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**THE EFFECT OF INDEPENDENCE, PROFESSIONAL JUDGMENT , AND  
PROFESSIONAL ETHICS ON AUDIT QUALITY WITH INTEGRITY AS A  
MODERATING VARIABLE**

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**Abstract**

*This study aims to analyze the influence of Independence, Professional Judgment, and Professional Ethics on Audit Quality with Integrity as a moderating variable in Public Accounting Firm (KAP) auditors in Bandung and Jakarta. The background of this study is based on the importance of audit quality in increasing public trust in the public accounting profession, as well as the need for auditors to have an independent attitude, professional judgment, professional ethics, and integrity in carrying out audit assignments. The research method used is a quantitative method with an associative approach. The study population is auditors working at Public Accounting Firms in Bandung and Jakarta. The sampling technique used purposive sampling, resulting in 50 respondents as research samples. Data were collected through questionnaires and analyzed using Moderated Regression Analysis (MRA) with the help of the IBM SPSS Statistics program. Testing was carried out through validity tests, reliability tests, classical assumption tests, moderation regression analysis, coefficient of determination ( $R^2$ ) tests, F tests, and t tests. The results of the study indicate that Independence does not have a significant effect on Audit Quality, and Professional Judgment does not have a significant effect on Audit Quality. On the other hand, Professional Ethics and Integrity are proven to have a positive and significant effect on Audit Quality. The results of the moderating variable test indicate that Integrity is unable to moderate the relationship between Independence, Professional Judgment, and Professional Ethics on Audit Quality, so that Integrity plays a more independent role as a variable that has a direct influence on Audit Quality. In addition, the research model has an Adjusted R Square value of 0.820, which indicates that 82.0% of the variation in Audit Quality can be explained by the variables in the research model, while the remaining 18.0% is influenced by other factors outside the research.*

**Keywords:** Audit Quality, Integrity, Independence, Professional Judgment, Professional Ethics

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**Abstrak**

Penelitian ini bertujuan untuk menganalisis pengaruh Independensi, Professional Judgement, dan Etika Profesi terhadap Kualitas Audit dengan Integritas sebagai variabel moderasi pada auditor Kantor Akuntan Publik (KAP) di Bandung dan Jakarta. Latar belakang penelitian ini didasarkan pada pentingnya kualitas audit dalam meningkatkan kepercayaan publik terhadap profesi akuntan publik, serta perlunya auditor memiliki sikap independen, kemampuan professional judgement, etika profesi, dan integritas dalam melaksanakan penugasan audit. Metode penelitian yang digunakan adalah metode kuantitatif dengan pendekatan asosiatif. Populasi penelitian adalah auditor yang bekerja pada Kantor Akuntan Publik di Bandung dan Jakarta. Teknik pengambilan sampel menggunakan purposive sampling, sehingga diperoleh sebanyak 50 responden sebagai sampel penelitian. Data dikumpulkan melalui penyebaran kuesioner dan dianalisis menggunakan Moderated Regression Analysis (MRA) dengan bantuan program IBM SPSS Statistics. Pengujian dilakukan melalui uji validitas, reliabilitas,

uji asumsi klasik, analisis regresi moderasi, uji koefisien determinasi ( $R^2$ ), uji F, dan uji t. Hasil penelitian menunjukkan bahwa Independensi tidak berpengaruh signifikan terhadap Kualitas Audit, demikian pula Professional Judgement tidak berpengaruh signifikan terhadap Kualitas Audit. Sebaliknya, Etika Profesi dan Integritas terbukti berpengaruh positif dan signifikan terhadap Kualitas Audit. Hasil pengujian variabel moderasi menunjukkan bahwa Integritas tidak mampu memoderasi hubungan antara Independensi, Professional Judgement, maupun Etika Profesi terhadap Kualitas Audit, sehingga Integritas lebih berperan sebagai variabel independen yang memberikan pengaruh langsung terhadap Kualitas Audit. Selain itu, model penelitian memiliki nilai Adjusted R Square sebesar 0,820, yang menunjukkan bahwa sebesar 82,0% variasi Kualitas Audit dapat dijelaskan oleh variabel-variabel dalam model penelitian, sedangkan sisanya sebesar 18,0% dipengaruhi oleh faktor lain di luar penelitian.

**Kata Kunci:** Kualitas Audit, Integritas, Independensi, Professional Judgment, Etika Profesi

## INTRODUCTION

Various business sectors in Indonesia have experienced rapid growth in recent years. This situation has pushed the business world to face increasingly intense competition due to industrial diversification and the continued emergence of innovation. To survive this fierce competition, business actors have implemented various strategies, including strengthening financial performance and building public trust. This intense competition has also opened up opportunities for external investment (Arens, Elder, & Beasley, 2023).

Auditing is a crucial element of corporate governance, aiming to provide assurance that financial statements are free from material errors, whether intentional or unintentional. Audited financial statements are used by various parties in strategic economic decision-making, making the presence of independent external auditors crucial. A high-quality audit process will increase public trust in the information presented, while poor audit quality can raise doubts and even lead to a crisis of confidence (Arens, Elder, & Beasley, 2023).

Audit quality in the application of the latest standards is understood as the result of a series of procedures carried out by auditors in a structured, consistent manner, and based on the principle of professionalism. Based on the view of the International Auditing and Assurance Standards Board, audit quality is achieved when the audit process is carried out in accordance with applicable standards, accompanied by adequate professional skepticism, adequate documentation, and supported by a strong quality control system. Updates to ISQM 1 and ISA 220 emphasize that audit quality depends not only on the competence of individual auditors, but is also influenced by the quality culture, leadership within the audit firm, engagement risk management, and the effectiveness of supervision during the audit.

Although various audit standards have been refined to improve audit quality, in practice, violations by Public Accountants are still found in the implementation of audit assignments. This condition indicates that the implementation of professional standards has not been fully optimal. This is reflected in the supervisory and disciplinary actions carried out by the Ministry of Finance's Center for Financial Professional Development (PPPK) through the imposition of administrative sanctions on Public Accountants found to have violated statutory provisions and

professional standards. Based on PPPK data as of November 2024, 39 written warnings, 13 restrictions on the provision of services to certain entities, 4 restrictions on audit services, and 1 revocation of a Public Accountant license have been imposed.

From 2018 to 2024, an average of 81 public accountants and public accounting firms received sanctions, as can be seen below.

**Table 1**  
**Sanctions in 2018 – 2024**

| Keterangan                     | 2018 |     | 2019 |     | 2020 |     | 2021 |     | 2022 |     | 2023 |     | 2024 |     |
|--------------------------------|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|
|                                | AP   | KAP | AP   | KAP | AP   | KAP | AP   | KAP | AP   | KAP | AP   | KAP | AP   | KAP |
| Jumlah Sanksi yang diterbitkan | 32   | 45  | 42   | 13  | 84   | 9   | 120  | 0   | 50   | 0   | 85   | 3   | 88   | 1   |

Source: Performance Report of the Center for Financial Professional Development

A number of incidents in recent years have highlighted serious problems in audit practices, where auditor independence, professional judgment, professional ethics, and integrity are perceived as being less than effective in maintaining high audit standards. Financial scandals and audit failures at several companies have raised doubts about the effectiveness of current audit processes.

The Ministry of Finance's Center for Financial Professional Development (PPPK) reaffirmed the findings regarding the persistence of audit quality issues through a press release issued on March 12, 2025. The publication explained that a number of Public Accountants were still violating the Public Accountant Professional Standards (SPAP), including failing to prepare audit working papers adequately, failing to obtain sufficient and appropriate audit evidence as a basis for issuing audit opinions, and failing to implement audit procedures in accordance with applicable Auditing Standards (SA). The PPPK also revealed that during the 2020–2024 period, the licenses of five Public Accountants had been revoked as a form of disciplinary action for serious violations. One such action was the revocation of the license of Public Accountant Henry Susanto based on the Decree of the Minister of Finance Number 542/KM.1/2024 because he was proven to have failed to comply with audit standards in carrying out audit assignments.

This phenomenon demonstrates that the challenge of achieving high audit quality is not only related to fulfilling the technical aspects of the audit, but is also influenced by the auditor's professional behavior in carrying out each stage of the assignment. Violations of audit standards indicate that the application of independence, the use of professional judgment, adherence to professional ethics, and maintaining auditor integrity still require greater attention. If these four aspects are not consistently applied, the resulting audit quality has the potential to decline and can reduce the level of stakeholder trust in the Public Accounting profession. Therefore, this phenomenon provides a relevant basis for examining the influence of independence, professional judgment, professional ethics, and integrity on audit quality in an effort to produce quality audits and increase the credibility of the Public Accounting profession.

Auditor independence is the primary foundation for conducting an effective and reliable audit, as it enables auditors to be objective, honest, and impartial during the financial statement audit process. Beasley emphasized that without independence, auditors will struggle to provide opinions free from pressure or influence from any party, particularly from client management, which has a vested interest in the audit results. When independence is not maintained, public trust in audit results will decline drastically, as auditors are perceived as no longer representing the interests of external stakeholders, but merely following the client's wishes. Beasley also highlighted that the main challenges in maintaining independence come from long-term business relationships, the existence of non-audit services, and financial pressures that can compromise auditor objectivity (Arens, Elder, & Beasley, 2023).

Professional judgment is a crucial skill that auditors must possess when dealing with complex and ambiguous audit situations, not all of which are explicitly covered by auditing standards. According to Arens, Elder, & Beasley (2023), professional judgment encompasses the auditor's decision-making process based on expertise, experience, technical knowledge, and understanding of the client's business and the audit environment.

Professional ethics is the moral foundation of auditing practice, serving as a compass for every auditor's actions and decisions. Without a strong ethical foundation, auditors are vulnerable to unprofessional behavior, such as accepting gratuities, concealing findings, or even colluding with clients. Professional ethics encompasses values such as integrity, objectivity, competence, confidentiality, and professional conduct. Ethical auditors are able to maintain their profession's reputation and provide protection to the public, the primary users of audited financial statements. Even under high pressure, auditors who uphold ethics will continue to act in accordance with sound moral principles (IAI, 2023).

Besides ethics, integrity is also a crucial pillar determining audit quality. Integrity reflects honesty, consistency in behavior, and the courage to speak the truth, even when unpopular or at risk of conflict. Auditors with integrity will not sacrifice professional values simply to maintain good relationships with clients. Integrity also ensures that auditors do not merely pursue personal interests but genuinely carry out audits as a form of public responsibility. In many cases, audit failures stem from the erosion of auditor integrity, whereby auditors ignore moral principles for short-term gain (Nurhayati & Wulandari, 2023).

## **THEORY AND HYPOTHESIS DEVELOPMENT**

### **Agency Theory**

Agency theory, introduced by Jensen and Meckling (1976), provides an important foundation for understanding the necessity of audits in modern organizations. This theory describes a contractual relationship between the principal, the owner or shareholder, and the agent, who acts as management. In practice, managers have more extensive information about the company's condition and operations than the owner. This information asymmetry creates information asymmetry that has the potential to lead to moral hazard, the tendency for agents to

act in their own interests. This behavior can take the form of manipulating financial reports, concealing important information, or other decisions that could potentially harm the principal (Meckling, 1976).

### **Audit**

Auditing is the collection and evaluation of evidence about information to determine and report the degree of conformity between that information and established criteria. Auditing must be conducted by competent and independent individuals. Auditing can be divided into several types, each intended to determine the objectives or goals to be achieved through the audit. There are three types of audits according to Alvin A. and K. Loebbecke (2015), namely:

- 1) **Operational Audit** An operational audit is a review of every part of an organization's operating procedures and methods to assess their efficiency and effectiveness. Typically, after an operational audit is completed, the auditor will make a number of recommendations to management to improve the company's operations.
- 2) **Compliance Audit** The purpose of a compliance audit is to consider whether the customer has followed certain procedures or regulations that have been set by the authorities.
- 3) **Financial Statement Audit** A financial statement audit is conducted to determine whether the overall financial statements, which are measurable information to be verified, have been presented in accordance with certain criteria.

### **Audit Quality**

Audit quality is seen as a crucial element in maintaining the integrity of financial reporting, and experts place varying emphasis on the factors influencing it. Audit quality is determined by a combination of the auditor's technical competence in detecting errors and their independence in reporting findings, so that not only skills but also ethical attitudes form the basis for assessment. Accordingly, (Francis, 2011).

Audit quality is the extent to which an audit is conducted in accordance with applicable professional standards and regulations, enabling the auditor to provide accurate and reliable reports under appropriate circumstances. The International Auditing and Assurance Standards Board (IAASB) emphasizes that audit quality is influenced by various interrelated elements, including inputs (such as auditor competence, ethics, and independence), the audit process (including the application of professional skepticism and quality control), and outputs (audit results in the form of relevant and reliable opinions and reports). Furthermore, audit quality is also determined by contextual factors, such as the regulatory environment, corporate governance, and the culture of the audit organization, which together create an environment that supports the achievement of high-quality audits.

### **Auditor Integrity**

Integrity is a fundamental principle in the ethics of the public accounting profession, forming the basis for public trust in audit results. According to the American Institute of Certified Public Accountants (AICPA, 2014) Code of Professional Conduct, integrity requires auditors to be honest and open in all professional relationships, while maintaining client confidentiality. Auditors with integrity must uphold the values of truth, fairness, and objectivity in carrying out their professional responsibilities. Furthermore, integrity helps auditors remain neutral in their assessments and not be influenced by personal interests or pressure from others. Therefore, integrity is the primary foundation for maintaining audit quality and the credibility of the auditing profession in the public eye (AICPA, 2014).

In line with this, Arens, Elder, & Beasley (2023) explain that integrity is a key element in the auditor's professional ethics, demanding moral courage, honesty, and responsibility in the face of various pressures. Auditors with integrity will remain steadfast in their adherence to public principles even when faced with conflicts of interest or the threat of losing clients. Integrity encourages auditors to maintain the independence and reliability of the audit opinion provided to the public. Furthermore, integrity also strengthens public confidence that the audit results are derived from an objective process and free from manipulation. Therefore, integrity plays a crucial role in maintaining public trust in the public accounting profession. (Arens, Elder, & Beasley, 2023).

### **Auditor Independence**

Independence is a fundamental principle that auditors must uphold to perform their duties objectively and professionally. According to the American Institute of Certified Public Accountants (AICPA, 2014) Code of Professional Conduct, independence means freedom from influences that could impair the auditor's objectivity in making professional judgments. An auditor must be free from personal interests, financial relationships, or pressure from clients that could influence their audit attitudes and decisions. Independence encompasses two important aspects: independence in fact and independence in appearance, both of which are equally important for maintaining audit credibility. Thus, independence is the basis for auditors to produce honest, objective, and publicly credible opinions (AICPA, 2014).

### **Professional Judgment**

An auditor's professionalism is measured not only by technical ability but also by their ability to use appropriate professional judgment during the audit process. According to the International Auditing and Assurance Standards Board (IAASB, 2022), in International Standard on Auditing (ISA) 200, professional judgment is defined as the application of relevant knowledge and experience in the audit context to make appropriate decisions regarding the necessary actions. Auditors are required to comprehensively consider the evidence, risks, and client circumstances before drawing audit conclusions. The use of sound professional judgment will result in a more reliable and objective opinion. Therefore, professional judgment is at the heart of the decision-making process at every stage of the audit. (IAASB, 2022)

Professional judgment is a cognitive process involving knowledge, experience, and ethical values that auditors use in making decisions. Professional judgment is based not only on data and facts, but also on the auditor's ability to comprehensively evaluate a situation and consider the consequences of each decision. Auditors with strong judgment skills are able to balance professional skepticism with confidence in the evidence obtained. Therefore, professional judgment is the primary foundation for auditors in producing credible opinions that can be trusted by users of financial statements (Nelson & Tan, 2005).

### **Professional Ethics**

The International Code of Ethics for Professional Accountants (ICE) outlines five fundamental principles of professional ethics: integrity, objectivity, professional competence and due care, confidentiality, and professional conduct. These five principles serve as guidelines for auditors in making decisions consistent with moral values and social responsibility. Auditors who adhere to ethical principles will be able to resist pressure from any party that could influence their professional judgment. Furthermore, ethics plays a crucial role in ensuring that auditors act in the public interest, not solely for personal or client interests. Therefore, professional ethics serves as a moral guide and safeguards the integrity of the public accounting profession (IESBA, 2020).

### **Framework**

Auditor independence is a key principle in the public accounting profession, ensuring auditors can provide objective opinions free from influence from any party. Independence can be divided into two forms: independence in fact and independence in appearance. Independence in fact relates to the auditor's mental attitude, which is truly free from bias and pressure, while independence in appearance relates to how external parties perceive the auditor as objective and impartial. Without independence, audit reports will lose credibility because users of financial statements will not trust audit results perceived as biased against the client's interests. Therefore, auditor independence is a crucial element in maintaining the reliability and quality of audit results (Arens, Elder, & Beasley, 2023).

Professional judgment is the auditor's ability to use their knowledge, experience, and professional ethics to make appropriate decisions at every stage of the audit. Every audit process contains elements of uncertainty and requires subjective judgment, such as in assessing risk, determining materiality, and evaluating audit evidence. Therefore, audit quality depends heavily on the accuracy of the auditor's professional judgment. Auditors with good professional judgment are better able to detect material misstatements and produce accurate and reliable opinions (Arens, Elder, & Beasley, 2023).

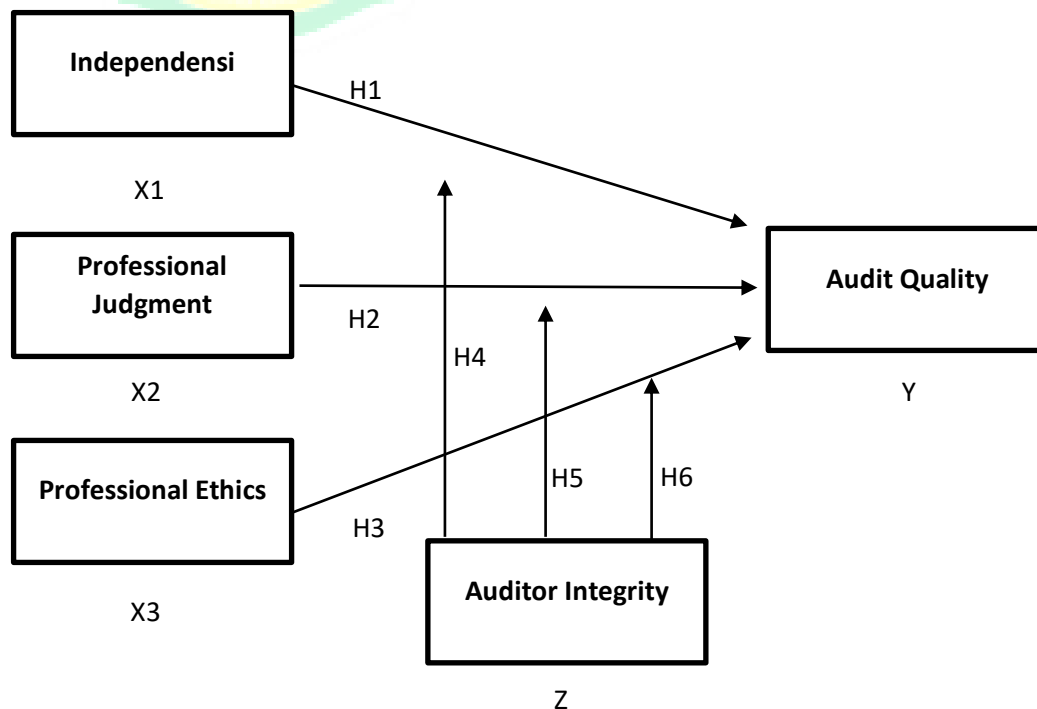
Professional ethics serve as a guideline for auditors in determining right and wrong actions in audit practice. Auditors who adhere to professional ethics will be better able to resist pressure from clients and produce independent opinions. Therefore, adherence to professional ethics directly positively impacts audit quality (Mulyadi, 2019). Strong professional ethics are the foundation of audit quality. IESBA explains that auditors must adhere to the fundamental

principles: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Adherence to these principles ensures auditors can provide quality reports and gain public trust (International Ethics Standards Board for Accountants, 2023).

Auditor integrity is an attitude of honesty, courage, fairness, and consistency in carrying out professional responsibilities. Auditors with integrity will uphold the principle of truth and will not sacrifice honesty for personal gain or pressure from other parties (independent). Integrity is the moral foundation for auditors to maintain public trust in their profession. Auditors with high integrity will produce audit reports that are objective, transparent, and in accordance with professional standards, thus improving the quality of the resulting audit (Agoes, 2017).

Auditor integrity is a fundamental value that reflects the auditor's honesty, moral courage, and consistency in carrying out their professional responsibilities. Integrity is the foundation for auditors in maintaining public trust in their profession. Auditors with high integrity will present audit results objectively and impartially, and reject any form of pressure that could influence the audit opinion. Therefore, the higher the auditor's integrity, the better the quality of the resulting audit, as the audit report prepared will be more reliable and reflect the actual conditions (Sukrisno Agoes, 2017).

Professional ethics can strengthen the relationship between integrity and audit quality because auditors with high integrity, while also adhering to professional ethics, will be more consistent in maintaining independence, acting fairly, and rejecting all forms of deviation. Thus, auditors are able to produce audits that are more accurate, transparent, and in accordance with professional standards. Professional ethics are moral and behavioral guidelines for auditors in carrying out their professional responsibilities. Professional ethics encompass the principles of integrity, objectivity, professional competence, confidentiality, and professional behavior, which form the basis of public trust in the accounting profession (Mulyadi, 2019).



### Research Hypothesis

Based on the theoretical basis explained previously, the results of relevant previous research, as well as the objectives and formulation of the research problem, the hypothesis proposed in this research can be formulated as follows:

**H1: Independence has an effect on audit quality**

**H2: Professional judgment influences audit quality.**

**H3: Professional ethics influence audit quality**

**H4: Integrity moderates the effect of independence on audit quality**

**H5: Integrity moderates the influence of professional judgment on audit quality.**

**H6: Integrity moderates the influence of professional ethics on audit quality.**

### RESEARCH METHODS

The model was first tested using the classical assumption test to ensure that the resulting regression model met the BLUE (Best Linear Unbiased Estimator) criteria, as explained by Gujarati & Porter (2020). The classical assumption tests performed included tests for normality, multicollinearity, heteroscedasticity, and autocorrelation.

Moderated regression analysis (MRA) is an analytical technique used to examine the effect of interactions between independent and moderator variables on dependent variables. This approach allows researchers to retain the entire research sample and provides a stronger basis for controlling the role of moderator variables in a model. MRA is essentially a specialized form of multiple linear regression, where the equation model incorporates elements of interaction between independent and moderating variables to determine whether the primary relationship is strengthened or weakened. According to Ghazali (2013), the presence of interaction variables in moderated regression is key to assessing the extent to which moderator variables influence the relationship between independent and dependent variables (Ghozali., 2013).

$$Y_{it} = \alpha + \beta_1 (X_1) + \beta_2 (X_2) + \beta_3 (X_3) + \beta_4 (X_1) Z_t + \beta_5 (X_2) Z_t + \beta_6 (X_3) Z_t + \varepsilon_{it}$$

Information

$\alpha$  : Constant (Alpha = 5%).

Y : Audit Quality.

$\beta_1$ – $\beta_3$  : Independent Variable Coefficient.

$\beta_4$ – $\beta_6$  : Coefficient of Independent Variable with Moderation.

X 1 : Independent.

X 2 : Professional Judgment.

X 3 : Professional Ethics.

Z : Integrity.

$\varepsilon$  : Error.  
 $i$  : Different individual effects for each  $i$ -th individual  
 $t$  : Period (2024).

The Model Test is used to determine whether all independent variables simultaneously influence the dependent variable. If the significance value (p-value) of the F test is  $<0.05$ , it can be concluded that the independent variables collectively have a significant influence on the dependent variable. Sugiyono (2017) emphasized that the Model Test serves as an initial basis for assessing whether a regression model is suitable for further use in the analysis and interpretation process.

Hypothesis testing in regression analysis aims to determine the significant influence of independent variables on dependent variables, either partially or simultaneously. Hypothesis testing is carried out through two approaches, namely partial significance testing (t-test) and simultaneous significance testing (F-test). Sugiyono (2017), states that hypothesis testing is necessary to make scientific decisions regarding the influence of each variable in the model based on the sample data obtained, therefore simultaneous flow will be carried out with the F-test (ANOVA), partial influence testing with the t-test, and the coefficient of determination test (R Square).

The t-test is used to partially test hypotheses, namely to determine the extent to which each independent variable individually influences the dependent variable in a regression model. This test is performed by examining the significance or probability value of each regression coefficient. If the probability value (p-value) is less than the specified significance level (e.g., 0.05), then the independent variable is considered to have a partially significant influence on the dependent variable (Ghozali, 2018).

The coefficient of determination ( $R^2$ ) is used to measure how much of the variation in the dependent variable can be explained by all the independent variables in the model. The  $R^2$  value ranges from 0 to 1. The closer it is to 1, the greater the model's ability to explain variation in the data. Gujarati and Porter (2009) state that although  $R^2$  is not the sole indicator of model quality, it remains an important tool in evaluating the predictive power of regression.

## RESEARCH RESULTS AND DISCUSSION

Research results were obtained through data processing and analysis based on established research methods. The results of this analysis are used to answer the problem formulation and test the research hypothesis. A summary of the test results is presented in the following table:

**Table 2**  
**Heteroscedasticity Test**

| <b>Coefficients<sup>a</sup></b> |                             |            |                           |       |      |
|---------------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model                           | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|                                 | B                           | Std. Error | Beta                      |       |      |
| (Constant)                      | -.089                       | .213       |                           | -.418 | .678 |
| 1 Independence                  | .036                        | .075       | .125                      | .482  | .632 |
| Professional_Judgement          | -.052                       | .067       | -.199                     | -.783 | .438 |
| Professional Ethics             | .065                        | .089       | .211                      | .732  | .468 |

a. Dependent Variable: ABS\_RES

Source: data processed using SPSS

Based on the Glejser test results in Table 4.1, the Independence variable has a significance value of 0.632, the Professional Judgment variable has a significance value of 0.438, and the Professional Ethics variable has a significance value of 0.468. All significance values are greater than 0.05. Thus, it can be concluded that the regression model does not exhibit heteroscedasticity. This indicates that the residual variance is constant (homoscedastic), thus fulfilling one of the classical assumptions in regression analysis, and the regression model is suitable for further analysis.

**Table 3**  
**Multicollinearity Test**

| <b>Coefficients<sup>a</sup></b> |                             |            |                           |       |      |                         |       |
|---------------------------------|-----------------------------|------------|---------------------------|-------|------|-------------------------|-------|
| Model                           | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. | Collinearity Statistics |       |
|                                 | B                           | Std. Error | Beta                      |       |      | Tolerance               | VIF   |
| (Constant)                      | .126                        | .341       |                           | .369  | .714 |                         |       |
| 1 Independence                  | .035                        | .121       | .035                      | .290  | .773 | .311                    | 3,211 |
| Professional_Judgement          | .145                        | .107       | .159                      | 1,348 | .184 | .322                    | 3.102 |
| Professional Ethics             | .780                        | .143       | .728                      | 5,458 | .000 | .253                    | 3,958 |

a. Dependent Variable: Audit Quality

Source: data processed using SPSS

Based on Table 4.2, it can be concluded that all independent variables have a Tolerance value greater than 0.10 and a VIF value less than 10. Thus, it can be concluded that the regression model does not experience symptoms of multicollinearity. This means there is no high correlation between the independent variables, so all variables can be used together in the regression model to analyze their impact on Audit Quality.

**Table 4****Moderation Regression Test**

| <b>Coefficients<sup>a</sup></b> |            |                             |            |                           |         |      |                         |       |
|---------------------------------|------------|-----------------------------|------------|---------------------------|---------|------|-------------------------|-------|
|                                 | Model      | Unstandardized Coefficients |            | Standardized Coefficients | t       | Sig. | Collinearity Statistics |       |
|                                 |            | B                           | Std. Error | Beta                      |         |      | Tolerance               | VIF   |
| 1                               | (Constant) | 4,538                       | .040       |                           | 113,673 | .000 |                         |       |
|                                 | C_X1       | .014                        | .123       | .014                      | .113    | .911 | .246                    | 4,069 |
|                                 | C_X2       | .013                        | .112       | .014                      | .112    | .911 | .241                    | 4,143 |
|                                 | C_X3       | .570                        | .171       | .532                      | 3,341   | .002 | .145                    | 6,914 |
|                                 | C_Z        | .409                        | .121       | .425                      | 3,384   | .002 | .232                    | 4,302 |
|                                 | X1_Z       | -.068                       | .266       | -.033                     | -.254   | .801 | .217                    | 4,604 |
|                                 | X2_Z       | -.074                       | .289       | -.031                     | -.258   | .798 | .259                    | 3,867 |
|                                 | X3_Z       | .199                        | .368       | .080                      | .541    | .592 | .169                    | 5,906 |

a. Dependent Variable: Audit Quality

Source: data processed using SPSS

Based on the results of the moderated regression analysis (MRA), the following regression equation was obtained:

$$\text{Audit Quality} = 4.538 + 0.014(\text{C\_X1}) + 0.013(\text{C\_X2}) + 0.570(\text{C\_X3}) + 0.409(\text{C\_Z}) - 0.068(\text{X1\_Z}) - 0.074(\text{X2\_Z}) + 0.199(\text{X3\_Z}) + \varepsilon$$

The analysis results show that the Professional Ethics variable (C\_X3) has a positive and significant effect on Audit Quality, with a regression coefficient of 0.570 and a significance value of 0.002 (<0.05). In addition, the Integrity variable (C\_Z) also has a positive and significant effect on Audit Quality, with a coefficient of 0.409 and a significance value of 0.002 (<0.05).

Meanwhile, the Independence variable (C\_X1) has a coefficient of 0.014 with a significance value of 0.911, while Professional Judgment (C\_X2) has a coefficient of 0.013 with a significance value of 0.911. Both variables do not significantly influence Audit Quality because they have a significance value greater than 0.05.

The moderation effect test shows that the interaction variable Independence × Integrity (X1\_Z) has a coefficient of -0.068 with a significance value of 0.801, the variable Professional Judgment × Integrity (X2\_Z) has a coefficient of -0.074 with a significance value of 0.798, and the variable Professional Ethics × Integrity (X3\_Z) has a coefficient of 0.199 with a significance value of 0.592. All significance values of the interaction variables are greater than 0.05, thus indicating that Integrity is not able to moderate the influence of Independence, Professional Judgment, or Professional Ethics on Audit Quality.

**Table 5****t-test**

| <b>Coefficients<sup>a</sup></b> |                             |            |                           |         |      |
|---------------------------------|-----------------------------|------------|---------------------------|---------|------|
| Model                           | Unstandardized Coefficients |            | Standardized Coefficients | t       | Sig. |
|                                 | B                           | Std. Error | Beta                      |         |      |
| (Constant)                      | 4,538                       | .040       |                           | 113,673 | .000 |
| 1 Independence                  | .014                        | .123       | .014                      | .113    | .911 |
| Professional Judgment           | .013                        | .112       | .014                      | .112    | .911 |
| Professional Ethics             | .570                        | .171       | .532                      | 3,341   | .002 |
| Integrity                       | .409                        | .121       | .425                      | 3,384   | .002 |

a. Dependent Variable: Audit Quality

Source: data processed using SPSS

The independence variable has a significance value of 0.830 ( $0.830 > 0.05$ ) with a t-value of 0.216. This indicates that  $H_0$  is accepted and  $H_a$  is rejected, so independence has no effect on the dependent variable.

The professional judgment variable has a significance value of 0.241 ( $0.241 > 0.05$ ) with a t-value of 1.197. Thus,  $H_0$  is accepted and  $H_a$  is rejected, which means that professional judgment has no effect on the dependent variable.

The professional ethics variable has a significance value of 0.000 ( $0.000 < 0.05$ ) with a t-value of 3.974. Therefore,  $H_0$  is rejected and  $H_a$  is accepted, so that professional ethics has a positive and significant effect on the dependent variable.

**Table 6****R test**

| Model | R                 | R Square | Adjusted R Square | Standard Error of the Estimate |
|-------|-------------------|----------|-------------------|--------------------------------|
| 1     | .937 <sup>a</sup> | .878     | .846              | .16968                         |

Based on the Model Summary, the  $R^2$  value of 0.878 indicates that 87.8% of the variation in Audit Quality can be explained by the variables Independence, Professional Judgment, Professional Ethics, Integrity, and the interaction between the independent variables and Integrity. Meanwhile, the Adjusted  $R^2$  value of 0.846 indicates that after adjusting for the number of predictors, 84.6% of the variation in Audit Quality can still be explained by the model, so this regression model is classified as good and suitable for use for prediction. The remaining 12.2% of the variation is influenced by other factors outside the model.

## CONCLUSION

Based on the results of the analysis and discussion regarding the influence of Independence, Professional Judgment, Professional Ethics, and Integrity on Audit Quality with Integrity as a Moderating Variable on auditors of Public Accounting Firms in Bandung and Jakarta, it can be concluded that Independence and Professional Judgment do not have a significant effect on Audit Quality. On the contrary, Professional Ethics and Integrity are proven to have a positive and significant effect on Audit Quality, which indicates that the higher the application of professional ethics and integrity of the auditor, the better the resulting audit quality. In addition, the results of the study indicate that Integrity is not able to moderate the influence of Independence, Professional Judgment, or Professional Ethics on Audit Quality. Thus, Integrity plays a role more as an independent variable that directly affects Audit Quality rather than as a moderating variable.

## Suggestion

Based on the research findings, the authors recommend that auditors continually improve the application of professional ethics and integrity in every audit to produce objective, reliable, and high-quality audits. Public Accounting Firms are also expected to continue strengthening their organizational culture through training, coaching, and supervision of the application of professional ethics, integrity, and auditor professional standards. For future researchers, it is recommended to add other variables that could potentially influence audit quality, expand the sample size and research area, and use different analytical methods to obtain more comprehensive research results with a better level of generalizability.

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