship to the implementation of the Information System (IT).	4,010	0,714
3.	Classification of interests and talents from junior auditor IV, which is directed in certain industries.	4,350	0,638
4.	Use of software (IT Audit) in terms of sampling selection and substantive test testing.	4,340	0,667
5.	Further understanding and learning on the use of Computer Assisted Audit Technology (CAAT) and computerized audit documentation.	4,060	0,772
6.	The ability to read SOPs and understand the Company's Internal Control is half of the work of an audit job.	4,360	0,671
7.	The per-account audit conclusions will help make the final conclusion of an audit opinion.	4,490	0,608

Variabel imotivasi memiliki nilai irata-rata iterendah isebesar i3,860 dengan istandar idevasi isebesar i0,837. iPernyataan iyang imendapatkan inilai

rata-rata iterendah iadalah iM1 iyaitu ipentingnya ipemahaman idan ipengetahuan akan ivariasi ibisnis.

**Table-9: Descriptive Statistics of Audit Quality Variables**

No	Pernyataan	Mean	Std Deviasi
1.	An understanding of the client's business and the Company's internal control is very helpful in determining the nature, extent and methodology of the audit.	4,710	0,496
2.	Knowledge of regional and international business rules and international price references adds to the competitiveness of accountants. I	4,580	0,651
	An understanding of the company structure helps accountants understand the Company's relationship with the market and with its competitors	4,680	0,546
3.	By applying SA 315 regarding the identification of risks and material misstatements through an understanding of the entity and its environment, it is very helpful for the audit process.	4,610	0,564
4	The Internal Audit Report is very helpful for accountants in assessing the effectiveness of internal control.	4,560	0,605
5.	Reliability tests must be carried out on fault identification and handling of the client's IT system.	3,990	0,964
6.	Auditors must adopt IT Audit in every assignment because it helps the process of carrying out the Audit.	4,240	0,650
7.	Investment in IT Audit must be increased by each Public Accounting Firm	3,950	0,931
8	The per-account audit conclusions will help formulate conclusions on the audit opinion.	4,060	0,936

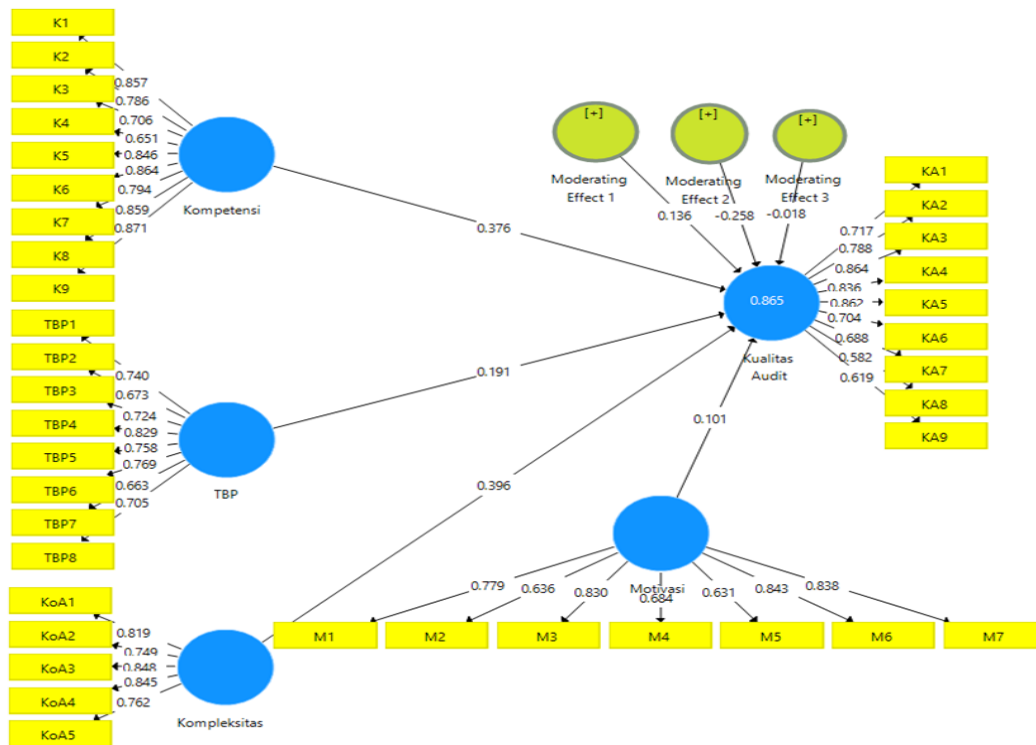
Next is the audit quality variable which is the dependent variable in this study. The audit quality variable has the lowest average value of 3.950 and the

standard deviation value of 0.931 which is shown in the statement of KA8, namely that investment in IT audits must be increased by each Public Accounting Firm.

**Table-10: Hasil Pengujian Convergent Validity**

Variabel	Indikator	Outer Loading	Keterangan
Competence	K1	0,857	Valid
	K2	0,786	Valid
	K3	0,706	Valid
	K4	0,651	Valid
	K5	0,846	Valid
	K6	0,864	Valid
	K7	0,794	Valid
	K8	0,859	Valid
	K9	0,871	Valid
Time Budget Pressure	TBP1	0,740	Valid
	TBP2	0,673	Valid
	TBP3	0,725	Valid
	TBP4	0,829	Valid
	TBP5	0,757	Valid
	TBP6	0,769	Valid
	TBP7	0,622	Valid
	TBP8	0,705	Valid
Complexity Audit	KoA1	0,819	Valid
	KoA2	0,749	Valid
	KoA3	0,848	Valid
	KoA4	0,845	Valid
	KoA5	0,762	Valid
	M1	0,779	Valid
	M2	0,636	Valid
	M3	0,830	Valid
Motivation	M4	0,684	Valid

	M5	0,631	Valid
	M6	0,843	Valid
Quality Audit	M7	0,838	Valid
	KA1	0,717	Valid
	KA2	0,788	Valid
	KA3	0,864	Valid
	KA4	0,836	Valid
	KA5	0,862	Valid
	KA6	0,704	Valid
	KA7	0,688	Valid
	KA8	0,582	Valid i
	KA9	0,619	Valid i



**Figure-1: Convergent Validity Test Results**

Table-10 and Figure-1 above, it can be seen that the structural model from the results of data processing with Smart PLS 3.0 shows that the structural model has an outer model value or correlation between

constructs with each variable meeting convergent validity, it can be seen that all indicators have a loading factor value of more than 0.50 and valid.

**Table-11: Discriminant Validity Test Results Average Variance Extracted (AVE)**

Variabel	Average Variance Extracted (AVE)
QualityiAudit	0,557
Competency	0,652
Time Budget Pressure	0539
Complexity Audit	0650
Motivation	0569

From Table-11, it can be seen that the Audit Quality variable has a result of 0.557, Competence has a result of 0.652, then Time Budget Pressure has a result of 0.539, and complexity has a result of 0.650 and

Motivation has a result of 0.569. From the overall results, it can be seen that the variables in this study were significant.

**Table 12: Composite Reliability Test Results and Cronbach's Alpha**



Variabel	Composite Reliability	Keterangan	Cronbachs Alpha	Keterangan
Quality Auditi	0.917	Reliable	0.898	Reliable
Competency	0.943	Reliable	0.932	Reliable
Time Budget Pressure	0.903	Reliable	0.878	Reliable
Complexity Audit	0.902	Reliable	0.864	Reliable
Motivation	0.901	Reliable	0.873	Reliable

Based on Table 12, it shows that the composite reliability test and Cronbach's alpha got a satisfactory value where composite reliability and Cronbach's alpha have a reliability value of 0.70, which means that the construct has good reliability with the questionnaire distributed as a research tool being reliable or consistent.

Meanwhile, according to Guilford in Iskandar (2009:33) using the degree of reliability is as follows:

**Table-13 : Degree of Reliability**

Koefisien iKorelasi	Kriteria iReliabilitas
$0,81 < r < 1,00$	Very High
$0,61 < r < 0,80$	High
$0,41 < r < 0,60$	Fairly
$0,21 < r < 0,40$	Low
$0,00 < r < 0,20$	Very Low

Based on Table-13 the degree of reliability above, the Composite Reliability value of the Competency, Time Budget Pressure, Complexity, Motivation and Audit Quality variables is in the correlation coefficient range between 0.81 - 1.00. Based

on the results of testing the degree of reliability, the Composite Reliability value is reliable because the value is at a very high criterion. Likewise, the Cronbachs Alpha value on Competence, Time Budget Pressure, Complexity, Motivation and Audit Quality is in the correlation coefficient range between 0.81 - 1.00. With the Cronbachs Alpha value is reliable because the value above is  $> 0.70$ , then the reliability criteria are high.

**Table 14: R-square Value**

Variabel	R Square	R Square Adj
Quality Audit	0.865	0.855

The influence model of the independent latent variables (competence, time budget pressure and complexity) moderated by the motivational variable on the dependent variable (audit quality) gives an R-square value of 0.865 which can be interpreted as the competence construct variable, time budget pressure and complexity moderated by the variable. Motivation gives the effect of change by 86.5% while 13.5% is another variable outside the one to be studied.

**Table 15: Hypothesis Testing Results**

Variabel	Original iSample i(O)	T iStatistics i	Keterangan
Compenteece $\rightarrow$ Quality Audit	0.376	4.092	Positive - Significant
Time Budget Pressure $\rightarrow$ Quality Audit	0.191	3.346	Positive – Significant
Complexity $\rightarrow$ Quality Audit	0.396	6.108	Positive - Significant
Motivation $\rightarrow$ Quality Audit	0.101	1.187	Positive- Not iSignificant
Moderation 1 Competence * Motivation	0.136	1.687	Positive–Not Significant
Moderation 2 TBP * Motivation	-0.258	3.844	Negative – Significant
Moderation 3 Complexity * Motivation	-0.018	0.281	Negative – Not Significaant

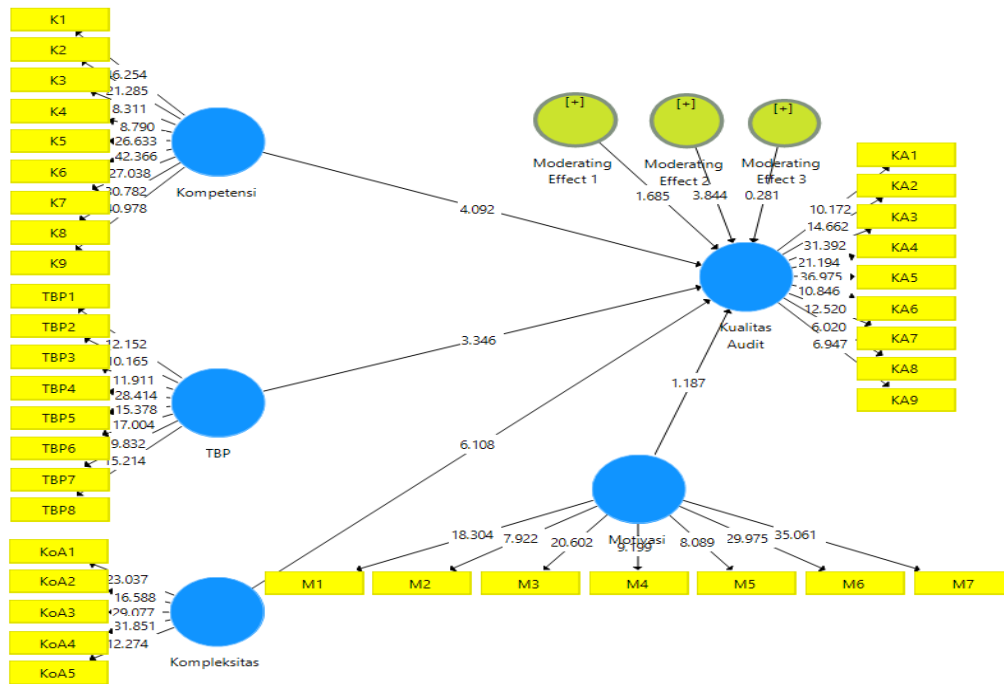


Figure 2: Bootstrapping Results (Hypothesis Test Results)

**1. The Effect of Competence on Audit Quality**

Based on Table 15 and Figure 2 above, it shows that the relationship between Competence and Audit Quality is significant with a t-statistic value of 4.092 (> 1.96). The original sample estimate value is positive, namely 0.376, which means that the direction of the relationship between Competence and Audit Quality is positive. So Hypothesis H<sub>1</sub> in this study can be interpreted that competence has a positive and significant effect on audit quality is accepted.

**2. Effect of Time Budget Pressure on Audit Quality**

Based on Table 15 above, it shows that the relationship between Time Budget Pressure and Audit Quality is significant with a t-statistic value of 3.346 (> 1.96). The original sample estimate value is positive, namely 0.191 which indicates that the direction of the relationship between Time Budget Pressure and Audit Quality is positive. So the hypothesis H<sub>2</sub> in this study can be interpreted that Time Budget Pressure has a positive and significant effect on Audit Quality is accepted.

**3. Effect of Complexity on Audit Quality**

Based on Table 15 above, it shows that the relationship between Audit Complexity and Audit Quality is significant, and has a t-statistic value of 6.108 (> 1.96). The original sample estimate value is positive at 0.396 which means that the direction of the relationship between Audit Complexity and Audit Quality is positive. So the hypothesis H<sub>3</sub> in this study can be interpreted that Audit Complexity has a negative and significant effect on Audit Quality is rejected. This

is because the test results show that audit complexity has a positive effect on audit quality.

**4. The Effect of Competence on Audit Quality Moderated by Motivation**

Based on Table 15 above, it shows that the relationship between competence on audit quality and motivation as a moderating variable is not significant with a t-statistic value of 1.187 (<1.96). The original sample estimate value is positive at 0.136 which indicates that the direction of the relationship between competence and audit quality with moderating motivation is positive but not significant. So that the hypothesis H<sub>4</sub> in this study can be concluded that the motivation variable that can moderate the influence of competence on audit quality is rejected.

**5. Effect of Time Budget Pressure on Audit Quality Moderated by Motivation**

Based on Table 15 above, it shows that the relationship between time budget pressure on audit quality and motivation as a moderating variable is significant with a t-statistic value of 3.844 (> 1.96). The original sample estimate value is negative at -0.258 which indicates that the direction of the relationship between time budget pressure and audit quality with moderating motivation is negative and significant. So the hypothesis H<sub>5</sub> in this study that the motivation variable can moderate the effect of Time Budget Pressure on audit quality is accepted.

**6. The Effect of Audit Complexity on Audit Quality Moderated by Motivation**

Based on Table 15 above, it shows that the relationship between complexity on audit quality and

motivation as a moderating variable is not significant with a t-statistic value of 0.281 (<1.96). The original sample estimate value is negative, namely -0.018 which indicates that the direction of the relationship between complexity to Audit Quality and moderating motivation is negative. So the hypothesis  $H_6$  in this study can be concluded that the motivational variable that can moderate the effect of audit complexity on audit quality is rejected.

## 6. RESULT AND ANALYSIS

### The Effect of Competency on Audit Quality

Audit quality shows the quality of the financial reports presented by the company. The better the quality of audit provided by the auditor, the more quality the financial reports will produce. Therefore, the incompetence of auditors has an important role in ensuring audit quality. The results of this research show that the incompetence of auditors has a positive and significant effect on audit quality. Because of the support for education and training, which are followed by auditors, and held simultaneously by accountant public. The results of this research are in line with the research conducted by Winda Kurnia (Winda et al., 2014) which shows that the auditor's incompetence has a positive effect on audit quality. i

### The Effect of Time Budget Pressure on Audit Quality

The allocation of audit time is one of the auditor's challenges in completing the audit on time and with quality. A tight time budget often causes the auditor to leave an important part of the audit program and this can result in lowering the quality of the resulting audit. The results of this study are in line with research conducted by Diki Sukmawijaya (Sukmawijaya, 2018) Time budget pressure has a significant influence on audit quality. Auditors who have a lot of time will be able to carry out their duties more carefully and thoroughly compared to auditors who have limited time, which will require an auditor to carry out their duties more quickly but have an impact on audit quality, including a tight schedule so that they cannot carry out audits properly. broad, limited by various things to ineffective, so that there may be errors / errors that are not detected and thus produce a direction that should be negative. Meanwhile, the direction of the relationship between time budget pressure and audit quality in this study is positive. This difference is actually based on the availability of information technology / IT support, both from the client side in the form of integrated accounting software and IT Audit as tools that are more equipped by the Auditor.

### The Effect of Complexity on Audit Quality

Audit complexity is based on individual perceptions of the difficulty of an audit assignment, difficult for one person but easy for another (Prasita &

Priyo, 2007). The complexity here can be obtained from the number of tasks assigned / clients handled or the complexity of an assignment to a client with various business variations in a corporate group or the number of divisions / business lines within a company. The difference between this study and the research conducted by Ratha and Ramantha (Ratha & Ramantha, 2015) lies in the direction of the relationship between complexity and audit quality, in this study the direction of the relationship between audit complexity and audit quality is positive. The hypothesis proposed in this study is that audit complexity has a negative effect on audit quality, because with the increasing complexity of the assignment of an auditor to several clients with different industries or one company with many different divisions / business lines, it will be difficult for the auditor to make a final conclusion on an assignment. While the results in this study indicate that complexity has a positive effect on audit quality, and the difference in the direction of the relationship between this study and the sebum research occurs because in this study the auditors feel facilitated by the use of integrated accounting software that is used by the client as part of the client's IT update. An integrated accounting system helps auditors to carry out audits more easily, thereby minimizing / eliminating complexity constraints.

### The Effect of Competence on Audit Quality Moderated by Motivation

The results of data processing show that motivation cannot moderate the effect of competence on audit quality. The need for actualization is basic and human for each individual as well as auditors, the desire for a career and an increased level of course must be accompanied by knowledge, education and experience (flying hours) that are possessed over time. In this study, the competence of auditors is measured based on the recruitment process carried out by the company and the activities that must be carried out by the auditor. In addition, the competency variable is measured based on the education program followed by the auditor staff. The results of the study which state that motivation cannot moderate the influence of competence on audit quality occurs when the tasks assigned to the auditor are not the same as the audit competencies they have. This causes any amount of motivational stimulation given cannot affect the quality of the resulting audit. The results of this study are in line with Enni Savitri's research (Savitri & Indrawati, 2019) which shows that the motivational variable cannot moderate competence on audit quality.

### The Effect of Time Budget Pressure on Audit Quality Moderated by Motivation

The results of data processing show that motivation can moderate the effect of time budget pressure on audit quality. The auditor is directed to perform time effectiveness so that all tasks are completed according to schedule and carried out

properly (according to the standards / procedures) specified. The positive direction of the TBP relationship on audit quality is in accordance with the hypothesis in H2. The negative moderating effect shown by the motivation variable on the effect of time budget pressure on audit quality indicates that the higher the motivational moderation, the lower the effect of time budget pressure on audit quality. although there is a high enough pressure on the auditors to immediately complete their duties, but with high motivation and IT support from the auditors, it can reduce the impact on the quality of the audits they carry out. Research conducted by Wikanardi and Suardana (2019) shows that motivational moderation significantly increases the effect of time budget pressure on auditor performance. In the research conducted by the author, the moderating effect of motivation is negative, meaning that the higher the moderating motivation, the lower the effect of time budget pressure on audit quality. Auditors who are motivated to carry out tasks according to the IT system and accounting firm SOPs will try to ensure that audit activities are carried out according to established procedures.

#### **The Effect of Audit Complexity on Audit Quality Moderated by Motivation**

The results of data processing show that motivation is not able to moderate the effect of complexity on audit quality. The high complexity of the audit often causes the auditor to behave in a dysfunctional manner. Although the auditor has high motivation to complete the task well, but the number of tasks that must be done by an auditor for his client can cause a decrease in the quality of the resulting audit. The inability of motivation to moderate the relationship between audit complexity and audit quality occurs because audit complexity is more emphasized on the number of tasks and the division of tasks based on industry, while on the other hand motivation is emphasized on understanding systems and SOPs without discussing the division of tasks based on the type of industry / client division.

### **7. CONCLUSION AND RECCOMENDATION**

Based on the results of research and discussion that have been stated in the previous chapter, the following conclusions can be drawn:

Competence has a positive and significant effect on Audit Quality.

1. Time budget pressure has a positive and significant effect on audit quality.
2. The complexity of the audit has a positive and significant effect on audit quality.
3. Motivation does not moderate the influence of competence on Audit Quality.
4. Motivation moderates the effect of time budget pressure on audit quality.

5. Motivation does not moderate the effect of audit complexity on audit quality.

### **RECCOMENDATION**

Based on the conclusions described above, some suggestions can be made to practitioners as follows:

1. Competence is the first part of auditing standards that are included in general standards and has become the main focus of practicing Public Accountants starting from hiring employees with a minimum of education according to their fields to technical training that is carried out simultaneously, both training from the public accounting firm and from the organization Association of Public Accountants (IAPI), although the implementation of competence in each office has been going well, continuous evaluation is still needed according to the needs / specialization of the prioritized industry.
2. In relation to time budget pressure in each assignment, every KAP has a standard of field work that every auditor must adhere to so as not to ignore the important things of each critical part of the assignment. However, for KAPs who only have limited resources, it is better to choose clients carefully so that they do not burden the KAP in the future.
3. When the auditor is required to complete work with tight time budget pressure, the accountant public that already has a good work schedule plus tools (a set of IT Audits) as one of the motivations developed by the accountant public is able to minimize failures in detecting the risk of misstatement. However, the ability to use IT must be continuously honed and developed simultaneously by each auditor at their respective level.

Based on the results of the research and discussion that has been stated in the previous chapter, conclusions can be drawn as follows:

1. Competence has a positive and significant effect on Audit Quality.
2. Time budget pressure has a positive and significant effect on audit quality.
3. Audit complexity has a positive and significant effect on audit quality
4. Motivation does not moderate the influence of competence on Audit Quality.
5. Motivation moderates the effect of time budget pressure on Audit Quality.
6. Motivation does not moderate the effect of audit complexity on audit quality.

### **RECCOMENDATION**

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3. When the auditor is required to complete work with tight time budget pressure, the accountant public that already has a good work schedule plus tools (a set of IT Audits) as one of the motivations developed by the accountant public is able to minimize failures in detecting the risk of misstatement. However, the ability to use IT must be continuously honed and developed simultaneously by each auditor at their respective level.

And, some suggestions for future researchers who take similar research, including:

1. Expanding research on the complexity variable that gives a positive direction to audit quality with different modes of moderating in order to strengthen the direction.
2. Incorporate other moderation on the competence and complexity variables.
3. Increase the number of samples so as to provide more valid information.
4. Expanding the sample not only from accountant public in Jakarta
5. Include other variables that are thought to affect audit quality, thereby increasing the number of research variables.

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