

Analysis of Factors Shaping the Audit Quality of Financial Reports of Public Accounting Firms (PAFs) in Samarinda-Balikpapan

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ABSTRACT

The aim of the research is to find out the influence of auditor professionalism, auditor independence, auditor honesty, and auditor professional ethics on audit quality, with transparency as an intervening variable. The data used in this study is quantitative data obtained from questionnaires distributed to public accounting offices in East Kalimantan, particularly in Samarinda and Balikpapan. The data analysis in this study uses the SmartPLS SEM (Partial Least Square- Structural Equation Modeling) computer program. The results of this study found that first, auditor professionalism has a positive and significant effect on transparency; second, auditor professionalism has a positive and significant effect on audit quality; third, auditor independence has a positive and significant effect on transparency, Fourth, auditor independence has a positive and significant effect on audit result quality. Fifth, auditor honesty has a positive and significant effect on transparency. Sixth, auditor honesty has a positive and significant effect on audit result quality. Seventh, auditor professional ethics have a positive and significant effect on transparency. Eighth, auditor professional ethics have a positive and significant effect on audit result quality. Ninth, auditor professionalism has a positive and significant effect on audit result quality through the transparency variable. Tenth, auditor independence has a positive but not significant effect on transparency. Eleventh, auditor honesty has a negative and not significant effect on audit result quality through the transparency variable, The twelve professional ethics of auditors have a positive and significant influence on audit result quality through the transparency variable, and the thirteen transparency has a positive and significant influence on audit result quality

INTRODUCTION

Many businesses are growing really quickly these days, and new organizations are starting to appear in a variety of industries. Numerous new companies have emerged in the service industry as well, which has increased competition. There is now much more competition as a result of the growth of businesses. Businesses feel challenged to be at the forefront in an environment where competition is becoming more intense. It is now crucial for businesses to generate dependable and high-quality financial reports in order to demonstrate their competence and win over investors and the public.

A company's future growth is determined by the caliber of its financial reports. These financial reports' data must fairly depict the company's current situation. If the financial accounts don't match the requirements to guaranty the public accounting business runs smoothly, this becomes critical. According to Mulyadi (2014), auditing is a methodical procedure to gather and impartially assess evidence pertaining to claims about economic events and activities, with the aim of ascertaining the degree of conformance between those claims and the predetermined criteria and informing the pertinent users of the findings.

The public's trust is crucial to the public accounting profession. People anticipate objective and unbiased reviews. The presence of independent auditors is crucial in assessing the quality of audits since they are mandated to review financial accounts and offer comments based on the findings of their audits. For instance, in 2001, a big business in Houston, Texas, engaged in money laundering, concealed significant debts, and falsified operating profit records in order to manipulate financial reports.

Every auditor must adhere to a number of fundamental principles in order to produce effective audit quality, including transparency, audit result quality, auditor professionalism, auditor independence, auditor honesty, and auditor professional ethics. The quality of audit results is greatly influenced by the audit process's transparency. Open and transparent information makes it easier for auditors to obtain data, which facilitates a comprehensive examination that helps determine the audited entity's performance and compliance.

An audit carried out by an auditor can be deemed high-quality if it satisfies auditing and quality control criteria, according to the Indonesian Institute of Accountants (IAI). When auditing financial statements, auditing standards are broad principles that assist auditors in carrying out their professional duties. These criteria address aspects of professional quality including competence, independence, and evidence. In order to keep clients using their services in the future, auditors must balance maintaining their independence in conducting audits and offering correct recommendations.

Professionalism, according to Baotham (2007), is a type of ideal effort to do all tasks in a way that is acceptable to all parties involved and without causing harm to others. There is undoubtedly a conceptual difference between professionalism and profession. Professionalism is a person's mindset that significantly influences how they act and behave, whereas a profession is a job that needs a person to meet specific requirements in order to get.

Independence is the ability to act in accordance with one's own objectives while being impartial and free from the influence of one's own interests or those of others. An independent individual acts impartially or objectively and does not allow their personal interests to influence their evaluation of the facts. Working honestly and impartially, free from external or personal interests, is what independence is all about in order to produce true and authentic results.

According to Darimis (2015), a person's honesty should be evident in their behavior or in the explanations or justifications they offer for their conduct. The audit results constitute a crucial foundation for financial information presentation when an auditor performs their tasks honestly. In order to provide transparency and provide stakeholders with a comprehensive picture of the performance and financial status of the audited organization, an auditor's honesty offers a solid basis to guaranty that financial statements accurately reflect the company's actual condition. A key component of performing a quality audit is honesty. With honesty, an auditor can ensure integrity and objectivity in collecting data and evaluating information. As a result, the quality of the audit improves, giving greater confidence in the validity of the reports and the reliability of the information presented.

Sari (2011) highlights that when performing their professional responsibilities, accountants are always confronted with moral conundrums while deciding between opposing principles. Auditors must respond to such circumstances in a professional manner by keeping the code of ethics in mind while carrying out their duties and making choices, as well as by taking into account the appropriate moral principles and beliefs. The impact of auditors' ethics on audit quality has been the subject of numerous research, although the findings have been inconsistent. The study of professional ethics for accountants involves determining what constitutes appropriate and inappropriate behavior as well as individual rights and obligations.

LITERATURE REVIEW

Auditor Transparency

Transparency, according to Hizazi (2020), is an openness principle that enables the public to fully understand and access information concerning local government finances. Transparency guaranties that information about government administration, including policies, their creation and implementation, and the outcomes attained, is accessible to all. When the government is transparent, it makes information about how public resources are managed available to those who require it. In order for the appropriate parties to make economic, social, and political decisions, the government must supply financial and other information. Accounting data, particularly financial reports, is needed to make these judgments.

Transparency also means that all government operations, including policy procedures, planning, execution, oversight, and control, should be transparent to the public and easily accessible to those who require it. In order to be transparent, firms must give sufficient information that is simple to comprehend and track.

Auditor transparency indicators include:

1. Consistently publishing annual financial reports.
2. Open access to audit results.
3. Participation of related parties.
4. Openness of financial reports.
5. Transparency in decision-making processes.

Audit Result Quality

According to DeAngelo (1981), audit quality is the likelihood that a competent auditor will identify and disclose infractions in the client's accounting system. The auditor's technical proficiency determines the likelihood of discovering infractions, but the auditor's independence determines the likelihood of reporting errors. The professional judgment of the auditor, backed by data and an unbiased evaluation, determines the quality of the audit. Internal control weaknesses, regulatory compliance, responses from responsible officials, confidentiality of prohibited information, distribution of audit reports, and legal and regulatory follow-up on auditor recommendations are all considered aspects of the quality of audit results (Badjuri, 2011). A quality audit report must be timely, complete, accurate, objective, convincing, clear, and concise, in accordance with the audit reporting standards (Permen PAN Number 5, 2008). Indicators of audit result quality include:

1. The education and certifications held by the auditor
2. The auditor's experience and expertise
3. The accuracy and fairness of the audit results
4. The reputation and integrity of the auditor
5. Compliance with professional auditor standards

Auditor Professionalism

According to Wijayanto (2017), professionalism is a notion used to gauge how experts see their field, as evidenced by the attitudes and actions of auditors. A number of factors can be used to gauge professionalism, including as commitment to the field, social responsibility, autonomy, trust in professional rules, and connections with other professionals. Regardless of whether a work is regarded as a profession or not, professionalism is a crucial personal quality, according to Lekatompessy (2003). According to Ivan A. Setiawan and Imam Ghozali (2006), knowledge that is institutionalized and grounded in ethics has social legitimacy and must be complicated or esoteric.

The quality of the audit results is directly impacted by how professionally an audit is conducted. Professionals can produce accurate and trustworthy audit results and increase confidence in financial report information by upholding ethical norms and competence.

The indicators of Auditor Professionalism are as follows:

1. Financial independence that doesn't depend on others
2. A professional code of ethics inherent in the auditor
3. Professional certifications held by the auditor
4. Leadership and responsibility carried by the auditor
5. Being proactive in improving the quality of the profession.

Auditor Independence

The term "independence," which is derived from the English word "independence," refers to freedom or not being reliant on others. According to Boynton (2003), independence is the cornerstone of the auditing profession, which means that auditors need to be impartial and objective. When performing audits or other attestation services, CPAs (Certified Public Accountants) must be impartial in both appearance and actuality. Putra and Rasmini (2014) add that auditors must be objective and refrain from allowing their personal interests to affect their work, while Fonda (2014) highlights that independence entails being independent and unbiased.

The primary basis for guaranteeing the caliber of audit outcomes is auditor independence. In addition to working for the public interest and fostering stakeholder trust, an independent auditor ensures that financial reports accurately depict the situation.

Indicators of Auditor Independence:

1. Financial independence
2. Personal and family interests
3. Independent business relationships
4. Internal monitoring and evaluation
5. Open communication with clients

Auditor's Honesty

According to Saifullah (2017), the quality of human acts and responsible behavior toward life values are reflected in the concept of honesty. An argument about how someone ought to behave or offer justifications for their behavior is known as an honest attitude. According to Darimis (2015), social harmony and personal fulfillment depend on honesty. Honesty is a crucial component in the auditing process that guarantees the objectivity and integrity of auditors when gathering and analyzing data. This raises the caliber of audit findings and fosters trust in the accuracy and dependability of the data provided.

Indicators of an Auditor's Honesty:

- Honest and accurate audit reports
- Transparency of financial information
- Firmness with the professional code of ethics
- Handling uncertainty and ambiguity
- Honesty in communication

Auditor Professional Ethics

Professionals, especially auditors, are accountable for the services they render and must make ethical decisions. The five primary principles of auditor ethics—integrity, objectivity, due care and attention, confidentiality, and professional behavior—are governed by IAPI (2018). Human relationships are upheld and moral behavior is guided by ethics (Falah, 2006; KBBI, 2008). To safeguard the public interest, uphold the standard of the profession, and preserve public confidence, auditors should behave in accordance with the code of ethics (Kurnia, 2014).

Indicators of Auditor Professional Ethics:

1. Personal integrity of the auditor

2. Ethical role modeling and leadership
3. Ethical risk assessment
4. Professional responsibility
5. Management of conflicts of interest in this research as

METHODOLOGY

Research Objects and Population

Auditors employed by public accounting firms (KAP) in the cities of Samarinda and Balikpapan serve as the research subjects. Public accounting firms operating in the East Kalimantan Province's cities of Samarinda and Balikpapan comprise the study's population. Sugiyono (2013) asserts that a sample is a subset of the population's overall size and makeup. Seventy-one auditors from Samarinda's public accounting firms make up the research sample. Syahrir (2020) claims that SEM-PLS can be used to assess studies with modest sample sizes of 30–100. Purposive sampling is the sample strategy used in this investigation. Purposive sampling is a method of choosing samples based on specific criteria (Sugiyono, 2017).

Data Collection Techniques

According to Sugiyono (2019), data collection is a method used to acquire or compile information that might clarify or address the current study issue. The author employed questionnaires to collect data for this study. The method of gathering data involves giving the respondents a set of written questions or statements to complete. Google Forms was used in this study to disseminate the questions to auditors at public accounting offices.

Data Analysis Techniques

The analysis used in this study is SEM analysis, which is based on the research objectives of analyzing the influence of Professionalism, Independence, Honesty, and Auditor Professional Ethics through transparency as a mediator on audit result quality. It is expected that the obtained hypothesis answers can provide input for the Public Accounting Office in East Kalimantan. SEM analysis based on Partial Least Squares can be the right solution to overcome these weaknesses. This analysis doesn't require many conditions, but the resulting model is reliable enough to be used. One of the popular programs used is SmartPLS. The purpose of PLS is prediction, so PLS focuses on the data, and with limited estimation procedures, model misspecification issues do not have a big impact on parameter estimation.

Hypothesis

A hypothesis is an initial response to the formulation of a research problem, usually phrased as a question. It is called temporary because it indicates that the answer given in the hypothesis will be based on relevant theory and has not yet been tested with collected empirical data. Testing the hypothesis will result in a conclusion to either reject or accept it, so the hypotheses in this study consist of:

- H1 Auditor professionalism has a positive and significant effect on transparency.
- H2 Auditor professionalism has a positive and significant effect on audit result quality.

- H3 Auditor independence has a positive and significant effect on transparency.
- H4 Auditor independence has a positive and significant effect on audit result quality.
- H5 Auditor honesty has a positive and significant effect on transparency.
- H6 Auditor honesty has a positive and significant effect on audit result quality.
- H7 Auditor professional ethics have a positive and significant impact on transparency.
- H8 Auditor professional ethics have a positive and significant impact on the quality of audit results.
- H9 Auditor professionalism has a positive and significant impact on the quality of audit results through the transparency variable.
- H10 Auditor independence has a positive but not significant impact on the quality of audit results through the transparency variable.
- H11 Auditor honesty has a negative and not significant impact on the quality of audit results through the transparency variable.
- H12 Auditor professional ethics have a positive and significant impact on the quality of audit results through the transparency variable.
- H13 Transparency has a positive and significant impact on the quality of audit results.

RESULTS

Measurement Model Evaluation (Outer Model)

The measurement model is the relationship (loading values) between indicators and constructs (latent variables). The measurement model test will be conducted to show the results of validity and reliability tests. In this study, the validity test is carried out to determine whether the construct meets the requirements to proceed with the research or not. The measurement model or Outer Model is shown in Figure 1.

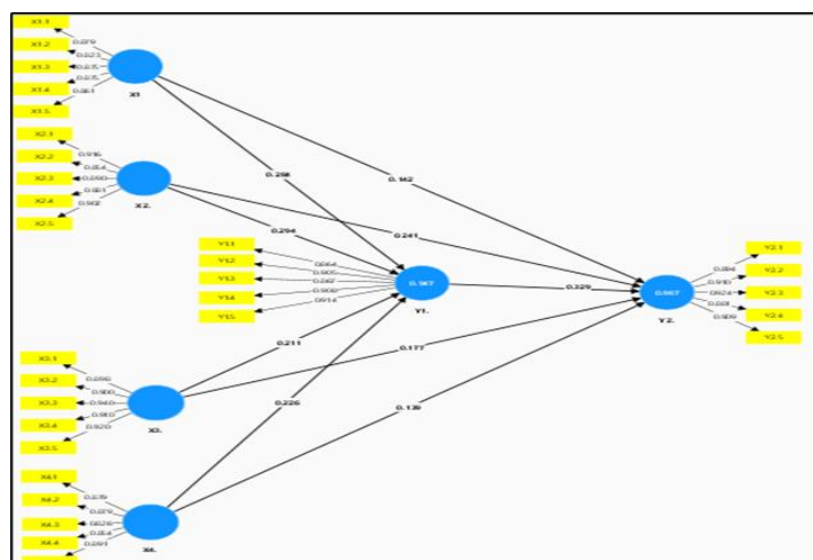


Figure 1. Outer Model Test Results

Convergent Validity Test

According to Rifai (2015), for the early stages of research on the development of a measurement scale, a loading factor value ranging from 0.5 to 0.6 is considered adequate. In this study, a loading factor of 0.5 will be used. So, any item with a loading factor below 0.5 will be removed from further analysis. Below are the results of the outer model test showing the loading factor values using the SmartPLS 4 analysis tool.

Table 1. Average Variance Extracted (AVE) Values

Variable	Average variance extracted (AVE)	Description
X1	0.745	Valid
X2.	0.790	Valid
X3.	0.835	Valid
X4.	0.750	Valid
Y1.	0.795	Valid
Y2.	0.817	Valid

Source: Processed Primary Data

Based on Table 1, the AVE (average variance extracted) values for each construct in the model indicate that the AVE values are above 0.5.

Discriminant Validity Test

The table below shows that the cross-loading values of each indicator are higher than the cross-loading values of other latent variables, meeting the criteria of being above 0.50. It can be said that all the research instruments are discriminantly valid.

Table 2. Cross Loading Values

Variable Indicator	X1	X2.	X3.	X4.	Y1.	Y2.	Description
X1.1	0.879	0.823	0.732	0.784	0.825	0.846	Valid
X1.2	0.823	0.730	0.611	0.719	0.751	0.739	Valid
X1.3	0.875	0.837	0.777	0.768	0.831	0.841	Valid
X1.4	0.875	0.797	0.710	0.715	0.806	0.811	Valid
X1.5	0.861	0.827	0.755	0.780	0.797	0.817	Valid
X2.1	0.829	0.916	0.819	0.869	0.876	0.893	Valid
X2.2	0.793	0.854	0.729	0.765	0.809	0.820	Valid
X2.3	0.863	0.890	0.809	0.804	0.863	0.879	Valid
X2.4	0.798	0.881	0.788	0.787	0.814	0.831	Valid
X2.5	0.856	0.902	0.872	0.869	0.889	0.911	Valid
X3.1	0.766	0.819	0.898	0.785	0.843	0.843	Valid
X3.2	0.716	0.802	0.900	0.777	0.769	0.820	Valid
X3.3	0.799	0.864	0.940	0.829	0.868	0.883	Valid
X3.4	0.763	0.823	0.910	0.761	0.828	0.852	Valid

X3.5	0.757	0.825	0.920	0.811	0.840	0.860	Valid
X4.1	0.746	0.788	0.708	0.879	0.779	0.798	Valid
X4.2	0.718	0.796	0.789	0.879	0.808	0.829	Valid
X4.3	0.746	0.751	0.737	0.826	0.775	0.787	Valid
X4.4	0.801	0.829	0.768	0.854	0.824	0.830	Valid
X4.5	0.769	0.828	0.754	0.891	0.829	0.839	Valid
Y1.1	0.800	0.818	0.771	0.810	0.864	0.845	Valid
Y1.2	0.848	0.858	0.828	0.820	0.905	0.885	Valid
Y1.3	0.794	0.841	0.784	0.786	0.867	0.840	Valid
Y1.4	0.849	0.841	0.835	0.845	0.908	0.887	Valid
Y1.5	0.855	0.909	0.834	0.873	0.914	0.915	Valid
Y2.1	0.836	0.863	0.828	0.866	0.883	0.894	Valid
Y2.2	0.842	0.886	0.886	0.874	0.896	0.910	Valid
Y2.3	0.868	0.917	0.860	0.878	0.909	0.924	Valid
Y2.4	0.840	0.865	0.812	0.777	0.860	0.881	Valid
Y2.5	0.865	0.879	0.826	0.865	0.883	0.909	Valid

Reliability Test (Composite Reliability)

Table 3. Cronbach's Alpha and Composite Reliability Values

Variabel	Cronbach's alpha	Composite reliability (rho_c)	Keterangan
X1	0.914	0.936	Reliable
X2.	0.933	0.950	Reliable
X3.	0.950	0.962	Reliable
X4.	0.917	0.938	Reliable
Y1.	0.935	0.951	Reliable
Y2.	0.944	0.957	Reliable

Source: Primary Data, Processed,

From Table 2, it can be seen that the values of all variables in the reliability testing, whether using Cronbach's Alpha or Composite Reliability, are > 0.70. Therefore, it can be concluded that the variables can be said to have reliability, and each of their indicators has shown accuracy, consistency, and precision in measurement.

Structural Model Evaluation (Inner Model)

Table 4. R-Square Path Coefficient Significance Measurement SCFA

Variable	R-square	R-square adjusted
Y1 (Transparansi Auditor)	0.947	0.943
Y2 (Kualitas Hasil Audit)	0.987	0.986

Source: Primary Data, Processed

Table 4 shows an R² value of 0.947 for the model of how professionalism, independence, honesty, and auditor professional ethics affect transparency. This indicates that 94.7% of the transparency variable may be described by the variables of professionalism, independence, honesty, and auditor professional ethics; the remaining portion is explained by variables not included in this study. The R² value for the model of how these variables affect audit result quality is 0.987, meaning that 98.7% of the audit result quality can be explained by these variables and the remaining portion by variables not included in this study.

Next, the model can be measured using Q-square to assess the model's predictive ability. The Q-square calculation in this study is as follows:

$$Q^2 = 1 - (1 - R^2_{12}) \times (1 - R^2_{22})$$

$$Q^2 = 1 - (1 - 0,987) \times (1 - 0,947)$$

$$Q^2 = 1 - (0,013) \times (0,053)$$

$$Q^2 = 1 - (0,000689)$$

$$Q^2 = 0,999311$$

$$Q^2 = 99,9\%$$

The calculation results show a predictive relevance value of 0.999 or 99.9%, while the remaining 0.01% is explained by other variables that have not been accounted for in this research model.

Hypothesis Testing

Table 5. Path Coefficient Significance Measurement SCFA

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Description
X1→Y1	0.284	0.284	0.078	3.626	0.000	Diterima
X1→Y2	0.142	0.137	0.048	2.969	0.004	Diterima
X2→Y1	0.294	0.292	0.113	2.594	0.011	Diterima
X2→Y2	0.241	0.233	0.087	2.767	0.007	Diterima
X3→Y1	0.211	0.206	0.085	2.484	0.015	Diterima
X3→Y2	0.177	0.174	0.045	3.933	0.000	Diterima
X4→Y1	0.226	0.234	0.069	3.279	0.001	Diterima
X4→Y2	0.139	0.137	0.045	3.088	0.003	Diterima
X1→Y1→Y ₂	0,093	0,098	0,036	2,583	0,011	Diterima
X2→Y1→Y ₂	0,097	0,103	0,054	1,791	0,076	Diterima
X3→Y1→Y ₂	0,069	0,072	0,038	1,829	0,070	Ditolak
X4→Y1→Y ₂	0,074	0,080	0,030	2,471	0,015	Diterima
Y1→Y2	0.329	0.347	0.103	3.195	0.002	Diterima

Source: Processed Primary Data

DISCUSSION

The Influence of Auditor Professionalism (X1) on Auditor Transparency (Y1)

The results of the analysis show that auditor professionalism has a positive and significant effect on auditor transparency. This means that the higher the level of professionalism of an auditor, the better the transparency they demonstrate.

The Effect of Auditor Professionalism (X1) on Audit Result Quality (Y2)

This study shows that auditor professionalism significantly affects the quality of audit results. Professional auditors, by adhering to ethics and performing their duties according to their abilities, will provide opinions that are accurate and in line with field conditions.

The Effect of Auditor Independence (X2) on Auditor Transparency (Y1)

The analysis's findings demonstrate that auditor independence significantly and favorably affects auditor transparency. By keeping their distance from clients and associated parties, auditors who uphold their independence are able to carry out audit tasks impartially, using the facts and evidence that are currently available, free from any unsuitable outside interference.

The Influence of Auditor Independence (X2) on Audit Quality (Y2)

This study demonstrates that audit quality is positively and significantly impacted by auditor independence. Even when they are under pressure or have been working with a client for a long time, independent auditors perform their duties impartially and in compliance with professional standards. Maintaining independence allows auditors to disclose findings truthfully and accurately, which enhances the caliber of audit outcomes.

The Influence of Auditor Honesty (X3) on Auditor Transparency (Y1)

This study demonstrates that audit transparency is significantly improved by auditor honesty. High transparency in the audit process is supported when auditors behave honorably and do not falsify data or conclusions. The integrity and credibility of audits depend on the honesty of auditors, which increases public confidence in audit findings. The correlation between audit quality and honesty demonstrates that the quality of the audit results increases with the auditor's level of honesty. When doing their jobs, honest auditors should be able to uphold integrity, be open, brave, astute, and accountable.

The Influence of Auditor Honesty (X3) on Audit Result Quality (Y2)

This study shows that auditor honesty significantly affects the quality of audit results. The higher the auditor's honesty, the better the audit quality produced. Auditor honesty is important for maintaining integrity and transparency in the audit process. Honest, transparent, brave, wise, and responsible auditors will produce high-quality audits.

The Influence of Auditor Professional Ethics (X4) on Auditor Transparency (Y1)

This study demonstrates that auditor transparency is significantly improved by auditor professional ethics. Transparency in the audit process depends heavily on professional ethics, such as independence, honesty, and

integrity. High ethical standards typically result in audit findings that are truthful and impartial, unaffected by outside influences or personal agendas.

The Influence of Auditor Professional Ethics (X4) on Audit Result Quality (Y2)

This study demonstrates that the quality of audit results is significantly improved by the professional ethics of auditors. By conducting audits ethically and reporting results based on the facts, auditors who respect their professional ethics will enhance the quality of their audits. Professional ethics encompass accountability, honesty, impartiality, caution, and information privacy. Professional ethics are influenced by an individual's subjective norms about social norms and their drive to adhere to such norms, according to planned behavior theory.

The Influence of Auditor Professionalism (X1) on Audit Quality (Y2) Through Auditor Transparency (Y1)

Through transparency, this study demonstrates that auditor professionalism significantly improves audit quality. Transparency in audits is supported by auditor professionalism, which includes upholding ethical norms, possessing in-depth knowledge, and communicating honestly. The relationship and trust between the auditor and the client are strengthened by this transparency, which also enhances the accuracy and depth of audit analysis. As a result, experienced auditors can generate audit reports that are more trustworthy and transparent, improving audit quality and public trust in audit outcomes.

The Effect of Auditor Independence (X2) on Audit Quality (Y2) Through Auditor Transparency (Y1)

This study demonstrates that the independence of the auditor has no discernible impact on the transparency of the audit. Even if auditor independence is crucial for guaranteeing an impartial audit opinion free from outside influence, it is insufficient to raise audit quality if auditors lack the necessary expertise. Because the audit report also depends on the auditor's expertise, independence by itself cannot provide trustworthy audit outcomes.

This result is consistent with studies by Febriyanti (2014) and Putri and Juliarsa (2015), which demonstrate that auditor independence has no discernible effect on audit quality through transparency. Auditor independence can be compromised and audit results impacted by issues such as client influence, competition among public accounting firms, and possible conflicts of interest. In addition to maintaining their independence, auditors must possess the necessary abilities and expertise to generate high-quality audit reports.

The Influence of Auditor Honesty (X3) on Audit Result Quality (Y2) Through Auditor Transparency (Y1)

The results of this study show that auditor honesty does not affect the quality of audit results through transparency. In this study, it was found that the effect of honesty on audit result quality through transparency is rejected or not significant. This result indicates that, although honesty is considered important in the audit process, honesty does not directly influence the quality of audit results when transparency is used as a mediating variable. This may be due to other factors that are more dominant in determining the quality of audit results.

The Influence of Auditor Professional Ethics (X4) on Audit Quality (Y2) Through Auditor Transparency (Y1)

This study shows that auditor professional ethics have a significant positive effect on audit quality through transparency. Auditor professional ethics, such as honesty, integrity, and independence, play an important role in ensuring audit quality by enhancing transparency.

When auditors apply ethical principles, it builds a strong foundation for carrying out audits with integrity and objectivity. Professional ethics also strengthen transparency in the relationship between auditors and clients, making open communication and access to more complete data easier, which improves the accuracy and depth of audit analysis. Overall, professional ethics for auditors not only boost transparency but also directly contribute to audit quality. By sticking to ethics, auditors make sure that audits add real value and maintain the integrity of the profession.

The Effect of Auditor Transparency (Y1) on Audit Quality (Y2)

This study demonstrates that the quality of audit results is significantly impacted by auditor transparency. The validity and reliability of the audit results can be increased by auditors who are transparent throughout the whole audit process, from data collecting to reporting conclusions. Stakeholders can comprehend the audit approach, confirm the process's integrity, and spot possible conflicts of interest thanks to transparency. Transparency increases trust between auditors and clients and enhances comprehension and acceptance of audit outcomes. Transparency includes being transparent in decision-making and communicating important information. This guaranties that audits offer companies and stakeholders substantial added value. This study aligns with research by Restu Agusti and Nasti Putri Pertiwi (2013) and Achmat Badjuri (2011), which also show that transparency has a significant effect on audit quality.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results and discussion, it can be concluded as follows:

1. Auditor professionalism has a positive and significant impact on transparency.
2. Auditor professionalism has a positive and significant impact on the quality of audit results.
3. Auditor independence has a positive and significant impact on transparency.
4. Auditor independence has a positive and significant impact on the quality of audit results.
5. Auditor honesty has a positive and significant impact on transparency.
6. Auditor honesty has a positive and significant effect on the quality of audit results.
7. Auditor professional ethics have a positive and significant effect on transparency.
8. Auditor professional ethics have a positive and significant effect on the quality of audit results.

9. Auditor professionalism has a positive and significant effect on the quality of audit results through the transparency variable.
10. Auditor independence has a positive but not significant effect on the quality of audit results through the transparency variable.
11. Auditor honesty has a negative and not significant effect on the quality of audit results through the transparency variable.
12. Auditor professional ethics have a positive and significant effect on the quality of audit results through the transparency variable.
13. Transparency has a positive and significant effect on the quality of audit results.

FURTHER STUDY

Based on the research results and conclusions, the researcher offers several suggestions:

1. For public accounting firms, it is recommended to conduct regular evaluations of auditor performance, such as annual assessments, internal reviews, and compliance evaluations. This should be done as an effort to restore the purpose of audits to meet applicable standards.
2. Future researchers are encouraged to increase the sample size and expand the sampling area. Future research should not be limited to public accounting firms in the Samarinda and Balikpapan areas but should cover the entire East Kalimantan region.
3. The results of this research can be used as a reference for future researchers who want to study the same topic by adding various additional variables.

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