

The Effect of Time Budget Pressure and Auditor's Competency on Audit Quality

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Abstract

Purpose: This study aims to determine the effect of time budget pressure and auditor's competency on audit quality.

Research Methodology: The sample used in this study were auditors who work at the Public Accounting Firm in Bandung, Indonesia, and 48 auditors were asked to be respondents. The primary data was obtained by distributing questionnaires. This study uses a non-probability sampling method with a purposive sampling technique and multiple linear regression analysis methods using the Statistical Program for Society Science (SPSS) software.

Results: Based on the research results, it can be concluded that the variable time budget pressure and auditor's competence partially have a positive and significant effect on audit quality.

Limitations: The limitation of this study is the variables studied consisted of only 2 (two) variables, namely time budget pressure and auditor competence. The questionnaire is distributed only to auditors who work at the Public Accounting Firm in Bandung, Indonesia.

Contribution: Author, Auditor, Public Accounting Firm in Bandung City

Keywords: *Time Budget Pressure, Auditor Competence, Audit Quality*

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1. Introduction

The audit is a process carried out to collect and evaluate evidence in determining and reporting the level of conformity between the information and the criteria that have been determined in an examination, which the results will then be conveyed to the party using the audit service. Audit services performed by the auditor can have an important role in reducing information risk, the auditor seeks to provide adequate assurance that the financial statements being audited are free from misstatements, whether caused by manipulation or fraud. Thus, a public accountant is needed to assure that the financial statements presented are relevant and reliable ([Tuanakotta, 2015](#)).

The public accounting profession in Indonesia is a profession that is trusted by the public and users of financial reports in auditing financial reports. From a public accountant, the public and users of financial reports expect a transparent and impartial assessment of the information presented by company management in financial reports ([Mulyadi, 2010](#)). However, there are still public accountants who damaged their professional image with various cases, including the case that befell Garuda Indonesia which caused the Indonesia Stock Exchange to impose a fine of Rp. 250 million due to a violation that occurred in the presentation of the financial statements for the first quarter of 2019. IDX gave a deadline until 26 July 2019 to Garuda Indonesia to correct and restate the report. Related to the sanctions regulated in IDX Regulation Number 1-H concerning Sanctions, where the imposition of sanctions is carried out in stages, the regulation states that if the company is late in providing a revised report for 1 to 30 days from the deadline, it will be subjected to the first written warning letter or WL1. If there is a delay of 31 to 60 days, WL2 will be charged. Furthermore, if it is delayed by 90 days, it will be subjected

to WL3. Garuda Indonesia may get suspended if they do not report after being subjected to the third warning.

Previously, the Ministry of Finance imposed sanctions on Public Accountant (PA) Kasner Sirumapea and Public Accounting Firm (PAF) Tanubrata, Sutanto, Fahmi, Bambang & Rekan, as PA and PAF for Garuda Indonesia's financial statements. Sanctions were given after the Ministry of Finance examined the PA / PAF related to Garuda Indonesia's financial report problems for the 2018 financial year. The imposition of sanctions and written orders against Garuda Indonesia, the Board of Commissioners, or the Board of Directors, PA, and PAF by the OJK was given as a firm step due to delays in presenting the reports. This delay has an impact on the trust of the Indonesian people.

Another case occurred at the Public Accounting Firm (PAF) Satrio Bing, Eny & Rekan, which is a Deloitte Indonesia entity, in connection with a complaint from the Financial Services Authority (OJK) which informed the indications of violations committed by PAF in auditing financial statements. This is related to the audit conducted by Public Accountant (PA) Marlinna and Public Accountant (PA) Merliyana Syamsul on the financial statements of the company Sunprima Nusantara Financing (SNP Finance) for the 2016 fiscal year. To ensure this, the Financial Professional Development Center (PPPK) will examine the PAF and the two related PAs. The results of the examination indicated that, along with several highlighted findings, the competencies of the auditor are necessary to have, as well as an understanding of the recording system used by the company. As for the second finding, the tests conducted by PAF on SNP Finance did not reach the basic documents so the obtained audit evidence was still inadequate. Based on the results of the examination, Public Accountant (PA) Marlinna and Public Accountant (PA) Merliyana Syamsul were subjected to administrative sanctions in the form of restrictions on providing audit services to financial service entities (such as financing services and insurance services) for 12 months which took effect on September 16, 2018, until September 15, 2019. The existence of a financial case that befell a company involving a public accountant, makes a public accountant have to pay more attention to the quality of the audit that will be produced so the results of the audited report can present information following the actual conditions of the company ([Azahry & Yudowati, 2019](#)).

[Shintya, Nuryatno, and Oktaviani \(2016\)](#) said that audit quality is a condition in which an auditor finds and reports an error or violation that occurs in his client's accounting system. Audit quality can be affected by time and budget pressures. With time budget pressure, auditors will feel the pressure that can trigger stress. Based on the theory of work stress by [Elizabeth and Laksito \(2017\)](#), it is stated that the stressor (the cause of stress) felt by an individual in the scope of work will cause the individual to be under pressure in doing work and influence the individual's behavior. [Prasanti and Yulianto \(2017\)](#), [Najib and Suryandari \(2017\)](#) reveal that time pressure is an obstacle that causes auditors to reduce their audit quality. In this case, the auditor tends to reduce some of the tests that should be done. Besides that, the auditor will tend to collect less evidence than he/she should. However, it is inversely proportional to what [Rustiarini \(2013\)](#) stated that the time budget is very important for auditors to be able to complete the audit tasks efficiently and on time according to the predetermined time allocation. The results of research conducted by [Shintya et al. \(2016\)](#) and [Rustiarini \(2013\)](#) showed that the time budget pressure variable has a partially positive and significant effect on audit quality. Contrary to the research conducted by [Primastuti and Suryandari \(2014\)](#) and [Elizabeth and Laksito \(2017\)](#), the results showed that the time budget pressure variable has a negative effect on audit quality.

Apart from the time budget pressure, audit quality can be affected by the auditor's competence. An audit can be considered quality when it is carried out by competent people. According to [Kesuma and Dwirandra \(2019\)](#), the behavior of an auditor is determined by internal factors that come from within the auditor, namely ability and experience. Competent auditors are auditors who have technological skills and understanding, are able to carry out and understand the audit procedures properly, and use the sampling method correctly ([Tandiontong, 2015](#)). [Fitrawansyah \(2014\)](#) stated that competence means that auditors must have expertise in auditing and sufficient knowledge of the field being audited. The auditor, as the person appointed to perform the audit task, must constantly improve his/her knowledge

so the auditor can apply his knowledge optimally in the process. The maximum application of knowledge is in line with the increasing experience of the auditor ([Tjun, Marpaung & Setiawan, 2012](#)). The results of research conducted by [Ferdinand, Syaifuddin, Dali, and Masud \(2019\)](#) and [Meidawati and Assidiqi \(2019\)](#) showed that the competence of auditors has a partially positive and significant effect on audit quality. However, contrary to the research conducted by [Dewi, Maulana, and Muhadzib \(2017\)](#), the results show that the auditor's competence has a negative effect on audit quality. Based on the above background, the author is interested in the research with the title "The Effect of Time Budget Pressure and Auditor's Competency on Audit Quality (Survey Study at Public Accounting Firm in Bandung City)".

2. Literature review

2.1 Agency Theory

Agency theory describes the relationship between the owner (principal) and management (agent). The rapid development of a company or business entity can trigger conflicts that occur between the principal or shareholders (investors) with the agent represented by the management (directors). There is an assumption that the management involved in the company will always maximize the value of the company, which in reality, is not always fulfilled. The management has personal interests that conflict with the interests of the company owners, resulting in a problem called agency problem due to asymmetric information. The existence of a conflict of interest that occurs in the company can cause undesirable variations in risk, including, among others, utilization of company assets that are not following the rules, fraud, and management with insufficient competence. To minimize the existence of agency problems, it is necessary to have an independent party who can mediate in handling the conflict known as an independent auditor ([Putri, 2020](#)).

2.2. Positivism Accounting Theory

Positive accounting theory explains a process that uses the ability, knowledge, and understanding of accounting and the use of accounting policies to deal with certain conditions in the future. Positive accounting theory aims to explain and predict real phenomena and test them empirically. It can be said that this theory can be used to predict various accounting conditions or events and describe the interaction between accounting variables in the real world. The application of positive accounting theory is based on the suitability of the theory to facts or what happens in the field when the auditor performs an audit task. Also, this will affect the quality of the audit that will be produced by the auditor ([Pattiasina, 2017](#)).

2.3 Locus of Control Theory

The locus of control theory explains how a person's perspective on an event whether someone can control (control) an event that occurs to him or not. This locus of control acts as a motivation that reflects one's performance. Locus of control is divided into two groups, namely external locus of control and internal locus of control. Individuals who are dominant in an internal locus of control can more easily improve their performance because they believe that their behavior is controlled by themselves. Meanwhile, individuals who are dominant in an external locus of control tend to have to be supported by their environment first in improving their performance because they feel that their behavior is influenced by outsiders. Therefore, auditors who can balance internal and external locus of control can better cope with stress with a higher work intensity. An auditor with a good locus of control can control his performance well too so that it will affect the quality of the audit produced by the auditor ([Lautania, 2011](#)).

2.4 Auditing

[Arens, Elder, and Beasley \(2017\)](#) state that auditing is a systematic process to obtain evidence and objectively evaluate statements regarding economic activities and events. This is to determine the level of conformity between these statements and predefined criteria. Meanwhile, according to [Hayes, Wallace, and Gortemaker \(2014\)](#), auditing is a systematic process carried out by an independent and competent person by collecting evaluations of evidence to provide an opinion on the fairness of a

financial report. Thus, it can be concluded that auditing is a systematic process for collecting and evaluating evidence in determining and reporting the level of conformity between the information and the criteria determined in an examination conducted by an independent and competent person or auditor. The aim is to provide an opinion on the fairness of the audited financial report. ([Ariningsih & Mertha, 2017](#)).

2.5 Time Budget Pressure

[Nirmala and Cahyonowati \(2013\)](#) state that time budget pressure is a condition in which auditors are required to carry out audit tasks effectively and efficiently with a predetermined time budget or with a tight and rigid limitation on the budgeted time. The demands for quality reports with a limited time budget can be a pressure for auditors. Therefore, auditors are required to perform audit tasks effectively and efficiently with a predetermined time budget to complete audit tasks on time ([Andani & Merta, 2014](#)).

[Meidawati and Assidiqi \(2019\)](#) state that auditors will respond in two ways when faced with time budget pressure, namely:

1. Functional type is the behavior of auditors to perform audit tasks better and allocate time optimally.
2. Dysfunctional type is the behavior of auditors who work under pressure so it makes a decrease in audit quality.

[Wiguna, Yasa, and Suardani \(2019\)](#) state that there are several indicators to measure time budget pressure, namely:

1. Auditor's understanding of the time budget
Auditors must understand with certainty the time budget. This aims to find out how much the auditor feels the pressure caused by the time budget. If the auditor's understanding is high, the pressure on the time budget will be below, and vice versa, if the auditor's understanding is low, the pressure on the time budget will be high.
2. Auditor's responsibility for the time budget
In performing the audit task, the auditor must know the responsibility for the time budget. This is to ensure that the auditor can minimize the pressure caused by the time budget itself. Thus, it does not affect the quality of the audit to be produced.
3. Performance appraisal from superiors
Performance appraisal is carried out to determine to what extent the auditors have met the set time budget. Performance appraisals given to auditors by superiors sometimes create pressure on auditors in performing the audit tasks and can affect the quality of the resulting audit.
4. Allocation of fees for audit fees
Whether an audit process is smooth or not is highly dependent on the audit fee which is usually obtained from the fees received and the allocation of fees for audit fees. These are necessary to be able to meet the predetermined time budget.
5. Time budget revision frequency
The request of the auditor to be able to revise the time budget if there are problems in carrying out the audit task will create pressure on the auditors. This will affect the quality of the resulting audit because if the revision of the time budget is frequently carried out, the auditor is considered unable to meet the time budget which has been set.
6. Difference in time budget
If the time budget has too large of a difference, an evaluation will be made to ensure the success of the time budget. Therefore, an evaluation of the time budget difference is carried out so the determined time is following the time required by the auditor in carrying out the audit task.

2.6 Competence

[Arens and Loebbecke \(2012\)](#) stated that competence is the ability of auditors to perform audit tasks by relying on their knowledge and expertise. [Louwers, Ramsay, Sinason, Strawser, and Thibodeau \(2013\)](#) said that competence can be obtained through formal education regarding the field of accounting, especially auditing, as well as continuing professional education to have certification as a public

accountant. Also, training and experience in auditing can increase the level of competence an auditor has.

[Tjun et al. \(2012\)](#) stated that competence can be seen from various points of view, namely:

1. Competence point of view of individual auditors
To perform audit tasks, auditors need knowledge of accounting, especially in the field of auditing. Also, experience in conducting audits is required. Therefore, a competent auditor has a better understanding of the financial statements so the quality of the resulting audit will be better.
2. Competence point of view of team auditors
In an assignment, auditors are required to be able to work together with other team members. This is because good cooperation between the team members will result in good audit quality.
3. Competence point of view of the Public Accounting Firm
A good public accounting firm usually has good resources to train its auditors and can finance auditors for various continuing professional education. This is to maintain the quality of the audit that will be generated.

[Ningsih and Yaniartha \(2013\)](#) stated that competence has two indicators, namely:

1. Knowledge
Knowledge is measured by how highly an auditor is educated. This is because the auditor will have extensive knowledge about auditing, so the auditor can understand various problems that occur when carrying out an in-depth audit task.
2. Experience
Auditors who have more experience will have higher accuracy and better skills in performing audit tasks. This is because experienced auditors have a better understanding so they can understand the errors accurately.

2.7 Audit Quality

Audit quality is a systematic inspection process carried out following generally accepted standards with high-quality professional considerations. The process is carried out by independent and competent auditors to produce high-quality audits ([Knechel & Payne, 2012](#)).

[Pratiwi, Suryandari, and Susandya \(2019\)](#) stated that audit quality is the implementation of an audit carried out following standards so they can disclose and report in the event of a violation committed by a client.

[Arisinta \(2013\)](#) stated that three indicators can affect audit quality, namely:

1. General Standards
Audits must be carried out by people who have expertise and ability in the field of auditing and have received sufficient technical training as an auditor. Also, auditors must have a good attitude of independence when performing audit tasks.
2. Field Work Standards
A sufficient understanding of the client is obtained so the auditor can determine the scope of the tests to be carried out when planning the audit. The work must be well planned and if an assistant is used, it must be properly supervised.
3. Reporting Standards
The audit report must contain an overall opinion that the information disclosed by the company can be said to be fair and has been prepared following generally accepted accounting principles.

2.8 Framework

Agency theory explains the conflicts that occur between the principal and the agent in terms of the different objectives of each party. In which, the principal wants a financial report that can be used as a guide in determining economic decisions. However, the agent will always try to make financial reports look good for performance and the agent can be considered good by the principal. Thus, to resolve the conflict a third party is needed, namely the auditor ([Putri, 2020](#)).

One of the duties of the auditor is to produce accurate and reliable information for decision-making. However, the conflict between the principal and the agent requires the auditors to produce a quality audited report that can be used by these parties. Also, the existence of various cases that have occurred in Indonesia can raise questions about whether the audit quality produced by the auditors is good or not ([Tjun et al., 2012](#)). Therefore, the auditor is a party considered capable of bridging the interests between the principal (owner) and the agent (management) in managing company finances. Auditors can be a control mechanism for management in presenting financial information in a reliable, relevant, and free from misstatement or fraud. So, the audit quality produced by the auditor can be assessed as good ([Ariningsih & Mertha, 2017](#)).

2.9 Research Hypothesis

Time budget pressure is a condition in which the auditors are required to perform audit tasks effectively and efficiently with a predetermined time budget or with a strict and rigid limitation on the budgeted time ([Nirmala & Cahyonowati, 2013](#)). Time budget limitations can harm the auditor if it is not used properly, thus affecting the individual characteristics of auditors, namely the emergence of work stress situations. If the auditor experiences too much stress, then this can affect the quality of the resulting audit ([Elizabeth & Laksito, 2017](#)). Research conducted by [Shintya et al. \(2016\)](#) and [Rustiarini \(2013\)](#) shows that time budget pressure has a partially positive and significant effect on audit quality. In contrast, the results of research conducted by [Primastuti and Suryandari \(2014\)](#), and [Elizabeth and Laksito \(2017\)](#), show that time budget pressure has a partially negative effect on audit quality.

H1: Time budget pressure has an effect on audit quality.

Auditor competence is the auditor's ability to apply the knowledge and experience he has in performing audit tasks so that auditors can carry out audit tasks carefully and objectively. Therefore, it is understood that the audit must be carried out by a person who has sufficient technical expertise and training as an auditor. The higher the education that an auditor has, the more knowledge the auditor will have. Also, a lot of experience will make it easier for auditors to detect errors that occur in conducting audits ([Kurnia, Khomsiyah & Sofie, 2014](#)). Research conducted by [Ferdinand et al. \(2019\)](#) and [Meidawati and Assidiqi \(2019\)](#) showed that the competence of auditors has a partially positive and significant effect on audit quality. However, it is inversely proportional to the results of research conducted by [Dewi et al. \(2017\)](#) that shows the auditor's competence partially has a negative effect on audit quality.

H2: Auditor competence has an effect on audit quality.

3. Research Methodology

The data source used in this study is primary data obtained by distributing questionnaires. The population in this study were auditors who worked at 35 Public Accounting Firms in Bandung. The sample selection method in this study uses non-probability sampling with the purposive sampling technique, where the sample is selected based on predetermined criteria. The criteria for selecting samples are as follows:

1. Respondents with a minimum education level of undergraduate accounting (S1) and have a Certified Public Accountant (CPA).
2. Respondents with at least 3 years of work experience.
3. Respondents with minimum positions as senior auditors.

The research hypothesis is tested using multiple linear regression analysis which aims to determine the effect of time budget pressure and auditor competence on audit quality, with the following equation:

$$Y = a + B1X1 + B2X2 + e$$

Information:

- Y : Audit quality variable
a : Constants
X1 : Time budget pressure variable
X2 : Auditor competence variable

B : Regression coefficient
e : Standard error

4. Results and discussions

4.1 Overview of Respondents

This study uses primary data as a data source and a questionnaire as a research instrument, where the questionnaire is distributed to respondents who are auditors who work at the Public Accounting Firm in Bandung. Based on the predetermined criteria, there were 48 auditors. To get an overview of respondents who have met the predetermined criteria will be presented in the following table:

Table 1. Criteria for Respondents by Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
S1 education	36	75.0	75.0	75.0
Valid S2 education	10	20.8	20.8	95.8
Doctoral education	2	4.2	4.2	100.0
Total	48	100.0	100.0	

It can be seen from Table 1, the criteria for respondents based on education level shows that 36 auditors have an undergraduate education background or as much as 75.0%, 10 auditors who have a master's education background or as much as 20.8%, and 2 auditors have a doctoral education background or as much as 4.2%.

Table 2. Criteria for Respondents Based on Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
3-5 years	31	64.6	64.6	64.6
Valid 5-7 years	15	31.2	31.2	95.8
Over 7 years	2	4.2	4.2	100.0
Total	48	100.0	100.0	

It can be seen from Table 2, the criteria for respondents based on work experience shows that 31 auditors have work experience for 3-5 years or as much as 64.6%, 15 auditors have work experience of 5-7 years or as much as 31.2%, and 2 auditors who have work experience over 7 years or as much as 4.2%.

Table 3. Criteria for Respondents Based on Position of Auditor

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Senior Auditor	46	95.8	95.8	95.8
Partner	2	4.2	4.2	100.0
Total	48	100.0	100.0	

It can be seen from Table 3, the criteria for respondents based on the position of the auditor shows that 46 auditors have positions as senior auditors or as much as 95.8%, and 2 auditors have positions as partners or as much as 4.2%.

4.2 Validity test

The validity test is carried out to prove that all questionnaire items can be considered to be valid or not. The testing is carried out by comparing the calculated r-value with the r-table value, with a significance level of 5% ([Ghozali, 2016](#)). The test results will be presented in the following table:

Table 4. Validity Test Results

Variable	No.	R Count	R Table	Information
Time Budget	1.	0.613	0.2845	Valid
Pressure	2.	0.864	0.2845	Valid

	3.	0.565	0.2845	Valid
	4.	0.888	0.2845	Valid
	5.	0.677	0.2845	Valid
	6.	0.613	0.2845	Valid
	7.	0.628	0.2845	Valid
	8.	0.477	0.2845	Valid
	9.	0.675	0.2845	Valid
	10.	0.411	0.2845	Valid
	11.	0.675	0.2845	Valid
	12.	0.804	0.2845	Valid
	13.	0.653	0.2845	Valid
	14.	0.533	0.2845	Valid
	15.	0.483	0.2845	Valid
	16.	0.541	0.2845	Valid
	17.	0.864	0.2845	Valid
	18.	0.677	0.2845	Valid
Auditor Competence	19.	0.579	0.2845	Valid
	20.	0.340	0.2845	Valid
	21.	0.303	0.2845	Valid
	22.	0.579	0.2845	Valid
Audit Quality	23.	0.525	0.2845	Valid
	24.	0.321	0.2845	Valid
	25.	0.543	0.2845	Valid
	26.	0.579	0.2845	Valid
	27.	0.955	0.2845	Valid

It can be seen from Table 4, the results of the validity test show that all questionnaire items from each variable produce the calculated r-value > r table, in which the value obtained is greater than 0.2845. Thus, it can be concluded that all questionnaire items in this study were declared valid.

4.3 Reliability Test

The reliability test was carried out to see the consistency of the results of the questionnaire items. The questionnaire is said to be reliable if the respondent's answer to each question is consistent or stable over time. Tests were carried out using Cronbach Alpha, if the Cronbach Alpha value was > 0.60 then all questionnaire items were declared reliable ([Ghozali, 2016](#)). The test results will be presented in the following table:

Table 5. Reliability Test Results

Variable	Cronbach Alpha	Reliable Limits	Information
Time Budget Pressure	0.934	0.60	Reliable
Auditor Competence	0.663	0.60	Reliable
Audit Quality	0.728	0.60	Reliable

It can be seen from Table 5, the reliability test results show that all questionnaire items from each variable produce a Cronbach Alpha value > 0.60. So, it can be concluded that all questionnaire items in this study are declared reliable.

4.4 Normality test

The normality test is carried out to test whether the regression model is normally distributed or not. The test is carried out using the One-Sample Kolmogorov Smirnov statistical test, where normally distributed data will produce a significance value > 0.05 ([Ghozali, 2016](#)). The test results will be presented in the following table:

Table 6. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		48
Normal Parameters ^{a, b}	Mean	.0E-7
	Std. Deviation	2.04848908
Most Extreme Differences	Absolute	.106
	Positive	.050
	Negative	-.106
Statistical Test		.106
Asymp. Sig. (2-tailed)		.200 ^{c, d}

It can be seen from Table 6, the results of normality testing using the One-Sample Kolmogorov Smirnov statistical test obtained a significance value of 0.200, in which the value is greater than 0.05. So, it can be concluded that the data in this study are stated to be normally distributed.

4.5 Multicollinearity Test

The multicollinearity test was carried out to test the regression model whether there was a correlation between the independent variables or not. In which a regression model that was free of multicollinearity would produce a tolerance value > 0.10 and a value of Variance Inflation Factors (VIF) < 10 (Ghozali, 2016). The test results will be presented in the following table:

Table 7. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Time Budget Pressure	.818	1,223
Auditor Competence	.818	1,223

It can be seen from Table 7 that the multicollinearity test results show that the time budget pressure variable and the the auditor's competence have a tolerance value > 0.10 and a VIF value < 10 . Thus, it can be concluded that all independent variables in this study are declared to have no multicollinearity.

4.6 Heteroscedasticity Test

The heteroscedasticity test is carried out to test the regression model whether the variance inequality occurs from one residual observation to another. In which a good regression model does not occur heteroscedasticity. The test was carried out using the Scatter Plot graph test. This test was carried out by looking at the predictive value of the dependent variable, namely ZPRED with its residual, namely SRESID. If the test result shows there is no clear pattern, and the dots spread above and below the number 0 on the Y-axis, it can be stated that heteroscedasticity does not occur (Ghozali, 2016). The test results will be presented in the following figure:

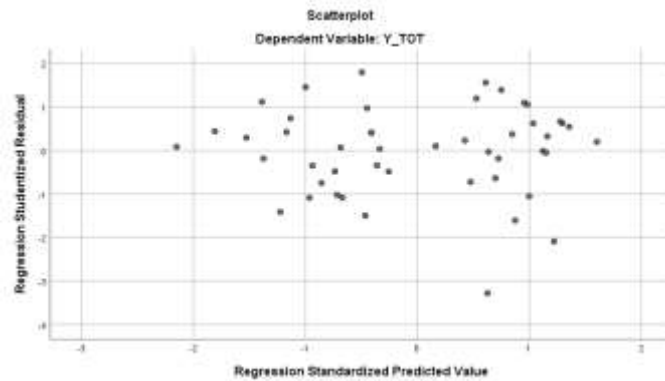


Figure 1: Heteroscedasticity Test Results

It can be seen from Figure 1, the heteroscedasticity test result shows that by using the Scatter Plot graph test, the points are randomly distributed and do not form a certain pattern, in which the dots spread above and below the 0 on the Y-axis. Thus, it can be concluded that the data in this study stated that heteroscedasticity did not occur.

4.7 Autocorrelation Test

The autocorrelation test is carried out to test the regression model whether or not there is a correlation between the previous and subsequent periods. The test was carried out using the Durbin Watson (DW) statistical test, where a regression model that is free from autocorrelation will produce a DW value that is between the dU and 4-dU values, with the equation $dU < DW < (4-dU)$ (Edison, 2018). The test results will be presented in the following table:

Table 8. Autocorrelation Test Results

Model	Durbin-Watson	dU	in	4-dU
1	2,052	1,6231	1.4500	2.3769

It can be seen from Table 8, the autocorrelation test result using the Durbin Watson statistical test shows the DW value is 2.052, where the DW value is between the dU and 4-dU values, with the equation $1.6231 < 2.052 < 2.3769$. So, it can be concluded that the data in this study stated that there was no autocorrelation.

4.8 Multiple Linear Regression Analysis

Multiple linear regression analysis is carried out by estimating the average value of the dependent variable based on the value of the independent variable (Ghozali, 2016). The test is carried out to determine the effect of time budget pressure and auditor competence on audit quality. The results of the analysis will be presented in the following table:

Table 9. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	-,638	2,164		-.295	.769
1 Time Budget Pressure	.187	.031	.583	6,029	.000
Auditor Competence	.492	.130	.367	3,798	.000

It can be seen from Table 9, the results of multiple linear regression analysis obtain the following equation:

$$Y = 0.638 + 0.187 X_1 + 0.492 X_2 + 2.164$$

Based on the above equation, the authors interpret the following:

1. A constant of 0.638 indicates that when time budget pressure and auditor competence are considered constant (value 0), the audit quality will have a value of 0.638.
2. Time budget pressure has a regression coefficient of 0.187. This shows that when the time budget pressure is increased, the audit quality will be increased by 0.187 times.
3. Auditor competence has a regression coefficient value of 0.492. This shows that when the competence of auditors is improved, the audit quality will be increased by 0.492 times.

4.10 Analysis of the coefficient of determination

The coefficient of determination analysis is carried out to measure how far the ability of the independent variable has in giving influence or contribution to the dependent variable (Ghozali, 2016). The results of the analysis will be presented in the following table:

Table 10. Results of the Analysis of the Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810a	.656	.641	2.09352

It can be seen from Table 10, the results of the analysis show that the coefficient of determination (R Square) obtained is 0.656. This shows that time budget pressure and auditor's competence have an influence or contribution to audit quality by 65.6%. While the remaining 34.4% is a contribution from other variables that are not researched.

4.11 Partial Hypothesis Testing

Partial testing (t-test) is carried out to measure how far the independent variables individually influence the dependent variable. Testing is done by comparing the calculated t value with the t table value, with a significance level of 5% (Ghozali, 2016). The test results will be presented in the following table:

Table 11. Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.638	2,164		-.295	.769
1 Time Budget Pressure	.187	.031	.583	6,029	.000
Auditor Competence	.492	.130	.367	3,798	.000

It can be seen from Table 11, the results of testing the partial hypothesis show that the time budget pressure variable has a value of t count > t table, where the value obtained is 6.029 > 2.014 with a significance value of 0.000 < 0.05. Hypothesis test results show that the time budget pressure has a significant effect on audit quality and its direction is positive. Thus, H1 is accepted and it can be concluded that the time budget pressure variable has an effect on audit quality. Furthermore, it can be seen that the auditor's competency variable has a value of t count > t table, where the value obtained is 3,798 > 2,014 with a significance value of 0.000 < 0.05. Hypothesis test results show that the auditor's competency has a significant effect on audit quality and its direction is positive. Thus, H2 is accepted and it can be concluded that the auditor's competency variable has an effect on audit quality.

4.12 Simultaneous Hypothesis Testing

Simultaneous testing (F test) is carried out to measure how far the independent variables jointly influence the dependent variable. Testing is done by comparing the calculated F value with the F table value, with a significance level of 5% (Ghozali, 2016). The test results will be presented in the following table:

Table 12. Simultaneous Testing Results

ANOVAa					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	376,803	2	188,402	42,986	.000b
Residual	197,226	45	4,383		
Total	574,030	47			

It can be seen from Table 12, the results of simultaneous hypothesis testing show that the calculated F value > F table, in which the value obtained is $42,986 > 3.20$ with a significance value of $0.000 < 0.05$. Thus, the hypothesis is accepted and it can be concluded that the variable time budget pressure and auditor's competence simultaneously or jointly have an effect on the audit quality.

4.13 The Effect of Time Budget Pressure on Audit Quality

This research is supported by the theory of work stress that explains about the stressor (the cause of stress) felt by an individual in the scope of work will cause the individual to be under pressure in doing work and can further influence the individual's behavior ([Elizabeth & Laksito, 2017](#)). When facing time budget pressure, auditors will respond in two ways, namely functional and dysfunctional response. The dysfunctional response is the behavior of auditors that reduces audit quality when faced with time pressures. Meanwhile, the functional response is the behavior of auditors to perform audit tasks better and allocate time optimally ([Meidawati & Assidiqi, 2019](#)). This study is in line with the research conducted by [Shintya et al. \(2016\)](#) and [Rustiarini \(2013\)](#) which showed that the time budget pressure variable has a significant effect on the audit quality and its direction is positive. This means that the tighter the time budget and the bigger the pressure will encourage the auditors to be more enthusiastic in completing their audit assignments on time so the resulting audit quality will increase.

4.14 Effect of Auditor Competence on Audit Quality

This research is supported by a theory that explains that an auditor is required to have the ability and experience in accounting, especially auditing. This ability and experience are internal factors that must be possessed by an auditor. An auditor with sufficient skills and experience can minimize the possibility of errors when performing audit tasks ([Kesuma & Dwirandra, 2019](#)). Therefore, auditors are required to have competence. This is because good competence will affect auditors in examining and reporting irregularities found when performing audit tasks, so the result and quality of the audit will be maximum ([Kurnia et al., 2014](#)). This study is in line with the research conducted by [Ferdinand et al. \(2019\)](#) and [Meidawati and Assidiqi \(2019\)](#) which show that the auditor's competency variable has a significant effect on the audit quality and its direction is positive. Thus, it can be stated that the higher the level of competence an auditor has, the better the quality of the resulting audit.

5. Conclusion

This study aims to determine the effect of time budget pressure and the auditor's competence on audit quality. The respondents of this study are auditors who work at the Public Accounting Firm in Bandung, Indonesia. Based on the results of the research, the following conclusions are obtained:

1. Time budget pressure has a significant effect on audit quality and its direction is positive. This indicates that the tighter the budget time pressure, the more auditors will feel more motivated and more enthusiastic in completing audit tasks on time so that auditors can improve the quality of audits produced.
2. The competence of auditors has a significant effect on the quality of audits and its direction is positive. This indicates that the higher the level of competence provided by the auditor, the better the quality of the audit produced.

5.1 Limitation and study forward

This study has several limitations including:

1. The variables studied consisted of only two independent variables, namely time budget pressure and auditor's competence. And there is only one dependent variable, namely audit quality.

2. This study only uses a questionnaire in obtaining the data, which allows the respondent to translate the questionnaire items differently from what the author intended.
3. The questionnaire is only distributed to auditors who work at the Public Accounting Firm in Bandung.

Based on the results of the analysis of the discussion, conclusions, and limitations of this study, the authors provide suggestions for further researchers including:

1. The next researcher is expected to be able to add other variables that can affect audit quality, either adding an independent variable or a moderating variable.
2. The next researcher is expected to be able to conduct interviews in obtaining the data. This is to ensure that the respondents can provide answers according to what the researcher intended.
3. The next researcher is expected to be able to expand the sample that will be used so the results of the research can be more generalized.

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