
UNDERSTANDING INDEPENDENCE ATTITUDES, AUDIT ETHICS, ACCOUNTABILITY AND COMPETENCE AS DETERMINANTS OF QUALITY AUDITORS: A LITERATURE REVIEW

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ABSTRACT

This study aims to review the literature on the factors that influence the quality of an auditor, with a focus on understanding attitudes of independence, audit ethics, accountability, and competence. As a profession that is important in ensuring the integrity and transparency of financial reports, quality auditors are indispensable in maintaining public confidence in company financial information. Data collection techniques were carried out using the literary review method. This study identified and analyzed scientific publications, journals, and related literature from a certain period. Relevant data is then collected, analyzed, and synthesized to present significant findings regarding the factors influencing auditor quality. The results of this study indicate that a deep understanding of independence is an important factor in determining the quality of an auditor. Good audit ethics leads to honest, fair, and responsible behavior in performing audit tasks. High competence in auditing is also a crucial factor. Auditors with adequate knowledge and auditing skills will be more able to carry out their duties accurately and efficiently. Accountability is important in ensuring that auditors are held accountable for their actions and decisions. An accountable auditor will be more careful and careful in assessing, testing, and verifying the company's financial statements. In conclusion, understanding attitudes of independence, audit ethics, accountability, and competence collectively are important determinants in determining an auditor's quality. This research provides valuable insights for practitioners, academics, and regulators in understanding the factors that can improve audit quality and maintain the integrity of the auditor profession.

Keywords: Independence, audit ethics, accountability, competence, and audit quality

INTRODUCTION

The auditor profession is crucial in maintaining integrity and public trust in the company's financial information (Pearls, 2018). Quality auditors significantly contribute to ensuring that the company's financial statements are accurate, reliable, and following applicable auditing standards (Ritonga & Nazar, 2020).

The quality of financial reports cannot be achieved only by preparing financial reports. However, the preparation of financial reports needs to work closely with other members of the organization who can help maintain the quality of financial reports. (IF Lestari & Oktaviana, 2020). In this context, a deep understanding of independence, audit ethics, accountability, and competence is an important determining factor in achieving the quality of an auditor.

This study aims to conduct a literature review of the factors that influence the quality of an auditor, with a special focus on understanding attitudes of independence, audit ethics, accountability, and competence. This literature review will collect, analyze, and synthesize scientific publications, journals, and related literature from a certain time period to provide a deeper understanding of these factors' role in determining an auditor's quality.

Audit quality is influenced by external and internal factors, with internal factors coming from the auditors (Ardhani et al., 2019). The attitude of independence refers to the ability of an auditor to remain objective, impartial, and free from influences that could reduce his integrity in carrying out audit assignments. (Nurfauziah et al., 2021). Strong audit ethics are an important basis for directing the behaviour of auditors to behave honestly, fairly and responsibly in carrying out audit tasks. (Sunaryo et al., 2022). Accountability places

auditors in a position of responsibility to be accountable for the actions and decisions they take in order to maintain audit quality (Yuliana, 2018). Competence in auditing includes knowledge, skills, and an in-depth understanding of auditing techniques, auditing standards and regulations, as well as the latest developments in this field (Case et al., 2018).

Independence has always been an interesting issue because many studies show that auditor independence is currently being questioned due to the many cases involving auditors. This may occur because there is a "special relationship/closeness" between the client and the auditor who has partnered for a long time, which results in a decrease in the objectivity and independence of the auditor towards the client (Ardhani et al., 2019).

Through this literature review, we aim to present significant findings regarding the role and impact of understanding attitudes of independence, audit ethics, accountability, and competence on the quality of an auditor. This research will provide valuable insights for practitioners, academics and regulators in understanding the key factors that can improve audit quality, maintain the integrity of the auditor profession, and strengthen public trust in corporate financial information.

By better understanding the relationship between attitudes of independence, audit ethics, accountability, and competence and the quality of an auditor, we can identify areas that require further attention in auditor education, training, and development (Widiya & Syofyan, 2020). This effort is expected to strengthen the role and contribution of the auditor in supporting transparency and accountability in corporate financial reporting and maintaining integrity in the world of auditing.

LITERATURE REVIEW

Independence

According to the Association of Indonesian Government Internal Accountants (AAIPI), independence is freedom from situations that could threaten an auditor's ability to objectively carry out internal audit responsibilities. In view (Siahaan & Simanjuntak, 2019), independence means auditors are not easily influenced because they carry out their duties in the public interest. Auditors are not allowed to side with anyone. According to (Sari & Tiara, 2020), independence can be interpreted as a neutral point of view. The auditor must not only be factually independent but also in appearance. Independence occurs when an auditor can maintain an impartial attitude throughout the audit process. Meanwhile, independence in appearance is the result of other people's interpretation of this independence.

Auditing Ethics

According to Halim quoted in (Widiya & Syofyan 2020), general ethics can be defined as a collection of moral principles or values. In other words, ethics is a field of science that studies and evaluates moral values and norms. Ethics, in a broader sense, refers to all the norms and judgments used by society to determine how a person should live his life. Meanwhile, in a narrower sense, ethics refers to a set of moral values or principles that guide one to act, behave, or do. These moral principles also serve as criteria for judging the rightness or wrongness of an action or behaviour.

Accountability

Tetclock (1984), cited in (Sari & Tiara, 2020), defines accountability as a psychological drive that encourages individuals to be accountable for all actions and decisions regarding their surroundings. In the context of the field of accounting, accountability is defined as accountability. An organization is considered accountable if it can explain the conditions experienced, including the decisions taken and the various activities carried out. The term accountability in accounting is distinguished from responsibility and is defined as responsibility or accountability.

Competence

The competence of an auditor refers to his ability which includes sufficient knowledge and experience, to conduct an audit objectively, thoroughly and thoroughly. Auditors with higher education will have extensive knowledge in the field they are involved in, so they can understand various issues more deeply. In addition, with extensive knowledge, auditors can more easily follow increasingly complex developments. Thus, the auditor has the potential to produce high-quality audits (Maharany et al., 2016). Research conducted by (Rahayu & Suryanawa, 2020) concluded that competence positively affects audit quality. Based on the theory and previous research that supports it, auditor ethics also influence competence, ultimately affecting audit quality.

Audit Quality

Audit quality refers to the implementation of audits following standards to be able to disclose and report violations committed by clients (D. Lestari et al., 2021). In view (Nurfauziah et al., 2021), audit quality is defined as the probability or possibility that an auditor finds and reports violations in the client's accounting system. Research results (Handayati et al., 2022) show a positive relationship between audit quality and CSR disclosure by Indonesian public companies. This means that audit quality is very influential between internal and external factors of an auditor.

METHODS

This study uses the Literature Review method to explore a comprehensive understanding of the role of independence, audit ethics, accountability, and competence as determinants in creating quality auditors. This approach allows researchers to review and analyze relevant literature previously published in this field (Siahaan & Simanjuntak, 2019).

The research phase begins with identifying and collecting relevant information sources. The researcher conducted a literature search using academic databases, such as scientific journals, conferences and other trusted sources. The sources we seek include articles, books, research reports, systematic reviews, and other relevant sources that discuss attitudes of independence, audit ethics, accountability, and competence in the context of quality auditors.

After collecting relevant literature sources, the researcher proceeded to the literature selection stage. The researcher evaluates the quality and relevance of any literature found, taking into account the research methods used, the sample population, and the contribution of the research to the research topic. The most relevant and high-quality literature was then selected for inclusion in this literature review (Yuhan, 2022). The researcher analyzes the content of the selected literature, identifying interrelated findings, theories, concepts and approaches and highlighting the differences, similarities and contradictions between the different studies. From this analysis, the researcher compiled a synthesis of the literature, which included the main findings and patterns that emerged, thus providing a comprehensive understanding of the role of independence, audit ethics, accountability, and competence in determining the quality of an auditor.

Using the Literature Review method, this research can provide a valuable contribution to understanding the importance of independence, audit ethics, accountability, and competence as determining factors in creating quality auditors.

RESULTS

Public accountants or independent auditors, in their duties to audit client companies, have a strategic position as third parties in the client company environment, namely when public accountants carry out the duties and responsibilities of management to audit the financial statements of the companies they manage. (Yuliana, 2018). The attitude of independence is an important factor in determining the quality of an auditor (Rahayu & Suryanawa, 2020). Previous studies have shown that auditors with an independent attitude tend to be more

objective and impartial and have the courage to report findings inconsistent with the interests of the audited party. A strong attitude of independence will increase public confidence in the audit results produced (Sipayung et al., 2021).

Results This study shows that the attitude of independence is the main factor in determining the quality of an auditor. Auditors who understand the concept of independence tend to carry out their duties with objectivity and can provide accurate and reliable audit reports (Mutmainah et al., 2020).

A strong attitude of independence eliminates the possibility of influence or conflict of interest that could harm audit integrity. Audit ethics also plays an important role in assessing the quality of an auditor. Audit ethics include moral principles and professional standards that auditors must follow in carrying out their duties. Auditors who have a good understanding of audit ethics have a higher tendency to take the right actions, maintain the confidentiality of information, and avoid conflicts of interest that can harm audit integrity. (Sunaryo et al., 2022).

This study found that accountability is an important factor in evaluating the quality of an auditor. Auditors responsible and accountable for their work have greater motivation to carry out their duties with professionalism and integrity. Understanding accountability can also encourage auditors to continuously improve their competence through training and self-development (Widiya & Syofyan, 2020). This study shows that auditor competence is a significant determinant of quality. Competence includes knowledge, skills, and experience relevant to audit assignments. Auditors who understand accounting concepts, rules, and effective audit techniques and methods can perform their duties better (Sari & Tiara, 2020).

Although this research provides a deeper understanding of the factors that influence the quality of an auditor, it has limitations. First, this study uses only the literature review method and does not involve empirical research or primary data collection. Therefore, the resulting findings and analysis are descriptive and cannot be generalized directly to the general auditor population. Another limitation is the potential for bias in the selection and interpretation of the literature used in this study.

In the framework of further research, it is recommended to involve empirical research with primary data collection to examine the relationship between attitudes of independence, audit ethics, accountability, and competence with the quality of an auditor in more depth. Field research involving a wider and more diverse sample of actual auditors can strengthen the validity of the findings and the generalizability of the results to a wider population of auditors (Widiya & Syofyan, 2020). In addition, future research can consider including other variables that may also affect the quality of an auditor (Maharany et al., 2016). For example, factors such as work experience, the type of industry in which auditors operate, and the characteristics of the organizations they audit can impact their quality. Involving these variables in research can provide a more holistic understanding of the factors that influence the quality of an auditor.

Furthermore, conducting comparative research between different countries or regions can provide insight into differences in the factors that affect auditor quality. Different social, cultural and regulatory conditions can impact the understanding and practice of auditors in various contexts (Ritonga & Nazar, 2020). Thus, broadening the scope of research to include a cross-country or cross-regional perspective will provide a deeper understanding of the factors that affect the quality of an auditor globally.

In a practical context, this research has important implications for regulatory agencies, companies and the auditing profession. It is important for supervisory agencies to pay attention to the importance of understanding and awareness of the factors that affect an auditor's quality and consider improvements in related regulations and supervision. Companies also need to recognize the importance of involving auditors who understand

independence, audit ethics, accountability, and competence in their audit process. They can strengthen the understanding and competence of auditors through continuous training and development (Siahaan & Simanjuntak, 2019).

Overall, this research is expected to contribute to our understanding of the factors that influence the quality of an auditor. Although the limitations and limitations of this research need to be acknowledged, further research with an empirical approach and involving primary data will help fill gaps in knowledge and deepen understanding of the relationship between attitudes of independence, audit ethics, accountability, and competence with the quality of an auditor. With a better understanding of these factors, effective steps can be taken to improve the quality of auditors, increase public trust, and maintain integrity and transparency in auditing practices (Sari & Tiara, 2020).

DISCUSSION

Wrongone of the main determinant in determining an auditor's quality is independence (Rahayu & Suryanawa, 2020). The attitude of independence plays a crucial role in ensuring that the auditor can carry out his duties objectively and is not influenced by the interests of other parties (Mutmainah et al., 2020). Previous studies have shown that auditors who understand the concept of independence tend to do their job better and can provide accurate and reliable audit reports (Pearls, 2018).

Audit ethics become an important factor in assessing the quality of an auditor. Audit ethics include moral principles and professional standards that auditors must follow in carrying out their duties (Case et al., 2018). Auditors who have an in-depth understanding of audit ethics have a higher tendency to take the right actions, maintain the confidentiality of information, and avoid conflicts of interest that can harm audit integrity (Sipayung et al., 2021).

In addition, accountability is an important determinant in evaluating the quality of an auditor. Auditors responsible and accountable for their work will be more motivated to carry out their duties with professionalism and integrity. Understanding accountability can also encourage auditors to continuously improve their competence through training and self-development (Nurfauziah et al., 2021).

Competence is a determining factor for the quality of an auditor. Competence includes knowledge, skills, and experience relevant to audit assignments (Yuhan, 2022). Auditors who understand accounting concepts, rules, and effective audit techniques and methods can perform their duties better (Sari & Tiara, 2020).

In this study, an in-depth literature review on the understanding of attitudes towards independence, audit ethics, accountability, and competence can provide a better understanding of the factors that influence the quality of an auditor. The results of this research are expected to provide an important contribution to the development of auditing theory and practice and become a reference for related parties in improving the competence of auditors and ensuring the integrity of the audit process.

CONCLUSION

A good understanding of independence helps the auditor carry out his duties objectively and provide accurate audit reports (D. Lestari et al., 2021). Audit ethics that are well implemented by auditors are an important moral and professional foundation for maintaining audit integrity (Sari & Tiara, 2020). Accountability is important in encouraging auditors to take responsibility for their work and improve their competence. Meanwhile, the auditor's competence in knowledge, skills and audit experience is important in ensuring that the audit task is carried out properly (Sunaryo et al., 2022).

The results of this study provide a deeper understanding of the factors that affect the quality of an auditor. The practical implication of this research is the importance of involving auditors with a good understanding of independence, audit ethics, accountability, and competence in the audit process. Stakeholders, such as supervisory agencies, companies and the auditing profession, need to pay more attention to developing an understanding and awareness of these factors in auditing practice (Pearls, 2018). Continuous training and development also need to be provided to auditors to strengthen their understanding and competency in carrying out audit tasks with a high level of quality (Ritonga & Nazar, 2020).

However, this study has limitations in the method used, namely only using review literature. Therefore, it is recommended to carry out further research with more in-depth methods, such as empirical research or field research, in order to strengthen the findings and understanding of the factors that influence the quality of an auditor.

LIMITATION

Although the literature review provides important insights into understanding the factors that affect the quality of an auditor, this research has its scope and limitations:

The scope of research: This research is focused on understanding attitudes of independence, audit ethics, accountability, and competence as determinants of quality auditors. A literature review is carried out by collecting and analyzing articles, journals and publications related to research topics. This study seeks to present an in-depth review of these factors in the context of quality auditors. This study aims to provide insight and a better understanding of the role and relationship between attitudes of independence, audit ethics, accountability, and competence in determining the quality of an auditor.

Research Limitations: This study uses only the literature review method and does not involve empirical research or primary data collection. This research is limited in cutting knowledge, so it may not include recent publications or developments in theory and practice regarding the research topic. There is a potential bias in the selection and interpretation of the literature used in this study. This study's results are descriptive and cannot be generalized directly to the general auditor population. Some relevant literature sources have been overlooked or not obtained during the research process. This study did not involve further statistical analysis or hypothesis testing.

Recommendations for Further Research: They involve empirical research with primary data collection to examine the relationship between attitudes of independence, audit ethics, accountability, and competence with the quality of an auditor in more depth. Conduct more in-depth field research involving a wider and more diverse sample of actual auditors. Include other variables that may also affect the quality of an auditor, such as work experience, type of industry, and organizational characteristics. Conduct comparative research between different countries or regions to understand the differences in the factors that affect auditor quality. They are expanding the scope of research to involve other perspectives, such as the views of company management or regulators on quality auditors.

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