

Competence of Expertise, Experience, Auditor Professional Skepticism and Audit Situation to the Relevance of Providing Audit Opinion on Entity's Financial Statements

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ABSTRACT

This research is to examine and provide empirical evidence that the factor of expertise, experience, professional skepticism of auditors and audit situations has no effect or no relevance to the provision of audit opinion on the financial statements of the entity. This research was conducted using the sampling method, namely purposive sampling, with the type of quantitative research. The data was analyzed using multiple regression analysis models. Hypothesis testing is done to determine the extent of expertise, experience, professional skepticism of auditors and audit situations affect the relevance of the provision of audit opinion on the financial statements of entities either partially or simultaneously.

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1. INTRODUCTION

The role of the auditor is needed by the government and the business environment. Audit services performed in the government sector are usually carried out by the Supreme Audit Agency of the Republic of Indonesia (BPK RI) as the government's external auditor. The audit standard used by the auditors of the Supreme Audit Agency (BPK) is in the form of State Financial Audit Standards (SPKN) which are used to maintain credibility and professionalism in the implementation and reporting of audits, both financial and performance audits, as well as audits with a specific purpose. Meanwhile, in the private sector, audit services are carried out by auditors who work in Public Accounting Firms (KAP). Examination standards for auditors at Public Accounting Firms are in the form of Public Accountant Professional Standards (SPAP) issued by the Public Accountants Professional Standards Board of the Indonesian Institute of Public Accountants (DSPAP IAPI).

In general, auditing is a systematic process to objectively obtain and evaluate evidence regarding statements about economic activities and events, with the aim of determining the degree of conformity between these statements and established criteria. Based on the results of this audit, the auditor then draws a conclusion and conveys the conclusion to interested users. The end result of the process of auditing the entity's financial statements is in the form of giving an auditor's opinion, which in subsequent writing is called an audit opinion.

Giving an audit opinion that is relevant and in accordance with the established criteria is very important so that the audit results do not mislead users who have an interest in making decisions. Once the importance of the opinion given by the auditor for an entity, an auditor is required to have good expertise and experience in order to be able to collect and analyze audit evidence so that he can provide a relevant opinion.

SPKN (2007) third paragraph states that collectively examiners must have sufficient professional skills to carry out auditing duties. Therefore, inspection organizations must have procedures for the recruitment, appointment, continuous development and evaluation of examiners to assist audit organizations in retaining examiners who have adequate competence and expertise. While audit experience is indicated by the auditor's flying hours in carrying out audit procedures related to giving an opinion on the audit report. A more experienced auditor can detect fraud in financial statements, this is because experienced auditors are more skeptical than inexperienced auditors.

Another factor that can affect the relevance of giving an audit opinion is the auditor's professional skepticism. SPAP (Professional Standards for Public Accountants, 2011) SA Section 230.06 states the auditor's professional skepticism as an attitude that includes a questioning mind and critical evaluation of audit evidence. The auditor must always use professional skepticism in gathering audit evidence. So that the objective of the auditor to obtain sufficient competent evidence and provide an adequate basis for formulating an opinion can be achieved properly. A skeptical auditor will not take the client's explanation for granted, but will ask questions to obtain reasons, evidence and confirmation regarding the object in question. The auditor's professional skepticism can be influenced by several factors including expertise, experience and the audit situation encountered.

During the audit assignment period, the auditor may encounter various situations that may affect the audit being carried out by the auditor. According to Mulyadi (2011) in carrying out his audit work, auditors often encounter situations of regularities/irregularities that contain risks such as special relationships, management motivation, uncooperative clients, clients who are being audited for the first time and clients with problems. Therefore, the auditor must always be vigilant when facing an audit situation that contains a high risk and contains many misrepresentations, especially material misstatements (Mulyadi, 2011).

The formulation of this research is what factors influence the relevance of giving an auditor's opinion to the relevance of giving an audit opinion on an entity's financial statements. The purpose of this research is to find out what factors influence the relevance of giving an audit opinion on an entity's financial statements.

2. RESEARCH METHOD

This research is a quantitative research, namely research that is useful for analyzing how a variable affects other variables, and is also useful in experimental research where the independent variables are treated in a controlled manner by the researcher to see the impact on the dependent variable directly. This study will discuss the factors that influence the relevance of giving an audit opinion on an entity's financial statements. Population is the subject of research. The population in this study were all independent auditors who worked at the Indonesian Audit Board and Public Accounting Firms in South Kalimantan. The method used by researchers in selecting research samples is purposive sampling, with a judgment-based technique which is a type of non-random sample selection whose information is obtained using certain considerations (generally adjusted to the objectives or research problems) (Indriantoro and Supomo, 2002). The criteria for determining the sample used in this study are as follows; Determination of the sample area is the population of auditors who work at the Supreme Audit Agency (BPK) of the Republic of Indonesia and the Public Accounting Firm (KAP) in South Kalimantan; Sample representativeness for each auditor at the Indonesian Audit Board (BPK) and Public Accounting Firm (KAP) in South Kalimantan; The type of data used in this study is quantitative data in the form of values or scores for the answers given by respondents to the questions in the questionnaire.

3. RESULTS AND DISCUSSIONS

The t statistical test on the basis shows how far the influence of one explanatory variable or independent variable individually or partially explains the variation of the independent variable (Gozali, 2006:88). The t test was conducted to see whether the independent variables individually have a significant impact on the dependent variable, as well as to prove which variable is the most dominant. The results of the t statistical test can be seen in table 1 if the probability value is less

than 0.05 then H_a is accepted and H_0 is rejected. Meanwhile, if the probability value is greater than 0.05 then H_0 is accepted and H_a is rejected.

Table 1 below shows that the experience and professional skepticism variables of the auditor have a significant and positive effect on the relevance of giving an audit opinion on entity financial statements, but the audit expertise and situation variables have no effect on the relevance variable of giving an audit opinion on entity financial statements. The variables of expertise, experience, professional skepticism of the auditor and the audit situation have a significance level of 0.121; 0.005; 0.00; 0.569. The results of the t statistical test can be seen in table 1 below,

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Keterangan
	B	Std. Error	Beta	t		
(Constant)	8,282	4,230		1,958	,058	
Auditing Expertise	,249	,157	,180	1,585	,121	Reject
Auditor Experience	,430	,143	,347	3,005	,005	
Auditor Professional Skepticism	,629	,156	,454	4,042	,000	Accepted Accepted
Audit Situation	,068	,118	,055	,575	,569	Reject

Statistical test F can be seen in table 2, if the probability value is less than 0.05 then H_a is accepted and H_0 is rejected. Meanwhile, if the probability value is greater than 0.05 then H_0 is accepted and H_a is rejected (Ghozali, 2011). The F statistical test was conducted to determine the effect of all the independent variables included in the regression model variables together on the dependent variable. The table from the F-test obtained a calculated F value of 21.189 with a significance level of 0.000. The probability of significance is less than 0.05, so the regression model can be used to predict the relevance of giving an audit opinion on an entity's financial statements or it can be said that the auditor's expertise, experience, professional skepticism and audit situation influence the relevance of giving an audit opinion on an entity's financial statements.

This study aims to identify and analyze the influence of the auditor's expertise, experience, professional skepticism and audit situation on the relevance of giving an audit opinion on an entity's financial statements. Researchers distributed questionnaires in the cities of Banjarmasin and Banjarbaru. This study uses descriptive analysis, validity and reliability tests, classical assumption tests and to test the hypothesis using multiple linear regression tests.

1. The Effect of Expertise on the Relevance of Giving Audit Opinions on Entity Financial Statements

The results of hypothesis testing 1 can be seen in table 1. The skill variable has a significance level of 0.121. This means rejecting H_1 , so it can be concluded that the skill variable has no significant effect on the relevance of giving an audit opinion on the entity's financial statements because the level of significance of the skill variable is greater than 0.05.

Simamora (2002) in Sabrina and Januarti (2012) states that expertise is determined by formal vocational education, training and participation in continuing education programs during a professional career, the higher the level of formal undergraduate education, the more appropriate in carrying out audit procedures so that the opinion given is relevant.

The results of this study are consistent with the results of research conducted by Gusti and Ali (2008) and Sabrina and Januarti (2012) that expertise has no significant effect on the relevance of giving an audit opinion on an entity's financial statements. but contrary to the research results of Arfin Adrian (2013).

The reason for the insignificant variable of expertise according to the research results of Gusti and Ali (2008), using expertise as an independent variable states that audit expertise has an insignificant relationship to the relevance of giving an audit opinion on the entity's financial statements, so it is not necessarily an auditor who has good audit skills can find audit findings that will be expressed in the form of an auditor's opinion properly.

2. The Effect of Auditor Experience on the Relevance of Providing Audit Opinions on Entity Financial Statements.

The results of hypothesis testing 2 can be seen in table 1, the auditor's experience variable has a significance level of 0.005. This means accepting H2, it can be concluded that the experience variable has a significant and positive effect on the relevance of giving an audit opinion on the entity's financial statements because the significance level of the auditor's experience variable is less than 0.05.

This shows that every experience makes an auditor more reliable in conducting audits so as to reduce the possibility of errors during the auditing process and ultimately produce quality work and a better audit opinion. These results are supported by Suraida (2005) and Gusti and Ali (2008) where experience influences the relevance of giving an audit opinion on an entity's financial statements. It can be explained that auditors who have undergone formal education in the field of auditing and accounting, have quite a lot of practical experience in the field of work being carried out, and also that most of the respondents have completed undergraduate education (S1),

3. The Effect of Auditor Professional Skepticism on the Relevance of Providing Audit Opinions on Entity Financial Statements

The results of hypothesis testing 3 can be seen in table 1, the auditor's professional skepticism variable has a significance level of 0.000. This means accepting H3, it can be concluded that the auditor's professional skepticism variable has a significant and positive effect on the relevance of giving an audit opinion because the significance level of the auditor's professional skepticism variable is less than 0.05.

The results of this study are consistent with the research of Suraida (2005) and Gusti and Ali (2008) that professional skepticism has a significant and positive effect on the relevance of giving an audit opinion on an entity's financial statements.

Auditor professional skepticism is an attitude that includes a questioning mind and skeptical evaluation of audit evidence (Gusti and Ali, 2008). Professional skepticism can be trained by the auditor in carrying out sufficient competent audit assignments, where in collecting audit evidence the auditor must always use his professional skepticism, namely an attitude that includes a questioning mind and critical evaluation of audit evidence.

4. The Influence of the Audit Situation on the Relevance of Giving an Audit Opinion on the Entity's Financial Statements

The results of hypothesis testing 4 can be seen in table 1, the audit situation variable has a significance level of 0.569. This means rejecting H4, so it can be concluded that the audit situation variable does not significantly influence the relevance of giving an audit opinion on the entity's financial statements because the significance level of the audit situation variable is greater than 0.05.

The reason for rejecting this hypothesis is presumably because it does not include the auditor's professional skepticism variable as an intervening variable between the audit situation variable and the relevance of giving an audit opinion on an entity's financial statements. According to Suraida (2005), the auditor must have professional skepticism so that the audit procedures are carried out properly so that the opinion given by the auditor is relevant. The auditor's professional skepticism is influenced by the audit situation faced by the auditor which will affect the level of professional skepticism and will affect the giving of the auditor's opinion.

The results of this study are consistent with the results of Kushasyandita's research (2012) which states that the direct effect of the audit situation on the relevance of giving an audit opinion on an entity's financial statements is insignificant when compared to the effect of the audit situation on the relevance of giving an auditor's opinion through the auditor's professional skepticism.

5. The Influence of Expertise, Experience, Professional Skepticism of Auditors and Audit Situation on the Relevance of Providing Audit Opinions on Entity Financial Statements

The table from the F-test obtained a calculated F value of 21.189 with a significance level of 0.000. The probability of significance is less than 0.05, so the regression model can be used to

predict the relevance of giving an audit opinion on an entity's financial statements or it can be said that the expertise, experience, professional skepticism of the auditor and the audit situation affect the relevance of giving an audit opinion.

Providing a relevant audit opinion is very important, because the end result of the audit process is an audit report. Providing an auditor's opinion must be relevant and accurate because this is also related to public trust in the auditor's profession. The opinion presented in the audit report is used as a basis by parties with an interest in the financial statements as a basis for decision making. The results of this study are consistent with the research of Gusti and Ali (2008) and Sabrina and Januarti (2012), where an auditor must consider several factors such as expertise, experience, professional skepticism of the auditor and the audit situation before giving an opinion on an audited financial statement.

4. CONCLUSION

Based on the results of research and analysis regarding the influence of the auditor's expertise, experience, professional skepticism and the audit situation on the relevance of giving an audit opinion on an entity's financial statements, it can be concluded as follows; The auditor's expertise measure variable gets a value of 1.585 with a significance level of $0.121 > 0.05$, which means that the auditor's skill measure has no significant effect on the relevance of giving an audit opinion on an entity's financial statements, The auditor's experience measure variable gets a value of 3.005 with a significance level of $0.005 < 0.05$, which means that the auditor's experience measure has a significant effect on the relevance of giving an audit opinion on an entity's financial statements, The variable measure of auditor's professional skepticism gets a value of 4.042 with a significance level of $0.000 < 0.05$, which means that the measure of auditor's professional skepticism has a significant effect on the relevance of giving an audit opinion on an entity's financial statements, The audit situation size variable gets a value of 0.575 with a significance level of $0.5691 > 0.05$, which means that the audit situation size has no significant effect, significant to the relevance of giving an audit opinion on the entity's financial statements, After testing the four independent variables, namely expertise, experience, professional skepticism of the auditor and the audit situation, it can be concluded that the four variables simultaneously and positively influence the relevance of giving an audit opinion on an entity's financial statements.

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