

ANALYSIS OF FACTORS AFFECTING AUDITOR'S JUDGEMENTS: STUDY OF PUBLIC ACCOUNTING FIRM AUDITORS IN YOGYAKARTA

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ABSTRACT

Audit judgment is necessary because the audit cannot be conducted on all of the evidence. These evidence is used to express an opinion on the audited financial statements, so it can be said that the audit judgment also determining the outcome of the audit. This study aims to identify and analyze the factors that affect the auditor's judgment in doing audit. This research was explorative research. The research methodology used in this research was factor analysis method. Technique used in collecting the data was questionnaire technique. The questionnaires were delivered to 72 auditors in public accounting firms in Yogyakarta. Fifty-six questionnaires (78%) were returned complete and could be processed. The results of the data analysis show that the auditor's judgments in doing audit are influenced by factors of audit tenure, risk, professionalism, and attitude. Audit tenure becomes the dominant factor because it has the largest eigenvalues of 6.240. The implications of this study is that public accounting firms are expected to be aware to the audit tenure so close relationship will not exist that would affect the independence and objectivity of the auditor.

ABSTRAK

Audit judgment diperlukan karena audit tidak dapat dilakukan pada semua bukti. Bukti-bukti ini digunakan untuk mengaudit laporan keuangan, sehingga dapat dikatakan bahwa audit judgment juga menentukan hasil audit. Audit judgment adalah faktor yang mempengaruhi penilaian auditor dalam melakukan audit. Penelitian ini adalah penelitian eksploratif. Metode penelitian yang digunakan dalam penelitian ini adalah metode analisis faktor. Teknik yang digunakan dalam mengumpulkan data adalah teknik kuesioner. Kuesioner dikirimkan ke 72 auditor di kantor akuntan publik Yogyakarta. Lima puluh enam kuesioner (78%) dikembalikan lengkap dan dapat diproses. Hasil analisis data menunjukkan bahwa audit judgment dalam melakukan audit dipengaruhi oleh faktor tenure, risk, professionalism, and attitude. Audit tenure menjadi faktor dominan karena memiliki nilai eigen terbesar yaitu 6.240. Implikasi dari penelitian ini adalah bahwa kantor akuntan publik diharapkan untuk menyadari audit tenure sehingga hubungan dekat tidak akan ada yang akan mempengaruhi independensi dan obyektivitas auditor.

1. INTRODUCTION

Accounting profession recently shows its development, it is due to the increasing public awareness to the importance of accounting services and the growing of private businesses. One of the benefits of public accounting services is to provide information that is accurate and reliable for decision making. Financial statements that have been audited by a public accountant are more reliable and trustworthy than unaudited financial statements. The users of financial statements that have been audited by public accountant expect that the financial statements are free from material misstatement, reliable, and trustworthy to serve as the basis for decision making and are in accordance with accounting principles applicable in Indonesia. Therefore, we need professional services that are independent and objective from public accountant to assess the fairness of the financial statements presented by management.

The development of the accounting profession is also driven by government regulations, such as the regulation which said if companies are going to sell the stock in public (in stock exchange), the companies must fulfill one of the requirements which is having the financial statements that have been audited by a public accountant two years in a row with unqualified opinion. Another factor that contributes to the development of accounting profession is the regulation in banking sector which makes the prospective debtors must have good administration and financial report that has been audited by public accountant.

There were many cases of companies fallen because of their business failures and also attributed because of auditors, those cases threaten the credibility of financial statements and the auditors themselves. Audit judgment is very important in generating the audit report. Audit judgment is necessary because the audits are not conducted on all of the evidence. Those evidence is used to express an opinion on the audited financial statements, so it can be said that the audit judgment also determining the outcome of the audit result. Mulyadi (2002) said that Audit Judgment is the policy of the auditor in determining the opinion about the results of the audit based on the formation of an idea, opinion or estimation of an object, event, status, or other types of events. Threat to the credibility of the financial statements influencing the public perception, especially for the users of audited financial statements. The audit result quality is important because high quality audit report will produce more reliable financial report as a basis for decision making.

To support the professionalism as a public accountant in carrying out audit tasks, auditors should be guided by the auditing standards established by Indonesian Institute of Accountants (IAI), which are general standards, standards of field work and standards of reporting. General standards are a reflection of personal qualities that should be possessed by an auditor that requires the auditor to have expertise and sufficient technical training in performing audit procedures. While the standards of field work and standards of reporting regulate auditors in terms of data collection and other activities carried out during the audit and require the auditor to prepare an audit report of the financial statements that has been audited.

In conducting audit assignments, auditor should evaluate every alternative information in a relatively large amount to meet the standards of field work that sufficient competent audit evidence must be obtained through inspection, observation, inquiry and confirmation as a reasonable basis for giving opinion regarding the financial statements being audited (Indonesian Institute of Accountants, 2001). Indonesian Institute of Accountants further states that to be considered competent, the audit evidence must be legitimate and relevant regardless of its form. Time and cost considerations led to the difficultness for auditors to give an opinion. Limitation of time and cost can be potential serious problems for auditors in the use of evidence.

There are many factors affecting the ability of auditors, including knowledge and experience. To perform the task of auditing, auditors require auditing knowledge (general and specific) and knowledge about the field of auditing, accounting, and industrial clients. In performing the audit, the auditor shall act as an expert in accounting and auditing. Achievement of expertise begins with formal education, which further through experience and practice of auditing (Indonesian Institute of Accountants, 2001). In addition, the auditor must undergo adequate technical training which includes technical aspects and general education.

Research conducted by Libby and Frederick (1990) in Kusharyanti (2003:26) found that experienced auditors have a better understanding of the financial statements. They are also able to provide better reasonable explanation of the errors in the financial statements and to classify errors based on the audit objectives and the structure of the underlying accounting system (Libby et al, 1985) in Mayangsari (2003). Tubbs (1990) in Mayangsari (2003) stated that the more experienced auditors, they are more sensitive to the misstatement of financial statements and further understand the things related to the errors found.

However, in accordance with the responsibility to raise the level of reliability of the company financial statements, the public accounting firms does not only need to have the competence or expertise, but they also have to be independent in doing the auditing. Without independence, the auditor does not mean anything. The public will not believe in the audited results of the auditor so that people will not enlist the services of auditors auditing. In other words, the presence of the auditors is determined by their independence. The second general standard (SA section 220 in SPAP, 2001) states that "In all matters relating to the engagement, independence in mental and attitude must be maintained by the auditor". This standard requires that the auditors must be independent (not easily influenced), because they are carrying out their work for the public interest. Therefore, they are not allowed to favor the interests of anyone, because how-

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ever perfect the technical expertise he has, he will lose the impartiality that it is very important to maintain the freedom of opinion. The auditor recognizes the obligation to be honest not only to the management and owners of the company, but also to creditors and other parties who put confidence in the independent auditor's report, such as prospective owners and creditors.

This is interesting to note that the public accounting profession is like a double-edged sword. On one side, the auditor must consider the credibility and ethics of the profession but on the other side, auditors must also face pressure from clients in a variety of decision-making. The independence of auditors has been reduced and can affect the quality of the audit if the auditor is not able to resist pressure from clients such as personal stress, emotional or the financial. The other factor that affects the independence of the auditor is the period in which the auditor providing services to a client (auditor tenure).

Previous studies usually use regression analysis method. Seeing from the limitations of previous research, this study using factor analysis method to assess what factors influencing the auditor in considering audit judgments.

Auditors in performing their duties considering and making audit judgments are influenced by many factors, both technical and nontechnical. Auditor perspective in response the information related to the auditing responsibilities and risks that will be faced by auditors related with the judgment he made. Based on research by Nelson (2009), Daljono (2012), Rossieta & Wibowo (2009), Sanusi et al (2007), Singgih et al (2010), and Praditaningrum & Januarti (2012), there are so many factors influencing auditors perception in responding and evaluating the information and evidence that they got in their audit assignments among other factors include audit risks, detection risks, obedience pressure, task complexity, auditor experience, audit expertise, goal orientation, self-efficacy, professional ethics, audit fee, audit tenure engagement with the client, due audit care, audit skepticism, time budget pressure, and independence.

The research methodology used in this research was factor analysis method. Technique used in collecting the data was questionnaire technique. The questionnaires were delivered to 72 auditors in public accounting firms in Yogyakarta. Fifty-six questionnaires (78%) were returned complete and could be processed.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

X and Y Theory

McGregor presents two views about humans namely the theory of X (negative) and the theory of Y (positive). Individuals with type X have external locus of control where they basically dislike work, avoid it and avoid responsibility, so they have to be forced or threatened with punishment for achieving goals. Y-type individuals have an internal locus of control where they like work, are able to control themselves to achieve goals, are responsible, and able to make innovative decisions (Robin and Judge 2007).

Auditors who are included in type X if they are getting pressure of obedience, lack of skepticism, and their independency are not strong, they will tend to make inappropriate judgments. Those auditors cannot perform its responsibilities as an auditor, preferring to put security above all factors associated with work, so that they will tend to find a safe and even dysfunctional way of making judgments. While the auditor who is included in the type Y can be responsible for the task and remain professional in performing duties as an auditor. The auditors will not be easily affected even if he gets pressure from other parties, so they can make a better and proper judgment.

Hypotheses Development

The level of public trust towards audit profession in general is influenced by individual aspects. Praditaningrum and Januarti (2012) explained that the experience and expertise has positive effect on judgments made by auditors. It is the same with Seni Fitriani, Daljono (2012) who explained that knowledge significantly influences audit judgments. Supported also by the results of study from Zulaikha (2006) which explained that auditor experience was directly influence (main effect) the judgment.

Praditaningrum and Januarti (2012) explained that obedience pressure negatively affect judgments considered by auditors. It is also supported by the results of research by Yustrianthe (2012) which stated that the obedience pressure is factor that affect audit judgments.

Iskandar and Sanusi (2011) explained that there is a negative effect of task complexity on audit judgment. The more complicated the task, the worse judgments made by auditors. Rahmawati Hanny Yustrianthe (2012) also explained that task complexity is a very influential factor on audit judgments.

In addition to factors mentioned above, Fitriani and Daljono (2012) explained that the ethical perceptions significantly influence audit judgments. Sanusi, et al. (2007) explained that learning goal orientation and performance goal orientation also affect the performance of audit judgments. T Iskandar and Sanusi (2011) explained that auditors with high self-efficacy can make better audit judgments than auditors with low self-efficacy. Nelson (2009) stated that a combination of audit knowledge, auditing nature and audit fees affect the auditor's professional skepticism in considering and making audit judgments.

In addition to these aspects, other individual aspects that may affect auditors in considering and making audit judgments such as audit risk, detection risk, professional ethics, audit fee, audit tenure, due audit care, time budget pressure, and independence. Those individual aspects have an important role in influencing the auditor in considering and making audit judgments.

This study will attempt to explain the factors that influence the audit judgments and the dominant factor affecting auditor's consideration in making audit judgments. Therefore, this study will try to construct Factors that affects Audit Judgments from variables that are observed. The hypothesis of this study is as follows:

H1: variables of audit risk, detection risk obedience pressure, task complexity, auditor experience, audit expertise, goal orientation, self-efficacy, professional ethics, audit fee, audit tenure, due audit care, skepticism, time budget pressure, independence have effect towards audit judgment and will formed into each factor that are correspond with each of their suited characteristics after analysis factors method is done.

3. RESEARCH METHODS

The research was conducted using a survey method on Public Accounting Firms in Yogyakarta and using exploratory factor analysis that the goal is to find one or several variables believed to be the source of the underlying set of real variables.

The population of this study was all auditors throughout nine Public Accounting Firms in Yogyakarta with sampling done by purposive random sampling method. Sugiyono (2012:64) stated that the purposive random sampling method is technique of sampling with particular considerations.

The number of samples to be used in this research using the minimum number of samples that must be met in the factors analysis that is a minimum of 50-100 samples or more (Hair et.al, 2010:102).

Table 1. Number of Respondents and Accounting Firms Origin Distribution

No.	Public Accounting Firm	Number of Respondents
1.	KAP Drs. Bismar, Muntalib & Yunus	8
2.	KAP Drs. Hadiono	7
3.	KAP Hadori Sugiarto Adi & Rekan	7
4.	KAP Drs. Henry & Sugeng	9
5.	KAP Drs. Inaresjz Kemalawarta	6
6.	KAP Indarto Waluyo	6
7.	KAP Drs. Soeroso Donosapoetro, MM	8
8.	KAP Dra. Suhartati & Rekan	5
Total Respondents		56

Table 2. Profile of Respondents

Criteria		Amount	Percentage
Gender	Female	25	44,64%
	Male	31	55,36%
	Total	56	100%
Age	21-30 years	39	69,65%
	31-40 years	16	28,57%
	> 40 years	1	1,78%
	Total	56	100%
Working periods in accounting firms	0-3 years	37	66,07%
	3-7 years	13	23,22%

	> 7 years	6	10,71%
	Total	56	100%
Position in accounting firms	Junior Auditor	38	67,85%
	Senior Auditor	17	30,35%
	Partner	1	1,80%
	Total	56	100%

Source: Primary data processed

Variables

The table below showed the variables used in this research along with their operational definition and indicators

Table 3. Variables and Indicators

Variable	Definition	Indicators
Audit Risk	The risk that an auditor would not discover errors or intentional miscalculations (i.e. fraud) while reviewing a company's or individual's financial statements. This variable was measured using indicator developed by Suraida (2005).	<ol style="list-style-type: none"> 1. Planned audit risk 2. Acceptable audit risk 3. Procedure to overcome audit risk
Detection Risk	Detection Risk is a risk as a result of auditor inability to detect a material misstatement contained in an assertion. This variable was measured using indicators developed by Suraida (2005).	<ol style="list-style-type: none"> 1. Application and effectiveness of the audit procedure 2. Planned acceptable detection risk
Obedience Pressure	Obedience pressure defined as pressures received by auditors to perform actions that deviated from the standard or code of ethics and professionalism. Obedience pressure variable was measured using indicators adopted from research by Jamilah et al. (2007).	<ol style="list-style-type: none"> 1. Pressure from clients 2. Pressure from senior auditors or supervisors
Task Complexity	Complex task was a task that is unstructured, difficult to understand and ambiguous. This variable was measured using indicator adopted from research by Jamilah et al. (2007).	<ol style="list-style-type: none"> 1. Task difficulty 2. Task structure
Auditor Experience	Complex task was a task that is unstructured, difficult to understand and ambiguous. This variable was measured using indicator adopted from research by Jamilah et al. (2007).	<ol style="list-style-type: none"> 1. Experience towards ability 2. Experience towards decision making
Audit Expertise	Auditor expertise in auditing indicates the level of ability and knowledge of auditors. This variable was measured using indicators adopted from research by Mayangsari (2003).	<ol style="list-style-type: none"> 1. Expertise from formal education 2. Expertise from informal education 3. Understanding of standards
Goal Orientation	Goal orientation was a mental framework of how individuals interpret and respond to situations or events that they face. Goal orientation variable was measured using indicators by VandeWalle (2001) and Sanusi et al (2007).	<ol style="list-style-type: none"> 1. Learning goal orientation 2. Performance goal orientation
Self-Efficacy	Self-efficacy defined in this study was perception or belief of one's own abilities to organize and carry out the actions necessary to achieve a certain level of performance. This variable was measured using indicators developed by Sanusi et al (2011).	<ol style="list-style-type: none"> 1. Confidence that auditors can solve the audit task successfully 2. Confidence in capability to manage requirements for the audit task 3. Belief that auditors will perform well on the audit task even if the task becomes more complex
Professional Ethics	Ethics was the moral principles or values. These ethics include code or standards of conduct for a professional devoted to practical and idealistic goals. Professional ethics was measured using indicators adopted from research by Shaub and Lawrence (1996).	<ol style="list-style-type: none"> 1. Sense of responsibility to the results of audit 2. Sense of responsibility to performance improvement 3. Sense of responsibility to the accounting profession credibility
Audit Fee	The amount of professional fee may vary depends on: the risk, the complexity of services provided and task, the level of expertise required to carry out these task, and other professional considerations. Audit fee	<ol style="list-style-type: none"> 1. The amount of fee 2. The total percentage of fee received from a client

		variable was measured using indicators developed by Hartadi (2009).	
Audit Tenure		Audit tenure was the length of engagement between the accounting firm and the client in terms of auditing the client's financial statements. This variable was measured using indicators developed by Rossieta and Wibowo (2009).	<ol style="list-style-type: none"> 1. Length of engagement towards decision and ability 2. Length of engagement towards independency and objectivity
Due Care	Audit	Due audit care meant to be careful and thorough in using professional skill that requires auditors to carry out professional skepticism. This variable was measured using indicators developed by Singgih and Bawono (2010).	<ol style="list-style-type: none"> 1. Reasonable assurance 2. Professional skepticism
Skepticism		Auditor's professional skepticism defined as an attitude that includes a questioning mind and always does a critical evaluation towards audit evidence. Skepticism variable was measured using indicators developed by Shaub and Lawrence (1996).	<ol style="list-style-type: none"> 1. Always questioning mind or skeptical 2. Critical evaluation towards audit evidence
Time Pressure	Budget	Time budget pressure defined as a situation when auditors were required to perform efficiency on time budget that has been prepared, or there are time restrictions over a very tight budget. This variable was measured using indicators developed by Prasita and Priyo (2007).	<ol style="list-style-type: none"> 1. Restrictions of budget 2. Restrictions of time
Independence		Independence defined as the mental attitude that was free from influences, not controlled by others, and not depends on others. This variable was measured using indicators developed by Singgih and Bawono (2010).	<ol style="list-style-type: none"> 1. Independence in reporting 2. Independence in planning the program 3. Investigative independence

4. DATA ANALYSIS AND DISCUSSION

Result of Factor Analysis

To determine the adequacy of sample and to test the accuracy and fitness of factor model, Kaiser Meyer Olkin (KMO) and Bartlett's Test Spherricity statistical test was used.

a. Choosing the Proper or Eligible Variables to be Included into the Factors

Based on SPSS output in Appendix 6, the value of KMO was 0.769. Thus, the score of KMO measure of sampling adequacy were greater than 0.5. This shows that the use of factor analysis was suitable and appropriate, and the data that taken were sufficient to be factored. From the SPSS output is also known that the Barlett's Test value produced was equal to 448.011 while the value of chi square table with df 105 is found to be 129.918. In addition, the significance values in the table are smaller than α (0.05). Therefore, the correlation matrix tested was not a matrix identity.

Table 4. MSA Value

Variabel Notation	Variabel Name	MSA Value
V01	Audit Risk	0,811
V02	Detection Risk	0,832
V03	Obedience Pressure	0,906
V04	Task Complexity	0,721
V05	Auditor Experience	0,838
V06	Audit Expertise	0,699
V07	Goal Orientation	0,853
V08	Self-Efficacy	0,756
V09	Professional Ethics	0,734
V10	Audit Fee	0,781
V11	Audit Tenure	0,666
V12	Due Audit Care	0,869
V13	Skepticism	0,614
V14	Time Budget Pressure	0,688
V15	Independence	0,769

Source: Output from SPSS program

The result of the factor analysis in Table 4 shows that the values of MSA of all variables were > 0.5 . Therefore, all variables can be included in the next step of the factor analysis which is factor extraction step.

b. Determining the Number of Factors

After a number of variables selected, then those variables extracted to be one or several factors. Determinations of the number of factors needed to represent the variables that will be analyzed are based on the size of eigenvalues and percentage of total variants. Only factors that have eigenvalues equal to

or greater than one are retained in the factor analysis model (Suliyanto, 2005).

Table 5. Factor Extraction

Component	Eigenvalues	% of Variance	Cumulative %
1	6,240	41,602	41,602
2	1,683	11,221	52,823
3	1,358	9,050	61,873
4	1,108	7,386	69,260
5	0,901	6,005	75,265
6	0,708	4,719	79,983
7	0,674	4,492	84,475
8	0,520	3,468	87,943
9	0,428	2,854	90,797
10	0,393	2,618	93,415
11	0,326	2,171	95,587
12	0,250	1,665	97,252
13	0,194	1,295	98,547
14	0,120	0,798	99,345
15	0,098	0,655	100,000

Source: Output from SPSS program

Table 5 showed that the factor extraction process producing four factors that have eigenvalues ≥ 1 (see appendix 7). Those four factors can absorb most of the information contained in all of the original variables or can give contribution to the variance of all variables (15 variables) as much as 69.26% (see appendix 7). Suprpto (2004:129) stated that the extraction of factor can be stopped after the cumulative percentage of variance reaching the satisfied level of 60% minimum.

c. Factor Rotation and Interpretation

The results of the factor extraction in factor matrix identified the relationship between factors and individual variables, but there are many variables correlated in those factors so it is difficult to interpret. In this study, the varimax method were used. In the varimax rotation, each factor tends to form a high factor loading on a small number of variables, and lower in other variables.

The rotated component matrix table (Appendix 8) showed the distribution of variables that have been extracted into the factors that have been formed. Factor loading values indicate the degree of closeness between the variable with the formed factor (Suprpto, 2004). Thus variables can be included into the factors that have the greatest factor loading values, as shown in Table 6:

Table 7. Formed Factors

Formed Factors	Eigenvalues	Variable Notation	Variable Name	Factor Loading
1st Factor	6,240	V11	Audit Tenure	0,812
		V10	Audit Fee	0,785
		V08	Self-Efficacy	0,771
		V07	Goal Orientation	0,654
		V14	Time Budget Pressure	0,630
2nd Factor	1,683	V01	Audit Risk	0,850
		V03	Obedience Pressure	0,678
		V05	Auditor Experience	0,603
		V12	Due Audit Care	0,584
		V02	Detection Risk	0,549
3rd Factor	1,358	V09	Professional Ethics	0,880
		V15	Independence	0,760
		V06	Audit Expertise	0,642
4th Factor	1,108	V13	Skepticism	0,907
		V04	Task Complexity	0,716

Source: Output from SPSS program

There are two ways to name those factors:

- 1) Provide the name of factor that can represent the names of variables that make up the factor.
- 2) Provide the name of factor based on which variable has the highest factor loading value. This is done if it is not possible to name the factors with the name that can represent all variables that make up the factor (Suliyanto, 2005:120-121).

Based on explanations above, the factors can be named as follows:

- The 1st Factor consists of audit tenure, audit fee, self-efficacy, goal orientation, and time budget pressure. The indicator of audit tenure variable is the length of engagement relationship between the accounting firm with the client. The indicator of audit fee variable is the amount of audit fees received by public accounting firms. The indicator of self-efficacy is the self-efficacy of auditors itself. The indicators of goal orientation variable consisted are learning orientation and performance orientation. The indicator of time budget pressure variable is all pressures received by auditors, whether it is the pressures of time or budget. It is difficult to determine the name of the factor with name that can represent the variables that make up the first factor, because the relationship between variables that are relatively distant. Therefore, Name chosen based on variable which has highest factor loading which is audit tenure. Thus, 1st Factor was named as Factor of Audit Tenure.
- The 2nd Factor consists of audit risk, obedience pressure, auditor experience, due audit care and detection risk. The indicator of audit risk variable is the overall audit risk planning. The indicator of obedience pressure variable is pressures received by auditors from stakeholders to perform actions that deviate from the standard of ethics and professionalism. The indicators of auditor experience are the length of working period and experience as an auditor. The indicators of due audit care are thoroughness and carefulness in the use of professional skills that require auditors to carry out professional skepticism. The indicator of detection risk is the effectiveness of audit procedures and its application by auditors. Audit risk and detection risk have indicator of the risks that are facing by auditor. Meanwhile, other variables that make up the factor are difficult to be associated. Therefore, name chosen based on variable which has highest factor loading which is audit risk. Thus, the 2nd Factor was named Factor of Risk.
- The 3rd factor consists of professional ethics, independence, and audit expertise. These three variables that make up this factor are related with the qualities of an auditor in terms of competence, compliance, and professionalism to professional ethics. Therefore, the 3rd factor was named Factor of Professionalism.
- The 4th factor consists of skepticism attitude and task complexity. The skepticism attitude variable includes the attitude of critical evaluation and skepticism possessed by auditor. While, the indicator of task complexity variable is the degree of difficulty of a task due to the limitations of an auditor as an individual. Therefore, name chosen based on variable which has highest factor loading which is attitude of skepticism. Thus, the 4th factor was named Factor of Attitude.

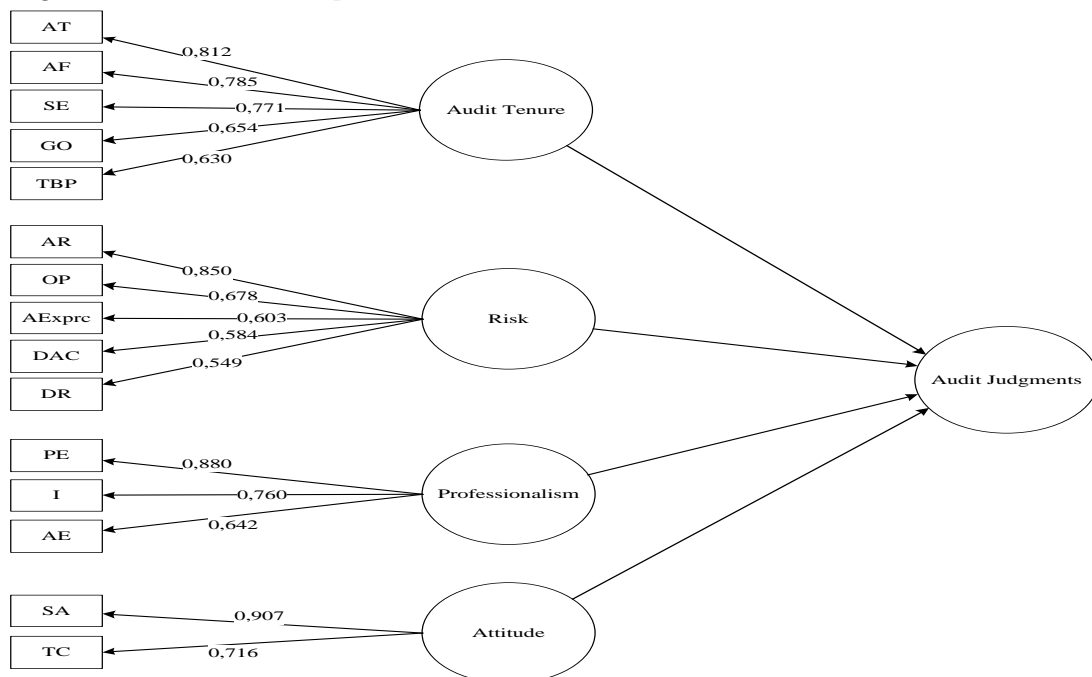


Figure 1. The formed factors

d. Model Fit

The model fit test is used to see whether the factors that have been formed based on the factor analysis were actually valid. There are several methods to test model fitness of the factors that have been formed, which are:

1. Divide the initial sample into two equal sizes. Samples of the factor analysis that had been divided into two were analyzed one by one. If the results between the first sample and the second are not much in difference, the factors that formed stated as good or fit.
2. Compare the value between observed correlations value with reproduced correlations value. Model is stated as fit or good if the changed coefficients are less than or equal to 50% (Suliyanto, 2005:121-122).

This study was using the second method to test the fitness of the model. Appendix 9 shows the output of reproduced correlation matrix. From the output, information was obtained and shows that there were 51 or 48% of residuals above the diagonal line were changed. Thus, the model formed from factor analysis considered good or fit because the change was only 48% or less than 50%.

Research Result Discussion

The research results showed that there were 4 factors formed as factors that could affect auditors in considering and making audit judgments. The factors as follows:

a. Factor of Audit Tenure

The Factor of audit tenure consists of following variables:

1. Audit Tenure

Audit tenure or audit engagement period is the length of engagement between the accounting firm and the client in terms of auditing the client's financial statements. There are two categories of arguments in the relation between audit tenure and audit quality. The first category is the argument which views that with the increasing length of the audit engagement period will make the higher audit quality because as time goes, the auditor is considered more familiar with client company. This argument supported by Geiger and Raghunandan (2002), as well as St Pierre dan Anderson (1984) in Rossieta and Wibowo (2009) who found that audit failures often occurred in the early period of audit assignments. Meanwhile, the second category is the argument which views that the longer audit engagements period will degrade the quality of audit. This is due to the worries that independence of auditors will decline. The research by Mautz and Sharaf (1961) in Rossieta and Wibowo (2009) explained that the auditors should be careful and keep a distance with clients so that the relationships that are too close will not exist, because it would affect the independence and objectivity of the auditors.

2. Audit Fee

The amount of audit fees received by a public accounting firm normally can affect the independence of the auditor. EFAA (European Federations of Accountants and Auditors, 1998) clearly stated that the total audit fee received from a client should not exceed the percentage of total money turnover in public accounting firms. This is supported by Nelson (2009) who stated that a combination of audit knowledge, auditing nature and audit fees affect the auditor's professional skepticism in doing audit judgment. Hartadi (2009) explained that audit fees have a significant effect on audit quality. Regarding to that, the greater the audit fees received by auditors, the greater the tendency for auditors to be more independent because they would be more serious in carrying out audit tasks to produce better audit judgments that could improve audit quality.

3. Self-Efficacy

Self-efficacy is the perception or belief of one's own abilities. Self-efficacy is expressed as a person's belief that he or she can carry out a task at a certain level. Self-efficacy is one's belief in one's ability to succeed in specific situations. One's sense of self-efficacy can play a major role in how one approaches goals, tasks, and challenges (Bandura, 1986). Self-efficacy affects the performance of auditors, including the performance of auditors in evaluating audit evidence in order to produce better audit judgments. This is supported by Takiah Mohd Iskandar and Zuraidah Mohd Sanusi (2011) who explained that auditors with high self-efficacy can make better audit judgments than auditors with low self-efficacy.

4. Goal Orientation
Goal orientation is a mental framework of how individuals interpret and respond to situations or events that they face. Learning orientation focusing the individual on development and complicated task strategy. While the performance orientation focusing on the achievement of performance through greater challenging goals. Goal orientation may affect the auditor's consideration of audit judgments in order to produce better audit results. This is supported by Zuraidah Mohd Sanusi, et al. (2007) who explained that learning goal orientation and performance goal orientation also affect the performance of audit judgments.

5. Time Budget Pressure
Time budget pressure is a condition when the auditors are required to perform efficiency on time budget that has been prepared, or there are time restrictions on a very tight budget. Time budget pressure is a factor that affects auditors in considering and making audit judgments. Prasita and Priyo (2007) explained that time budget pressures have a negative impact on audit quality. The higher time and budget pressures faced by auditors, the lower quality of audit result would be. This is because of time and budget pressures make it difficult for auditors in considering the audit judgments, so that the audit quality will be affected.

b. Factor of Risk

The Factor of risk consists of following variables:

1. Audit Risk

Audit risk is the risk that in the case of auditors, without realizing it, they are not modifying their opinion as it should, of the financial statements that contained a material misstatement (SA Section 312). In giving opinion, auditor should consider audit risk during the audit planning as an adequate basis for evaluating the overall financial statement that is presented reasonably or not in all material respects, in accordance with Generally Accepted Accounting Principles in Indonesia. The better anticipation on the audit risk, auditors will be able to do better judgment. This is supported by Suraida's research (2005) that explains the audit risk influence either partially or simultaneously to the accuracy and appropriateness in giving audit opinion. The higher the risk, the auditors will be more careful in considering and making audit judgments, so they will make better audit judgments and eventually able to state proper audit opinion.

2. Obedience Pressure

Pressures in the audit assignment can be in the form of time budget, deadline, justification or accountability or from the parties who have the power and interests such as partners or clients. Sometimes this pressure could make auditors to take actions that violate audit standard. Of these pressures, auditors could perform the task with many consequences, such as no longer independent and violate the existing standards or auditors will not be able to perform tasks and the consequences are sanctioned by termination from a client assignment. This can make it difficult for auditors in considering audit judgments. Anugerah Suci Praditaningrum and Indira Januarti (2012) explained that obedience pressure negatively affect judgments considered by auditors. It is also supported by the results of research by Rahmawati Hanny Yustrianthe (2012) which stated that the obedience pressure is factor that affect audit judgments.

3. Auditor Experience

Experience is generally associated with working period of the employee. Working period is the result of absorption of various human activities, so it can foster the skills that appear in the actions performed by employees in doing the job. Experienced auditors will make judgments that are relatively better in professional tasks compared to inexperienced auditors. An experienced auditor will be more sensitive in understanding any information which is relevant with the judgments to be taken. This is supported by Anugerah Suci Praditaningrum and Indira Januarti (2012) who explained that experience affects positively toward audit judgments. Zulaikha (2006) stated that experience of auditor directly influence the judgments (main effect).

4. Due Audit Care

Due professional care mean to be careful and thorough in using professional skill or expertise that requires auditors to carry out professional skepticism. In the third general audit standard, auditors shall use professional skills (competence) with careful and thorough in the implementation of the

audit and the preparation of its report. Implementation of due audit care is realized by doing a critical review at every level of supervision of audit. Due audit care or carefulness and thoroughness regarding what auditors do and how perfection of work produced. Auditors that are careful and thorough or having good audit care will have relatively better judgment. This is supported by Singgih, et al. (2010) who explained that due professional care affects either simultaneously or partially on audit quality. The higher due audit care having by auditors, the better audit quality produced. Due audit care helps auditors in considering audit judgments, so that the audit quality would be better.

5. Detection Risk

Detection Risk is a risk as a result of auditor inability to detect a material misstatement contained in an assertion. Detection risk is determined by the effectiveness of the audit procedure and its application by the auditor. Auditors will prepare better procedures to minimize risk to overcome higher detection risk. Thus, they will produce more accurate and better judgments which will eventually result in a more proper audit opinion. This is supported by the research from Suraida (2005) explained that detection risk influence either partially or simultaneously to the accuracy and appropriateness in giving audit opinion.

c. Factor of Professionalism

The Factor of professionalism consists of following variables:

1. Professional Ethics

Professional ethics include code or standards of conduct for a professional which is devoted to practical and idealistic goals to maintain the quality of audits and preserve the credibility of the accounting profession. By upholding the values of professional ethics, an auditor will be more objective and able to consider better judgments that will be used in evaluating the audit evidence obtained. This is supported by Seni Fitriani, Daljono (2012) who explains that the ethical perceptions significantly influence and affect audit judgment.

2. Independence

Independence defined as the mental attitude that is free from influences, not controlled by others, and not depends on others. Independence can also be defined as honesty inside the auditors themselves in considering the facts and existence of objective consideration in deciding and expressing their opinions (Mulyadi, 2002). An independent auditor will provide more fair and appropriate judgments toward the information and evidences that he or she get. Without siding and favoring any party, the auditor's valuation will reflect the actual condition of the client. Thus, the reliability and quality of the reports provided by the auditor could be trusted by all stakeholders. This is supported by Singgih, et al. (2010) who explained that the independence effect either simultaneously or partially on audit quality. The higher the independence of the auditor, the better audit quality produced. The independence helps auditors in considering audit judgments, so that audit quality will be better.

3. Audit Expertise

Expertise is an important element that should be owned by an independent auditor to work as professionals. Auditor expertise in auditing shows the level of ability and knowledge of auditors. Auditor ability and knowledge in auditing can be obtained through formal education and participation in training or seminars. Auditor expertise can also improve along with working experience and auditing practice they have done. The higher the skill of auditors, they will tend to be better the in making and considering the audit judgments. This is supported by Anugerah Suci Praditaningrum and Indira Januarti (2012) as well as Seni Fitriani, Daljono (2012) who explained that the knowledge and expertise has positive effect on judgments made by auditors. Nelson (2009) also stated that a combination of audit knowledge, auditing nature and audit fees affects the auditor's professional skepticism in considering and making audit judgments.

d. Factor of Attitude

The Factor of attitude consists of following variables:

1. Skepticism

Public Accountants Professional Standards (SPAP), 2001:230.2, stated that the auditor's professional skepticism as an attitude that includes a questioning mind and always do a critical evaluation to-

wards audit evidence. Auditors should possess professional skepticism, especially when obtaining and evaluating audit evidence. Auditors should not simply assume that management is dishonest, but auditors also should not assume that management fully honest (IAI, 2000, the SA section 230; AICPA, 2002, AU 230). Skepticism will help auditors to obtain better evidence so it can be used to make better judgments. The greater the skepticism possessed by an auditor, the better judgments will be made by the auditor in conducting the audit. This is supported by Nelson (2009) who stated that a combination of audit knowledge, auditing nature and audit fees affect the auditor's professional skepticism in doing audit judgment. Shaub and Lawrence (1996) stated that the attitude of skepticism positively affecting the accuracy of opinion given by auditors on the client's financial statements. Skepticism will help auditors in evaluating the audit evidence so they will make better audit judgments and eventually able to state proper audit opinion.

2. Task Complexity

Complex task is a task that are unstructured, difficult to understand and ambiguous. In a confusing task, ambiguous, and unstructured, existing alternatives could not be identified and therefore could not be used to obtain the data and predict the output of the data. Thus, the task that is too complex can make it difficult and influence auditors in considering audit judgment. Takiah Mohd Iskandar and Zuraidah Mohd Sanusi (2011) explained that there is a negative effect of task complexity on audit judgment. The more complicated the task, the worse judgments made by auditors. Rahmawati Hanny Yustrianthe (2012) also explained that task complexity is a very influential factor on audit judgments

5. CONCLUSION, SUGGESTION, AND LIMITATION

Based on the research result and discussion in previous chapter, it could be concluded as follows:

- a. There are four factors affecting auditors in considering their audit judgments, as follows:
 1. Factor of Audit Tenure consists of audit tenure, audit fee, self-efficacy, goal orientation, and time budget pressure.
 2. Factor of Risk consists of audit risk, obedience pressure, auditor experience, due audit care, and detection risk.
 3. Factor of Profesionalism consists of professional ethics, independence, and audit expertise.
 4. Factor of Attitude consists of skepticism attitude and task complexity.
- b. Factor of Audit Tenure which consists of variables of audit tenure, audit fee, self-efficacy, goal orientation, as well as time and budget pressure is the dominant factor that affecting auditors in making and considering their audit judgments according to the perception of auditors in Yogyakarta.

Based on the research result and discussion in previous chapter, this study implies that:

- a. Factor of Audit Tenure which consists of variables of audit tenure, audit fee, self-efficacy, goal orientation, as well as time and budget pressure is the dominant factor that affecting auditors in considering and making their audit judgments. That dominant factor mostly consists of external factors that come from outside of the auditors themselves. Thus, it is expected that public accounting firms give attention and consider that the external factors were known as the dominant factor affecting auditor's audit judgment and for public accounting firms, it is not enough to just consider the internal factors such as factor of independence, experience, or audit expertise. Public accounting firms are also expected to be cautious and keep a distance with clients so that the relationships that are too close will not exist, because it would affect the independence and objectivity of the auditor. So that the auditor could perform better audit judgment to provide a more accurate audit opinion and audit better results.
- b. Before doing the audit engagement with an accounting firm, it is expected for clients or prospective clients to consider the factor of audit tenure which is the dominant factor in influencing an auditor judgment. The accounting firms that have good track records of maintaining the independence in establishing relationship with the client are the accounting firms that have auditors who are able to perform good audit judgments. Thus, the clients are expected to consider these factors in doing the audit engagement with accounting firms that having auditors who could perform better audit judgments to provide a more accurate audit opinion and better audit results for the clients.

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