

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

This chapter contains data analysis and discussion about the result of the research. Data analyses that were used in this research were descriptive analysis and hypothesis test. This research is done in Financial Supervision and Development Agency in D.I Yogyakarta with distributed questionnaires was 35. The returned questionnaires were 35 and all of them are valid to be analysis.

Table 4.1
Result of Data Collection

Explanation	Total	Percentage
Distributed questionnaire	35	100%
Returned questionnaire	35	100%
Qualified questionnaire	35	100%

Source: SPSS Data Processed, 2016

4.1. Data Quality Test

4.1.1. Validity Test

Validity test is used to measure whether the data is valid or not. The research must be measured by comparing the value of r-sum with r-table for degree of freedom ($df = N-2$, n means sample. In this research the sample were 35, it means that the df is 33, the alpha (α) is 0.05, and the r-table is 0.339. If the coefficient correlation is higher than r table (0.339), the item is valid. The result of validity test can be seen in the table 4.2 below:

Table 4.2
Validity Test of Competence Variable

No	Coefficient Correlation	r-table	Explanation
1	0.612	0.339	Valid
2	0.659	0.339	Valid
3	0.851	0.339	Valid
4	0.806	0.339	Valid
5	0.725	0.339	Valid
6	0.798	0.339	Valid
7	0.769	0.339	Valid

Based on table 4.2, the entire items in the competence variable are valid because the coefficient correlation more than r-table.

Table 4.3
Validity Test of Independence Variable

No	Coefficient Correlation	r-table	Explanation
1	0.734	0.339	Valid
2	0.871	0.339	Valid
3	0.808	0.339	Valid
4	0.882	0.339	Valid
5	0.846	0.339	Valid

Based on table 4.3, the entire items in the independence variable are valid because the coefficient correlation more than r-table.

Table 4.4
Validity Test of Due Professional Care Variable

No	Coefficient Correlation	r-table	Explanation
1	0.872	0.339	Valid
2	0.888	0.339	Valid
3	0.872	0.339	Valid
4	0.508	0.339	Valid
5	0.857	0.339	Valid
6	0.915	0.339	Valid
7	0.921	0.339	Valid

Based on table 4.4, the entire items in the due professional care variable are valid because the coefficient correlation more than r-table.

Table 4.5
Validity Test of Auditor Ethics Variable

No	Coefficient Correlation	r-table	Explanation
1	0.853	0.339	Valid
2	0.860	0.339	Valid
3	0.873	0.339	Valid
4	0.840	0.339	Valid

Based on table 4.5, the entire items in the auditor ethics variable are valid because the coefficient correlation more than r-table.

Table 4.6
Validity Test of Audit Quality Variable

No	Coefficient Correlation	r-table	Explanation
1	0.802	0.339	Valid
2	0.877	0.339	Valid
3	0.932	0.339	Valid
4	0.894	0.339	Valid
5	0.889	0.339	Valid
6	0.909	0.339	Valid
7	0.809	0.339	Valid
8	0.853	0.339	Valid
9	0.896	0.339	Valid
10	0.855	0.339	Valid

Based on table 4.6, the entire items in the audit quality variable are valid because the coefficient correlation more than r-table.

4.1.2. Reliability Test

Reliability test is used to show the consistency or stability answer of the questionnaire if it is repeated twice or more. A questionnaire is reliable if the respondent answers are consistent or stable. In this research, the reliability test is done by using Cronbach's Alpha. A variable is said to be reliable if it gives the value of Cronbach Alpha (α) > 0.7. The result of validity test can be seen in the table below:

Table 4.7
Result of Reliability Test

Variable	Cronbach Alpha	Critical Value	Explanation
Competence	0.864	0.7	Reliable
Independence	0.886	0.7	Reliable
Due Professional Care	0.923	0.7	Reliable
Auditor Ethics	0.878	0.7	Reliable
Audit Quality	0.963	0.7	Reliable

Based on table 4.7, the instrument of each variable is valid. It is because α is greater than critical value ($\alpha > 0.70$). The competence variable has α of 0.864 which was greater than the critical value of 0.70 ($0.864 > 0.70$). The independence variable has α of 0.886 which was greater than the critical value of 0.70 ($0.886 > 0.70$). The due professional care variable has α of 0.923 which was greater than the critical value of 0.70 ($0.923 > 0.70$). The auditor ethics variable has α of 0.878 which was greater than the critical value of 0.70 ($0.878 > 0.70$). The audit quality variable has α of 0.963 which was greater than the critical value of 0.70 ($0.963 > 0.70$).

4.2. Descriptive Statistics

A. Respondent Demography

Respondent demography in this research can be classified based on gender, age, latest education, length of work, and position. Respondent demography is presented in table 4.8 below:

Table 4.8
Classification of Respondents by Gender

	Frequency	Percent	Cumulative Percent
Valid Female	18	51.4	51.4
Male	17	48.6	100.0
Total	35	100.0	

Source: Primary Data Processed, 2016

Based on the table 4.8 which classified the respondent based on their gender, it can be seen that most employees are female respondent with 18 respondents or 51.4% and the male respondent are 17 respondent or 48.6%.

Table 4.9
Characteristics of Respondents by Age

Age	Amount	Percentage
≤ 30 years old	8	22.9%
31 – 40 years old	7	20%
41 – 50 years old	9	22.8%
≥ 51 years old	11	34.3%
Total	35	100%

Source: SPSS Data Processed, 2016

Based on table 4.9 which characterized the respondent based on their age, it can be seen that the most employees are aged more than 51 years old. There are 11 people or 34.3%. While the employees aged less than 30 years old are 8 people or 22.9%, the employees aged between 31 – 40 years old are 7 people or 20%, and the employees aged between 41 – 50 years old are 9 people or 22.8%.

Table 4.10
Characteristics of Respondents by Latest Education

	Frequency	Percent	Cumulative Percent
Valid Diploma (D3)	19	54.3	54.3
Bachelor (S1)	12	34.3	88.6
Master (S2)	4	11.4	100.0
Total	35	100.0	

Source: SPSS Data Processed, 2016

Based on table 4.10, which characterized the respondent based on their education level, it can be seen that the most employees educated from Diploma (D3). There are 19 people or 54.3%. While the employees educated from Bachelor degree or S1 are 12 people or 34.3%, and the employees educated from Master degree or S2 are 4 people or 11.4%. It means that the employees who work in BPKP have good education level.

Table 4.11
Characteristics of Respondents by Length of Work

	Frequency	Percent	Cumulative Percent
Valid ≥ 10 tahun	25	71.4	71.4
2 - 5 tahun	2	5.7	77.1
5 - 10 tahun	8	22.9	100.0
Total	35	100.0	

Source: SPSS Data Processed, 2016

Based on table 4.11 which characterized the respondents based on their length of work, it can be seen that most of the employees in BPKP has been working there for more than 10 years. There are 25 people of 35 people who have been working there for more than 10 years or it was 71.4% of the total employees. While the employees who has length of work in between 2 – 5 years are 2 people

or 5.7%, and the employees who has length of work in between 5 – 10 years are 8 people or 22.9%. It can be concluded from the data obtained that employees who work in BPKP have many working experiences.

Table 4.12
Characteristics of Respondents by Position

	Frequency	Percent	Cumulative Percent
Valid Staff / Junior	25	71.4	71.4
Supervisor/ Senior	10	28.6	100.0
Total	35	100.0	

Source: SPSS Data Processed, 2016

Based on table 4.12 which characterized the respondent based on their position, it can be seen that the most employees are staff/junior with 25 people or 71.4%. While the employees as supervisor/senior is 10 people or 28.6%.

B. Research Variable

This analysis describes the respondents' assessment of descriptive research variables consisted of competence, independence, due professional care, auditor ethics, and audit quality. Research variable is shown the minimum, maximum, mean, and standard deviation of variables that used in this research. Assessment of the study variables were measured with the lowest score of 1 (strongly disagree), and the highest score was 5 (strongly agree). Thus, in determining the assessment criteria of respondents to the research variables can be performed at intervals as follows:

$$\text{Interval} = \frac{5 - 1}{5} = 0.8$$

Based on the calculation above, it is obtained the limits of perception is as follows:

1.00 – 1.8 = The Lowest Assessment

1.8 – 2.60 = Lower Assessment

2.61 – 3.41 = Normal Assessment

3.42 – 4.22 = Higher Assessment

4.23 – 5.00 = The Highest Assessment

The result of descriptive analysis to the research variable can be shown below:

Table 4.13
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Competence	35	3.14	5.00	4.0569	.45080
Independence	35	2.20	5.00	4.0114	.60574
Due Professional Care	35	2.86	5.00	4.2940	.51537
Auditor Ethics	35	1.50	5.00	3.0214	.98588
Audit Quality	35	3.00	5.00	4.2914	.58177

Source: SPSS Data Processed, 2016

Based on table 4.13, the average competence variable is 4.0569. It is because competence variable in interval from 3.42 to 4.22. It means that competence variable has higher assessment in this research. The average independence variable is 4.0114. It is because independence variable in interval from 3.42 to 4.22. It means that independence variable has higher assessment in this research.

The average due professional care variable is 4.42940. It is because due professional care variable in interval from 4.23 to 5.00. It means that due professional care variable has the highest assessment in this research. The average auditor ethics variable is 3.0214. It is because auditor ethics variable in interval from 2.61 to 3.41. It means that auditor ethics variable has normal assessment in this research. The average audit quality variable is 4.2914. It is because audit quality variable in interval from 4.23 to 5.00. It means that audit quality variable has the highest assessment in this research.

4.3. Classical Assumption Test

Classical assumption test is used to know whether the multiple regression fits the regression model or not. There are three tests that used in this test, as follow: normality test, multicollinearity test and heteroscedasticity test.

a. Normality Test

Normality test is used to test regression model whether the dependent variable and independent variable have normal distribution or not. Normality data is tested using a method of One Sample Kolmogorov-Smirnov (SF). If the sig. value is more than 0.05, it means the data is normally distributed. Normality test result can be shown in table 4.14 below:

Table 4.14
Normality Test

Equation	Unstandardized Residual	Sig. (2-tailed)	Explanation
Effects of CP, IP, DPC to AU	0.689	0.730	Normal
Effects of CP, IP, DPC, AE to AU	0.400	0.997	Normal

Source: SPSS Data Processed, 2016

Based on table 4.14, the normality test result is shown that the sig. more than α (0.05). The first equation, normality test from KSZ unstandardized residual is 0.689 and the sig. value is 0.730 are more than α (0.05). It means that the data is normally distributed. The second equation, normality test from KSZ unstandardized residual is 0.400 and the sig. value is 0.997 are more than α (0.05). It means that the data is also normally distributed.

b. Multicollinearity Test

Multicollinearity test is used to test whether the independent variable is correlated or not. A regression model is good if there is no correlation between independent variable. Multicollinearity test can be done by calculated Variance Inflation Factor (VIF) and Tolerance Value in every independent variable. The criteria are if $VIF \geq 10$ or Tolerance value ≤ 0.10 .

**Table 4.15
Multicollinearity Test**

Model	Colinearity Statistics		Conclusion
	Tolerance	VIF	
Effects of CP, IP, and DPC to AU			
CP	.744	1.343	No Multicollinearity
IP	.834	1.198	No Multicollinearity
DPC	.821	1.218	No Multicollinearity
Effects of CP, IP, DPC, and AE to AU			
CP	.516	1.937	No Multicollinearity
IP	.285	3.510	No Multicollinearity
DPC	.636	1.573	No Multicollinearity
AE	.163	6.132	No Multicollinearity

Source: SPSS Data Processed, 2016

Based on the table 4.15, the multicollinearity test result is shown that there is no independent variable has tolerance value less than 0.1 and there is no value of

variance inflation factor (VIF) less than 10. It means that the multicollinearity will not happen in this regression model.

c. Heteroscedasticity Test

Heteroscedasticity test is used to test inequality equation model residual variance from one observation to another observation. It is consider as heteroscedasticity, if the residual's variance of the observations is different from the other observations. The equation model is good if it is homoscedasticity. To test whether the variable heteroscedasticity or not can be measured by using plot graph between prediction of the dependent variable value (ZPRED) and the residual (SRESID). It is homocedasticity if the pattern spreads randomly. Heteroscedasticity test results can be shown by figure 4.1 and figure 4.2 in below:

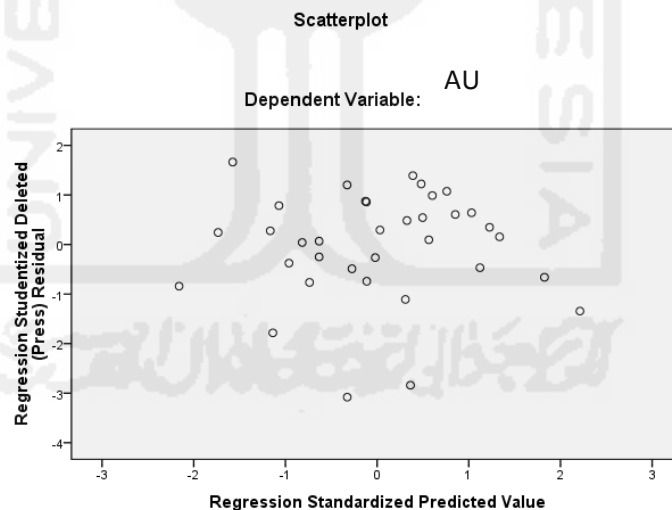


Figure 4.1. Heteroscedasticity Test 1

Based on figure 4.1, the residual data is spread randomly and didn't form a specific pattern such as U pattern, curve, narrow, and wavy pattern. It means that variables of competence, independence, and due professional care to audit quality have no heteroscedasticity in regression model.

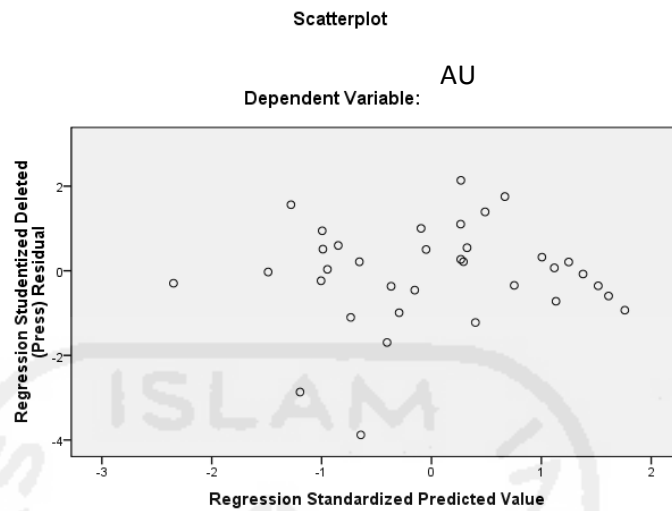


Figure 4.2. Heteroscedasticity Test 2

Based on figure 4.2, the residual data is spread randomly and didn't form a specific pattern such as U pattern, curve, narrow, and wavy pattern. It means that variables of competence, independence, due professional care, and auditor ethics to audit quality have no heteroscedasticity in regression model.

4.4. Multiple Regression Analysis

After done the classical assumption test and it was proven that the data are normally distributed, no multicollinearity, and homoscedasticity. The next step is to test statistically to prove the regression test. The data are analyzed by using *IBM SPSS 22*. In this research, there are two types calculation: multiple linear regression and moderated regression analysis. Multiple linear regression and moderated regression results can be shown by table 4.16 and table 4.17 in below:

Table 4.16
Result of Multiple Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
1 (Constant)	-.943	.592		-1.593	.121
CP	.657	.141	.509	4.641	.000
IP	.295	.099	.308	2.970	.006
DPC	.323	.118	.286	2.737	.010

Source: SPSS Data Processed, 2016

Based on the table 4.16, the nominal from unstandardized coefficients (B) can be presented on multiple regression models as follows:

$$AU = \alpha + \beta_1.CP + \beta_2.IP + \beta_3.DPC$$

$$AU = -0.943 + 0.657 CP + 0.295 IP + 0.323 DPC$$

Multiple linear regression analysis result above shows the influence of independent variables to dependent variable based on the regression coefficient. The constant value is -0.943, it means that if competence, independence, and due professional care are constant or equal to zero (0), the audit quality will be equal to -0.943. Competence variable has coefficient regression of 0.657. It means that if competence is increasing by 1 unit (scale), the audit quality will increase by 0,657 units (scale) with assumption that other independent variables are constant. Independence variable has coefficient regression of 0.295. It means that if independence is increasing by 1 unit (scale), the audit quality will increase by 0,295 units (scale) with assumption that other independent variables are constant. Due professional care variable has coefficient regression of 0.323. It means that if due professional care is increasing by 1 unit (scale), the audit quality will increase

by 0.323 units (scale) with assumption that other independent variables are constant.

Table 4.17
Result of Moderated Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
1 (Constant)	.681	.741		.919	.366
CP	.543	.145	.421	3.751	.001
IP	-.005	.145	-.005	-.033	.974
DPC	.227	.114	.201	1.987	.057
AE	.035	.118	.059	.297	.768
CP.AE	-.166	.128	-.266	-1.293	.207
IP.AE	.417	.148	.705	2.812	.009
DPC.AE	.031	.127	.055	.247	.806

Source: SPSS Data Processed, 2016

Based on the table 4.17, the nominal from unstandardized coefficients (B) can be presented moderated regression model as follows:

$$AU = \alpha + \beta_1 CP + \beta_2 IP + \beta_3 DPC + \beta_4 CP.AE + \beta_5 IP.AE + \beta_6 DPC.AE$$

$$AU = 0.681 + 0.543CP + (-0.005)IP + 0.227DPC + (-0.166)CP.AE + 0.417IP.AE +$$

$$0.31DPC.AE$$

Moderated regression analysis result above shows the moderating variable influence on the interaction of independent variables to dependent variable based on the regression coefficient. The constant value is 0.681. It means that if competence, independence, due professional care, auditor ethics, auditor ethics influence on the interaction of competence to audit quality, auditor ethics influence on the interaction of independence to audit quality, and auditor ethics

influence on the interaction of due professional care to audit quality are constant or equal to zero (0), the audit quality will be equal to 0.681.

Auditor ethics influence on the interaction of competence to audit quality has coefficient regression of -0.166. It means that if auditor ethics influence on the interaction of competence to audit quality is increasing by 1 unit (scale), the audit quality will decrease by -0.166 units (scale) with assumption that other independent variables are constant. Auditor ethics influence on the interaction of independence to audit quality has coefficient regression of 0.417. It means that if auditor ethics influence on the interaction of independence to audit quality is increasing by 1 unit (scale), the audit quality will increase by 0.417 units (scale) with assumption that other independent variables are constant. Auditor ethics influence on the interaction of due professional care to audit quality has coefficient regression of 0.031. It means that if auditor ethics influence on the interaction of due professional care to audit quality is increasing by 1 unit (scale), the audit quality will increase by 0.031 units (scale) with assumption that other independent variables are constant.

4.5. Hypothesis Test

The hypothesis testing is to determine the influence of independent variables to dependent variable. The hypothesis testing is done by using coefficient determination, F-test, and T-test. In this research, the hypothesis results are used multiple linear regression (first model) and moderated regression analysis (second model).

4.5.1 Coefficient Determination

Coefficient determination has purpose to know how far the ability of the model in explaining the variations of the dependent variable. The coefficient determination result of first model can be seen in adjusted R square column in table 4.18, as follow:

Table 4.18
Coefficient Determination of First Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.850 ^a	.723	.696	.32090

a. Predictors: (Constant), DPC, IP, CP

b. Dependent Variable: AU

Source: SPSS Data Processed, 2016

Based on table 4.18, the adjusted R square is 0.696. It means that 69.6% audit quality as dependent variable is explained by independent variable. There are competence, independence, and due professional care. The rest of 0.304 or 30.4% is explained by the other variable outside the model. Coefficient determination of second model can be seen in adjusted R square column in table 4.19, as follow:

Table 4.19
Coefficient Determination of Second Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908 ^a	.824	.779	.27363

a. Predictors: (Constant), DPC.AE, IP.AE, CP.AE, AE, DPC, IP, CP

b. Dependent Variable: AU

Source: SPSS Data Processed, 2016

Based on table 4.19, the adjusted R square is 0.779. It means that 77.9% audit quality as dependent variable is explained by independent variable. There are competence, independence, due professional care, auditor

ethics, auditor ethics influence on the interaction of competence to audit quality, auditor ethics influence on the interaction of independence to audit quality, and auditor ethics influence on the interaction of due professional care to audit quality. The rest of 0.221 or 22.1% is explained by the other variable outside the model.

4.5.2 F-Test

F-test is used to know the influences of independent variable to dependent variable simultaneously. The F-test result of first model can be shown in table 4.20 below:

Table 4.20
F-Test Result of First Model

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.315	3	2.772	26.915	.000 ^a
Residual	3.192	31	.103		
Total	11.507	34			

a. Predictors: (Constant), DPC, IP, CP

b. Dependent Variable: AU

Source: SPSS Data Processed, 2016

Based on the table 4.20, the F-calculation is 26.915. The significant value from the table above is 0.000 and it is less than the probability value (p-value) < 0.05, then Ho is rejected and Ha is accepted. It means that the independent variables consist of competence, independence, and due professional care has positive and significant influence on audit quality simultaneously.

The F-test result of second model can be shown in table 4.21 below:

Table 4.21
F-Test Result of Second Model

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.486	7	1.355	18.099	.000 ^a
Residual	2.022	27	.075		
Total	11.507	34			

a. Predictors: (Constant), DPC.AE, IP.AE, CP.AE, AE, DPC, IP, CP

b. Dependent Variable: AU

Source: SPSS Data Processed, 2016

Based on the table 4.21, the F-calculation is 18.099. The significant value from the table above is 0.000 and it is less than the probability value (p-value) < 0.05, then H_0 is rejected and H_a is accepted. It means that the independent variables which are competence, independence, due professional care, and auditor ethics have positive and significant influence on audit quality simultaneously. Moreover, auditor ethics has positive and significant influence on the interaction of competence to audit quality, auditor ethics has positive and significant influence on the interaction of independence to audit quality, and auditor ethics has positive and significant influence on the interaction of due professional care to audit quality simultaneously.

4.5.3 T-Test

T-test is used to test the hypothesis. It is to know whether each of independent variable has significant influence to the dependent variable.

The T-test result of first model is shown in table 4.22 below:

Table 4.22
T-Test Result of First Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
1 (Constant)	-.943	.592		-1.593	.121
CP	.657	.141	.509	4.641	.000
IP	.295	.099	.308	2.970	.006
DPC	.323	.118	.286	2.737	.010

Source: SPSS Data Processed, 2016

Based on the table 4.22, the hypothesis result will be explained as follows:

i. Hypothesis Test for competence (CP)

Table 4.22 shows that the coefficient regression (β) is 0.657 and sig. or probability value (p-value) is 0.000 < α (0.05). P-value < 0.05 means significant. It means that competence auditor has positive and significant influence on audit quality. Therefore, first hypothesis (H1) is accepted.

ii. Hypothesis Test for independence (IP)

Table 4.22 shows that the coefficient regression (β) is 0.295 and sig. or probability value (p-value) is 0.006 < α (0.05). P-value < 0.05 means significant. It means that independence auditor has positive and significant influence on audit quality. Therefore, second hypothesis (H2) is accepted.

iii. Hypothesis Test for due professional care (DPC)

Table 4.22 shows that the coefficient regression (β) is 0.323 and sig. or probability value (p-value) is 0.010 < α (0.05). P-value < 0.05 means significant. It means that due professional care auditor has positive and

significant influence on audit quality. Therefore, third hypothesis (H3) is accepted.

The T-test result of second model is shown in table 4.23 below:

Table 4.23
T-Test Result of Second Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.681	.741		.919	.366
CP	.543	.145	.421	3.751	.001
IP	-.005	.145	-.005	-.033	.974
DPC	.227	.114	.201	1.987	.057
AE	.035	.118	.059	.297	.768
CP.AE	-.166	.128	-.266	-1.293	.207
IP.AE	.417	.148	.705	2.812	.009
DPC.AE	.031	.127	.055	.247	.806

Source: SPSS Data Processed, 2016

Based on the table 4.23, the hypothesis result will be explained as follows:

- iv. Hypothesis Test for Auditor Ethics Influence on Interaction of Competence to Audit Quality (CP.AE)

Table 4.23 shows that the coefficient regression (β) is -0.166 and sig. or probability value (p-value) is 0.207 > α (0.05). P-value > 0.05 means not significant. It means that auditor ethics has negative and insignificant influence on the interaction of competence to audit quality. Therefore, fourth hypothesis (H4) is rejected.

- v. Hypothesis Test for Auditor Ethics Influence on Interaction of Independence to Audit Quality (IP.AE)

Table 4.23 shows that the coefficient regression (β) is 0.417 and sig. or probability value (p-value) is $0.009 < \alpha (0.05)$. P-value < 0.05 means significant. It means that auditor ethics has positive and significant influence on the interaction of independence to audit quality. Therefore, fifth hypothesis (H5) is accepted.

- vi. Hypothesis Test for Auditor Ethics Influence on Interaction of Due Professional Care to Audit Quality (DPC.AE)

Table 4.23 shows that the coefficient regression (β) is 0.031 and sig. or probability value (p-value) of $0.806 > \alpha (0.05)$. P-value > 0.05 means not significant. It means that auditor ethics has positive but insignificant influence on interaction of due professional care to audit quality. Therefore, sixth hypothesis (H6) is rejected.

4.6. Discussion

Based on the above hypothesis testing, the results of this study are summarized in the Table 4.24 below:

Table 4.24
Summary of Hypotheses Testing

Hypotheses	B	Sig. Result	Description
<i>H1</i>	.657	.000	Accepted
<i>H2</i>	.295	.006	Accepted
<i>H3</i>	.323	.010	Accepted
<i>H4</i>	-.166	.207	Rejected
<i>H5</i>	.417	.009	Accepted
<i>H6</i>	.031	.806	Rejected

Dependent Variable is Audit Quality

- Notes: H1: Competence has positive and significant influence on audit quality
H2: Independence has positive and significant influence on audit quality
H3: Due professional care has positive and significant influence on audit quality
H4: Auditor ethics has negative and not significant influence on interaction of competence to audit quality
H5: Auditor ethics has positive and significant influence on interaction of independence to audit quality
H6: Auditor ethics has positive but not significant influence on interaction of due professional care to audit quality

Based on the table 4.24, it presented that hypothesis one (*H1*) shown that competence has positive influence on audit quality. Hypothesis two (*H2*) shown that independence has positive influence on audit quality. Hypothesis three (*H3*) shown that due professional care has positive influence on audit quality. Hypothesis four (*H4*) shown that auditor ethics has negative influence on the interaction of competence to audit quality. Hypothesis five (*H5*) shown that auditor ethics has positive influence on the interaction of independence to audit quality. The last hypothesis (*H6*) shown that auditor ethics has positive influence on the interaction of due professional care to audit quality.

4.6.1. The Influence of Competence to Audit Quality

Competence is one of important factor in doing audit in which auditor must have good reputable knowledge and education in auditing. As explained in agency theory, third party will help principal to communicate their desire to management. Third party must use their competence to make reliable information for principal. Third party must have good skill, knowledge, and experience to solve the problem in a company and to deliver useful information for principal. Education and knowledge have important role to improve their competence in doing audit.

Auditor who has good competence will be easy to analyze and detection the fraud. High competence will result high audit quality.

First hypothesis test result shows that competence has positive and significant influence on audit quality. From the result of multiple linear regression, competence has coefficient regression as much as 0.657 and has significance level or p-value of 0,000. Therefore, the *H1* is accepted. The result of this research is consistent with previous research conducted by Aqmalia (2014), Saputra (2012), Wanodya (2013), and Kurnia et al. (2014) stated that competence has positive and significant influence on audit quality.

4.6.2. The Influence of Independence to Audit Quality

Second hypothesis test result shows that independence has positive and significant influence on audit quality. From the result of multiple linear regression, independence has coefficient regression as much as 0.295 and has significance level or p-value of 0,006. It means that if independence is increase, it will be followed by the increase of audit quality. Therefore, the *H2* is accepted.

The agency theory explained that principal used the third party to check whether the company is managed by manager as it was intended by principal or not. Third party must be independent to be free from intervention then they will be able to detect fraud that has been made by manager. They can also evaluate the performance to provide relevant information which will be used for principal decision making. This is related to the second general standard audit SPAP (2001) that “all of matters related to the engagement, independence in mental attitude must be maintained by auditor”.

The result of this research is consistent with the previous research conducted by Aqmalia (2014), Kharismatuti & Hadiprajitno (2012), Saputra (2012), and Kurnia et al. (2014) which stated that independence has positive and significant influence on audit quality.

4.6.3. The Influence of Due Professional Care to Audit Quality

Third hypothesis test result shows that due professional care has positive and significant influence on audit quality. From multiple linear regression result, due professional care has coefficient regression as much as 0.323 and has significance level or p-value of 0,010. It means that if due professional care is increase, it will be followed by the increase of audit quality. Therefore, the *H3* is accepted.

This indicated that the auditor has always done a review critically on each audit. It is based on the agency theory that relationship principal using third party to solve the conflict with the agent. Third party must use due professional care in their work. They should alert of any fraud, error, and conflicts of interest possibilities. This could minimize the material misstatement in the management financial report that will be reported to the principal. Auditor as third party can provide high quality audit report as a basis for making decision by principal. Auditor needs professional skepticism to provide high audit quality and resolving cases of fraud in financial report (Hardiningsih & Oktaviani, 2012).

The result of this research is consistent the previous research conducted by Bawono & Singgih (2010) and Hardiningsih & Oktaviani (2012) which stated that the due professional care has positive and significant influence on audit quality.

4.6.4. Auditor Ethics Influence on Interaction of Competence to Audit Quality

Based on agency theory, it is implied that the third party help to solve the problem between management and principal. Third party must have competence skill supporting with ethics that makes easier to solve the problem. These results can be understood that in order to improve audit quality, the auditor must be independent and working ethically based on the auditor ethics. This research result is not supported by the agency theory because according to Wanodya (2013) auditor expertise is not supported by the norm and ethics in company where they work.

Fourth hypothesis test result shows that auditor ethics has negative and insignificant influence on the interaction of competence to audit quality. From the moderated regression analysis result, the coefficient regression is -0,166 and significance level or p-value is 0,207. It means that auditor ethics has no influence on the interaction of competence to audit quality. Negative influence is showing that low auditor ethics in competence, the audit quality will be high. It is because the interaction of competence to audit quality is weakened by the auditor ethics. Therefore, the *H4* is rejected. The result of this research is contradict with the previous research conducted by Saputra (2012) and Aqmalia (2014) which stated that auditor ethics has positive and significant influence on the interaction of competence to audit quality.

4.6.5. Auditor Ethics Influence on Interaction of Independence to Audit Quality

Accordance to the agency theory that the way of contractual relationships between principals and agents. Agency theory reflects that third party solves the problem between agent and principal. Third party is required to maintain professional ethics as an auditor. As a third party, auditor should consider the auditor ethics in making and taking their decision. Hopefully, auditor can hold the high audit quality with keep integrity in any decision and objectives. Auditors' ability to be able to survive from under pressure of their clients depends on the agreement of economic, environmental, and behavioral included professional ethics Kharismatuti & Hadiprajitno (2012). These results can be understood that in order to improve audit quality, the auditor must be independent and working ethically based on the auditor ethics.

Fifth hypothesis test result shows that auditor ethics has positive and significant influence on the interaction of independence to audit quality. From the moderated regression analysis result, the coefficient regression is 0.417 and significance level or p-value is 0,009. It means that auditor ethics will increase the influence on the interaction of independence to audit quality. Therefore, the *H5* is accepted.

The result of this research is consistent with the previous research conducted by Saputra (2012), Aqmalia (2014), and Satiti (2016) which stated that auditor ethics has positive and significant influence on the interaction of independence to audit quality.

4.6.6. Auditor Ethics Influence on Interaction of Due Professional Care to Audit Quality

Implementing agency theory, third party helps to understand the conflicts of interest arising between principal and agent. Third party must be professionally and carefully implement the auditor ethics in their work. They should alert of any fraud, error, and conflicts of interest possibilities. This could minimize the material misstatement in the management financial report that will be reported to the principal. Due professional care is related to the auditor ethics. Auditor will consider their ethics and norm in their environment and using professional skepticism and prudent in professional judgment. Auditor who maintains auditor ethics will work professionally and carefully without outsider intervention (Wanodya, 2013).

Sixth hypothesis test result shows that auditor ethics has positive but insignificant influence on the interaction of due professional care to audit quality. From the moderated regression analysis result, the coefficient regression is 0.031 and significance level or p-value is 0,806. In other words, auditor ethics influence on the interaction of due professional care to audit quality is not significant enough to predict future audit quality. Therefore, the *H6* is rejected. The result of this research is consistent with the previous research conducted by Satiti (2016) showed that auditor ethics has influence on interaction of due professional care to audit quality.