

Relationship Between Competence and Independence Referring to Standards General, Field Work Standards, and Reporting Standards as Auditor's Professional Responsibilities

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Abstract

The high number of cases of companies falling due to business failures attributed to auditor failure threatens the credibility of financial statements. This threat further affects the public's perception, especially users of financial statements, of audit quality. Audit quality is important because high audit quality will produce financial reports that can be trusted as a basis for decision making. To support professionalism as a public accountant, auditors in carrying out audit tasks must be guided by the auditing standards set by the Indonesian Institute of Accountants (IAI), namely general standards, field work standards and reporting standards. Where general standards reflect the personal qualities that must be possessed by an auditor which requires the auditor to have sufficient technical expertise and training in carrying out audit procedures. Meanwhile, field work standards and reporting standards regulate auditors in terms of data collection and other activities carried out during the audit and require auditorsto prepare a report on the audited financial statements as a whole.

Keywords: Competency, Independency, Standards, Responsibility, Professionalism

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Introduction

For users of financial reports, they expect the reports to be audited by auditors. free from Wrong material presentation, can believed to be true and has in accordance with standard audit Which applicable in Indonesia. Wrong One benefit from service accountant public is provide accurate and reliable information so that it can be used as basis for decision making. The increasing number and expansion of needs regarding the professional services of public accountants, it demands the public accounting profession to be more improve its performance to be able to produce reliable audits, used and trusted the truth by party Which concerned.

According to De Angelo (1981) and Indah (2010), audit quality is the possibility that the auditor will discover and report violations in the client's accounting system. An auditor when found violations must have competence and attitude precision and caution. An auditor must have standard general in knowledge and expertise in the field of accounting to carry out his profession based on procedure Which has set.

Competence is expertise, knowledge, experience and skills that is very necessary for an auditor in carrying out his audit duties so that he can conduct audits carefully, objectively and thoroughly (Nugrahini, 2015). A Public accountant are required to have high and adequate competence (expertise) to can maintain the trust of clients or a company as well as user's other financial reports. The results of the audited financial reports taken by the auditor can be relied on by users of financial reports, if the auditor is competent can make himself more sensitive and able to make judgments in making decisions appropriately. Meanwhile, reporting client violations is an independent attitude. Which owned by an auditor.

Independence is an attitude where the auditor cannot be influenced by the client or other parties. other Which own interest personal. An auditor No may take sides to anybody and must able to face pressure What even from client. Attitude independent very required by an external auditor in providing the audit services provided for user report finance. Besides That, independence auditor external Also is one of the most important factors in assessing the quality of services audit Which produced.

To carry out auditing tasks, auditors need auditing knowledge (general and special) And knowledge about field auditing, accountancy, and industry client.

The audit requirements in Auditing Standards include three things, namely: (SA Section 150 SPAP, 2001):

1. Audit must implement by an or more which own skill and training technical which enough.
2. In all matter which relate with engagement, independence in attitude mentally must be maintained by auditors.
3. In implementation audit and compilation, the report, auditor must use skill professionalism (his competence) with careful and carefully. In carrying out an audit, the auditor must act as an expert in the field of accounting. and auditing. Achieving expertise begins with education formal, which furthermore expanded through audit experience and practice (SPAP, 2001). In addition, auditors must undergo adequate technical training that includes both technical and educational aspects general.

Several previous studies have concluded that professionalism has an influence on audit quality. However, the results of this study are different from the results that put forward by Layli and Arifin (2020) as well as Fietoria and Manalu (2016) with concluded that professionalism does not have a significant effect on audit quality. The taller level professionalism accountant public, so will the better Also consideration level its materiality in implementation audit report finance, as well as audit quality Which produced Also will the better.

Relationship Between Competence and Independence

In some cases, auditors are often in a state of carelessness, finding it difficult once to maintain the independence and professionalism of work with work units audited while the code of professional ethics requires him to always be independent in operate his job. It means results change Which happen on competence, professionalism and independence will have a positive impact on change quality Audit, or with say other improvement in competence, professionalism and independence will influential to improvement audit quality. the has set upin the legislation in article 25 paragraph (1) paragraph 5 and 6 that an accountant the public must maintain competence through continued professional training, as well as behave Good, Honest, responsible answer and own integrity Which tall. Quality service audit an auditor can be seen from the perspective of an auditor's expertise in carrying out an audit at a particular company. company.

Literature Review Independence

Say independence is translation from say "independence" Which originate from English. In the Oxford Advanced Learner's Dictionary of Current English there is entry the word "independence" which meaning "in condition independent". As for entry The word "independent" means "not dependent on or controlled by (other people or object); no base yourself on people others; act or think in accordance with the will of the heart; free from the control of others" (Hornby, 1987). The meaning of independence in understanding general This No Far different with meaning independence Which used in a way special in literature auditing.

Lots definition regarding independence has been put forward by expert's accountancy. Generally, definitions the different One with Which Other and difference That due to by difference corner view each expert Which on its turn result in difference coverage meaning independence.

Competence

Competence in general is a combination of knowledge, skills and attributes. a person's personality so as to improve his/her performance and contribute to the success of the organization. In addition, competence also means the existing capacity on somebody and Can make person the capable for fulfil What Which implied by the work in an organization so that the organization is able to reach results Which expected.

Competence Can defined as aspects personal from a worker Which enable him to achieve superior performance. These personal aspects include characteristic, motifs, system mark, attitude, knowledge and skills Where competence will direct behavior in demand, whereas behavior in demand will produce performance.

Not quite enough Answer Professional Auditor

As someone with an important role, the auditor profession has a number of codes of ethics. must filled use arrange process workmanship auditing at a time maintain professionalism. The auditor's code of ethics is also intended to protect clients' confidentiality. the data still awake.

As for code ethics auditor is as following.

1. Integrity, that is own characteristic, quality, ability or potential Which show honesty as well as authority.
2. Competence, that is skills, knowledge, as well as behaviour Which needed in implementation his duties.

3. Objectivity, that is capable behave Honest without influenced by opinion or consideration personal and also party other moment act and make decision.
4. Accountable, that is ability in to explain accountability from aperformance or action to the party Which authorized or own right.
5. Professional, that is behavior Which fulfil quality or quality from a profession andnd cleverness certain in carry it out.
6. Confidentiality, that is capable guard things Which entrusted so that No knownby parties in outside authority or interest.

The role and responsibilities of auditors as set out in the Professional Standards for Accountants Public Accounting Standards (SPAP) stipulated by the Indonesian Institute of Accountants (IAI) can be summarized as follows: outlined as following:

1. Not quite enough answer detect and report fraud (fraud), mistake, and irregularities, (set) in SPAP sexy 316).
2. Not quite enough answer maintain attitude independence and avoid conflict,(set) in SPAP sexy 220).
3. Not quite enough answer to communicate information Which useful about nature and results audit process, (set) in SPAP sexy 341).
4. Not quite enough answer find action violate law from client, (set) in SPAP section 317).

Tubbs (1990) in Mayangsari (2003) said that the more experienced a person is, auditors, they are increasingly sensitive to misrepresentations in financial statements and are increasingly understand the things related to the errors found. However, in accordance with its responsibility to increase the level of reliability of a company's financial reports So public accountants not only need to have competence or expertise but also must independent in auditing. Without existence independence, auditor without nothing. The public does not believe in the audit results from the auditors so that the public does not will request auditing services from the auditor. Or in other words, the existence of the auditor determined by its independence (Supriyono, 1988).

Research Methodology

Method study Which used is study library (*Library Research*). *Library Research* or Literature Study is a research method with data collection by how to understand and study theories from various related literature with study the Good from media print like book – book reference, article, journal study, encyclopedia, and also magazine. Discussion the data use method qualitative descriptive, namely data analysis obtained by providing an explanation or a description of the situation or condition being studied in the form of a narrative description, and No poured out in form number or number statistics.

Results and Discussion

In order to meet good audit quality, auditors must carry out their profession as an auditor, you must be guided by the accountant's code of ethics, professional standards and standards. financial accounting that applies in Indonesia. An auditor must maintain integrity and objectivity in carrying out his duties by acting honestly, firmly, without pretension so that he can act fairly, without being influenced or requested by other parties. certain for fulfil interest his personal (Khomsiyah and Indriantoro, 1988). Public accountants or independent auditors in carrying out their duties must hold principles profession.

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According to The Sims (2002) There is 8 principles Which must obeyed accountant public that is:

1. Not quite enough answer profession.
Every member must use consideration moral and professional in all activities Which he did.
2. Interest public.
Each member is obliged to always act within the framework of service. to the public, respecting the public trust and demonstrating commitment to professionalism.
3. Integrity.
Each member must fulfill his/her professional responsibilities with integrity. as high as Possible.
4. Objectivity.
Each member must maintain objectivity and be free from conflicts of interest. in fulfillment obligation professionalism.
5. Competence and caution professional.
Every member must carry out service professionalism with Be careful, competence and perseverance as well as have obligation for maintain knowledge and skills professional.
6. Confidentiality.
Each member must respect the confidentiality of information obtained during do service professional and No may use or disclose information the without agreement.
7. Behavior Professional.
Each member must behave in a manner consistent with the good reputation of the profession. And stay away action Which can discredit profession.
8. Standard Technical.
Each member must perform his/her professional services to technical and professional standards. standard professional Which relevant.

Besides that, accountant Public Also must base on on Standard Professional Accountant Public (SPAP) as determined by the Indonesian Institute of Accountants (IAI), in this case the standard auditing. Standard auditing consists of from standard general, standard work field and standard reporting (SPAP,2001) that is:

1. Standard General
Standard general emphasize on importance quality personal that should owned auditor. Standard general covers three matter, between other:
 - a) Training and skills technical Which adequate
The first general standard can be interpreted as a requirement for auditors to have formal education in auditing and accounting have adequate practical experience for the job at hand done, and follow education professional Which sustainable.
 - b) Attitude mentally Which independent
The auditor must maintain an independent mental attitude in all matter Which relate with audit. Code ethics and Statement Audit Standards (PSA) emphasize need will independence. Office Accountant Public (KAP) are required to follow certain practices to improve possibility independence all personnel.
 - c) Skills professional
The third general standard concerns proficiency in doing everything aspect audit. Auditor must apply skill professional in carrying out audits and when preparing reports. Professional skills have meaning that auditor is professional Which responsible answer carry out his job with persistent and carefully.

2. Standard Work Field

Standard work field concerning collection proof and activity other during implementation audit Which actually, like:

a) Planning and supervision

Which adequate standard this requires that audit planned in a way worthy for ensure the audit is adequate and the assistants are supervised as appropriate should be. Supervision is very important in auditing because most of the work field done by member staff Which not enough experienced.

b) Understanding the entity and its environment

Including internal control Auditor must to obtain understanding Which Enough about entity as well as its environment, including control internal for evaluate risk Wrong serving Which significant in report finance Because error or fraud and for design properties, time, as well as wide procedure audit furthermore.

c) Proof Which Sufficient and appropriate

The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to have a reasonable basis for providing an opinion concerning the audited financial statements. The decision about how much the amount and type of evidence that should be collected in a given situation certain need consideration professional.

3. Standard Reporting

There are 4 reporting standards that require auditors to prepare reports on financial statements as a whole, including informative disclosures. Standards reporting Also requires that report auditor must state whether report finance has served in accordance with principles accountancy Which applicable general and Also identify condition in where GAAS No applied consistently in the current year when compared to the previous year previously. Fourth standard Which meant, between other:

a) The auditor's report must state whether the financial statements are prepared in accordance with with principles accountancy Which applicable general

b) Report auditor must show or state If There is inability to consistency implementation principle accountancy in compilation report finance period walk compared to with implementation principle Accountancy the in period previously.

c) Disclosure informative in report finance must viewed adequate, except stated other in report auditors.

d) Report auditor must load statement opinion about report

overall financial statement on an assertion. So based on the description in on, audit own function as process for reduce misalignment of information between managers and holders share with use party outside for give validation to report finance.

The AICPA also provides the following principles as guidance regarding independence, that is:

1. Auditor and company should not depend in matter finance towards clients.
2. Auditors and companies should not be involved in any conflict of interest. will disturbing objectivity they regarding with ways Which influence report finance.
3. Auditor and company should No own connection with client Which will disturbing its objectivity auditors.

According to Donald and William (1982) in Harhinto (2004) independence auditor independent covers two aspect, that is:

1. Independence attitude mentally means existence honesty in self accountant in considering facts and having objective, impartial considerations in self internal auditor formulate and state his opinion.

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2. Independence appearance means existence impression public that auditor independent act free or independent, so that auditor pleasant must avoid situations or factors that cause people to doubt this freedom.

From the various opinions regarding independence above, there is one agreement that Independence is an important thing that auditors must have. There is various type independence, but can concluded that independence Which can rated just independence Which visible. And evaluation towards independence Which looks This is always related to the relationship that can be seen and observed between the auditor and the auditor his clients. So Can withdraw conclusion that independence is an attitude or actions somebody No easy influenced by person other or object when carry out his job as an auditor.

Apart from independence as explained above, competence is also needed in the process. auditing is not only about mastering accounting and auditing standards, but also control over the audit object. In addition to the two things above, the presence or absence of a program or process improvement skill can have made into indicator for measure level competence auditors. Competence shown also with must for every auditor for own generally recognized auditor professional skills or proficiency for conducting audits. Because That by profession, not everyone can carry out audits. So it can be withdrawn conclusion that competence auditor is knowledge, skill, and experience Which needed auditor for can do audit in a way objective, And careful.

Conclusion

From Exposure on can concluded that professionalism an auditor Which where One of them is that responsibility towards clients can be determined by 2 things, namely competence (expertise) and independence, both of these things have a direct influence on quality audit And in a way potential each other influence quality audit is all This could possibly happen when the auditor is conducting an audit on his client, where in In carrying out these duties, auditors are guided by auditing standards and codes of ethics. accountant public Which relevant. Exposure This nature study library, need existence withdrawal sample so that more accurate in count connection competence and independence to not quite enough answer professionalism an auditor. Besides withdrawal sample, filling questionnaire and interviews are also good to do. As an addition to future research more Good add amount variable other besides variable independence auditors, and competence auditor like add variable auditor ethics and experience auditors.

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