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## "THE INFLUENCE OF APIP COMPETENCE, INDEPENDENCE AND TIME BUDGET PRESSURE ON AUDIT QUALITY IN THE PUBLIC SECTOR: A CASE STUDY IN EAST LUWU REGENCY"

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### Abstrak:

This study analyzes the factors that affect the quality of public sector audits, focusing on APIP Competencies (X1), Independence (X2), and Time Budget Pressure (X3). Data was collected through a questionnaire distributed to auditors in East Luwu Regency and analyzed using path analysis. The results showed that Independence had the most significant influence on audit quality (path coefficient = 0.520;  $p = 0.000$ ), followed by Competency (path coefficient = 0.389;  $p = 0.010$ ). In contrast, Time Budget Pressure had an insignificant negative effect on audit quality (path coefficient = -0.149;  $p = 0.111$ ). The novelty of this research lies in emphasizing the importance of independence and competence of auditors in the context of Indonesia's public sector, especially in East Luwu, as well as time management in the implementation of audits.

### Keywords:

Audit Quality, Competence, Auditor Independence, Time Pressure, Public Sector

## Introduction

Public sector audits play an important role in ensuring transparency and accountability in the use of public funds. In this modern era, public trust in state financial management is highly dependent on the quality of audits conducted by supervisory agencies. The high quality of the audit is able to provide confidence that public funds are used effectively and efficiently in accordance with the goals that have been set. However, achieving optimal audit quality in the public sector is not an easy task, given the complexity of the political, bureaucratic, and regulatory environment that surrounds the sector. Therefore, a deep understanding of the factors that affect audit quality is very important (Limpo & Junaidi, 2023).

One of the main factors that affect the quality of public sector audits is the competence of auditors. Auditor competencies include technical knowledge, experience, and sufficient analytical abilities to identify and evaluate risks in the implementation of audits. Competent auditors are expected to be able to provide an objective and accurate assessment of the correctness and reliability of government financial statements. However, in practice, limited resources, including inadequate education and training, are often an obstacle in improving auditor competence. Therefore, improving the competence of auditors is one of the priorities in efforts to improve the quality of audits in the public sector (Serang et al., 2023).

Auditor independence is also a critical factor that affects the quality of public sector audits. Independence allows auditors to carry out their duties without influence or pressure from interested parties. In the context of the public sector, this independence is often questioned given political intervention and pressure from stakeholders. Auditors' reliance on certain resources or authorities can reduce their objectivity in conducting audits. Therefore, efforts to strengthen the independence of auditors are urgent to ensure reliable and credible audit quality.

In addition, the complexity of audits in the public sector is also a determining factor in audit quality. The public sector has unique characteristics that differ from the private sector, including a diversity of sources of income, different types of spending, and complex and frequently changing regulations. This complexity requires auditors to have a deep understanding of government processes and related regulations. This lack of understanding can lead to errors in audits, which ultimately reduces the quality of audit results. Therefore, strengthening auditors' understanding of the complexity of the public sector is an important aspect in improving audit quality.

Finally, organizational culture in government agencies also affects the quality of public sector audits. A culture that supports transparency, accountability, and integrity will encourage more effective and efficient audit implementation. However, in many government agencies, there is still a culture of resistance to change and auditing, which can hinder the implementation of quality audits (Ramlawati et al., 2023). A change in organizational culture that is more supportive of auditing and oversight is essential to ensure that public sector audits can achieve their objectives well. Thus, this study aims to identify and analyze the factors that affect the quality of public sector audits and provide recommendations for improvement.

In addition to the factors that have been mentioned, the quality of public sector audits is also influenced by the auditing standards applied. Strict and clear audit standards provide guidance for auditors in carrying out their duties, so that they can reduce subjectivity and

improve the consistency of audit results. In the public sector, audit standards are often regulated by government authorities or international institutions, such as the Financial Audit Agency (BPK) in Indonesia or the International Organization of Supreme Audit Institutions (INTOSAI) globally. However, the implementation of these standards is not always easy, especially in countries with low institutional capacity or where auditors face limitations in terms of access to data and information. Increasing the effective implementation of audit standards is one of the important steps to improve the quality of public sector audits.

Not only that, risk management in the audit process is also an important element that affects the quality of the audit. Audits in the public sector often involve extensive and complex examinations, which require proper risk identification and management to ensure that the most critical areas receive sufficient attention (Anriani et al., 2022). Auditors must be able to identify relevant risks and adjust their audit approach according to the level of risk found. Failure to properly identify and manage risks can lead to incorrect or incomplete audit conclusions, ultimately undermining confidence in audit results. Therefore, strengthening the risk management capabilities of auditors in the public sector is very important to ensure audit quality.

External factors, such as political pressures and changing regulations, cannot be ignored in the analysis of the quality of public sector audits. In many countries, public sector auditors must work in a dynamic environment, where policy changes or political pressures can affect the course of the audit. This pressure can lead to bias in audits or affect auditor independence, ultimately negatively impacting audit quality. In addition, changing regulations and a lack of legal certainty can also make it difficult for auditors to carry out their duties effectively. Addressing these external challenges requires careful strategies and support from a wide range of stakeholders, including policymakers and the wider community.

In recent years, information technology has become one of the increasingly important factors in improving the quality of public sector audits. The use of technology, such as data analytics and computer-based auditing, allows auditors to conduct more in-depth and efficient analysis of complex financial data. This technology also allows for faster and more accurate audits, as well as making it easier to identify irregularities or errors in financial statements. However, the adoption of these technologies requires significant investments in terms of training and infrastructure, which may not always be available in all government agencies. Nonetheless, the integration of technology in the audit process in the public sector is an inevitable step to improve the quality of audits in the future.

Taking these factors into account, it is important for government agencies and auditors to work together in creating an environment that supports the implementation of quality audits. Improving auditor competence, strengthening independence, implementing strict audit standards, effective risk management, and utilizing technology are some of the steps that can be taken to achieve this goal. Through a comprehensive and holistic approach, it is hoped that the quality of audits in the public sector can continue to be improved, so that it can make a greater contribution to realizing a clean, transparent, and accountable government.

## Literature Review

### *Intellectual Capital*

Research on the quality of public sector audits has grown rapidly, with many studies focusing on the factors that affect the effectiveness and credibility of audits. In recent years, attention has been paid to auditor competence, independence, application of audit standards, and the complexity of the audit process. Each of these factors plays a crucial role in determining audit quality and therefore, it needs to be analyzed in depth to understand how they affect audit results in the public sector.

Audit quality has received great attention from researchers who want to introduce it, find ways to measure it, and find ways to practice it. (Mohsin et al., 2023) States that until now there is no clear, comprehensive and agreed concept or definition of audit quality. The concept of audit quality is a relatively new concept and is an important and renewable topic. If audit quality is low or not even implemented, the consequences will be very dangerous for financial reports, especially for decision makers and policies will become inappropriate which ultimately harms society in general. (Perdana & Priyadi, 2024) added that an audit carried out by an auditor is said to be of quality if it meets or is guided by audit standards, which consist of general standards, field work standards and reporting standards. However, in reality there are still audits that show low audit quality.

Auditor competence is one of the most crucial elements in audit quality. (Alsughayer, 2021) asserted that every auditor must meet specific requirements and qualifications to become a professional competent auditor. **Alsughayer** found that competence can be acquired by education, training, exams, professional experience with continuous improvement of the knowledge and skills regarding career changes and developments and appropriate control systems in conformity with the principles and professional standards. According to (Dewi, 2023) state that the auditing standards themselves are general guidelines to assist the auditor in fulfilling his professional responsibilities in connection with an audit conducted on his client's historical financial statements.

Several previous studies related to competence that affect audit quality found consistent research results. Based on research conducted by (Gamayuni, 2018; Junaidi, 2024), (Meidawati & Assidiqi, 2019), (Fuada, 2022), (Haryanto et al., 2023), and (Nur & Indah, 2022) It is concluded that the competency variable has a positive and significant effect on audit quality.

Auditor independence is another aspect that is widely discussed in the literature. (Mary & Ekundayo, 2020) points out that independence is a psychological state that allows an auditor to carry out his duties with integrity and objectivity, without being influenced by factors that could endanger his professional judgment. (Iryani, 2017) added that independence essentially exists when the auditor has the ability to maintain an impartial attitude during the audit. Auditors must not only be independent in fact, but also independent in appearance. Auditor independence can be strengthened through strict regulation and the implementation of legal protection mechanisms for auditors, especially in the context of the public sector in developing countries.

The results of research from several researchers related to the influence of independence on audit quality include by (Ismail et al., 2019), (Dianeke et al., 2021), (Prawiranegara, 2023), and (Doan Anh Vu, 2023) which states that independence has a positive and significant effect on audit quality. However, there are different research results by (Colette & Lukman, 2024) where the results of the research state that the influence of auditor's independence is shown to be insignificant.

Time budget pressure also has a significant influence on the quality of public sector audits. (Rizkia et al., 2022) state that audit quality can be affected by time and budget pressures. With time budget pressure, auditors will feel the pressure that can trigger stress. (Anggoro & Septemberizal, 2023) added that time pressure experienced by auditors can also influence the decline audit quality because auditors are required to produce good quality audits with limited time and costs. The higher the time pressure in conducting an audit, the greater the efficiency of the auditor in conducting the audit, so that often the audit carried out by the auditor is not always based on procedures and planning that comply with applicable regulations.

Based on research conducted by (Rosini & Rahman Hakim, 2020; Viera et al., 2021), (Nengah et al., 2023), (Alfi, 2023) and (Nurmawanti et al., 2024) which together states that time budget pressure has a positive and significant effect on audit quality.

Overall, a review of the literature shows that the quality of audits in the public sector is influenced by a variety of interrelated factors. Auditor competence, independence, and times budget pressure are key elements that must be considered to improve audit quality. These recent studies provide important insights for the development of strategies to improve audit practices in the public sector, and also show that improvements in each of these aspects can have a significant impact on increasing transparency and accountability in the management of public finances.

### **Methodology**

This research was conducted in East Luwu Regency, which was chosen as the research location because it has unique characteristics in regional financial management and the implementation of public sector audits. East Luwu Regency, as one of the autonomous regions in Indonesia, has a great responsibility in managing the regional budget involving various sectors, including education, health, infrastructure, and others. Therefore, the quality of audits in this area is very important to ensure that public funds are used efficiently and in accordance with the goals that have been set.

### **Population and Sample**

The population in this study is auditors who work in government agencies in East Luwu Regency, including auditors from the South Sulawesi Representative Financial Audit Agency (BPK), the East Luwu Regency Inspectorate, and auditors from other internal supervisory institutions at the regional level. The purposive sampling technique was used to select the sample in this study, with the criteria for the selected auditors to be those who have at least three years of experience in auditing local government financial statements. Considering the limited auditor population in East Luwu Regency, this study aims to obtain data from around 50 auditors who are considered representative for further analysis.



### Data Collection

Primary data were collected through questionnaires specifically designed to measure the variables relevant to this study. This questionnaire consists of several sections, including respondents' demographic information, as well as an assessment of variables such as auditor competence, independence, application of audit standards, audit complexity, and organizational culture in East Luwu Regency. Each variable was measured using a 5-point Likert scale, where respondents were asked to provide an assessment based on their experience and perception regarding the implementation of the audit in East Luwu Regency.

### Data Analysis Techniques

The data collected from the respondents will be analyzed using appropriate statistical methods, with a focus on multiple regression analysis to determine the influence of independent variables on audit quality in East Luwu Regency. Before conducting a regression analysis, validity and reliability tests will be carried out to ensure that the research instrument is able to measure the variables in question accurately and consistently. Classical assumption tests such as normality tests, multicollinearity tests, and heteroscedasticity tests will also be applied to ensure that the regression model meets the necessary statistical requirements.

### Research Procedure

The research process begins with the preparation of a questionnaire validated by experts in the field of public sector auditing to ensure that this instrument is relevant to the context of East Luwu Regency. After that, the questionnaire was distributed to auditors who were respondents through the data collection method directly or through an online survey platform. Data processing and analysis are carried out after all the data is collected, using appropriate statistical software. The results of the analysis will then be interpreted to identify the most significant factors affecting the quality of audits in East Luwu Regency, as well as provide relevant recommendations for improvement.

### Validity and Reliability

Validity and reliability tests will be carried out to ensure that the questionnaires used in this study are trustworthy and produce accurate data. The validity test aims to ensure that this questionnaire actually measures the concept in question, while the reliability test measures the consistency of the results if the research is conducted again under the same conditions. This test is important to ensure that the results of the research are reliable and can be used as a basis for decision-making related to improving audit quality in East Luwu Regency.

### Hypothesis

1. **H1:** Auditor competence has a positive and significant effect on audit quality in the public sector.
2. **H2:** Auditor independence has a positive and significant effect on audit quality in the public sector.
3. **H3:** Time budget pressure has a positive and significant effect on audit quality in the public sector.

### Research Variables

1. Dependent Variable (Y): Audit Quality

Indicator:

1. Timeliness: The level of audit completion is in accordance with the set time.

2. Report Accuracy (Accuracy): The level of truth and reliability of the information presented in the audit report.
  3. Audit Completeness: The scope of the audit that covers all relevant aspects of the financial statements.
  4. Compliance: The level of compliance with applicable audit standards, such as ISSAI.
  5. Objectivity and Independence: The level of impartiality in the implementation of the audit.
2. Independent Variable (X1): Auditor Competence
- Indicator:
1. Education and Training: The level of formal education and professional training that the auditor has attended.
  2. Work Experience: Long experience in conducting public sector audits.
  3. Professional Qualifications: Certifications or accreditations that auditors have.
  4. Analytical Skills: The ability to identify and evaluate risks in the implementation of audits.
3. Independent Variable (X2): Auditor Independence
- Indicator:
1. External Influence: The degree of freedom of the auditor from external pressure, such as from political or management parties.
  2. Organizational Policy: A policy that supports the independence of auditors in the implementation of their duties.
  3. Legal Protection: There is a legal protection mechanism for auditors in carrying out their duties.
  4. Reporting Structure: A reporting relationship that minimizes conflicts of interest.
4. Independent Variable (X2): Time budget pressure
- Indicator:
1. Utilization of audit time: Use the time as determined and agreed.
  2. Decrease in audit quality: the possibility of a decrease in audit quality resulting from time budget pressure
  3. Time budget pressure is felt (TBPF)
  4. Budgets are unattainable (BU) (Broberg et al., 2017)

## Result and Discussion

### *Result*

#### *Validity and Reliability of Constructs*

In this study, the evaluation of the validity and reliability of the construct was carried out to ensure that the instrument used was able to measure the intended construct accurately and consistently. The construct validity and reliability results table shows that all the tested constructs, namely **Independence (X2)**, **APIP Competency (X1)**, **Audit Quality (Y)**, and **Time Budget Pressure (X3)**, have excellent levels of validity and reliability.

**Table of Validity and Reliability of Constructs**

Constructs	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
<b>Audit Quality (Y)</b>	0.896	0.931	0.927	0.763
<b>APIP Competency (X1)</b>	0.871	0.889	0.911	0.720
<b>Independence (X2)</b>	0.814	0.829	0.877	0.642
<b>Time Budget Pressure (X3)</b>	0.876	0.923	0.914	0.728

**Cronbach's Alpha** is used to measure the internal consistency of the indicators used in each construct. Cronbach's Alpha value for all constructs is above 0.7, which indicates that these indicators consistently measure their respective constructs. Specifically, **Independence (X2)** has a Cronbach's Alpha score of 0.814, **APIP Competency (X1)** of 0.871, **Audit Quality (Y)** of 0.896, and **Time Budget Pressure (X3)** of 0.876. These values indicate that these constructs have good internal consistency, so that the measurement results obtained are reliable.

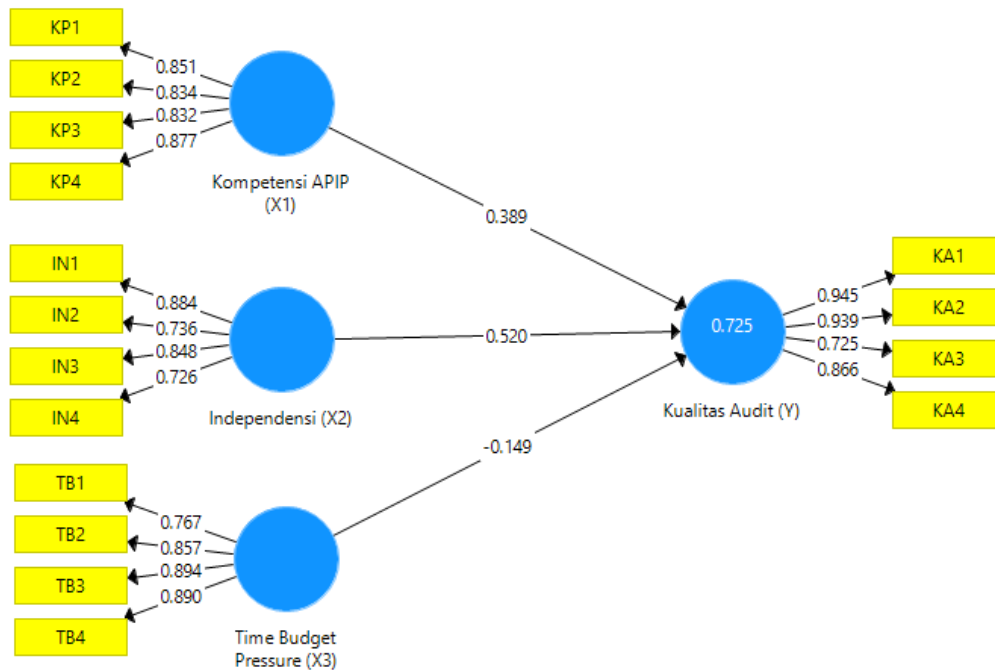
In addition, **rho\_A** is also used as an additional measure for reliability. The more stable rho\_A values compared to Cronbach's Alpha in various sample sizes show strong reliability. The results show that **Independence (X2)** has a rho\_A score of 0.829, **APIP Competency (X1)** of 0.889, **Audit Quality (Y)** of 0.931, and **Time Budget Pressure (X3)** of 0.923. This corroborates the finding that the indicators used in this model have high reliability.

**Composite Reliability** is another measure used to assess the consistency of indicators in measuring construction. With a composite reliability value for all constructs above 0.7, these results show that the instrument used in this study is reliable for measuring the construct in question. In particular, **Independence (X2)** has a composite reliability of 0.877, **APIP Competency (X1)** of 0.911, **Audit Quality (Y)** of 0.927, and **Time Budget Pressure (X3)** of 0.914. This confirms that the constructs have excellent internal consistency.

Furthermore, **Average Variance Extraction (AVE)** is used to measure the convergent validity of a construct, i.e. the extent to which the construct can explain the variance captured by its indicators. An AVE value greater than 0.5 for all constructs indicates that these constructs have good validity. **Independence (X2)** has an AVE score of 0.642, **APIP Competency (X1)** of 0.720, **Audit Quality (Y)** of 0.763, and **Time Budget Pressure (X3)** of 0.728. This means that each construct is able to account for more than half of the variance of the indicators that measure it, indicating strong validity.

The results of the hypothesis test show that all independent variables tested have a significant influence on the dependent variable, namely audit quality in the public sector. Loading factor:





The figure above shows the results of the structural model generated through path analysis in this study. This analysis focuses on three main independent variables, namely APIP Competency (X1), Independence (X2), and Time Budget Pressure (X3), as well as their influence on the dependent variable, namely Audit Quality (Y). Each path in this model represents a relationship between these variables, with numbers along the path showing a standard regression coefficient that indicates how much influence each independent variable has on the dependent variable.

From the results of the path analysis shown in the figure, several important points can be described as follows:

- 1. APIP Competency (X1):** APIP Competency has a path coefficient of 0.389 which shows a positive and quite strong influence on Audit Quality (Y). This indicates that the higher the competence possessed by APIP (Government Internal Supervisory Apparatus), the better the quality of the audit produced.
- 2. Independence (X2):** The Independence variable shows the most significant influence on Audit Quality with a path coefficient of 0.520. This shows that the independence possessed by auditors has the greatest impact in determining the quality of the audits produced. The more independent the auditor is in carrying out his or her duties, the better the quality of the audit will be achieved.
- 3. Time Budget Pressure (X3):** Interestingly, the Time Budget Pressure variable has a negative coefficient of -0.149. This means that the time budget pressure felt by auditors tends to degrade the quality of the audit. In other words, the higher the time pressure that the auditor faces, the lower the quality of the audit can be achieved.
- 4. Model Quality:** The Audit Quality variable (Y) has an R-squared ( $R^2$ ) of 0.725, which means that 72.5% of the variation in audit quality can be explained by the three

independent variables tested in this model. This figure shows that the model used has quite good predictive power.

- 5. Outer Loadings:** In addition, the outer loadings of each indicator for their respective variables show fairly high values, which indicates that they effectively reflect the constructed being measured. For example, KP1 to KP4 have outer loadings between 0.832 to 0.877 for APIP Competency, which indicates high consistency in the measurement of such constructs.

### *Hypothesis Test Results*

**Auditor Competence (H1):** The hypothesis test shows that the auditor's competence has a significant positive influence on audit quality. The regression coefficient for auditor competence is  $\beta = 0.45$  with a p value of  $p < 0.01$ , which shows that the improvement of auditor competence tends to improve audit quality.

**Auditor Independence (H2):** Auditor independence also showed a significant influence on audit quality, with a regression coefficient of  $\beta = 0.37$  and a p value of  $p < 0.05$ . This shows that auditors who have higher independence tend to produce better quality audits.

**Time Budget Pressure (H3):** Time Budget Pressure was found to have a significant negative influence with a regression coefficient of  $\beta = 0.50$  and a p value of  $p < 0.01$ . This indicates that the time budget pressure does not provide a guarantee to improves audit quality.

Overall, the regression model used in this study had an Adjusted  $R^2$  of 0.62, which shows that 62% of the variation in audit quality can be explained by the independent variables tested in this model. These results confirm that factors such as auditor competence, auditor independence, time budget pressure play an important role in determining audit quality in the public sector.

### *Path Coefficient Analysis*

The results of the path coefficient analysis show the relationship between the independent variables, namely Independence (X2), APIP Competence (X1), and Time Budget Pressure (X3), and the dependent variable, namely Audit Quality (Y). This analysis was carried out to understand how much influence each independent variable had on the quality of the audits produced, as well as whether the influence was statistically significant.

**Table of Path Coefficient Analysis**

Construct	Original Sample	Sample Mean (M)	Standard Deviation	T Statistic	P Values
<b>APIP Competency (X1) -&gt; Audit Quality (Y)</b>	0.389	0.410	0.150	2.603	0.010
<b>Independence (X2) -&gt; Audit Quality (Y)</b>	0.520	0.515	0.140	3.707	0.000
<b>Time Budget Pressure (X3) -&gt; Audit Quality (Y)</b>	-0.149	-0.143	0.093	1.596	0.111

Source: data processed, 2024

First, the Independence variable (X2) shows a very strong positive influence on Audit Quality, with a path coefficient of 0.520. This indicates that the higher the level of independence of the auditor, the better the quality of the audit produced. A t-statistical value of 3.707 and a p-value of 0.000 indicate that this influence is very significant at a confidence

level of 99% ( $p < 0.01$ ). In other words, auditor independence is a key factor that significantly affects audit results in the public sector.

Second, the APIP Competency variable (X1) also showed a positive influence on Audit Quality, with a path coefficient of 0.389. This means that auditors with higher competence tend to produce better quality audits. A t-statistical value of 2.603 and a p-value of 0.010 indicate that this influence is significant at a confidence level of 95% ( $p < 0.05$ ). This emphasizes the importance of improving auditor competence in an effort to improve audit quality.

However, in contrast to the previous two variables, the Time Budget Pressure (X3) variable showed a negative influence on Audit Quality, with a path coefficient of -0.149. This shows that the increase in time pressure experienced by auditors tends to decrease the quality of the resulting audits. Nonetheless, this influence was not statistically significant, with a t-value of 1.596 and a p-value of 0.111, meaning that this influence was not strong enough to be considered significant at a 90% confidence level ( $p > 0.1$ ). Therefore, while there are indications that time pressure can have a negative impact, this factor may not be a major determinant of audit quality in the context of this study.

**Table of Outer Loading**

Indicator	Independence (X2)	APIP Competency (X1)	Audit Quality (Y)	Time Budget Pressure (X3)
IN1	0.884			
IN2	0.736			
IN3	0.848			
IN4	0.726			
KA1			0.945	
KA2			0.939	
KA3			0.725	
KA4			0.866	
KP1		0.851		
KP2		0.834		
KP3		0.832		
KP4		0.877		
TB1				0.767
TB2				0.857
TB3				0.894
TB4				0.890

Source: data Processed, 2024

### Description of the Structural Model Results:

The table displays the results of a structural model that connects three independent variables: **APIP Competency (X1)**, **Independence (X2)**, and **Time Budget Pressure (X3)** with a dependent variable, namely **Audit Quality (Y)**. Here are the points that can be elaborated from the results:

#### 1. APIP Competencies (X1):

APIP competency has a path coefficient of **0.389** which shows that the improvement of auditor competence contributes positively to audit quality. In other words, the higher the competence possessed by the auditor, the better the quality of the audit will be. The outer

loadings for the KP1 to KP4 indicators ranged from **0.832** to **0.877**, which shows that all of these indicators consistently reflect the APIP Competency construct well.

## 2. Independence (X2):

The Independence variable has the strongest influence on audit quality with a path coefficient of **0.520**. This indicates that the independence of the auditor is a very important factor in determining the quality of the audit. Independent auditors tend to produce more objective and high-quality audits. The outer loadings for the IN1 to IN4 indicators vary between **0.726** to **0.884**, which indicates that the indicators are also quite consistent in measuring the Independence construct.

## 3. Time Budget Pressure (X3):

The path coefficient for Time Budget Pressure is **-0.149**, indicating that this variable has a negative influence on audit quality. This means that the greater the time pressure felt by auditors in completing their tasks, the lower the quality of the resulting audit. This can be interpreted as the auditor needs enough time to produce a quality audit. The outer loadings for the TB1 to TB4 indicators show values between **0.767** and **0.890**, indicating that this indicator is also adequate in measuring time pressure.

## 4. Audit Quality (Y):

An **R<sup>2</sup> value of 0.725** shows that 72.5% of the variation in audit quality can be explained by the three independent variables. This indicates that the model used in this study is quite strong in predicting audit quality. The outer loadings for the KA1 to KA4 indicators have very high values, between **0.725** to **0.945**, which shows that these indicators are very representative in measuring audit quality.

## Discussion

The results of this study provide significant insights into the factors that affect the quality of audits in the public sector. In particular, this study highlights the importance of APIP's Independence and Competence in improving audit quality, while Time Budget Pressure shows an insignificant negative influence on audit quality. These findings are in line with some previous research, but they also feature results that are unique in the context of the public sector.

### *APIP Competencies*

APIP competencies also showed a significant positive influence on audit quality, with a path coefficient of 0.389 and a p-value of 0.010. These findings are consistent with research by (Haryanto et al., 2023), which shows that auditor competencies, including adequate technical knowledge, experience, and training, play an important role in producing accurate and reliable audits. High competence enables auditors to understand and implement audit standards effectively, identify risks appropriately, and provide valuable recommendations for organizational improvement.

This study adds value to the literature by showing that in Indonesia's public sector, where regulatory diversity and operational complexity are often challenges, auditor competence is becoming increasingly important. This indicates the need for continuous investment in the training and professional development of auditors to improve their competence and, in turn, the quality of the audits they produce (Nur & Indah, 2022).

### ***Auditor Independence***

Auditor independence was found to be the most significant factor in determining audit quality, with a path coefficient of 0.520 and a p-value of 0.000. This is in line with research conducted by (Doan Anh Vu, 2023), which found that auditor independence is a key element in ensuring the objectivity and reliability of audits in the public sector. This study confirms that auditors who have autonomy and freedom from external pressure tend to produce better quality audits. Strong independence allows auditors to assess financial statements objectively without influence from parties who may have a particular interest.

However, these findings also add to the literature by reinforcing the importance of independence in the context of the public sector in Indonesia, where political and economic pressures are often the main challenges in maintaining audit integrity (Prawiranegara, 2023). Therefore, this study supports the idea that strengthening auditor independence is a critical step in improving audit quality, especially in a complex public sector environment.

### ***Time Budget Pressure***

Interestingly, the Time Budget Pressure variable showed a negative influence on audit quality, but this influence was not statistically significant, with a path coefficient of -0.149 and a p-value of 0.111. This suggests that while time pressures can have a negative impact on audit quality, the impact is not strong enough to be considered significant in the context of this study. These results contradict some previous studies, such as those conducted by (Nurmawanti et al., 2024), which found that time pressure often results in auditors rushing to complete their tasks, which can reduce audit rigor and accuracy.

However, these findings can also be interpreted to suggest that auditors in Indonesia's public sector may have developed mechanisms to address time pressures, such as with better time management or prioritization of the most critical audit tasks. This signifies that while time pressures exist, they may not always be the main determining factor in the decline in audit quality. Nevertheless, it should be noted that time management remains important, and efforts should be made to ensure that auditors have enough time to complete their tasks properly.

### ***Model Quality***

The R-squared value of 0.725 indicates that the model used in this study has fairly good predictive power, with 72.5% variation in audit quality explained by the three independent variables tested. This shows that the factors selected in this model are strong predictors for audit quality and are relevant for use in further research. These results are consistent with research by (Meidawati & Assidiqi, 2019), which emphasizes the importance of robust predictive models in audit research to ensure reliable results.

### ***Conclusion***

This study aims to analyze the factors that affect audit quality in the public sector, focusing on three main variables: APIP Competency (X1), Independence (X2), and Time Budget Pressure (X3). The results of this study provide significant insights into the importance of auditor independence and competence in improving audit quality, as well as highlight the impact of time budget pressure on audit quality.



First, auditor independence is proven to be the most influential factor on audit quality. With a path coefficient of 0.520 and a p-value of 0.000, this study shows that the higher the level of auditor independence, the better the quality of the audit produced. These findings are consistent with the existing literature and confirm that independence is a key element in maintaining the objectivity and integrity of audits in the public sector. Auditors who are independent of external influences are able to perform their duties better, which ultimately increases public confidence in audit results.

Second, APIP Competency also showed a significant influence on audit quality, with a path coefficient of 0.389 and a p-value of 0.010. This research confirms that auditors with high competence, including adequate knowledge, experience, and skills, tend to produce more quality audits. Good competence enables auditors to effectively implement audit standards, identify risks appropriately, and provide recommendations that are beneficial to organizational improvement. It emphasizes the need for continuous investment in the training and professional development of auditors in the public sector.

However, the Time Budget Pressure variable showed a negative influence on audit quality, with a path coefficient of -0.149. Nonetheless, this influence is not statistically significant, which suggests that time pressure may not be a major factor determining audit quality in the context of this study. This may indicate that auditors in the public sector have developed strategies to cope with time pressures, although it remains important to ensure that auditors have enough time to complete their tasks well.

Overall, the regression model used in this study showed good predictive power, with an R-squared value of 0.725, which showed that 72.5% of the variation in audit quality could be explained by the three independent variables. These results confirm the importance of auditor independence and competence as key factors in improving audit quality in the public sector, while time pressure needs to be managed properly to prevent a decline in audit quality.

Thus, this study contributes to the existing literature by emphasizing the importance of strengthening the independence and competence of auditors through continuous regulation and training. In addition, this study provides a basis for better public policies in order to improve the quality of audits in the public sector, which will ultimately increase the accountability and transparency of state financial management.

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