

Analysis of the Influence of Auditor Competence, Independence, and Organizational Culture on Audit Quality: A Study of the Supreme Audit Agency (BPK) of West Sulawesi Province

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Abstract

Demands for public accountability make audit quality a crucial element for the West Sulawesi Provincial Office of the Supreme Audit Agency of the Republic of Indonesia (BPK RI). This study aims to examine and analyze the influence of auditor competence, auditor independence, and organizational culture—both individually and collectively—on audit quality. Using a quantitative method with a causal design, this study involved 50 auditors as respondents through *purposive sampling*. Primary data collected via questionnaires were analyzed using multiple linear regression with SPSS software. The results indicate that, individually, competence, independence, and organizational culture have a positive and significant effect on audit quality. Auditor independence was found to be the most dominant variable influencing audit quality. Simultaneously, the three independent variables contributed a very strong 97.2% to the variation in audit quality, as indicated by the *Adjusted R² value. Square*. These findings confirm that the combination of individual auditors' capabilities and the internalization of organizational values is a key determinant in producing accurate and credible audit reports. Strengthening the aspect of independence is the primary recommendation for maintaining public trust in the transparency of local financial management in West Sulawesi.

Keywords: *Competence, Auditor Independence, Organizational Culture, Audit Quality*

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INTRODUCTION

The increasing demands from the public regarding accountability and transparency of state financial management place the Supreme Audit Agency (BPK) of the Republic of Indonesia at a critical juncture (BPK RI, 2024). As an independent external audit institution, the BPK is responsible for ensuring that the management of the Regional Budget (APBD) is effective, efficient, and in compliance with regulations to achieve good governance. Through its regional offices, including the BPK RI Provincial Office in West Sulawesi, this agency is responsible for ensuring that the Regional Budget (APBD) and regional financial management are carried out effectively, efficiently, and in accordance with laws and regulations. Public trust in

this institution depends entirely on the quality of the audits it produces, as reflected in Audit Reports (LHP) that are accurate, objective, timely, and capable of detecting material misstatements and indications of state losses (BPK RI, 2023).

However, in its efforts to maintain this quality, the West Sulawesi Provincial Audit Board faces a number of real challenges. As an agency in a relatively young province, this institution must contend with dynamic geographical challenges, limited staff numbers, uneven human resource quality, and fluctuations in audit opinions on local government financial reports within its jurisdiction (BPK PP Sulbar 2021). Furthermore, there is pressure or intervention from audited entities, which could potentially threaten the objectivity of audit results. In response to these challenges, the insights and problem-solving strategies in this study focus on strengthening the capacity of internal auditors through three main pillars: competency enhancement, upholding independence, and fostering a conducive work environment. Theoretically, audit quality cannot stand alone but is shaped by the integration of these factors.

When conducting local government financial audits, auditors must possess a thorough understanding of regulations, technical skills, and adequate analytical abilities to accurately detect errors, fraud, or potential losses. However, even with high levels of competence, optimal results cannot be achieved if auditors are unable to maintain their independence from various pressures, whether internal or external. In addition to competence and independence, another critical factor is the organizational work environment. To support the effectiveness of audit implementation, a conducive, professional work environment that upholds integrity and work ethics can encourage auditors to perform more effectively, with discipline, and a sense of responsibility in conducting their examinations. Therefore, competence, independence, and the organizational work environment are three interrelated key variables that shape an auditor's professionalism and determine the quality of the Audit Report (LHP) produced.

Audit Quality

Audit quality is conceptually defined as the probability or likelihood that an auditor will detect and report material misstatements or violations in a client's accounting information system (R. Dinda & Annisa, 2024). According to auditing theory, audit quality is influenced by the auditor's ability to identify material misstatements and the auditor's willingness to report such findings independently. Therefore, auditor competence is one of the primary factors determining audit quality. Auditors who possess knowledge, experience, technical skills, and a solid understanding of auditing standards will be better able to identify risks, evaluate audit evidence, and produce high-quality audit reports. The higher the auditor's competence, the greater the likelihood that the auditor will conduct an effective audit in accordance with professional auditing standards.

Auditor independence is also closely linked to audit quality, as independence reflects the auditor's objective stance in performing audit duties without being influenced by pressure from specific parties. Independent auditors will be more honest and professional in reporting audit findings, thereby enhancing the credibility of the audit results. In line with this, organizational culture plays a role in shaping audit quality by fostering a work environment that supports auditors' integrity, discipline, cooperation, and professionalism. A strong organizational culture can encourage auditors to work in accordance with ethics and audit standards, whereas a weak organizational culture has the potential to reduce auditors' motivation and performance quality. Thus, audit quality at the BPK RI Representative Office for West Sulawesi Province is not only determined by the individual capabilities of auditors but is also influenced by the level of independence and the organizational culture that develops within the audit work environment.

Auditor Competencies

The primary qualification an auditor must possess to conduct a credible audit is competence (Jati, 2021). In performing their duties, auditors are required to demonstrate a high level of professionalism, broad knowledge, and sufficient field experience. Auditors with high competence tend to be more confident in maintaining their objectivity and professionalism when facing pressure or intervention from certain parties, thereby ensuring that auditor independence is well-preserved. On the other hand, an organizational culture that supports integrity, learning, discipline, and professionalism will foster the enhancement of auditors' competence through training, skill development, and a conducive work environment. Conversely, a weak organizational culture can hinder the development of auditors' capabilities and reduce the quality of audit performance. Therefore, the competence of auditors at the BPK RI Regional Office for West Sulawesi Province is not viewed merely as an individual capability but is also influenced by auditor independence and the organizational culture that develops within the audit work environment.

Auditor Independence

Independence serves as the lifeblood of the profession, ensuring that the opinions issued are free from conflicts of interest and based solely on objective evidence. The quality of an auditor's opinion is largely determined by the degree of their independence, which is understood as a mental state free from external interference and devoid of bias. This objectivity demands deep integrity from the auditor in evaluating audit evidence neutrally before expressing an opinion.

If this attitude is consistently applied, the resulting evaluation report will accurately depict the company's actual financial condition. Without firm

independence, decisions or opinions issued by the auditor lose their professional value. An independent auditor will be more willing to disclose audit findings based on the facts obtained without being influenced by personal relationships, organizational pressure, or external interests. Therefore, auditor independence is closely linked to audit quality, as the quality of the audit results is largely determined by the auditor's ability to maintain objectivity throughout the audit process. The higher the level of auditor independence, the greater the credibility and reliability of the resulting audit report.

Organizational Culture

These individual factors are further reinforced by the BPK's strong organizational culture (Integrity, Independence, and Professionalism), which serves as a moral compass within the work environment, guiding auditors to adhere to ethical standards and minimize negligence (Suhendri et al., 2024). Organizational culture acts as a crucial external element that enhances and guides an auditor's competence and independence. As the foundation of the work environment, organizational culture shapes the characteristics, norms, and values that guide auditors in making sound decisions and completing tasks on time (Risman, 2023).

In the context of financial audits, organizational culture plays a vital role in shaping auditors' professional attitudes, integrity, discipline, and sense of responsibility during the audit process. A strong and positive organizational culture creates a work environment that supports the consistent application of audit standards, thereby enhancing audit quality. Auditors working in an organizational environment that upholds ethics, transparency, and accountability are more likely to be motivated to produce audits that are objective, accurate, and in line with professional standards.

Therefore, organizational culture is closely linked to audit quality because organizational values can influence auditors' behavior and performance in carrying out their audit duties.

Based on theoretical connections and the urgency of the phenomenon in the field, this study is designed to address a clearly defined objective: to test and analyze the influence of competence, independence, and organizational culture—both individually and simultaneously—on audit quality at the West Sulawesi Provincial Audit Board (BPK). Through this empirical approach, the research findings are expected to provide a theoretical contribution to the development of public sector accounting and serve as practical input for strategic policy-making in maintaining audit quality within the BPK, particularly at the BPK RI Regional Office for West Sulawesi Province.

METHODOLOGY

The method used in this study is a quantitative method employing an explanatory/causal design. The purpose of using this method is to test and demonstrate the existence of a cause-and-effect relationship between the independent variable and the dependent variable. According to Sujarweni & Wiratna (2025), quantitative research with a causal approach focuses on testing hypotheses regarding the influence between variables by utilizing numerical data evaluated statistically. In this study, the analysis emphasizes measuring the extent to which Competence (X_1), Auditor Independence (X_2), and Organizational Culture (X_3) contribute to influencing Audit Quality (Y). A quantitative approach was chosen so that the conclusions drawn from hypothesis testing are empirical, objective, and scientifically accountable. The research site was established at the Office of the Supreme Audit Agency of the Republic of Indonesia (BPK RI) Representative Office for West Sulawesi Province, located at Jalan H. Abdul Malik Pattana Endeng, Rangas Village, Simboro Subdistrict, Mamuju Regency.

Population, Sample, and Data Collection

The population in this study consists of 50 active auditors at the BPK RI Representative Office for West Sulawesi Province. Given the relatively limited population size, all members of the population were included as research subjects. The sampling technique applied was saturation sampling, a method in which the entire population is used as the research sample. The data used consists of primary data obtained directly from the source through the completion of an *online* questionnaire by inspection staff (Fauziah & Karbah, 2020). The questionnaire method was chosen because it is efficient for collecting structured information in a uniform manner. The instrument used a 5-point *Likert* scale, ranging from "Strongly Disagree" (score 1) to "Strongly Agree" (score 5). To ensure data accuracy, the questionnaire was designed by adopting instruments from previous studies that have been tested for validity and reliability, such as the instrument developed by Hustia et al. (2021).

Data analysis in this study was conducted using descriptive and inferential statistical approaches with the assistance of the latest version of IBM SPSS *software*. The analysis began with an assessment of instrument quality, which included a validity test using *Pearson's correlation* (significance < 0.05) and a reliability test using *Cronbach's alpha* coefficient (> 0.6). Next, classical assumption tests were conducted, consisting of a normality test using a *Normal P-P Plot*, a multicollinearity test using VIF and *Tolerance* values, and a heteroscedasticity test to ensure the data was free from bias and met the requirements for estimation. As the core test, multiple linear regression analysis was applied to measure the effects of Competence (X_1), Auditor

Independence (X_2), and Organizational Culture (X_3) on Audit Quality (Y). Hypothesis testing was then evaluated using a t-test to examine partial effects, an F-test to measure simultaneous effects, and the coefficient of determination (R^2) to determine the percentage contribution of all independent variables in explaining the variation in audit quality at the West Sulawesi Provincial Audit Board.

RESULTS AND DISCUSSION

Data Quality and Classical Assumptions

Based on the results of the validity and reliability tests, all instruments used in this study were found to be valid and reliable. All components data in this study were found to be reliable, as evidenced by relatively high Cronbach's Alpha values (above 0.6), namely:

1. Competence (X_1): 0.858.
2. Auditor Independence (X_2): 0.881.
3. Organizational Culture (X_3): 0.728.
4. Audit Quality (Y): 0.843.

The data also met the criteria for testing classical assumptions. The test results indicate that the residuals are normally distributed, with an Asymp. Sig. value of 0.200. The regression model is free from multicollinearity issues because the VIF values for all independent variables are below 10 (VIF X_1 : 2.727; X_2 : 2.879; X_3 : 1.432). Furthermore, no evidence of heteroscedasticity was found in this research model.

Multiple Linear Regression Analysis

The regression equation derived from the data analysis is as follows:

$$Y = -0.011 + 0.228X_1 + 0.436X_2 + 0.335X_3 + e$$

Partial Effect (t-Test)

1. Competence Variable (X_1): Found to have a partial, positive, and significant effect on Audit Quality. This finding is based on a calculated t-value of 6.500 with a significance level of 0.000. This result is far smaller than the significance standard of 0.05.
2. Auditor Independence Variable (X_2): Was found to have a significant and positive partial effect on Audit Quality. The calculated t-value was 12.912 with a significance level of 0.000. Judging from the Standardized Beta Coefficient value (0.524), the auditor independence variable is the most dominant variable in terms of its influence compared to the competency variable (0.257) and organizational culture on audit quality.
3. Organizational Culture Variable (X_3): This variable has a partial, positive, and significant effect on the dependent variable. This finding is based on a calculated t-value of 12.517 with a significance level of 0.000, which is far below the standard of 0.05.

Simultaneous Effect (F-Test) and Coefficient of Determination

Collectively (simultaneously), the variables of Competence, Auditor Independence, and Organizational Culture have a positive and significant effect on Audit Quality. The strength of this model is demonstrated by an Adjusted R-Square value of 0.972, while the remainder is explained by other variables outside this research model.

Discussion

The results of this study reinforce the findings of Efendy's (2010) research, which confirms the significant contribution of the variables of Competence, Auditor Independence, and Organizational Culture to Audit Quality at the State Audit Agency (BPK) of the Republic of Indonesia, West Sulawesi Provincial Office. When viewed from the perspective of Attribution Theory, the presence of the Competence and Independence variables proves that the skills of individuals and the internal characteristics of financial auditors fully confirm that their audit results are accurate and of high quality. This indicates that audit quality is highly dependent on the internal attributes of auditors in maintaining their professionalism and integrity. Meanwhile, organizational culture plays a crucial role as a framework for the values, norms, beliefs, customs, and behavioral patterns applied within the workplace. Organizational culture provides insight into how an organization fosters a work environment and inter-employee relationships to achieve institutional goals. Theoretically, an auditor's objective of producing a high-quality audit will be optimally achieved if all these components (Competence, Independence, and Organizational Culture) are present and consistently applied in field audit practice.

CONCLUSION

The findings of this study provide empirical evidence that audit quality at the West Sulawesi Representative Office of the Supreme Audit Agency of the Republic of Indonesia (BPK RI) is significantly influenced by auditors' individual attributes and organizational factors. The results reveal that competence has a positive and significant effect on audit quality, indicating that auditors with higher levels of knowledge, technical expertise, and professional experience are better equipped to identify material misstatements and conduct audits in accordance with established standards. In addition, independence emerges as a significant determinant of audit quality and represents the most influential factor among the variables examined. This finding underscores the critical importance of maintaining objectivity, professional skepticism, and freedom from external influence in ensuring the credibility and integrity of audit outcomes. Furthermore, organizational culture is found to positively and significantly affect audit quality, suggesting that a work environment characterized by strong ethical values, professionalism, and accountability can reinforce auditors' commitment to high-quality audit practices.

The study also demonstrates that competence, independence, and organizational

culture jointly exert a substantial influence on audit quality. The adjusted R-squared value of 97.2% indicates that the proposed model explains nearly all variations in audit quality, reflecting the strong explanatory power of these determinants within the context of public sector auditing. This finding highlights the importance of adopting a comprehensive approach that integrates the development of auditor competencies, the preservation of professional independence, and the strengthening of organizational culture to enhance audit effectiveness. Therefore, audit institutions should prioritize continuous professional development programs, establish mechanisms that safeguard auditor independence, and foster an organizational culture grounded in integrity and professionalism to sustain high levels of audit quality and public trust.

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