



The Influence Of Audit Fee And Competency On Audit Quality Moderated By Professionalism At KAPs In Indonesia

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ABSTRACT

This study aims to examine and analyze the influence of audit fee and competency on audit quality which is moderated by professionalism at KAP in Indonesia. The type of research applied in this research is a quantitative approach. The selected population was all auditors who worked at KAPs in Indonesia and were registered in the 2023 IAPI Directory. The sample was selected using convenience sampling techniques and obtained 97 respondents. This research uses WarpPLS 8.0 software as a data analysis tool. The research results show that audit fee and competency can influence audit quality at Indonesian KAP. Professionalism can also strengthen the influence of audit fee on audit quality, but cannot moderate the influence of competency on audit quality at KAPs in Indonesia.

INTRODUCTION

The increase of business competition causes companies to tend to carry out creative accounting practices to present good performing financial reports (Rosini, 2021). This practice is generally carried out by company management by exploiting gaps in techniques, regulations and accounting policies, so that the desired results are obtained (Syamsuddin, 2023). However, this practice is often misused by management to manipulate financial reports, such as the case of alleged manipulation of financial reports in June 2023 by PT Waskita Karya Tbk and PT Wijaya Karya Tbk (WIKa) (Uly & Ika, 2023). This case indicates that the company's financial reports produced by management cannot guarantee accountability and transparency. Therefore, it is necessary to play the role of the Public Accountant as an independent party to provide guarantees that the financial statements are presented fairly and are free from material errors. Hariyani (2019) revealed that financial reports that have been checked or audited are often used as signals by investors regarding the quality of a company.

The role of Public Accountants is supported through Indonesia's participation as a member of the International Forum of Independent Audit Regulators (IFIAR), an organization formed as an effort to improve audit quality globally. Through IFIAR membership, Indonesia has a platform to share knowledge regarding developments in the audit environment and practical experience. However, in reality, cases are still found that indicate low audit quality, such as the case of KAP Kokasih, Nurdiyaman, Mulyadi Tjahjo & Partners (KNMT) which was proven guilty of audit services for the Annual Financial Report provided to PT Asuransi Adisarana Wanaartha (WAL) from 2014 to 2019 (OJK, 2023). Apart from that, at the beginning of 2024, as published by PPPK (2024), penalty were given in the form of freezing permits to Henri Arifian and Rusli.

One of the factors that is considered to influence audit quality is the audit fee that the auditor will receive when completing the audit engagement. Basically, if audit fee are reduced, the time and cost budget allocated for carrying out audit procedures directly will be reduced to meet the needs, which can lead to high work pressure and difficulties for auditors in detecting material errors (Hai & Quy, 2019). This statement is supported by Yefni & Sari (2021) research, which reveals that audit fee influence audit quality positively because the higher the audit fee agreement, the more freedom for auditors to design audit programs and procedures with more totality in order to improve audit quality. In contrast, the research results of Agustina & Indrayani (2020) revealed that audit fee do not affect audit quality. This is because the auditor will determine the audit fee according to the standards set by IAPI and based on the consideration of the KAP in order to fulfill audit procedures, without any excess or deduction. The amount of audit fee received will not affect the auditor's treatment of audit clients.

The auditor's competency is also considered to influence audit quality. Basically, competency is a qualification needed by an auditor to carry out an audit correctly (Kurniawati et.al., 2019). This is supported by the research results of Aswar et al. (2021) that competency influences audit quality because auditors have professional skills and special expertise which will continue to be developed through training and practical experience in the audit process. However, contradictory results were revealed in research by Istiadi & Pesudo (2021) that competency does not affect audit quality because audit procedures are carried out by one team who can help each other, so differences in auditor competency do not have an impact on audit quality. A professional person has an understanding of responsibility, both individually and as a group, and achieves company goals (Purwanti, 2022). Research related to professionalism was conducted by Dianita et al. (2019), Dewi & Ramantha (2019), and Istiadi & Pesudo (2021) who revealed that when the auditor's professionalism is higher, the quality of the audit results will be. Professionalism was chosen as a moderating variable with the consideration that professionalism is a form of a person's dedication to their profession (Istiadi & Pesudo, 2021). When an auditor has high professionalism, it is hoped that it can strengthen the relationship between audit fee and competency on audit quality.

LITERATURE REVIEW

Agency Theory

Agency theory was first put forward by Jensen & Meckling (1976), which described the relationship between principals (shareholders) and agents (company managers). This theory emerged as a result of shareholders hiring or appointing managers to manage their companies. Wahyuni et.al. (2020) revealed that the relationship between shareholders and managers in every company can give rise to agency conflicts due to conflicts of interest. Therefore, auditors are needed as third parties who are independent, professional and have integrity to avoid agency conflicts between the two parties.

Attribution Theory

Attribution theory was first put forward by Heider (1958), which describes the process of how an event and its causes are interpreted by someone behind their behavior. The causes of a person's behavior are influenced by internal attributions and external attributions. Internal attribution includes factors such as individual traits, attitudes and character, while external attribution includes factors such as situational pressure that influence individual performance assessments (Rohmawati & Tumirin, 2023).

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Audit Quality

Audit quality is the auditor's possibility of finding violations in management's financial reports and disclosing them to the LAI (Siahaan & Simanjuntak, 2019). If audit quality is not maintained or improved, it is possible for it to decline, one of which is when auditors are unable to find violations in management's financial reports. El Badlaoui et al. (2021) define audit quality as an audit mission carried out by professional auditors who are competent, independent and experienced in their field. Based on several definitions, audit quality is the auditor's goal which is achieved by conforming to audit standards, including the ability to find violations and fraud in financial statements of material value.

Audit Fee

Audit fee are defined in Management Regulation no. 2 of 2016 concerning Determination of Fees for Financial Report Audit Services as compensation for services that are entitled to public accountants from their client entities for providing financial report audit services. The audit fee includes a calculation of adequate working hours for the engagement team and other costs (such as transportation costs, accommodation, etc.) required. Audit fee are fees given by clients to auditors who work at KAP for consideration of various things needed to carry out audit services on financial reports (Agustina & Indrayani, 2020). Based on several definitions, audit fee are the total amount of fees agreed upon for the impact of audit procedures carried out by the auditor.

Competency

Auditor competency is defined in IAPI Management Board Decree No. 4 of 2018 as an auditor's professional ability to implement knowledge obtained through education, training and work experience, based on audit standards, codes of ethics and applicable legal provisions. Prasanti et al. (2019) defines auditor competency as a qualification required by auditors to carry

out audit procedures correctly. Competent auditors have a broader view, so they can be useful in various dynamic conditions, including in dealing with problems during the audit process. Based on several definitions, competency in the audit field is the auditor's ability in the form of sufficient knowledge obtained from various sources to be applied in carrying out audit procedures appropriately.

Professionalism

Gustina & Anisah (2020) define professionalism as a commitment to members of a particular profession in the form of improving skills and developing strategies. Professionalism is a condition that requires auditors to carry out all their duties, including overall audit procedures with seriousness and accuracy (Rahayu & Suryanawa, 2020). Auditors as professionals must always uphold everything related to improving the quality of their profession, including prudence, thoroughness, honesty and other actions, but are not expected to be perfect in all situations. Based on several definitions, it can be concluded that auditor professionalism is an attitude in the form of commitment to the profession as an auditor.

The Influence Of Audit Fee On Audit Quality

Auditors have the right to maintain their income, namely setting a relatively large audit fee to produce high audit quality (Mauliana & Laksito, 2021). Audit fee as agent fees arise to avoid agency conflicts (agency theory) and to encourage auditors to carry out audit procedures to the maximum (attribution theory). An adequate audit fee will ensure that audit procedures can run as optimally as possible, thus having an impact on maintaining good audit quality. Hai & Quy (2019), Yefni & Sari (2021), Herdian & Sudaryono (2023), and Lailatul & Yanthi (2021) revealed the same research results that audit fee positively influence audit quality. When the agreed audit fee is higher, the auditor will be motivated and carry out audit procedures optimally, so that the impact on the quality of the resulting audit will be even better.

- H1: Audit fee influence the quality of audits at KAPs in Indonesia

The Influence of Competency on Audit Quality

Auditors must have general standards of knowledge and skills in the field of accounting to carry out their profession by referring to established procedures (Meidawati & Assidiqi, 2019). Competency is needed to be able to provide appropriate audit results so that agency conflicts can be avoided (agency theory) and to encourage auditors to carry out audit procedures well (attribution theory). Meidawati & Assidiqi (2019), Kurniawati et.al. (2019), Prasanti et al. (2019), Aswar et al. (2021), and Nurrohman et.al. (2021) revealed the same research results that competency can improve audit quality.

- H2: Competency influence the quality of audits at KAPs in Indonesia

The Effect Of Professionalism As A Moderating Variable In The Relationship Between Audit Fee And Audit Quality

Determination of higher audit fee is considered capable of producing better audit quality, but the desire to abuse these fees by increasing the auditor's tolerance for fraud committed by clients may occur. Gultom et al. (2021) revealed that an audit fee amount that is above normal can reduce audit quality because it increases the auditor's tolerance for earnings management by the audit client. In connection with attribution theory, it is hoped that professionalism (internal attribute) can moderate the relationship between audit fee and audit quality so as to encourage auditors to carry out their profession without deviating from the code of ethics. Having an attitude of professionalism can help auditors to avoid possibilities that lead to unethical behavior (Istiadi & pseudo, 2021).

- H3: Professionalism moderates the relationship between audit fee and audit quality at KAP in Indonesia

The Effect Of Professionalism As A Moderating Variable In The Relationship Between Competency And Audit Quality

Higher auditor competency is considered capable of producing better audit quality, but auditor unpreparedness in certain unusual situations can reduce the quality of audit results (Istiadi & Pesudo, 2021). An attitude of professionalism is needed because it will increase understanding of the auditor's responsibilities and be able to overcome problem factors even in situations of environmental pressure (Dewi & Ramantha, 2019). In accordance with attribution theory, professionalism (internal attribute) can encourage auditors to increase their competency by seeking as much information as possible regarding the problems faced during the audit.

- H4: Professionalism moderates the relationship between competency and audit quality at KAP in Indonesia

METHODS

The Research Design

This study uses a quantitative approach. Quantitative research is research used to test research hypotheses from statistical data or in the form of numbers on a particular population or sample being studied (Sugiyono, 2022:16).

Variables And Measurement

Audit fee (X1) is an agreed service fee for the impact of carrying out audit procedures, including calculating the auditor's working hours and other supporting costs. The measurement of audit fee in this research uses 4 indicators, namely assignment risk, complexity of services provided, level of service expertise, and the cost structure of the KAP concerned (Meidawati & Assidiqi, 2019). Competency (X2) is an auditor's ability in the form of sufficient knowledge obtained from various sources, including education, training and experience to be applied in carrying out audit procedures correctly. Competency measurement in this research uses 3 indicators, namely personal quality, general knowledge and special skills (Nurrohman et al., 2021). The measurement of professionalism in this study uses 5 indicators, namely dedication to the profession, social obligations, independence, belief in professional regulations, and relationships with fellow professions (Gustika & Retnani, 2023). Measuring audit quality in this research uses 2 indicators, namely conformity of audits to audit standards and quality of audit results (Prabowo & Suhartini, 2021).

Population And Sample

The selected target population is all auditors who work at KAPs in Indonesia and KAPs registered in the 2023 IAPI Directory, namely 637 KAPs spread across 43 regions. The sample was selected using a convenience sampling technique, namely a sampling technique based on chance or incidental to someone who is suitable to be a respondent (Sugiyono, 2022: 133). In this study, 97 auditors were selected to participate. Data was collected using questionnaires distributed online and offline.

Analysis Technic

The data analysis technique used in this research is the Structural Equation Modeling (SEM) method with the Partial Least Square (PLS) analysis tool, called PLS-SEM. WarpPLS 8.0 was chosen as a tool because it provides PLS-SEM and moderating variable analysis. This method was chosen because it does not ignore the assumptions of Ordinary Least Square (OLS) regression, such as the normality of multivariate data distribution and that there are no multicollinearity problems between exogenous variables.

RESULTS

Public Accounting Firm

The total number of KAPs that contributed to this research was 52 offices in Indonesia. Each KAP is represented by 1-3 auditors as respondents.

Table 1 Public Accounting Firm As A Respondents

No	KAP's Name	Total	No.	KAP's Name	Total
1	Agus, Indra, Jeri & Rekan	2	27	Hendrawinata Hanny Erwin & Sumargo	1
2	Arifin Anissa Mardani & Muchammad	3	28	Irwanto, Hary, dan Usman	1
3	Artayasa	1	29	Jimy Abadi	3
4	Asjur Mubarak Dan Sugihdiyantoro	1	30	Kanaka Puradiredja, Suhartono	3
5	Bambang Sutopo, CPA	1	31	Long Setiadi	2
6	Bambang, Sutjipto Ngumar & Rekan	2	32	Luthfi Muhammad & Rekan	3
7	Bayudi, Yohana, Suzy, Arie	1	33	Made Sudarma, Thomas & Dewi	2
8	Bharata, Arifin, Mumajad & Sayuti	3	34	Mennix & Rekan	3
9	Budi & Azhari	1	35	Mirawati Sensi Idris	2
10	Budiman, Wawan, Pamudji & Rekan	3	36	Mohammad Madian	3
11	Buntaran & Lisawati	1	37	Panata Dan Rekan	1
12	Djoemarma, Wahyudin & Rekan	2	38	Purba Lauddin & Rekan	3
13	Djoko, Sidik & Indra	1	39	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	1
14	Dony & Ramli	1	40	Putra Dudit Sinaga	1
15	Dony Firliawan	2	41	R. D. Anto Widiyatmoko	3
16	Dr. Payamta, CPA	1	42	Richard Risambessy dan Budiman	3
17	Drs. Arief Hp Dan Rekan	2	43	Roza Mulyadi	3
18	Drs. Basri Hardjosumarto, M.Si, Ak. & Rekan	2	44	Soebandi & Rekan	2
19	Drs. Fahmi Rizani dan Rekan	1	45	Soekamto, Adi, Syahril & Rekan	2
20	Drs. J. Tanzil & Rekan	1	46	Sugiono Poulus, SE, Ak, MBA	1
21	Drs. Robby Bumulo	2	47	Supoyo, Sutjahjo, Subyantara & Rekan	2
22	Erfan & Rakhmawan	3	48	Suryadi dan Rizal	2
23	Ferizna dan Rekan	3	49	Suryati	3
24	Firmansyah	1	50	Tikkos Sitanggang	1
25	Gideon Adi dan Rekan	1	51	Tjahjadi & Tamara	2
26	Hartman, S.E., Ak., M.M., CA, CPA	1	52	Tri Bowo Yulianti	1

Source: Data Processed, 2024

Age Of Respondents

The auditors who participated in this research has a diverse age distribution of respondents. A total of 75.3% of auditors were aged 21-30 years (73 people), 14.4% of auditors were aged 31-40 years (14 people), 2.1% of auditors were aged 41-50 years (2 people), and 8.2 % of auditors aged >50 years (8 people). Based on this, it can be seen that the majority of respondents are aged 21-30 years.

Respondent's Work Experience

The auditors who participated in this research had a diverse distribution of work experience. A total of 71.1% of auditors have worked for \leq 5 years (69 people), 17.5% of auditors have worked for 6-10 years (17 people), 3.1% of auditors have worked for 11-15 years (3 people), and 8.2% of auditors have worked > 15 years (8 people). Based on this, it can be seen that the majority of respondents are auditors who have worked for \leq 5 years.

Respondent's Position

The auditors who participated in this research had a variety of positions. A total of 58.8% of auditors served as junior auditors (57 people), 23.7% of auditors served as senior auditors (23 people), 5.2% of auditors served as KAP supervisors (5 people), 4.1% auditors served as KAP managers (4 people), 3.1% of auditors served as KAP partners (3 people), and 5.2% of auditors served as managing partners (5 people). Based on this, it can be seen that the majority of respondents are auditors with the position of junior auditor.

Validity Test

Convergent validity test is measured by AVE value with criteria that must be above 0.5. While discriminant validity tes is measured by the Fornell-Lacker with criteria that the square root value of the AVE must be greater than the correlation with other latent variables.

Table 2 Validity Test

No	Variable	AVE	Fornell-Lacker Test				Result
			X1	X2	Y	M	
1	Audit Fee (X1)	0,658	0,811				Valid
2	Competency (X2)	0,597	0,672	0,772			Valid
3	Audit Quality (Y)	0,706	0,616	0,676	0,840		Valid
4	Professionalism (M)	0,585	0,361	0,467	0,277	0,765	Valid

Source: Data Processed, 2024

Reability Test

Reliability test is measured by composite reliability and Cronbach's alpha. If both values are > 0.70 then it is said to be consistent or reliable.

Table 3 Reability Test

No	Variable	Composite Reliability	Cronbach's Alpha	Result
1	Audit Fee (X1)	0,962	0,957	Reliable
2	Competency (X2)	0,930	0,915	Reliable
3	Audit Quality (Y)	0,976	0,974	Reliable
4	Professionalism (M)	0,944	0,935	Reliable

Source: Data Processed, 2024

Table 4 Inner Model Test R-Square

Variable	R-Square (R ²)	R-Square (R ²) Adjusted
Audit Quality (Y)	0,623 (62,3%)	0,606 (60,6%)

Source: Data Processed, 2024

Table 4 shows that the dependent variable (audit quality) is influenced by the independent variable by 62.3% (classified as moderate). Meanwhile, the remaining 37.7% was influenced by other factors outside this research.

Table 5. F-Square

No	Variable	Audit Quality	Result
1	Audit Fee (X1)	0,122	Small
2	Competency (X2)	0,362	Large
3	Professionalism * Audit Fee (M*X1)	0,177	Moderate
4	Professionalism * Competency (M*X2)	0,038	Small

Source: Data Processed, 2024

Table 5 shows that each variable has an influence that varies from small to large. Even though some values are small, they are still considered sufficient because they exceed 0,02.

Table 6 Q-Square

Variabel	Q-Square (Q ²)	Result
Audit Quality (Y)	0,634	Tested (>0)

Source: Data Processed, 2024

Table 6 shows that Q-Square is above 0, it means that can reflect the predictive relevance of the independent latent variable to the dependent latent variable.

Table 7 Model Fit

No	Measurement	Audit Quality	Result
1	GoF	0,687	Fit
2	APC	0,290 ; <i>p-value</i> 0,001	Fit
3	ARS	0,623 ; <i>p-value</i> 0,001	Fit
4	AVIF	2,826	Fit

Source: Data Processed, 2024

Table 7 shows that the four model fit measurements meet the criteria, so the research model fits the data.

Table 8 Hypothesis Test

No	Hypothesis	Path Coefficient	P-Value	Result
1	H1 = Audit Fee -> Audit Quality	0,181	0,032	Accepted, positive
2	H2 = Competency -> Audit Quality	0,521	< 0,001	Accepted, positive
3	H3 = Professionalism * Audit Fee -> Audit Quality	0,373	< 0,001	Accepted, positive
4	H4 = Professionalism * Competency -> Audit Quality	-0,087	0,191	Rejected, negative

Source: Data Processed, 2024

Based on the results of the hypothesis test presented in table 8, several conclusions can be obtained, (1) audit fee have a positive effect on audit quality at KAP in Indonesia, so that H1 is accepted. A larger audit fee can improve audit quality. (2) competency has a positive effect on audit quality at KAP in Indonesia, so that H2 is accepted. Greater competency can improve audit quality. (3) professionalism is able to strengthen the influence of audit fee on audit quality at KAPs in Indonesia, so that H3 is accepted. Greater professionalism is able to increase the influence of audit fee on audit quality. (4) professionalism is unable to moderate the influence of competency on audit quality at KAP in Indonesia, so H4 is rejected. Greater professionalism is unable to increase the influence of competency on audit quality.

DISCUSSION

The Influence Of Audit Fee On Audit Quality

The results of the hypothesis test showed that audit fee have a positive influence on audit quality at KAP in Indonesia. When the auditor receives more audit fee (sufficient for audit procedures), the auditor will prepare the audit program as best as possible so that it has an impact on improving audit quality. Auditors have the right to maintain their income, namely setting a relatively large audit fee to produce high audit quality (Mauliana & Laksito, 2021).

The test results can confirm that agency theory can be used as the basis for this hypothesis because the auditor is responsible for resolving agency conflicts. The agreement on the size of the audit fee can determine the quality of the audit because the larger it is, the more qualitative and reliable the audit work will be (Yefni & Sari, 2021). Apart from that, attribution theory can be used as the basis for this hypothesis because auditors need audit fee (external attribution) to encourage them to carry out audit procedures (their work) well and optimally. As stated by Rohmawati & Tumirin (2023) that external attributions can influence individual performance assessments. The test results are in accordance with the research results of Hai & Quy (2019), Yefni & Sari (2021), Herdian & Sudaryono (2023), and Lailatul & Yanthi (2021) which revealed the results of the same research that audit fee positively influence audit quality.

The Influence Of Competency On Audit Quality

The results of the hypothesis test showed that competency has a positive influence on audit quality at KAP in Indonesia. Competency can influence audit quality because auditors have professional skills and special expertise which will continue to be developed through training and practical experience in the audit process (Aswar et al., 2021). When auditors have more competencies and will always be improving them, auditors will be able to prepare audit programs as appropriately and effectively as possible so that they have an impact on improving audit quality.

The test results can confirm that attribution theory can be used as the basis for this hypothesis because auditors need competency (internal attribution) to encourage them to carry out audit procedures (their work) well and optimally. Rohmawati & Tumirin (2023) in their research revealed that attribution theory explains that auditors can improve audit quality through good competency or expertise. In addition, agency theory can be used as a basis for this hypothesis because adequate competency is needed by auditors to carry out their duties and realize efforts to overcome agency conflicts. Agency conflicts can be avoided due to the auditor's role in showing the fairness of financial reports produced by management without misstatements or corrupt practices (Prabowo & Suhartini, 2021). The test results are in accordance with the research results of Meidawati & Assidiqi (2019), Kurniawati et.al. (2019), Prasanti et al. (2019), Aswar et al. (2021), and Nurrohman et.al. (2021) which revealed the same research results that competency positively influences audit quality.

The Effect Of Professionalism As A Moderating Variable In The Relationship Between Audit Fee And Audit Quality

The results of the hypothesis test showed that professionalism is able to strengthen the influence of audit fee on audit quality at KAPs in Indonesia. However, Gultom et al. (2021) revealed that an audit fee amount that is above normal can reduce audit quality because it increases the auditor's tolerance for earnings management by the audit client. Auditors can misuse the audit fee they receive to increase tolerance for fraud committed by clients. Therefore, auditors need high professionalism to maintain audit procedures running as they should.

The test results can confirm that attribution theory can be used as a basis for this hypothesis. Auditors need professionalism (internal attribution) to avoid possibilities that lead to unethical behavior so as to encourage them to carry out audit procedures (their work) well and optimally. The audit fee received will be arranged as best as possible to achieve the audit objectives. This is agreed by Istiadi & Pesudo (2021) that an attitude of professionalism can help auditors to avoid possibilities that lead to unethical behavior. The test results are supported by Yefni & Sari (2021) that internal strength in the form of feelings a person has (professionalism) can influence a person's ability to behave and act. This underlies auditors to be more careful and always consider cause and effect before acting.

The Effect Of Professionalism As A Moderating Variable In The Relationship Between Competency And Audit Quality

The results of the hypothesis test showed that professionalism is unable to strengthen the influence of competency on audit quality at KAP in Indonesia. Even though auditors have high competency, high professionalism is not able to encourage improved audit quality. Professionalism is unable to avoid the possibility of auditors being unprepared in facing sudden changes in the environment and conditions. This, as stated by Istiadi & Pesudo (2021), an auditor who is not prepared can reduce his ability to provide quality audit results.

The test results cannot confirm that attribution theory can be used as a basis for this hypothesis. Setiyono & Widaryanti (2023) also proves that professionalism cannot influence auditor performance. The auditor's performance will remain the same according to the competency they possess in carrying out audit procedures .

CONCLUSION

Based on the test results and analysis, it can be concluded that, (1) Audit fee have an impact on the quality of audits at KAPs in Indonesia. Increasing audit fee has an impact on increasing audit quality. If the audit fee agreement is higher, the auditor will have more freedom to design an audit program to maximize audit quality . (2) Competency has an impact on audit quality at KAP in Indonesia. Increasing competency has an impact on improving audit quality. If auditors have more competencies and will always be improving them (including competencies obtained from education, training, seminars and practical experience), auditors will be able to prepare audit programs as accurately and effectively as possible, thereby having an impact on improving audit quality. (3) Professionalism strengthens the impact that audit fee have on audit quality at KAPs in Indonesia. Increasing professionalism has an impact on the strength of audit fee on audit quality. If the auditor has high professionalism, the auditor will avoid the possibility of abusing audit fee, thus encouraging him to arrange audit fee to be used during audit procedures (work) properly and optimally. (4) Professionalism is unable to control the impact that competency has on audit quality at KAPs in Indonesia. Increasing or decreasing professionalism will not control the impact of competency on audit quality. If the auditor's competency decreases due to the auditor's unpreparedness in dealing with sudden situations, the audit quality will directly decrease, but professionalism cannot control the audit quality to increase.

SUGGESTION

This research is limited to auditors who provide information not covering all regions of Indonesia. In addition, due to time constraints, the sample selected was only 97 respondents with a distribution that was mostly filled with junior auditors. The research results may not be relevant to apply to auditors with higher positions.

It is recommended that future researchers consider increasing the number of samples and an even distribution of positions which might have an impact on audit quality. Apart from that, it can add other independent variables that can have an influence on audit quality and are moderated by professionalism.

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