

## **FACTORS OF PUBLIC ACCOUNTANT SKEPTICISM: A STUDY OF MAIN AND SUPPORTING INDICATORS**

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### **ABSTRACT**

Success in completing financial reports is closely related to the auditor's ability to complete tasks well precisely and with thoroughness which will make the quality of the report good. It is necessary to know clearly that in completing the report a professional accountant must be able to know well the conceptual framework for preparing financial reports. The aim of this research is to analyze the influence of critical thinking on documents, competence, ethics, verification of evidence, and asking questions about document information on skepticism and to examine the factor analysis of professional accountant skepticism. The population in this study were all professional accountants and the sample taken by convenience sampling was 30 accountants. The data collection technique uses a Likert scale questionnaire, the independent variable consists of five independent variables including Critical thinking about documents, competence, Ethics, Verification of evidence, and Asking questions about document information, and one dependent variable is Skepticism of Professional Accountants. and data analysis techniques used multiple linear regression and factor analysis. The results obtained show that there is an influence of each variable competency, ethics, and asking questions about document information, thus component 1 will be given the name main factors and component 2 only consists of document verification thus being given the name supporting factors. Thus, it is known that the quality of financial reports is greatly influenced by the skepticism of public accountants and these two factors cannot be separated from the preparation and authenticity of completing financial reports. This is also one of the assessments of partners' trustworthiness in determining accountants in their company.

Keywords: professional accountant skepticism, financial statements, main factor, supporting factors

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### **INTRODUCTION**

Success in completing financial reports is closely related to the auditor's ability to complete the task well and precisely. Accuracy will make the quality of the report good, it is necessary to know clearly that in completing the report a professional accountant must be able to understand the conceptual framework in preparing financial reports, Hick in (Barth, 2015) explained that the framework incorporates economic concepts, exemplified by defining comprehensive income as changes in net assets for the period, other than those attributable to transactions with shareholders in their capacity as shareholders, further emphasized that accountants and auditors must be able to understand appropriate accounting standards in complete the report (Ciesielski; Weirich, 2016). This explanation emphasizes that accountants and auditors must be able to know the instruments that will be used to resolve company finances.

Financial reporting will be delivered by accounting procedures, accounting in this case functions as an examiner of 'value for money', which ensures that the number of companies increases, but on the other hand accounting is also 'value engineering' in relation to company

strategy and this also determines the auditor's behavior in the organization, whether the organization can provide the right information (Cooke, 2023; Hou et al., 2023). This confirms that the role of accounting is in completing the conceptual framework of financial reports, so that you must understand every condition of financial change in the company and important notes. Auditors also play a very important role in following the organization, so that they are able to build auditor behavior in completing the truth of financial reports.

In this case, it is emphasized that an auditor can also commit fraud in completing financial reports, so this emphasizes that auditors need an attitude of skepticism, skepticism which focuses on work patterns that criticize every information written in a financial report and this will affect the quality of the financial report. good and correct. This emphasizes that auditors are expected to have the characteristics of skepticism in completing quality financial reports, so that it is closely related to the auditor's knowledge and technological abilities in analyzing any information in the report that will be completed. (Kwock et al., 2016; Spencer, 2022), the attitude of skepticism will be that the auditor will adjust to audit standards, which are equipped with audit company policy documents for conducting audits, a number of tests and procedures on the audit evidence collected need to be carried out during the audit process (Che et al., 2023; Mansur et al., 2022).

Report completion activities really depend on the auditor's ability to understand each document that will be completed, the ability to reason to express every matter of urgency that will be informed appropriately. The auditor's efforts must be able to apply more effort, thereby contributing to a high level of audit quality, this will lead to the urge to carry out work effectively and efficiently high quality audits in audit engagements with a high risk of misstatement (Al-Ansi, 2022) and it also emphasizes that the actors involved in the audit, both auditors and auditees, work actively to equip the system with a more valid performance track where true caring relationships take precedence. (Che et al., 2023; Ek Österberg & de Fine Licht, 2023). Information quality becomes a form of competence trust and integrity trust in perceived quality during the audit performance stage, the audit committee must demonstrate a high level of competence and integrity for better interaction with external auditors and this is an inspiration for the board of directors, executives and policy makers to implement policies that increase trust between actors to improve audit quality (Cheung & Lai, 2022)

Professional skepticism or its impact is not direct and there are several relationships and impacts, it is also a positive predictor of skeptical behavior and trust, which shows that reflection on data makes the auditor's work easier. Furthermore, once again emphasizing the importance of considering the usefulness of data and specific case situations, we find that knowledge seeking is an important element in audit work and is related to trust and skeptical behavior (Rautiainen et al., 2023)

Thus, the research objective is closely related to the auditor's professional skepticism, so the factors that influence the auditor's skepticism will be analyzed to produce quality financial reports.

## **RESEARCH METHODS**

The location of the research was carried out at the Medan City public accounting office. The type of data used is primary data, by distributing Likert scale questionnaires to predetermined respondents.

According to Sugiyono (Sugiono, 2020) "Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study were all public accounting firms in the city of Medan. In this research, the samples will be taken using convenience sampling, this is because according to Gunawan (2013:9) sampling is carried out based on the

ease of obtaining the required data, so the samples involved are 30 professional accountants, with categories of work experience and number of company partners.

The questionnaire method is a number of written questions used to obtain from respondents the meaning of their personal reports or things they know. The data collection technique involves compiling a list of questions or written statements that are submitted to the sample respondents to be studied. The number of questions that will be taken is based on research variables, both dependent variables and independent variables. Questionnaires were given to respondents directly with the aim of being more effective and efficient in reaching the sample size and being younger in explaining the questionnaire. The instrument used to measure this research variable is a Likert scale with 5 points for respondents' answers. Uji analisa data yang digunakan adalah regresi linier berganda. Regresi linier adalah uji yang digunakan untuk mengetahui pengaruh antara variabel independen terhadap variabel dependen.

Analyze using SPSS IBM 27 for Windows. In accordance with the independent variable which consists of four variables including Critical thinking about documents (X1), competence (X2), Ethics (X3), Verification of evidence (X4) and Asking questions about document information (X5) and one dependent variable (Y), namely Skepticism of Professional Accountants. Factor is an analysis that aims to find the main factors that most influence the dependent variable from a series of tests used on a series of independent variables as factors. When making the matrix, the Barlett's sphericity test and Kiser-Mayer-Olkin (KMO) will be used to determine the adequacy of the sample. According to Suliyanto (2005:2), it is known that there are KMO value categories, as follows:

- a) A KMO value of 0.9 is very good
- b) A KMO value of 0.8 is good
- c) A KMO value of 0.7 is medium
- d) A KMO value of 0.6 is sufficient
- e) A KMO value of 0.5 is less
- f) A KMO value of less than 0.5 is rejected

In determining the number of factors determined to represent the variables to be analyzed based on the magnitude of the eigenvalue and the percentage of the total variance, only factors that have an eigenvalue equal to or greater than one are retained in the factor analysis model, then they will be analyzed by extracting the factors in the factor matrix. identifying relationships between factors and individual variables, so that the matrix is transformed into a simpler matrix using the varimax procedure. Next, proceed with interpreting the factors by classifying variables that have a minimum factor loading of 0.4, while variables with a factor loading of less than 0.4 are removed from the model

## **RESULT AND DISCUSSION**

The results of this research are information obtained from Likert Scale questionnaire answers which were analyzed using multiple linear regression and factor analysis, the results obtained are as follows:

Multiple linear regression analysis is used to determine the relationship or influence between two or more independent variables (X), namely critical thinking about documents (X1), competence (X2), ethics (X3), verification of evidence (X4) and asking questions about document information ( X5) and one dependent variable Professional Accountant Skepticism (Y) which is displayed in the form of a regression equation, namely:

- a) Think critically about documents (X1), obtained a b value of 0.389
- b) Competence (X2), obtained a b value of 0.470
- c) Ethics (X3), obtained a b value of 0.279
- d) Verify evidence (X4) obtained a b value of 0.456

- e) Ask questions about document information (X5) was obtained at 0.315
- f) The value of a obtained is 15.286

Thus the multiple linear regression equation can be known as follows:

$$Y = a + bx_1 + bx_2 + bx_3$$

Description:

a: Constanta

b: Regression coefficient

Y: Professional auditor skepticism

X<sub>1</sub>: Think critically about documents

X<sub>2</sub>: Competence

X<sub>3</sub>: Ethics

X<sub>4</sub>: Verify evidence

X<sub>5</sub>: Ask questions about document information

$$Y = 15,286 + 0,389 x_1 + 0,470 X_3 + 0,279X_3 + 0,456X_4 + 0,315X_5$$

Thus it can be explained that the constant value (a) of 15.286 explains that the independent variable is considered constant, so the average skepticism of professional auditors is 15.286 or 15 respondents, then the regression coefficient value for the Think critically about documents variable is 0.389, explaining that every additional Think critically about documents about documents will increase understanding of skepticism by 0.389 or 0.4, just as competently, each addition of skepticism will increase understanding by 0.470 or 0.5; ethics as much as 0.279 means that ethics will add to the understanding of skepticism; Next, verifying each additional skepticism will increase by 0.456 or 0.5 and finally asking questions about the document will increase understanding of skepticism by 0.315 or 0.3.

The multiple linear regression equation, the test will be continued with the t test which is used to find out whether the individual independent variables have an effect on the dependent variable. The conditions for accepting or rejecting this test are that if the significant number is less than 0.05 then the alternative hypothesis is accepted and the null hypothesis is rejected. Hypothesis testing can also be carried out using a comparison between tcount and ttable with the following conditions: If sig < 0.05, then Ho is rejected (there is a significant influence) and if sig > 0.05, then Ho is accepted (there is no significant influence). The known results are that:

- a) sig value < 0.05, namely 0.020 < 0.05, it is known that critical thinking can influence the skepticism of professional auditors
- b) sig value < 0.05, namely 0.000 < 0.05, it is known that competence can influence the skepticism of professional auditors
- c) sig value < 0.05, namely 0.000 < 0.05, it is known that ethics can influence the skepticism of professional auditors
- d) sig value < 0.05, namely 0.000 < 0.05, it is known that verification can influence the skepticism of professional auditors
- e) sig value < 0.05, namely 0.000 < 0.05, it is known that asking questions about documents can influence the skepticism of professional auditors

Next, factor analysis is carried out, which is a multivariate statistical technique that begins with testing variables that can be carried out by the factoring process, extracting variables, rotating if necessary and ending with naming the factors. In this case it is also used to reduce and summarize all bound variables and interdependencies.

**Table 1. Analysis of KMO and Barlett's Test**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,705
Bartlett's Test of Sphericity	20,905
Approx. Chi-Square	
df	10
Sig.	,022

Table 1 explains that the KMO and Barlett's test values for the desired correlation between variables are greater than 0.5 ( $> 0.5$ ) and the research significance is 0.05. From the results above, a KMO of 0.705 is obtained, according to the method category, 0.773 is in the medium category and greater than 0.5; while the significance produced by Barlett's test of Sphericity was 0.022, meaning  $\text{sig} < 0.05$ . Thus, it can be said that the variables and samples used allow for further analysis.

**Table 2. Analysis of Anti-Image Matrices**  
**Anti-image Matrices**

		Critical Thinking Document	Competence	Ethics	Document Verification	Ask Questions Document Information
Anti-image Covariance	Critical Thinking Document	,832	-,239	,153	-,037	,110
	Competence	-,239	,525	-,093	,301	-,257
	Ethics	,153	-,093	,892	,070	,225
	Document Verification	-,037	,301	,070	,695	-,041
	Ask Questions Document Information	,110	-,257	,225	-,041	,769
Anti-image Correlation	Critical Thinking Document	,484 <sup>a</sup>	-,361	,177	-,048	,138
	Competence	-,361	,509 <sup>a</sup>	-,136	,499	-,404
	Ethics	,177	-,136	,381 <sup>a</sup>	,088	,272
	Document Verification	-,048	,499	,088	,574 <sup>a</sup>	-,056
	Ask Questions Document Information	,138	-,404	,272	-,056	,474 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

Next, the correlation between independent variables, it can be shown in the Anti-Image Matrices table. The value to pay attention to is MSA (Measure of Sampling Adequacy). The MSA value ranges from 0 to 1, with the following conditions:

- a) MSA = 1, the variable can be predicted without error by other variables
- b) MSA > 0.5 variables can still be predicted and can be analyzed further
- c) MSA < 0.5 variables cannot be predicted and cannot be analyzed

From the output results above, it is known that the MSA value is known as follows:

- a) Critical thinking on documents is 0.484
- b) Competency of 0.509
- c) Ethics of 0.381
- d) Verification of 0.574

e) Asking questions about document information was 0.474

It can be concluded that the correlation between independent variables that can be shown in the Anti-Image Matrices table is the competency and document verification variables. Based on the MSA results above, it is known that all independent variables can be analyzed further because each of them is still within the provisions, namely they can still be predicted.

**Table 3. Communalities Analysis**

Communalities		
	Initial	Extraction
Critical Thinking Document	1,000	,303
Competence	1,000	,803
Ethics	1,000	,786
Document Verification	1,000	,674
Ask Questions Document Information	1,000	,532

Extraction Method: Principal Component Analysis.

From the results above, it is known that factors are able to explain the critical thinking variable by 0.303 or 30.3%, competence is explained by 0.803 or 80.3%, ethics by 0.786 or 78.60%, document verification by 0.674 or 67.40% and asking information questions. document is 0.532 or 53.20% so it can be concluded that the average explanation is above 50%, so the factor will still be determined.

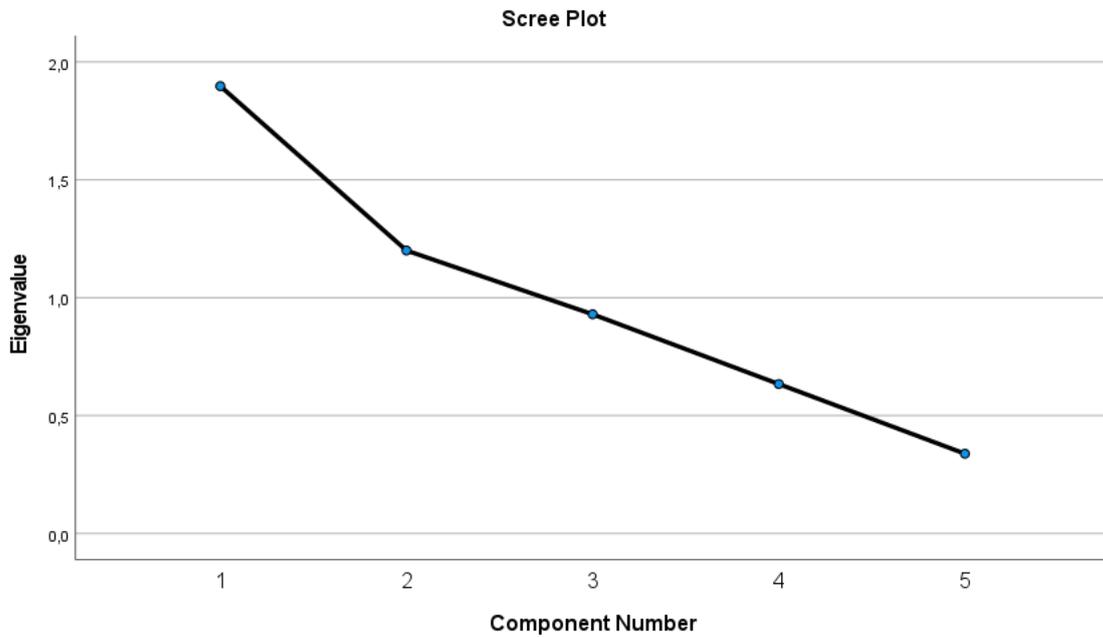
Followed by the "core" of confirmatory factor analysis, to determine how many factors might be formed. It is known that the components range from 1 to 5 or in other words all independent variables are represented. By paying attention to the Initial Eigenvalues column, a total of 5 is obtained according to the variables and confirmed by Extraction Sums of Squared Loadings, the total is 1,897 and 1,200. Thus, because the Initial Eigenvalues are set at 2, the total value that will be taken is more than 1 (> 1), namely component 2.

**Table 4. Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1,897	37,948	37,948	1,897	37,948	37,948	1,848	36,964	36,964
2	1,200	24,008	61,956	1,200	24,008	61,956	1,250	24,993	61,956
3	,930	18,597	80,553						
4	,634	12,678	93,232						
5	,338	6,768	100,000						

Extraction Method: Principal Component Analysis.

This is also supported by the formation of scatter plots by proving the formation of 2 factors in this analysis stage:



**Figure 1. Factor Analysis Scree Plot**

From the Component Matrix table it is clear that Component 1 consists of Document Critical Thinking (0.526); competency (0.887); ethics (-0.064) and asking questions about document information (0.569), thus Component 1 will be given the name main factors and component 2 only consists of document verification (0.410) thus being given the name supporting factors.

**Table 5. Component Matrix**

	Component	
	1	2
Critical Thinking Document	,526	,165
Competence	,887	-,125
Ethics	-,064	-,884
Document Verification	-,711	,410
Ask Questions Document Information	,569	,456

Extraction Method: Principal Component Analysis.  
a. 2 components extracted.

In this case, it is emphasized that the factors that determine the success of financial reports in terms of the skepticism of public accountants in the city of Medan are determined by two factors, including the main factors, which consist of the public accountant's skill in preparing financial reports with the ability to think critically about documents, competence, ethics and asking questions in accordance with financial document information and supporting factors with public accountant skills in verifying documents. These two factors cannot be separated from the preparation and validity of completing financial reports, this is also one of the assessments of a partner's trustworthiness in determining an accountant for their company.

It is also emphasized that auditors determine the increase in auditor responsibility and audit risk, auditors are more careful and sometimes reluctant to think about the future scenario of remote audits, if audit technology appears innovative and if it is related to the future, skepticism will also raise digital audits. However, it is clear that auditors working from home face

special challenges, because of what they gain in efficiency, without losing benefits that are more difficult to measure, such as innovative thinking and creativity. (Farcane et al., 2023) and this also confirms the results of research that has been conducted that the attitude of skepticism using fraud risk factors by external and internal auditors is positively related to their estimates regarding the spread of fraud in the business community (Mansur et al., 2022; Wahidahwati & Asyik, 2022).

An attitude of skepticism will also facilitate financial report information by asking questions 'why' and 'how' the document will be completed and what is the truth in explaining the information that will be communicated in the document. This is in accordance with the results of previous research which explains that increased attention is needed to be given to 'How' questions which can increase the communicative value of audit reports, will have an impact on investors and be an indication of skepticism by auditors. (Xu et al., 2023), so that this will produce independent auditors with abilities that can be used anywhere and in any company, creating a good work culture, this is in accordance with the results of research that has been carried out that increasing auditor independence aims to contribute to improving audit quality, studying the factors factors that influence auditor independence to test the influence of each factor applied to the environment of an independent audit company (Coffee, 2019; Minh Duc et al., 2019; Ta et al., 2022).

Thus, it can be concluded that a good auditor will be able to provide information and communicate any data obtained without having to manipulate things that may pose any risk to a financial report, an attitude of skepticism will be important in increasing the confidence of investors or companies in using auditor services, The sense of skepticism that should be possessed includes the ability to criticize documents, verify documents with "how" and "why" questions, ethics and will increase the auditor's competence in providing quality financial reports.

## **CONCLUSION**

The research objectives and research results that have been found with primary data, it is clear that the factors that influence the auditor's skepticism in completing financial reports are the main factors which consist of the public accountant's skill in preparing financial reports with the ability to think critically about documents, competence, ethics and asking questions according to financial document information and supporting factors with public accountant skills in verifying documents.

This emphasizes that compliance with standards for preparing a conceptual framework for financial reports must be integrated with the auditor's skepticism to properly inform what is happening in a company.

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