

THE INFLUENCE OF INDEPENDENCE AND AUDITOR EXPERIENCE ON THE ACCURACY OF OPINION GIVING AT PUBLIC ACCOUNTING FIRMS IN BALI

I Nyoman Widya Pastika Maha Putra ^{1*}, I Made Agus Putrayasa ², I Made Dwi Jendra Sulastra ³

^{1,2,3} Managerial Accounting Applied Bachelor Study Program, Accounting Department, Bali State Polytechnic

*Corresponding Author: pastika.mahaputra@gmail.com

Abstract: The issuance of an audit opinion affects the public's trust in accounting professionals and therefore must be made accurately. Due to the importance of audit reports to entities, auditors must have a reasonable level of independence and audit experience to collect and analyze audit evidence to form appropriate audit opinions. The purpose of this study is to test the independence and experience of auditors on the accuracy of audit opinions at Kap Bali. The population and sample of this study are 109 accountants who work and are still active in accounting firms in Bali. The data collection methods used in this study are questionnaire methods, literature studies, and internet access and relevant websites. Testing of research variables was carried out using multiple regression analysis with the help of SPSS 25.0. The results showed that independence had a positive effect on the accuracy of submitting audit reports to public accountants in Bali. The experience of an auditor has a positive impact on the accuracy of issuing audit reports at an audit company in Bali. The independence and independence of auditors have a positive impact on the accuracy of the preparation of audit reports at the Bali Public Accounting Firm.

Keywords: independence, auditor experience and accuracy of providing audit opinions

Introduction

The phenomenon in Indonesia shows the existence of various cases involving public accountants. Such as ka-sus at PT Asuransi Jiwasraya in early 2020. This case shows a failure to pay the customer's po-lis, where the Auditor is considered incapable or reveals the true condition of PT Jiwasraya. Moreover, the audited financial statements published by PT Jiwasraya turned out to have been manipulated or window dressing so that the company looked healthy. In the 2017 financial statements of PT Jiwasraya, the public accountant has given an opinion "opinion with modifications". The opinion includes one of the three types of auditor's opinion, namely a fair opinion with exceptions, an unnatural opinion and an opinion without providing a pen-bisa. This opinion is caused by the non-compliance of the material financial statements with accounting standards or because the auditor lacks evidence for various reasons so that it is not enough to give a fair opinion without exception (CNN Indonesia, 2020). Another case involving a public accountant also occurred at PT Garuda Indonesia Tbk (GIAA) in 2019, namely the discovery of a public accountant who audited the financial statements of PT Garuda Indonesia Tbk (GIAA) 2018, namely Kasner Sirumapea, who was suspected of having committed violations of Article 69 of Law Number 8 of 1995 concerning the Capital Market (PM Law), Bapepam and LK Regulation Number VIII.G.7 concerning Assessment and Disclosure of Financial Statements of Issuers and Public Companies, Interpretation of Financial Accounting Standards (ISAK) 8 on Determining Whether an Agreement Contains a Lease, and Statement of Financial Accounting Standards (PSAK) 30 on rent dated January 18, 2019, and also Kasner Sirumapea is suspected of committing violations related to Audit Standards (SA) 315 Professional Standards of Public Accountants (Abbas & Basuki, 2019).

The provision of auditors' opinions must be precise and accurate because this is also related to public trust in the accountant profession. To be able to maintain the trust of clients and from other users of financial statements, public accountants are required to have an attitude of independence. Based on research Mayasari (2011), Prasetianto (2017) and Nofitri (2019) states that independence has a positive effect on the accuracy of providing audit opinions, which means that the accuracy of providing audit opinions

is influenced by the independence of auditors during the process of auditing financial statements. But on the study Dewi *et al.*, (2017), Dewi (2015), Kautsarrahmelia (2013) states that independence does not have a significant effect on the accuracy of providing audit opinions, which means that the accuracy of audit opinions is not influenced by the independence of auditors during the auditing process of financial statement. In addition to independence, another variable that can affect the accuracy of providing an audit opinion is the auditor experience variable. According to research Adrian (2013), Dewi (2015), Simanjuntak (2018) the auditor experience positively affects the accuracy of the provision of audit opinions. But, Christiani & Kurnia (2012), Dewi *et al.*, (2017), Nurmalasari (2017) states that the auditor experience has no effect on the accuracy of the provision of audit opinions.

Based on these phenomena and the inconsistency of the results of previous research, researchers are interested in analyzing the accuracy of providing audit opinions at Public Accounting Firms (KAP) in Bali Province using variables of independence and auditor experience. The purpose of this study is to prove how the influence of independence on the accuracy of audit opinion, to prove the influence of experience on auditors on the accuracy of providing audit opinion & to prove the influence of auditor independence and experience affects the accuracy of auditing.

Method

This research was conducted at all Public Accounting Firm (KAP) in Bali Province that have permission from the Minister of Finance of the Republic of Indonesia and are also registered in the Directory of the Institute of Public Accountants (IAPI) in 2021. The free variables in this study consisted of variable X_1 = Independence (INDEP), X_2 = Auditor Experience (PA) and X_3 = Independence and Auditor Experience. Meanwhile, the bound variable in this study is the variable Y = Accuracy of Auditing (OPINION). The population in this study is all auditors who work at a Public Accounting Firm in Bali Province who are still active. The Public Accounting Firm used is the one registered in the IAPI Directory in 2021 which is located in the Bali region which amounts to 17 kap with 109 employees. The method of determining the sample used in this study is non probability sampling, which is a procedure - a sampling procedure with criteria. The criteria used in determining the sample in this study are all auditors who work at a Public Accounting Firm (KAP) in Bali Province who are members and recorded at the Indonesian Institute of Public Accountants (IAPI) with a population of 109 people, and auditors who have worked for more than 1 year, because the auditors already have good guidance regarding audits. The data collection method used consists of the Questionnaire Method (Questionnaire) and Literature Study. The questionnaire in this study was then tested for feasibility using validity tests and reliability tests. The data analysis techniques used consist of classical assumption tests (normality test, multicollinearity test and heteroskedasticity test), multiple linear regression analysis and model feasibility test (Goodness of Model Fit) such as Coefficient of Determination (Adjusted R^2), F test and t test.

Result and Discussion

The number of questionnaires distributed in this study was 109 questionnaires. Of all the questionnaires sent, 73 returned questionnaires and 36 questionnaires were returned with a response rate of 66.97 percent. This is due to the fact that the questionnaire did not return when the researcher distributed the questionnaire at the Public Accounting Firm in Bali.

Table 1. Characteristics Of Respondents

| No. | Note | Criteria | Total | Percentage (%) |
|-----|----------------|-----------|-------|----------------|
| 1. | Gender | Male | 25 | 26,4 |
| | | Female | 48 | 73,6 |
| 2. | Education | D3 | 6 | 8,2 |
| | | S1 | 58 | 79,5 |
| | | S2 | 9 | 12,3 |
| 3. | Length of Work | < 1 Years | 8 | 11,0 |
| | | < 3 Years | 24 | 32,9 |
| | | 3-5 Years | 26 | 35,6 |
| | | > 5 Years | 15 | 20,5 |

Source: Data processed (2022)

Gender characteristics are used to find out the proportion of the number of male and female auditors. Table 1 shows that there are more female auditors, namely 48 people or 65.8%, while auditors who are male are 25 people or 34.2%. The last characteristic of education is an indicator that is used to determine the level of understanding and intellectuality of the respondent. S1 education level dominates as many as 58 people or 79.5%, while it is as many as 6 people or 8.2% of the D3 education level. The remaining S2 education is 9 people or 12.3%. The characteristics of the length of work are indicators that are used to find out the work experience of a person working as an auditor. The length of work of 3-5 years dominates as many as 26 people or 35.6%, while as many as 24 people or 32.9% with a length of work < 3 years. The rest are auditors with a length of work < 1 year as many as 8 people or 11.0% and auditors with a length of work > 5 years as many as 15 people or 20.5%.

The questionnaire in this study was then analyzed using a validity test and a reliability test with analysis results that already met the test criteria, so that the questionnaire deserves further analysis with the classical asum-si test. The test of classical assumptions analyzed in this study is summarized in Table 2 below:

Table 2. Summary of Classical Assumption Test Results

| Structure | Normality Test Results | Variable | Multicollinearity | | Heteroskedasticity |
|------------------------|------------------------|--------------------|-------------------|-------|--------------------|
| | | | Tolerance | VIF | Significance |
| Test Statistic | 0,071 | Independence | 0,684 | 1,462 | 0,797 |
| Asymp. Sig. (2-tailed) | 0,200 ^{c,d} | Pengalaman Auditor | 0,684 | 1,462 | 0,758 |

Source: Data processed (2022)

Table 2 shows that all research variables are worthy of testing because they have met the criteria for the classical assumption test, so the multiple linear regression analysis model can be carried out further. The calculation of the re-gresi analysis was carried out through the SPSS 25.0 software for Windows, and the results shown in Table 3 were obtained.

Table 3. Multiple Linear Regression

| Variable | Unstandardize Coefficients | | Standardize Coefficients | t | Sig |
|--------------------|----------------------------|------------|--------------------------|-------|-------|
| | B | Std. Error | Beta | | |
| | (Constant) | 5,562 | 2,754 | | |
| Independence | 0,247 | 0,063 | 0,424 | 3,930 | 0,000 |
| Auditor Experience | 0,279 | 0,092 | 0,328 | 3,042 | 0,003 |

Source: Data processed on IBM SPSS 25 (2022)

$$OPINI = 5,562 + 0,247 INDEP + 0,279 PA \quad (1)$$

The equation can be interpreted as follows:

1. The value of the constant coefficient of 5.562 means that if the Independence and Auditor Experience are equal to zero, the accuracy of the audit opinion is 5.562.
2. The Independence regression coefficient is 0.247, so the conclusion is then the accuracy of the audit opinion will increase to 0.247 assuming other variables are constant.
3. Auditor Experience regression coefficient of 0.279, so the conclusion is then the accuracy of the audit opinion will increase by 0.279 assuming other variables are constant.

Table 4. Determinasion Coefficient

| R | R Square | Adjusted R Square |
|--------------------|----------|-------------------|
| 0,666 ^a | 0,443 | 0,428 |

Source: Data processed (2022)

Table 4 shows an Adjusted R2 value of 0.428 or 42.8 percent. This means that the accuracy of the provision of audit opinions can be explained by 42.8 percent by the variables of Independence and Auditor Experience. While the remaining 57.2 percent was influenced by other factors that were not included in the research model.

Table 5. F Test Results

| F | Sig. |
|--------|--------------------|
| 27,888 | 0,000 ^a |

Source: Data processed (2022)

Based on Table 5, an F-count value of 27,888 and a significance value of 0.000 which is smaller than 0.05, this means that the free variables used in this study consisting of Independence and Auditor Experience are able to have a simultaneous influence on the accuracy of providing audit opinions. This gives the meaning that the regression model used is feasible to be tested at a later stage.

Table 6. Test Results t

| Variable | Standardized Coefficients | t | Sig |
|--------------------|---------------------------|-------|-------|
| (Constant) | | 2,020 | 0,047 |
| Independence | 0,424 | 3,930 | 0,000 |
| Auditor Experience | 0,328 | 3,042 | 0,003 |

Source: Data processed (2022)

The Independence variable (INDEP) has a calculated value of 3.930 with a significance value of 0.000 where the value is less than 0.05 so that H1 is accepted. The results of this study stated that varia-bell Independence was able to influence the accuracy of providing audit opinions (OPINIONS) in a positive direction. Auditors are required to have Independence, both mentally and physically to carry out audit duties in order to provide an objective audit opinion or opinion. By maintaining the attitude of the auditor's Independence, the results of the audit will not be influenced by outsiders. This statement is in line with the research conducted by Mayasari (2011), Nofitri (2019) dan Prasetianto (2017) concluded that Independence had a positive effect on the audit opinion. Thus, it can be said that there is a positive influence between Independence on the accuracy of providing audit opinions the better the Independence of an auditor, the more appropriate the resulting opinion will be.

The Auditor Experience (PA) variable has a calculated value of 3.042 with a significant value of 0.003 where the value is less than 0.05 so that H2 is accepted. The results of this study stated that the Varia-Bell Auditor Experience was able to influence the accuracy of the provision of audit opinions (OPINIONS) in a positive direction. Auditors with sufficient experience, the performance will be better compared to still a little experience. Auditors who have a lot of experience will not only have the ability to find errors or unusual frauds contained in financial statements but also the auditors can provide a more accurate explanation of their findings. This statement is in line with the research conducted by Adrian (2013), Dewi (2015), Simanjuntak (2018) stated that Auditor Experience has a positive effect on the accuracy of the provision of audit opinions. This means that the more Auditor Experience, the better the auditor's accuracy in providing au-dit opinions.

The third hypothesis states that Independence and Auditor Experience have a positive effect on the accuracy of the provision of audit opinions. Based on the results of the f test, it shows that Independence and Experience Auditors have a calculated F value value of 27.888 with a significance value of 0.000 < 0.05 so that H3 is accepted. The results of this study state that the variables of Independence and Auditor Experience are simultan able to influence the accuracy of providing audit opinions in a positive direction. With the maintained attitude of the auditor's Independence, the results of the audit will not be influenced by outside parties. In addition to Independence, auditors are also required to have good experience in conducting audits. This statement is in line with the research conducted by Simanjuntak (2018) and Nofitri (2019) which presents research results in a positive direction together (simultaneously) where the variables Inde-pendence and Auditor Experience are able to influence the accuracy of the provision of audit opinions. The higher the level of Independence and Auditor Experience, the higher the level of accuracy of audit opinion review.

Conclusion

The conclusion of this study is that Independence has a positive effect on the accuracy of providing audit opinions at Public Accounting Firms in Bali Province. Auditor Experience has a positive effect on the accuracy of providing audit opinions at Public Accounting Firms in Bali Province. Independence and experience on auditor have a positive effect on the accuracy of providing audit opinions at Public Accounting Firms in Bali Province.

The theoretical implications in this study produce empirical evidence that Independence and Auditor Experience have a positive effect on the accuracy of providing audit opinions at Public Accounting Firms in Bali Province. This means that if the Independence and Auditor Experience is getting better, the accuracy of the audit opinion review at the Public Accounting Firm in Bali Province will also be better. The practical implications of this research can be used as advice for the agencies studied, namely the Public Accounting Firm in Bali Province so that in the future it can be used as a good consideration for auditors in terms of conducting the accuracy of audit opinion distribution in order to maximize Independence and Auditor Experience, so that the work done can be more optimal.

The next researcher is expected to be able to add other variables that affect the accuracy of providing audit opinions such as; obedience pressure, time budget pressure, auditor expertise, gender, and locus of control. For researchers, it is further expected that in filling out the questionnaire, preferably in the situation of work breaks, so that activities can run smoothly, researchers can also provide electronic questionnaires with email media to respondents to make it easier for researchers to fill out questionnaires. For researchers, they are then expected to use other agencies or companies, if they provide a more insight and are able to be implemented in general.

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