

The Effect of Auditor Expertise, Obedience Pressure and Time Budget Pressure to Audit Judgment

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Abstract

Financial auditor faces a lot of constraint while conducting the audit. They must have professional judgment to provide audit opinion. There were several factors believed to have effect on this study aims to determine the effects of auditor expertise, obedience pressure, and time budget pressure on audit judgment. The data used in this study based on a survey by distributing questionnaires to members of supreme audit institution auditors. In order to achieve the aims, two methods were used in this study, those are descriptive and verification. This is quantitative research which uses statistical analysis to answer the hypothesis. Ordinary least square using determination of coefficient, f test and t test were used to test the hypothesis. The results of the study revealed that the auditor expertise, obedience pressure, and time budget pressure affect audit judgment both in partial and simultaneous. Therefore, auditors need to increase their participation in trainings or seminars to improve the quality of their judgment.

Keywords: Auditor, expertise, obedience, time budget, pressure, professional, judgment

1. Introduction

It is undeniable that the role of the auditor as an independent party is indispensable for users of financial statements for decision making. In order to produce financial statements that need an auditor who supports to audit by considering materiality and minimizing the risk of misstatement. The auditor as the party conducting the audit has a large role in the audit results. The auditor's auditor makes decisions not only for the benefit of his client, but also for other parties who use the audit report. Related to this, the auditor must have expertise in order to produce reliable audit results opinions given by the auditor related to other parties. Expertise is not only in audit skill but also in computer literacy [1] and [2].

The fact that auditors have great responsibilities, it is important for auditors who work in public accounting firms to have high competence. The first general standard [3] proposes an audit that must be carried out by one or more persons who have sufficient technical expertise and training as auditors. The technical expertise and training

provided by the auditor in this regard reflects the competence of the auditor. Paragraph three of SA Section 210 states, in conducting an audit to arrive at an opinion, the auditor must act as an expert in the accounting and audit fields [3].

In formulating the audit opinion the auditor uses professional judgment. Judgment is an activity that is needed by the auditor in carrying out his/her duties, especially in auditing financial statements. Judgment depends on the acquisition of evidence and the development of the evidence so as to produce confidence that arises from the auditor's ability to explain the evidence described. The better the judgment, quality of audit opinion will increase [4].

In carrying out the audit process, it is not uncommon for auditors to experience work pressure, such as compliance pressure from superiors or the entities that they inspect. Auditors will feel under pressure when obeying orders from superiors or requests by entities to do what they want that may be contrary to the standards and

ethics of the auditor profession. In carrying out their duties, auditors must comply with and adhere to auditing standards and professional ethics. However, it is not uncommon for potential conflicts to arise when auditors try to fulfill their professional responsibilities, but on the other hand they are also required to fulfill orders from superiors and entities being examined. This pressure will affect the auditor in carrying out their duties, one of which is in audit judgment. In other words, auditors who feel under pressure will exhibit dysfunctional behavior by agreeing to make mistakes or violate ethics [5]. This conflict situation makes auditors experience doubts in maintaining their independence.

In doing their work, even though they have been burdened with obedience pressure, auditors are also still burdened with limitation by time constraints. The financial statement closes on December 31, and the independent auditor's report must be completed no later than 90 days after or March 31 of the following year [6].

2. Literature Review and Hypothesis Development

2.1. Audit Judgment

According to [7], Audit Judgment is the auditor's policy in determining opinions regarding audit results that refer to the formation of an idea, opinion or estimate regarding an object, event, status or other type of event.

Based on this understanding, it can be explained that the audit judgment is the final decision on the results of the information received continuously by the auditor while carrying out his duties, coupled with factors within the auditor, so there are several choices in responding to it. Every step in the judgment process will affect the final outcome of the judgment and can also change depending on the information that comes as new considerations that can be used by the auditor.

In making a judgment, the auditor will collect relevant evidence at different times. Then integrate information from the evidence. The accuracy of a judgment produced by the auditor

gives a significant influence on the final conclusions (opinions) that will be generated [8].

2.2. Auditor Expertise

Competence is the auditor's ability to conduct the audit process. In general, competence is influenced by knowledge and experience; in this case what is meant is in the audit field. Auditors with knowledge and expertise as well as experience in accounting and auditing can have a better understanding of auditing so that the quality of audits produced will also be better. So the higher the competency of an auditor, the higher the quality of audits produced. According to [5], [6], and [7] the competence of an auditor influences the quality of audits produced. Meanwhile, according to [8] auditor competence has no effect on audit quality. Based on the explanation above, the research hypothesis is formulated as follows.

H1: Audit expertise affects audit judgment

2.3. Obedience Pressure

In giving a judgment does not rule out the possibility of the auditor being influenced by obedience pressure, both pressures from the employer or from the client. Research conducted by [6] says that the pressure of obedience has a negative effect. Increasing obedience pressure causes the auditor to be less precise in making audit judgment. In a situation, both the employer and the client can influence the auditor to violate the accountant's professional code of ethics in decision making. This is supported by research conducted by [13] that obedience pressure negatively affects audit judgment, because the higher the pressure exerted on the auditor, the audit judgment to be taken becomes inaccurate. Based on the description above, the hypotheses that can be taken in this study are:

H2: Obedience pressure affects audit judgment

2.4. Independence of Auditor

Time budget pressure has positive and negative effects. In a study conducted by [14] said that time budget pressure has a significant positive effect, because it causes the time pressure of the auditor to feel motivated in the auditing process so as to lead to better auditor performance. However,

research conducted by [6] states that time budget pressure has a negative and significant effect on audit quality. With a limited time will be very possible for the auditor to conduct audit judgment in a hurry that can make the auditor conduct deviant behavior. This is also reinforced by research conducted by [15] that time budget pressure has a negative and significant effect on audit quality. Based on this discussion, the research hypothesis is:

H3: Time budget pressure affects audit judgment

3. Research Methodology

3.1. Population and Sample

This study uses primary data, the population in this study are auditors working in the State Audit Board of West Java province, which are divided into 3 regional units called sub-regions

Table 1: Population and Sample

Sub-regions	Population	Sample
West Java 1	42	15
West Java 2	38	13
West Java 3	42	12
Total	122	40

In this study researchers use sampling techniques named simple random sampling. It is because the population which is auditors at the Supreme Audit Institution Representative of West Java Provinces, they have the same opportunity to be selected as a sample.

Technical researchers generally have difficulty to examine all elements of the population, if the number of elements of the population is relatively large or even difficult to calculate, the obstacles faced by researchers are generally a matter of time constraints and willingness of respondents. In this connection, the calculation of determining the number of samples to be used uses references from [16] and [17]. [17] said that enough samples were more than 30, while [18] said that the minimum amount is 20-25. Then the number of samples that researchers will use amounted to 40 samples.

3.2. Data Collection Method

In this study the data obtained by means of a survey of auditors who work in Supreme Audit Institution Representatives of West Java Province. Data collection through field research was carried out using a questionnaire. The research questionnaire contains a number of general questions such as respondent identity aimed at obtaining information related to the research respondent and a number of statements that have been formulated related to the influence of auditor expertise, obedience pressure, and time budget pressure on audit judgment.

The questionnaire was also accompanied by a letter of application and the purpose of this study. The questionnaire can be filled in by using a checklist or a cross in the column provided in accordance with the choice of answers from the statements that have been provided.

3.3. Data Analysis Method

In managing data and analyzing data the author will use manual formulas and the IBM SPSS 25 program. SPSS is software that functions to analyze data; perform statistical calculations, both for parametric and non-parametric statistics on a windows basis [19]. Statistical software will be used for test the validity, reliability, determination of coefficient, t test and f test.

3.4. Operation of Variables

The variables used in this study are the independent variables and the dependent variable. Following are the operation of variables for independent and dependent variables:

Table 2: Operation of Variable

Variables	Measurement
Audit Judgment (AJ) [7]	1. Materiality level 2. Risk level
Auditor Expertise (AE) [4]	1. Auditor's knowledge 2. Ability to conduct audits 3. Ability to present reports 4. Certification or recognition of expertise.
Obedience Pressure (OP) [6]	1. Pressure from superiors 2. Pressure from clients
Time Budget	1. Understanding of the

Pressure (TBP) [15]	time budget
	2. Responsibility for the time budget
	3. Performance appraisal from superiors.

36-40	15	37.5
>40	9	22.5
Total	40	100

4. Research Result

4.1. Characteristic of Respondent

Characteristics of respondents are used to provide an overview as well as information about respondent identity data. Characteristics of respondents were divided by gender, age, last education, length of time as auditor and position. The characteristic of the respondent in this research is presented on table below:

Table 3: Characteristic of Respondents

Gender	Frequency	Percentage
Male	27	67.5
Female	13	32.5
Total	40	100

Position	Frequency	Percentage
Junior	13	32.5
Middle	21	52.5
Senior	6	15
Total	40	100

Education	Frequency	Percentage
Diploma	0	0
Bachelor	30	75
Master	10	25
Doctor	0	0
Total	40	100

Experience	Frequency	Percentage
1 - 5 years	3	7.5
6 - 10 years	19	47.5
> 10 years	18	45
Total	40	100

Age	Frequency	Percentage
25-30	2	5
31-35	14	35

Based on the table 3, we can conclude that the majority of the respondents were male, middle level, bachelor, experienced in 6 to 10 years, and aged 36 – 40 years old.

4.2. Instrument Validity Test Result

Validity test is done to test the validity of each item in the questionnaire instrument used. Validity test is done to test the validity of each question in the questionnaire instrument used. Testing is said to be valid if the value of Corrected Item Total Correlation which is the count of each question item must be greater than the value of r table [19]. The validity test decision making criteria are summarized as follows: $r_{count} > r_{table}$. R table in this research is 0.311.

Table 4: Instrument Validity Test

Questions	R Count	Questions	R Count
AJ_1	0.844	OP_5	0.784
AJ_2	0.903	OP_6	0.648
AJ_3	0.808	OP_7	0.685
AJ_4	0.918	OP_8	0.761
AJ_5	0.803	OP_9	0.754
AE_1	0.613	OP_10	0.764
AE_2	0.694	OP_11	0.735
AE_3	0.843	TBP_1	0.737
AE_4	0.814	TBP_2	0.804
AE_5	0.761	TBP_3	0.795
AE_6	0.762	TBP_4	0.848
AE_7	0.741	TBP_5	0.797
AE_8	0.596	TBP_6	0.664
OP_1	0.750	TBP_7	0.712
OP_2	0.809	TBP_8	0.719
OP_3	0.786	TBP_9	0.731
OP_4	0.850		

Based on the table above it can be said that all questions on the variable is valid, because all the r count is above r table.

4.3. Reliability Test Result

Reliability test is a test to ascertain whether the research questionnaire that will be used to collect

data on research variables is reliable or not. The questionnaire is said to be reliable if the questionnaire is re-measured, it will get the same results. Reliability test in this study used one shot reliability. Statistical test use Cronbach's alpha. It can be said to meet the requirements if the value is above 0.6, because according to [19] values below 0.6 are said to be poor.

Table 5: Reliability Test

Variables	Cronbach's Alpha
Audit Judgment	0.751
Computer Literacy	0.862
Auditor Expertise	0.751
Obedience Pressure	0.808
Time Budget Pressure	0.729

4.4. Determination of Coefficient

The coefficient of determination test is done to test how much influence the independent variable has on the dependent variable.

Based on Table 6 regarding Simultaneous Determination Correlation, the known determination value or Adjusted R Square is 0.634.

Table 6: Determination of Coefficient

Model Summary ^a				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.814 ^a	.662	.634	2.16342

a. Predictors: (Constant), X1, X3, X2
b. Dependent Variable: Y

The Adjusted R Square value is equal to 63.4%. This value means that the auditor expertise, obedience pressure and time budget pressure on the audit judgment are 63.4%. While the remaining 36.6% is influenced by other variables not examined.

4.5. F Test

The F test is used to determine the meaning of the effect given by variable X to the Y variable combined (simultaneously). In this case, the F test is used to test whether there is an effect of auditor expertise, compliance pressure and time budget pressure on audit judgment.

Table 7: F Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	330.282	3	110.094	23.522	.000 ^b
	Residual	168.493	36	4.680		
	Total	498.775	39			

a. Dependent Variable: Y
b. Predictors: (Constant), X1, X3, X2

Based on table the value sig. of 0.000, because the value of sig. $0.000 < 0.05$, It is known that the calculated F value is 23,552, because the F value is $23.552 > F$ table 7. According to the basis of the F test decision making, it was concluded that auditor expertise, compliance pressure and time budget pressure on audit judgment.

4.5. T Test

T test is used to find out the independent variable (X) partially influences the dependent variable (Y). In this case, a t test is performed to find out whether computer literacy, auditor expertise, obedience pressure and time budget pressure to partially influence audit judgment.

Table 8: T Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.859	2.697		2.914	.006
	AE	.338	.107	.469	3.158	.003
	OP	.172	.079	.218	2.187	.035
	TBP	.327	.152	.315	2.150	.038

a. Dependent Variable: Y

Auditor Expertise (X1), Sig value equal to 0.003 < 0.05 , there is an influence between the expertise of the auditor (X1) on Audit judgment (Y). The calculated t value obtained for $3.158 > t$ table 2.02, there is an influence between the expertise of the auditor (X1) on Audit judgment (Y). Our result support previous research by [20] and [4]. Expertise made auditor more capable in handling job and provide appropriate opinion for client financial statement.

Obedience Pressure (X2), Sig value of 0.035 < 0.05 , there is an influence between the Obedience Pressure (X2) on Audit Judgment (Y). The calculated t value obtained for $2.187 > t$ table 2.02, then there is an influence between the pressure of obedience (X2) to Audit judgment (Y). This result support previous research by [6]

and [21]. Auditor who obedience to the rules and manner will avoid unethical behavior. This will result in better judgment.

Time budget pressure test (X3), Sig value of 0.038 < 0.05, then there is an influence between time budget pressure (X3) on Audit judgment (Y). The t value obtained is 2.150 > t table 2.02, then there is an influence between the time budget pressure (X3) to Audit judgment (Y). It strengthens the previous premise by [14] and [6]. Time budget made auditor to make a time line work plan. Auditor becomes more attention to time target and finish auditor independence report which contain audit opinion on time.

5. Conclusion and Suggestion

All independent variables in this research, which is auditor expertise, obedience pressure and time budget pressure each has effect on audit judgment. The effect is both partially and simultaneously. According to this result, the author suggested that: In order to increase performance, Supreme Audit Institution Representatives of West Java Province, Auditors who work in West Java Province must attend training, seminars so that the quality assessment produced can be better.

Share further research, future studies can assist respondents who will fill out the questionnaire in order to explain directly the contents of the questionnaire if there are questions that are not asked by respondents. Researchers should choose the right time, namely when the auditor is in the low season, while the auditors choose to be in the office. In future studies, it is expected that the research can add a number of other independent variables which can also affect audit judgment. In future studies, it is expected to be able to conduct popular research with different research objects.

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