

## **The Influence of Independence, Professionalism, and Auditor Performance on Audit Quality: A Case Study of Public Accounting Firms in Jakarta**

**Yanti Desipa Naibaho** ✉, Fangela Myas Sari <sup>2</sup> Olivia Venessa Boru Nainggolan <sup>3</sup>

*<sup>1,2,3</sup> STIE Wiyatamandala, Jakarta*

### **Abstract**

This study aims to examine and analyze the influence of auditor independence, auditor professionalism, and auditor performance on audit quality. The primary focus of this study is to determine which variables have a significant impact on audit quality within the context of Public Accounting Firms in Jakarta. This research employs a quantitative, correlational approach. Primary data were collected through a survey method using a closed questionnaire, which was distributed directly to 30 auditors working in three Public-Private Agreements (PKAs) in Jakarta. The sampling technique used was probability sampling, with a census sampling approach. Data analysis was conducted using the Partial Least Squares - Structural Equation Modeling (PLS-SEM) approach through WarpPLS software version 8.0. The results of the study indicate that the auditor professionalism variable has a positive and significant effect on audit quality. Conversely, the auditor independence and auditor performance variables do not show a significant impact on audit quality. These findings suggest that improvements in audit quality are more closely tied to the professional attitudes of auditors than to other variables. This study highlights the importance of cultivating professional values in audit practice as a crucial step in achieving optimal audit quality. The results of this study can serve as a reference for the development of auditor training policies and performance evaluation in public accounting firms.

**Keywords:** *auditor independence; auditor professionalism; auditor performance; audit quality.*

---

Copyright (c) 2025 Yanti Desipa Naibaho

✉ Corresponding author :

Email Address: [yantidesipa@gmail.com](mailto:yantidesipa@gmail.com)

## **INTRODUCTION**

Financial statement audits by independent public accountants are the primary mechanism for ensuring the credibility of financial information that companies disclose to the public. Auditors are responsible for assessing the fairness of financial statements based on accrual standards and detecting material misstatements that could mislead stakeholders in their decision-making (El Badlaoui et al., 2021). However, in practice, the quality of audits produced does not always align with the expected standards of professionalism and integrity. Several actual cases demonstrate a significant decline in audit quality, such as the audit of PT Garuda Indonesia Tbk.'s financial statements by Kasner Sirumapea and KAP Tanubrata,

Sutanto, Fahmi, Bambang, and Partners. The Ministry of Finance identified violations of SA 315, SA 500, and SA 560, which directly impacted the opinion of the Independent Auditor's Report (IAR). A similar phenomenon occurred with Public Accountant Yunus Pakpahan, who was imposed a two-year suspension of his license based on Ministry of Finance Decision No. 289/KM.1/2024. These violations indicate a degradation of the independence and professionalism of auditors, which should be the foundation of audit implementation. The decline in audit quality is further exacerbated by weak professional ethics, where auditors no longer prioritize the public interest but tend to compromise under external pressure. This raises public doubts about the integrity of auditors as custodians of financial information. Therefore, it is essential to thoroughly investigate the impact of independence, professionalism, and auditor performance on audit quality in a comprehensive manner.

Various previous studies have made important contributions to understanding the factors that influence audit quality. One of the most frequently discussed elements is auditor independence, which refers to a mental attitude free from the influence of other parties, allowing auditors to provide objective and honest assessments. Timor & Hanum (2023) state that independence requires auditors to be impartial, even in conditions that have the potential for conflicts of interest. Additionally, according to Salsadilla et al. (2023), independence also means that auditors are honest not only toward management but also toward external parties who use financial statements, such as creditors and investors. Hamza & Damak-Ayadi (2023) note that trust in public accountants is significantly influenced by users' perceptions of the independence that auditors possess. Furthermore, auditor professionalism is another important indicator closely related to audit quality. Humaira et al. (2021) state that professionalism is a commitment to work diligently, competently, and responsibly. Puspanugroho & Muqorobin (2022) emphasize that a professional auditor must avoid negligence and uphold honesty in performing their duties. This view is reinforced by Sari (2022), who states that professionalism reflects the attitudes and behaviors of individuals based on expertise and specialized education. In addition to these two variables, auditor performance is also an important element in supporting the success of the audit process. Auditor performance is reflected in the effective and efficient achievement of tasks. Improving auditor performance is also considered essential in achieving more optimal organizational goals (Satria & Utami, 2023).

Although previous studies have identified the influence of independence and professionalism on audit quality, most of these studies are still limited to testing partial relationships and have not integrated auditor performance variables as an important component in shaping overall audit quality. Sangadah's (2022) study examined the influence of accountability, independence, and professionalism on audit quality at Public Accounting Firms in Yogyakarta City. However, it did not consider the contribution of auditor performance as a variable that could potentially strengthen these relationships. Similarly, the study by Panggabean & Pangaribuan (2022) revealed that independence and professional skepticism have a positive influence on audit quality, but auditor objectivity has a negative and insignificant influence. These findings reveal inconsistencies in previous research results, underscoring the need for further investigation into other factors that impact audit quality. From a theoretical perspective, previous studies have not fully developed an

integrative approach to the relationship between auditors' professional attitudes, technical capabilities, and actual performance in producing high-quality audits. Few studies have focused on the dynamics of professionalism, independence, and performance simultaneously in the context of a complex public accounting environment such as Jakarta, which is the center of national business activities.

This study is novel in its integration of three important variables— independence, professionalism, and auditor performance—simultaneously in analyzing their influence on audit quality, particularly in the context of Public Accounting Firms in Jakarta, which face more complex regulatory pressures and professional expectations than other regions. Unlike previous studies that have focused on only two or some of these variables separately, this study aims to build a more comprehensive understanding by incorporating auditor performance as a strategic element in supporting quality audit results. This study also highlights an empirical context that has not been widely studied, namely the dynamics of the public accounting profession in the center of national business activities, so that it is expected to provide practical contributions to policymakers, regulators, and public accounting firms in strengthening the structure of supervision and development of auditor competencies. Therefore, the objective of this study is to simultaneously test and analyze the influence of independence, professionalism, and auditor performance on audit quality, while also providing new, relevant empirical evidence for improving audit governance quality in Indonesia.

### Agency Theory

Agency theory is a conceptual framework widely used in accounting, economics, and financial management literature to explain the relationship between principals and agents in modern organizational structures. This theory was first introduced by Alchian and Demsetz (1972) and subsequently significantly expanded by Jensen and Meckling (1976). In this theory, an agency relationship exists when a principal (e.g., a company owner or investor) grants authority to an agent (such as management or executives) to make business decisions on their behalf. Although this relationship is established to achieve efficiency in company management, conflicts of interest are inevitable due to differences in objectives between the principal and the agent. The principal seeks to maximize the company's value, while the agent may be more focused on personal interests, such as increasing compensation or job stability. The information asymmetry that exists in this relationship gives the agent an informational advantage over the principal, which can lead to moral hazard and adverse selection (Seth, 2018; Wagner, 2019). In this context, agency theory emphasizes the importance of supervision and the implementation of control mechanisms such as incentive contracts and external supervision to ensure that the agent's actions remain aligned with the principal's interests. One effective form of control mechanism is through the involvement of independent auditors, who assess the fairness and reliability of financial reports prepared by agents. Thus, agency theory provides a crucial foundation for understanding why independence, professionalism, and audit quality are essential elements in financial reporting. Within the agency theory framework, the role of auditors as independent third parties becomes crucial in bridging the interests between principals and agents. Auditors are tasked with providing an objective assessment of the financial statements prepared by agents, thereby reducing the risk of misinformation and

increasing the principal's confidence in the company's financial information. The existence of independent auditors is also part of corporate governance mechanisms that aim to reduce the negative impact of agency conflicts. Balmaceda et al. (2010) emphasize that external audit mechanisms can minimize the potential for moral hazard, as agents are aware that their financial reports will be professionally reviewed by auditors who have no direct financial interest in the company. In addition, values such as integrity, objectivity, and professional accuracy are strongly emphasized in the role of auditors, enabling the effectiveness of supervision to be achieved (Schanze, 1987). In practice, the effectiveness of agency relationships depends not only on contracts and incentive structures but also on the quality of reporting systems and the reliability of external supervisors, such as auditors (Schneider, 1987). If auditors cannot maintain independence and professionalism in performing their duties, the potential for bias will increase, which may ultimately reduce audit quality. Therefore, to achieve high audit quality, it is essential to ensure that auditors possess technical competence, moral integrity, and an independent position that is not compromised by external influences.

### Audit Quality

Audit quality is one of the main pillars in ensuring the integrity and credibility of financial information presented by companies to the public. Audit quality reflects the probability of auditors discovering and objectively reporting material misstatements in financial statements (Wahyuni et al., 2024). Rajgopal et al. (2021) emphasize that audit quality is not only related to the technical aspects of audit implementation but also encompasses the professional values of auditors, such as integrity, objectivity, and accuracy, in performing audit procedures. They suggest that audit quality measurement should encompass the entire audit process, from planning to reporting, rather than just the final audit results. Hyatt et al. (2024) highlight that reduced audit quality can arise due to external and internal pressures, such as time constraints, business interests with clients, or high auditor workload. These practices can reduce audit effectiveness because auditors tend to reduce the number of audit steps or even overlook evidence that should be analyzed further. This phenomenon suggests that audit quality is significantly influenced by the work environment and pressures arising from the client-auditor relationship. Therefore, strengthening professional values, monitoring auditor independence, and enforcing ethical codes are crucial steps in maintaining audit quality, ensuring it is not compromised by conflicts of interest or ethical compromises that could undermine the objectivity of audit results. Kritzinger & Barac (2025) introduce a new dimension in understanding audit quality through the concept of audit quality climate, which refers to auditors' collective perceptions of organizational support, integrity values, and task clarity within the audit team. Their study found that auditors working in environments with a positive audit quality climate tend to demonstrate higher commitment to audit standards and professional integrity. This indicates that audit quality not only depends on the technical expertise of individual auditors but also heavily relies on the organizational culture and managerial systems within public accounting firms. Jiang et al. (2024) also identified that personal economic motivation, particularly the wealth of audit partners, can influence auditors' objectivity in situations requiring critical decision-making. Auditors with high financial incentives from long-term client relationships are at a higher risk of losing

independence and are more likely to soften audit findings. This highlights how financial pressure and personal relationships can significantly reduce audit quality. Tritschler (2013) emphasizes that improving audit quality is not sufficient through technical training alone but requires the development of an ethical culture, transparency in audit processes, and strict organizational oversight.

### Auditor Independence

Auditor independence is a fundamental element in audit practice that ensures the objectivity and integrity of the assessment process of financial statements prepared by management (Assegaff, 2024). Within the agency theory framework, independence plays a crucial role as a mechanism to mitigate conflicts of interest between principals (company owners) and agents (managers), where auditors serve as neutral third parties. However, reality shows that auditor independence is not always maintained in practice. Nouraldeen (2025) reveals that, despite auditors meeting the criteria for competence and independent structure, many still fail to detect fraud due to a lack of professional skepticism. This demonstrates that independence is not merely a matter of formalities, but is also closely tied to the auditor's mindset and the courage to face pressure. In this case, Brivot et al. (2024) note that organizational culture and managerial expectations can limit the ethical considerations of internal auditors, such that even though formal structures of independence are in place, auditors still struggle to remain objective in complex situations. Work pressure, loyalty to colleagues, and expectations regarding audit results can also influence auditors' judgments, leading to unconscious bias. This reinforces the view that independence cannot be guaranteed solely through regulation but must be supported by strong ethical values and an effective internal oversight system that encourages auditors to remain professional amid external and internal pressures. Further studies indicate that the audit market structure and the dynamics of the relationship between auditors and clients significantly influence auditor independence. Graszitz & Steller (2025) found, in their replicative study on the impact of audit reforms in Austria, that despite regulatory strengthening aimed at enhancing independence, audit costs and market concentration remained significant variables influencing the quality of independence. Auditors heavily reliant on large clients are at risk of losing their independence due to economic pressure and financial dependence. In this context, auditor independence is not guaranteed solely by laws or formal policies. However, it must also be strengthened by protections for the professional integrity of auditors in complex business situations. Tormo-Carbó et al. (2024) emphasize that auditors who are frequently exposed to ethical conflicts due to pressure from clients or organizational leaders tend to have a high desire to leave their jobs. Such value conflicts weaken independence and influence the audit decisions made. Conversely, Velte (2023) demonstrates that auditor independence is significantly correlated with a reduction in financial statement restatements, highlighting the crucial role of independence in maintaining the reliability of financial information.

### Auditor Professionalism

Auditor professionalism is a central dimension that significantly determines the quality of audits and the sustainability of the auditing profession itself. In this context, professionalism is not merely understood as compliance with technical and

procedural standards, but also encompasses broader aspects, such as personal integrity, ethical responsibility, adherence to principles, and commitment to public accountability. Stack & Malsch (2022) state that an auditor's professional identity is shaped by social expectations and institutional values that prioritize objectivity and competence. Professional auditors will demonstrate consistency in expressing opinions based on facts gathered in the field, rather than merely responding to pressure from clients or commercial motives. Alakhzami (2019) reinforces this view by emphasizing that professionalism is the main distinguishing factor between high-quality audits and audits rife with conflicts of interest. Auditors with a high level of professionalism tend to be more careful in assessing risks, more critical in analyzing audit evidence, and more courageous in voicing discrepancies in the financial statements being audited. In other words, professionalism serves as a moral and ethical control in a complex work environment. The application of professionalism also strengthens public trust in public accounting firms as independent entities that bridge information between management and external users. However, in practice, auditor professionalism is often confronted with institutional pressures and market dynamics that trigger value conflicts between professional independence and business interests. MacTavish (2023) explains that the dilemma between professionalism and commercialism has become an important issue influencing audit behavior, particularly when auditors must retain large clients or face competitive pressure from the professional services market. In such situations, the potential for a decline in professionalism may arise if auditors modify their audit procedures or opinions to serve client interests. To address this, organizations must create an audit climate that promotes a culture of integrity and accountability. Kritzinger & Barac (2025) emphasize, through their research on audit quality climate, that organizational support and a conducive work environment can strengthen auditors' professional attitudes in the face of external pressures. Additionally, professionalism is also evaluated from the perspective of financial statement users, as highlighted by Rogala et al. (2024), who found that perceptions of auditor credibility are highly determined by the extent to which auditors act independently, transparently, and objectively during the audit process. This indicates that professionalism is not merely an individual attribute but a collective reflection of the quality of the supervisory system, professional training, and work culture within the Public Accounting Firm.

### Auditor Performance

Auditor performance is a central element in the audit process, not only determining the success of the audit itself but also influencing public perception of the credibility of a company's financial statements. This performance encompasses various aspects, ranging from the accuracy of the audit procedures carried out to the ability to analyze audit findings and how auditors communicate with relevant parties to convey audit results objectively (Muslim, 2023). Wu et al. (2023) emphasize in their study that assigning auditors with the appropriate capacity and work experience is crucial for achieving high-quality audit results. Properly assigned auditors will be more efficient in understanding client complexities and more responsive in identifying areas of risk. Furthermore, Kritzinger & Barac (2025) emphasize that the audit climate within an organization is also a significant factor influencing auditor performance. A work environment that fosters openness, two-way communication, and peer support creates a conducive environment for auditors

to perform optimally. In this context, it is not only technical competence that is needed, but also synergy among team members that can enhance confidence and the quality of decisions made. Therefore, in human resource management at public accounting firms, it is important to design a holistic system for auditor performance development and evaluation. This system must integrate technical, behavioral, and organizational aspects to enhance auditor performance and consistently deliver high-quality audit results. Furthermore, research by Stice et al. (2022) highlights the importance of understanding individual auditor quality in explaining the variability of audit results, which has long been considered difficult to measure explicitly. They state that personal characteristics of auditors, such as thoroughness, objectivity, and commitment to professional ethics, are key aspects in shaping performance that directly impacts audit quality. This means that auditors with strong professional characteristics will be better able to carry out the audit process thoroughly, without compromising external pressures or personal interests. In this context, Knechel et al. (2013) also added that improving auditor performance is highly dependent on continuous learning processes and an adaptive assignment system that responds to the complex dynamics of audits. This system includes technical training, mentoring, and assignment rotations tailored to the risk level and complexity of the audited entity. With this system in place, auditors do not merely work based on routine, but are also able to apply their knowledge critically and reflectively in unique audit situations. Therefore, public accounting firms are required to develop performance management mechanisms that incorporate both quantitative and qualitative metrics, aligned with professional and ethical expectations.

## METHODOLOGY

This study employs a quantitative approach with a correlational research design, aiming to examine the relationship and influence between independent and dependent variables, specifically in the context of the impact of independence, professionalism, and auditor performance on audit quality (Nurhayati, 2012). This study was conducted on auditors working at public accounting firms (KAP) in the Jakarta area, which served as both the population and sample in this study. The sampling method employed was census sampling, also known as saturated sampling, in which all members of the population were used as samples, as they were accessible and aligned with the research objectives (Roger Bougie, 2016). Data collection techniques in this study were conducted through a survey using a closed-ended questionnaire, which was distributed directly to the respondents. The instrument was designed based on the theoretical indicators of each variable and measured using a five-point Likert scale, ranging from "strongly disagree" to "strongly agree" (Sekaran & Bougie, 2016). The primary data collected consisted of respondents' opinions, perceptions, and experiences regarding the variables under study. Data analysis was conducted using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) approach with the assistance of WarpPLS software version 8.0. The analysis stages include testing convergent and discriminant validity, assessing instrument reliability using composite reliability and Cronbach's alpha, evaluating the structural model through the R-squared value, and examining the influence between variables using path analysis by examining the t-statistic and p-value (Ratumono & Solihin, 2013). This approach was deemed appropriate as it can

handle complex models with a relatively small sample size and does not rely on the assumption of normal data distribution.

## RESULTS AND DISCUSSION

### Results

The respondents were staff or auditors at public accounting firms in Jakarta. The staff or auditors surveyed included those serving as audit heads or audit staff. The distribution and acceptance of the questionnaires are as follows:

**Table 1. Details of Questionnaire Distribution and Return**

No.	Description	Total
1.	Questionnaires distributed	50
2.	Questionnaires that were not returned	(20)
3	Questionnaire Questionnaire returned	(30)

Source: Primary data processed in 2025

### Convergent Validity Test

**Table 2. Convergent Validity Test Results**

Variable	Pearson Correlation	P Value	Info
Auditor Independence X1			
Item 1	1.000	0.000	Valid
Auditor Professionalism X2			
Item 1	0.766	0.000	Valid
Item 2	0.416	0.000	Valid
Item 3	0.902	0.000	Valid
Item 4	0.735	0.000	Valid
Auditor Performance X3			
Item 1	0.452	0.000	Valid
Item 2	0.921	0.000	Valid
Item 3	0.863	0.000	Valid
Audit Quality Y			
Item 1	0.558	0.000	Valid
Item 2	0.772	0.000	Valid
Item 3	0.898	0.000	Valid
Item 4	0.624	0.000	Valid

Source: Primary data processed in 2025

This test was conducted to determine the validity of each statement indicator. To determine the validity of the statement indicators, the combined loading value was examined, which must reach a value between 0.5 and 0.6 for the statement to be accepted and valid (Yamin & Kurniawan, 2011). However, Hair et al. (2017), as cited in Ratmono and Solihin (2013), stated that statements with a combined loading value between 0.4 and 0.6 are acceptable and valid (Yamin & Kurniawan, 2011). Achieving a value between 0.4 and 0.6 indicates that the statement is acceptable and valid (Yamin and Kurniawan, Analysis of Fraud Determinants in Social Assistance Distribution: A Fraud Triangle Perspective, 39, 2011). However, if the value is less

than 0.4, it must be removed from the research model. The results above indicate that each question item has a value greater than 0.4 and is therefore considered valid.

### Composite Reliability

Composite reliability tests the reliability value between indicator blocks from the constructs that form it. The composite reliability output results are presented in Table 3.

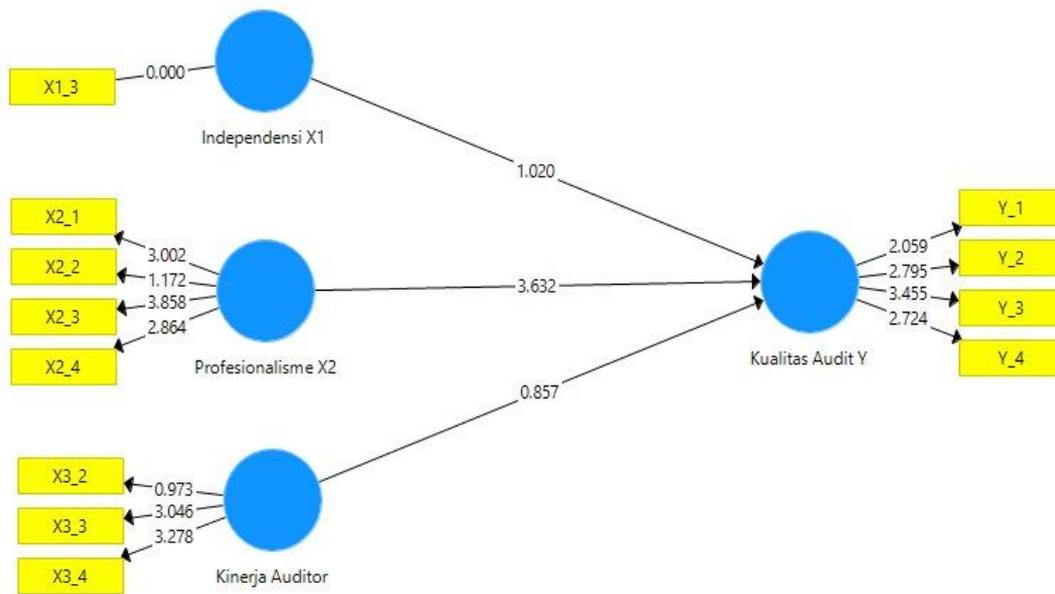
**Table 3. Composite Reliability & Validity**

Variable	Composite Reliability	Cronbach's Alpha	Average Variance Extracted (AVE)
Auditor Independence X1	1.000	1.000	1.000
Auditor Professionalism X2	0.808	0.667	0.529
Auditor Performance X3	0.806	0.661	0.599
Audit Quality Y	0.813	0.701	0.529

Source: Primary data processed in 2025

The composite reliability values for the Independence variable were 1.000, the Professionalism variable was 0.808, the Auditor Performance variable was 0.806, and the Audit Quality variable was 0.813. These results indicate that all variables have composite reliability values greater than 0.70. Thus, the model in this study has met composite reliability.

The average variance extracted (AVE) values indicate that the average variance extracted (AVE) for each construct is greater than 0.5. Thus, it can be concluded that the model in this study has good discriminant validity.



**Figure 1. SEM model of PLS**

Source: Primary data processed in 2025

## Structural Model

**Table 4. R Squared**

Variable	R Squared	Adj R Square
Auditor Independence X1		
Auditor Professionalism X2	0.687	0.651
Auditor Performance X3		
Audit Quality Y		

Source: Primary data processed in 2025

The coefficient of determination uses R-squared, which indicates the percentage of variance in the endogenous construct or criterion that the construct can explain, hypothesized to be influenced by it (exogenous or predictor). The higher the R-squared, the better the model. R-squared is only available for endogenous constructs. For example, an R-squared value of 0.687 indicates that the variance in the independent variable can explain 68.70% of the variance in the dependent variable.

**Table 5. Path Coefficient**

	Variable / Construct	P. Value	Path Coefficient	Results
H1	Auditor Independence → Audit Quality	0.308	1.020	Rejected
H2	Auditor Professionalism → Audit Quality	0.000	3.632	Accepted
H3	Auditor Performance → Audit Quality	0.392	0.857	Rejected

Source: Primary data processed in 2025

From the path coefficients above, we can see the positive or negative influence values, and the p-value is used as a reference for deciding whether to accept or reject the hypothesis. The hypothesis can be accepted if the p-value is less than 0.05.

## The influence of independence affects audit quality

According to Table 6, Path Coefficient, it can be seen that Independence does not affect audit quality. This can be seen from the Independence variable with a p-value of 0.308, which is less than 0.05, indicating that the direction of the relationship between Independence and audit quality is not significant. Thus, the first hypothesis is rejected.

H1: Independence does not affect audit quality

## The influence of professionalism affects audit quality.

According to Table 6, the path coefficient suggests that professionalism has a significant impact on audit quality. This is evident from the internal control system (ICS) variable, with a p-value of 0.000, which is less than 0.05, indicating that the direction of the relationship between professionalism and audit quality is statistically significant. Thus, the second hypothesis is accepted.

H2: Professionalism influences audit quality

## The influence of auditor performance on audit quality

According to Table 6, Path Coefficient, it can be seen that auditor performance does not affect audit quality. This can be seen from the independence variable, which

has a p-value of 0.392, indicating that the direction of the relationship between auditor performance and audit quality is not statistically significant. Thus, the third hypothesis is rejected.

H3: Auditor performance does not affect audit quality.

## Discussion

### Independence on Audit Quality

The results of this study indicate that independence does not have a significant effect on audit quality. These findings suggest that the level of independence, whether high or low, does not directly determine the quality of the audit. This interpretation was obtained based on respondents' responses to several statements in the questionnaire, such as their views on the ideal length of an auditor's working relationship with a client (no more than three years), their attitude toward reporting client errors despite having established a long-standing professional relationship, and their perception of the importance of peer review in evaluating audit procedures. The majority of respondents disagreed with statements reflecting a lack of independence or bias in the conduct of audits, indicating a discrepancy between ideal attitudes and actual practices in the field. These results suggest that auditor independence, in this context, has not been fully implemented or has insufficient influence on the quality of audit results. Several factors may contribute to this, including the lack of professional experience among auditors, long-term client relationships that create emotional or psychological pressure, and weak supervision and an ethical culture in the auditor's work environment. Therefore, it is essential to investigate further how the values of independence are practiced in reality, rather than merely understood in a normative sense.

The results of this study can be linked to agency theory, which explains the contractual relationship between company owners (principals) and management (agents), as well as the role of auditors as independent third parties tasked with ensuring that the financial statements prepared by agents are presented fairly. This theory emphasizes the importance of auditor independence in carrying out their auditing duties, ensuring they remain impartial and objective. Independence is considered the primary foundation for preventing conflicts of interest between company owners and managers. However, the findings in this study indicate that although auditors are normatively required to be independent, in the context of public accounting firms in Jakarta, this attitude does not have a significant impact on audit quality. This suggests that the values of independence may not have been consistently implemented in audit practice. External factors, such as pressure from clients, long-term relationships, and the limited professional experience of auditors, appear to have a more significant impact on the attitudes and decisions of auditors when they carry out their duties. This apparent lack of independence is a significant concern in the context of accountability and financial information quality, necessitating structural improvements in supervision and ongoing training to enhance awareness and consistency in the application of auditor independence principles.

The results of this study align with those of Bedros (2022), who reported that independence has a negative impact on audit quality. Bedros explained that long-standing professional relationships between auditors and clients can erode objectivity, where auditors tend to ignore errors or deviations due to emotional

closeness or relational pressure. This creates potential conflicts of interest, which can lead to a decline in overall audit quality. In this context, independence no longer serves as a quality control tool. However, it becomes a challenge that is difficult to maintain, especially when auditors face dilemmas between their professional responsibilities and loyalty to clients. Conversely, research by Sangadah (2022) shows that auditor independence has a positive effect on audit quality. In this view, auditors who can maintain a professional distance from clients will have the freedom to think, act, and produce audit reports that are trusted by the public and stakeholders. These differing findings reinforce the argument that the influence of independence on audit quality is contextual and influenced by organizational characteristics, the structure of client relationships, and professional ethical culture.

### Auditor Professionalism on Audit Quality

The results indicate that auditor professionalism has a significant influence on audit quality at public accounting firms in Jakarta. These findings suggest that the higher the level of professionalism possessed by auditors, the higher the quality of the audit. This interpretation was obtained from respondents' responses to several statements in the questionnaire, including the attitude of auditors in using all their knowledge, skills, and experience in the audit process, the ability to plan and report audit results based on findings obtained during the internal examination process, and the commitment of auditors to their profession as reflected in their courage to create transparency and honesty in conveying the facts found by audit standards. The majority of respondents strongly agreed with these statements, indicating that auditors in the Jakarta KAP environment demonstrate a high level of commitment to professional practices in conducting audits. This demonstrates that professionalism extends beyond technical abilities to encompass integrity, moral responsibility, and the courage to uphold ethical principles under all circumstances.

Thus, the higher the professionalism of auditors, the greater the likelihood of high-quality audits that stakeholders trust. These results align with agency theory, which posits that the role of auditors as independent third parties is crucial in mitigating information asymmetry between principals and agents. In this context, auditor professionalism is key to ensuring that oversight duties are carried out effectively. A highly professional auditor will uphold integrity, maintain objectivity, and conduct audits in accordance with applicable standards, free from any undue influence or pressure from any party. Thus, professionalism not only prevents conflicts of interest between principals and agents but also strengthens trust in the company's financial reporting system. Professional auditors are better able to identify and report management irregularities or fraud, thereby improving the reliability of the information produced. In the field of audit practice in Indonesia, auditor professionalism is the foundation for achieving good financial governance and protecting users of financial statements from potential harmful deviations. This emphasizes that auditor professionalism not only functions as a code of ethics but also as a control mechanism in the agency relationship between company owners and managers.

The results of this study align with those of Sangadah (2022), who found that auditor professionalism has a positive impact on audit quality. According to him, auditors who have a professional attitude in carrying out their duties will be more capable of preventing fraud or irregularities during the audit process.

Professionalism enables auditors to remain objective, dare to report findings transparently, and not be influenced by long-term relationships with clients. Similar findings were also revealed by Sari (2023), who stated that auditor professionalism contributes to strengthening internal control and preventing tax avoidance and fraud. Both emphasize that the technical competence of auditors does not solely determine audit quality but is highly dependent on the level of professionalism applied in the audit process. These results reinforce empirical evidence that professionalism is a crucial element in producing a quality and reliable audit.

#### Auditor performance on audit quality

The results of the study indicate that auditor performance has no significant effect on audit quality at public accounting firms (KAPs) in Jakarta. These findings indicate that the quality of auditor performance, in both personal and institutional dimensions, does not have a significant impact on the quality of the audit results. Based on respondents' responses to several statements in the questionnaire, such as the influence of age on auditor performance and the role of institutional support in encouraging auditors to work optimally, the majority of respondents tended to disagree. This suggests that factors typically regarded as capable of enhancing auditor performance, such as organizational incentives or age maturity, are not considered relevant or dominant in the context of auditors in Jakarta. In other words, although auditors demonstrate specific work performance, this does not automatically improve the quality of the audit results they produce. This low influence can also be linked to the understanding that auditor performance has a broad and multidimensional scope, encompassing individual aspects (such as discipline and integrity) and institutional aspects (such as supervisory structure and organizational support).

If any of these aspects do not function optimally, the overall performance of auditors will not be strong enough to ensure high audit quality. In the agency theory framework, auditors play the role of an external control mechanism that serves to bridge the information gap between principals and agents. Effective auditor performance is expected to enhance the effectiveness of this supervisory function, leading to credible and reliable audit reports. However, the results of this study suggest that, although auditors perform their roles professionally in specific performance contexts, their contribution to audit quality cannot be confirmed as significant. This raises questions about the actual effectiveness of auditor performance dimensions in the context of public accounting firms in Jakarta, which may be influenced by structural factors, organizational culture, or even professional pressures that are not directly identified in this study. In practice, if the organization where auditors work does not provide strong institutional support, such as ongoing training, transparent evaluation systems, and a conducive work environment, auditor performance may decline even if the individual has good competence and integrity. Thus, the influence of performance on audit quality is not only determined by the auditors themselves but also by the support system in the institution where they work.

These results contradict several previous studies that have shown auditor performance to have a significant effect on audit quality. Research conducted by Satria and Utami (2023) reveals that various factors, including educational background, workforce, work experience, and incentives, directly contribute to the

quality of audit results. Similarly, research by Humaira et al. (2021) showed that auditor performance, accompanied by appropriate audit procedures, has a significant influence on the quality of audit results at Public Accounting Firms in the Bandung region. These differing results suggest that the impact of auditor performance on audit quality is highly contextual and can be influenced by factors such as location, organizational culture, and the level of maturity of the internal audit system within each public accounting firm. Thus, although auditor performance is theoretically considered one of the main determinants of audit quality, in the Jakarta context, this influence does not emerge significantly.

## CONCLUSION

This study aims to analyze the influence of independence, professionalism, and performance of auditors on audit quality at Public Accounting Firms (PAFs) in Jakarta. Based on the results of testing the proposed hypotheses, it was found that of the three variables, only auditor professionalism had a significant effect on audit quality. This indicates that audit quality tends to increase as the level of auditor professionalism increases. Meanwhile, auditor independence and performance did not show a significant influence on audit quality, indicating that neither the level of independence nor the performance of auditors in this context directly affects the quality of the audit results.

Theoretically and practically, these findings make a significant contribution to the literature on audit quality determinants, particularly in the context of audit practice in Indonesia. This study reinforces that professionalism is a crucial aspect in achieving quality and reliable audits. It is a key indicator that public accounting firms need to improve to maintain public trust. Practically, these results have implications for the management of public accounting firms and accounting professional regulatory bodies to seriously build, develop, and maintain a culture of professionalism through continuous training, strict codes of ethics, and consistent internal control systems. Other managerial implications include the need for periodic evaluations of auditors' competence and integrity to ensure that audit practices reflect the high professional values that underpin audit service quality.

This study has several limitations. First, the scope of the study is limited to public accounting firms in the Jakarta area, so the findings may not be generalizable to other regions with different institutional and organizational cultural characteristics. Second, questionnaire-based data collection instruments tend to rely on respondents' subjective perceptions, which introduces the possibility of perception bias. Third, the auditor performance variables in this study were not differentiated in detail between individual performance and institutional performance. Given these limitations, future researchers are advised to expand the geographical scope of the study, enrich data collection methods through a mixed-methods approach, and develop a more comprehensive measurement model that considers other contextual factors such as client pressure, organizational ethical culture, and the prevailing reward system. These recommendations are expected to serve as an agenda for further in-depth and applicable research to improve audit quality in Indonesia.

## Reference:

- Alakhzami, K. (2019). Auditors' Professional Scepticism and Moral Reasoning. University of York. <https://etheses.whiterose.ac.uk/id/eprint/30144/>
- Assegaff, S. D. (2024). The Effect of Accountability, Competence, and Independence on Audit Quality. *Advances in Managerial Auditing Research*, 2(3 SE-Articles), 171–184. <https://doi.org/10.60079/amar.v2i3.319>
- Balmaceda, F., Balseiro, S. R., Correa, J. R., & Stier-Moses, N. E. (2010). The Cost of Moral Hazard and Limited Liability in the Principal-Agent Problem BT - Internet and Network Economics (A. Saberi (ed.); pp. 63–74). Springer Berlin Heidelberg. [https://doi.org/10.1007/978-3-642-17572-5\\_6](https://doi.org/10.1007/978-3-642-17572-5_6)
- Bedros, R. J. (2022). Pengaruh Kompetensi, Independensi, dan Profesionalisme Terhadap Kualitas Audit Pada Kantor Akuntan Publik Kota Medan. *Akuntansi Pemeriksaan, Akuntansi, Universitas Muhammadiyah Sumatera Utara*.
- Brivot, M., Roussy, M., & Gendron, Y. (2024). The Riskification of Internal Auditors' Ethical Deliberation: An Emerging Third Logic Between Norms and Values? *Journal of Business Ethics*, 193(3), 691–712. <https://doi.org/10.1007/s10551-023-05575-x>
- El Badlaoui, A., Cherqaoui, M., & Taouab, O. (2021). Output indicators of audit quality: A framework based on literature review. *Universal Journal of Accounting and Finance*, 9(6), 1405–1421. <https://doi.org/10.13189/ujaf.2021.090619>
- Graschitz, S., & Steller, M. (2025). Audit fees and audit quality in Austria—a replicatory study in the wake of the EU audit reform. *Journal of Business Economics*. <https://doi.org/10.1007/s11573-025-01222-1>
- Hamza, M., & Damak-Ayadi, S. (2023). The perception of audit quality among financial statements users, preparers and auditors, in Tunisia. *Accounting and Management Information Systems*, 22(2), 202–224. <https://www.cceol.com/search/article-detail?id=1127648>
- Hyatt, T. A., Prawitt, D. F., & Stubbs, K. M. (2024). Reduced audit quality acts: A review and organizational model. *International Journal of Auditing*, 28(2), 288–306. <https://doi.org/10.1111/ijau.12331>
- Jensen, M. C., & Meckling, W. H. (1976). Also published in *Foundations of Organizational Strategy*. *Journal of Financial Economics*, 4, 305–360. <http://ssrn.com/abstract=94043><http://ssrn.com/abstract=94043><http://hupress.harvard.edu/catalog/JENTHF.html>
- Jiang, L., Rundo, J., Shi, L., & Zhou, N. (2024). Audit Partner Characteristics and Their Impacts on Audit Quality: Evidence from around the World. *Encyclopedia*, 4(3). <https://doi.org/10.3390/encyclopedia4030070>
- Knechel, W. R., Krishnan, G. V, Pevzner, M., Shefchik, L. B., & Velury, U. K. (2013). Audit quality: Insights from the academic literature. *Auditing: A Journal of Practice & Theory*, 32(Supplement 1), 385–421. <https://doi.org/10.2308/ajpt-50350>
- Kritzinger, J. A., & Barac, K. (2025). Measuring an audit quality climate among employees. *International Journal of Auditing*, 29(1), 1–33. <https://doi.org/10.1111/ijau.12348>
- MacTavish, C. (2023). Professionalism Versus Commercialism in Audit BT - *Encyclopedia of Business and Professional Ethics* (D. C. Poff & A. C. Michalos (eds.); pp. 1501–1506). Springer International Publishing. [https://doi.org/10.1007/978-3-030-22767-8\\_370](https://doi.org/10.1007/978-3-030-22767-8_370)
- Muslim, M. (2023). Emotional intelligence role: Relationship between role conflict and role ambiguity on external auditor performance. *Advances in Managerial Auditing Research*, 1(2). <https://doi.org/10.60079/amar.v1i2.74>
- Nouraldeen, R. M. (2025). Competent and Independent Auditors but Cannot Detect Fraud!! Do They Exercise Professional Skepticism? *International Journal of Disclosure and Governance*. <https://doi.org/10.1057/s41310-025-00296-1>
- Nurhayati, S. (2012). *Metodologi Penelitian Praktis*. In Universitas Pekalongan Press.

- Panggabean, K. A., & Pangaribuan, H. (2022). Pengaruh Independensi Auditor, Skeptisisme Profesional, dan Objektivitas Auditor terhadap Kualitas Audit. *Mbia*, 21(1), 60–71. <https://doi.org/10.33557/mbia.v21i1.1736>
- Puspanugroho, E. N., & Muqorobin, M. M. (2022). Profesionalisme dan Independensi Auditor terhadap Kinerja Auditor. *Journal of Applied Accounting*, 1(2), 55–61. <https://doi.org/10.52158/jaa.v1i2.452>
- Rajgopal, S., Srinivasan, S., & Zheng, X. (2021). Measuring audit quality. *Review of Accounting Studies*, 26(2), 559–619. <https://doi.org/10.1007/s11142-020-09570-9>
- Rizki Humaira, Alfiati Silfi, & Nita Wahyuni. (2021). Pengaruh Latar Belakang Pendidikan, Gender, Pengalaman Kerja, Dan Insentif Kinerja Auditor Terhadap Kualitas Audit. *Cross Border*, 4(2), 365–379.
- Rogala, P., Kafel, P., & Urbaniak, M. (2024). The credibility of external audits of management systems – the audited enterprises’ perspective. *European Business Review*, 36(6), 945–961. <https://doi.org/10.1108/EBR-09-2022-0184>
- Roger Bougie, U. S. (2016). *Research Methods for Business*.
- Salsadilla, S., Kuntadi, C., & Pramukty, R. (2023). Literature Review: Pengaruh Kompetensi, Profesionalisme Auditor, Dan Integritas Terhadap Kualitas Audit Internal. *Jurnal Economina*, 2(6), 1295–1305. <https://doi.org/10.55681/economina.v2i6.599>
- Sangadah, L. (2022). Pengaruh Akuntabilitas Auditor, Independensi Auditor, Dan Profesionalisme Auditor Terhadap Kualitas Audit. *Owner: Riset Dan Jurnal Akuntansi*, 6(2), 1137–1143. <https://doi.org/10.33395/owner.v6i2.636>
- Sari, F. M. (2022). ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI PENCEGAHAN FRAUD PENYUSUNAN LAPORAN KEUANGAN PADA KOPERASI DI KABUPATEN BATANG. *EKOMBIS: JURNAL FAKULTAS EKONOMI*, 8(2), 145–153. <https://doi.org/10.35308/ekombis.v8i2.6533>
- Sari, F. M. (2023). ANALISIS PENGENDALIAN INTERNAL DAN PROFESIONALISME DALAM PENCEGAHAN PENGHINDARAN PAJAK DAN PENIPUAN DI INDONESIA. *EKOMBIS: JURNAL FAKULTAS EKONOMI*, 9(1), 39–46. <https://doi.org/10.35308/ekombis.v7i2>
- SATRIA, M., & Utami, S. T. R. (2023). Pengaruh Kinerja Auditor Dan Remote Audit Terhadap Kualitas Audit Dimasa Pandemi Covid-19 Pada Kap Wilayah Bandung. *Land Journal*, 4(1), 122–135. <https://doi.org/10.47491/landjournal.v4i1.2771>
- Schanze, E. (1987). Contract, Agency, and the Delegation of Decision Making BT - Agency Theory, Information, and Incentives (G. Bamberg & K. Spremann (eds.); pp. 461–471). Springer Berlin Heidelberg. [https://doi.org/10.1007/978-3-642-75060-1\\_23](https://doi.org/10.1007/978-3-642-75060-1_23)
- Schneider, D. (1987). Agency Costs and Transaction Costs: Flops in the Principal-Agent-Theory of Financial Markets BT - Agency Theory, Information, and Incentives (G. Bamberg & K. Spremann (eds.); pp. 481–494). Springer Berlin Heidelberg. [https://doi.org/10.1007/978-3-642-75060-1\\_25](https://doi.org/10.1007/978-3-642-75060-1_25)
- Sekaran dan Bougie. (2016). *Research methods for business : a skill-building approach*. In John Wiley & Sons. [https://doi.org/10.1007/978-94-007-0753-5\\_102084](https://doi.org/10.1007/978-94-007-0753-5_102084)
- Stack, R., & Malsch, B. (2022). Auditors’ professional identities: Review and future directions. *Accounting Perspectives*, 21(2), 177–206. <https://doi.org/10.1111/1911-3838.12289>
- Stice, D., Stice, H., & White, R. (2022). The effect of individual auditor quality on audit outcomes: opening the black box of audit quality. *Managerial Auditing Journal*, 37(8), 937–966. <https://doi.org/10.1108/MAJ-07-2021-3235>
- Timor, S. D., & Hanum, Z. (2023). Pengaruh Etika Profesi dan Independensi Auditor Terhadap Kinerja Auditor dengan Profesionalisme sebagai Variabel Intervening. *Owner: Riset Dan Jurnal Akuntansi*, 7(3), 2217–2224. <https://doi.org/10.33395/owner.v7i3.1584>
- Tormo-Carbó, G., Mardawi, Z., & Seguí-Mas, E. (2024). Should I Stay or Should I Go? Auditor Ethical Conflict and Turnover Intention. *Journal of Business Ethics*, 194(2),

335–350. <https://doi.org/10.1007/s10551-023-05583-x>

Tritschler, J. (2013). *Audit quality: Association between published reporting errors and audit firm characteristics*. Springer Science & Business Media. <https://doi.org/10.1007/978-3-658-04174-8>

Velte, P. (2023). The impact of external auditors on firms' financial restatements: a review of archival studies and implications for future research. *Management Review Quarterly*, 73(3), 959–985. <https://doi.org/10.1007/s11301-022-00264-x>

Wahyuni, W., Sueny, L. N. R., Wahyu, A. S., & Fadewa, N. N. (2024). Examining Audit Fee Determinants and Their Impact on Audit Quality. *Advances in Managerial Auditing Research*, 2(3), 119–129. <https://doi.org/10.60079/amar.v2i3.373>

Wu, Y., Li, Z., Zhang, M., & Zhai, S. (2023). Auditor assignments and audit quality. *Australian Accounting Review*, 33(2), 160–187. <https://doi.org/10.1111/auar.12400>

Yamin dan Kurniawan. (2011). *Generasi Baru Mengolah Data Penelitian dengan Partial Least Square Path Modeling : Aplikasi dengan Software XLSTAT, SmartPLS, dan Visual PLS*. In Salemba Infotek. Salemba Infotek.