



Auditor Work Environment and Professional Judgment in Audit: Evidence from Indonesia

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Abstract

Auditors must become more professional due to the nature of the work environment in auditing, which requires them to make judgments and face many dynamics that arise during the auditing process. This study aims to analyze the work environment of auditors, which affects their professional judgment when auditing financial statements. This study uses quantitative and descriptive methods with convenience sampling techniques with auditor respondents who work at the Public Accounting Firm in the DKI Jakarta Region of Indonesia. The results of this study indicate that auditor behavior, work environment, and information technology positively affect professional judgment. Auditors who behave according to their professional code of ethics will use their professional judgment better and more appropriately when providing opinions on audited financial statements. A conducive work environment will make it easier for auditors to use their professional judgment better and more correctly in decision-making. The use of information technology helps auditors complete their work appropriately and efficiently so that they can better their professional judgment.

Keywords: Auditor work environment, Professional judgment audit

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1. INTRODUCTION

The public accounting profession has a great responsibility to carry out its work with professional rigor (due professional care) to carry out the trust given to it by the public (Nugrahanti & Jahja, 2018). A critical capability that must be owned by every public accountant as an auditor when auditing financial statements is to provide professional judgment in every situation and condition to support audit quality. The objective of professional judgment is to achieve a quality audit process to be able to provide a relevant opinion according to the situation and condition (Şişmanoğlu & Arikboğa, 2018).

One of the phenomena of audit cases that have occurred in Indonesia is the case involving PT Sunprima Nusantara (SNP Finance) and Public Accountant Marlinna and Public Accountant Merliyana Syamsul from KAP Satrio Bing Eny and Rekan, which is an entity from Deloitte Indonesia. In 2018, the Financial Services Authority (OJK) found indications that SNP Finance presented financial reports not following actual financial conditions where SNP Finance was suspected of committing fraud by using fictitious accounts receivable lists. This incident caused losses to many parties, especially banks. However, in the audit results of SNP Finance's annual financial statements, the public accountant gave an "unqualified" opinion. Regarding this case, OJK provides administrative sanctions for canceling registration to KAP in the banking sector, capital market, and Non-Bank Financial Industry (IKNB) towards KAP Satrio Bing Eny and Partners. The Financial Professional Development Center (PPPK) also imposed sanctions on Public Accountant Marlinna and Public Accountant Merliyana Syamsul in the guise of a 12-month restriction on providing audit services to financial service entities.

Technical and non-technical elements can both have an impact on professional judgment auditors. A restricted audit scope or time is an example of a technical issue, while non-technical ones might include features of individual auditor behavior (Sitanggang, 2020). In addition, pressure from superiors or clients can affect professional credibility, public trust, and public service (Dezoort & Lord, 1994). Therefore, auditor behavior is the first basis in professional judgment that needs to be considered and owned by every auditor (Hamdani & Hafiz, 2020). Explains that auditors require professional behavior in professional judgment activities, ultimately affecting audit quality. Research conducted by Amsari and Rasibo (2017) found that auditors' behavior significantly affects professional judgment. This indicates that the auditor's professional behavior and attitude in carrying out audit assignments will positively influence his professional judgment. However, based on research conducted by Nugrahanti & Jahja (2018), professional attitude does not affect the auditor's judgment.

An adequate auditor work environment must support auditor behavior by considering the auditor's comfort and not hamper audit assignments so that auditors can carry out their duties optimally, healthily, safely, and comfortably (Mala & Chand (2015). Through their work environment, auditors can also gain understanding and work experience from co-workers regarding the audit process, audit standards used as references, and solutions to problems in auditing. Therefore, a conducive and supportive audit work environment causes auditors to be more professional in making assessments and dealing with all dynamics that occur when conducting the audit process.

Previous research conducted by Mala & Chand (2015), and Şişmanoğlu & Arikboğa (2018) stated that the better the work environment in which auditors interact with fellow auditors, the more professional judgment they will have because a conducive work environment has an impact on more professional audit decision-making considerations. The work environment is described as teamwork among auditors who work together to achieve common goals, thus affecting the auditor's professional judgment. However, research from Gendrianto

et al. (2018) found that the work environment described in complexity and work stress did not affect audit assessment.

The current audit process is also inseparable from the digitalization of the industrial era 4.0, where the development of technology is relatively rapid, so there is a paradigm shift or perspective in conducting audits. Dai (2017), Umar (2017), and Alao & Gbolagade (2019) state that auditors can take advantage of information technology in the industrial era 4.0 to collect large amounts of audit-related data, automate the audit process and finally achieve comprehensive, timely, and accurate considerations. The Industrial Era 4.0 has changed performance based on information technology. Some of the challenges in conducting audits faced in the industrial era 4.0 include problems related to information technology security, lack of adequate skills, and the inability of stakeholders to change. However, according to Nugrahanti & Pratiwi (2023), the presence of the industrial era 4.0 opens up new possibilities in the audit process where auditors will be required more regarding professional judgment, such as providing opinions, judgments, and decision-making.

In addition to previous studies, the main theory on which this research is based is attribution theory, which aims to explain the causes and behaviors of others, both internally (motives and attitudes) and externally (Robbins & Judge, 2017). Attribution theory is the basis for supporting the variables of this study, namely auditor behavior and professional judgment in the decision-making process as internal factors, while external factors in the form of work environment and information technology.

This research focuses on professional judgment in conducting appropriate assessments and providing audit opinions regarding the fairness of the company's financial statements. In addition, what makes this research important and needs to be done is the novelty of the subject, auditor behavior in referring to high ethical standards, adequate auditor work environment, and the use of information technology in the industrial era 4.0 by the different auditor abilities in each public accounting firm in DKI Jakarta Indonesia region from other countries, This paper will bridge the gap between existing literature.

The purpose of this study is to provide theoretical contributions that are expected to provide the development of attribution theory, as well as enrich the concepts that have been learned from economists related to auditors' professional behavior and attitudes, a conducive audit work environment, and utilize information technology in the industrial era 4.0 by paying attention to professional judgment in the decision-making process, Furthermore, to be able to conduct further research on topics that same. In addition, this research is also expected to make a practical contribution to all auditors and public accounting firms in the DKI Jakarta Indonesia Region as a consideration in conducting appropriate assessments and providing audit opinions regarding the fairness of the company's financial statements.

The following describes the format of this paper: In Section 1, we will go over the introduction; in Section 2, we will go over the literature; in Section 3, we will explain the quantitative data and methods; in Section 4, we will analyze the empirical results; and in Section 4, we will present the conclusions.

2. THEORY AND HYPOTHESIS STUDY

Attribution Theory

Attribution theory, proposed to elucidate human behavior, involves the identification of the causes of one's own or others' behavior (Fritz, 1958). When observing others' behavior, individuals attempt to discern whether it is driven by internal or external factors (Robbins & Judge, 2017). Behavior stemming from internal forces is believed to be within the individual's control. In contrast, behavior influenced by external forces responds to external circumstances, compelling the individual to act in specific ways.

Attribution theory, when applied to auditing, provides a crucial lens through which to understand the influences on behavior. In this context, the theory explains that the individual's abilities, knowledge, and effort can shape behavior influenced by internal forces. This is evident in auditors' behavior, attitude, and feelings, as well as in their performance evaluations and professional judgment during the decision-making process. Conversely, behavior influenced by external forces stems from the work environment, opportunities, infrastructure, and information technology.

Professional Judgments

ISA 200 (Revised at 2021) states that the use of necessary training, information, and experience within the framework of auditing standards, accounting requirements, and ethical requirements to make informed choices regarding the proper course of action given the conditions of the audit engagement is what is meant by the term "professional judgment." Professional judgment is the outcome of collective judgment at all aspects of an audit, including audit planning, evidence collection, evidence appraisal, and audit reporting. Professional judgment results from collective judgment (Nugrahanti & Jahja, 2018). The accuracy of the auditor's judgment will indirectly influence whether or not the decision will be taken by parties using the information in companies that rely on financial reports as a reference in making decisions (Alles & Gray, 2020). The indicators used to measure professional judgment by the auditor refer to the evaluation dimensions of the professional judgment assessment put forward (Sudarma & Kumalawati, 2022), including (1) Professional judgment regarding the level of materiality, (2) Professional consideration related to the level of audit risk, and (3) Professional consideration regarding going concern.

Auditor Behavior

According to Robbins & Judge (2017), behavior is based on individual characteristics, namely several factors that uniquely distinguish a person from others. These individual differences include personality, gender, nationality, and the consequences of the socialization process and the development of human resources, such as organizational dedication and professional commitment. Additionally, these individual differences may be attributed to the fact that some people are more committed to their work than others. This study focuses on individual characteristics in the form of auditor behavior as part of audit behavior, which is developed in professional judgment.

In addition to the main theory, previous research that can build hypotheses, namely the research of Nehme et al. (2023), Robbins et al. (2018), and Hamdani & Hafiz (2020) stated that auditor behavior refers to independence, objectivity, integrity, assessment of transparency, and responsibility which are very important to ensure public trust.

The indicators used to measure auditor behavior refer to the dimensions of the five basic principles of ethics for auditors, which have been compiled in the 2021 Public Accountant Professional Code of Ethics (KEPAP), namely: (1) Integrity, (2) Objectivity, (3) Competence

and professional prudence, (4) Confidentiality, and (5) Professional behavior. In line with previous theories and research that have been described, it can be concluded that the better the behavior of an auditor is, the better the professional judgment produced by the auditor in decision-making. Therefore, the first hypothesis can be formulated as follows:

H1: Auditor behavior has a positive effect on professional judgment.

Work Environment

According to Furnham & Gunter (2015), the work environment concept is comprehensive, including the physical, psychological, and social aspects that mark the working conditions. The work environment involves all the aspects that act and react on the body and mind of an employee. Mala & Chand (2015), "work environment" refers to all facets of physical labor, psychological work, and workplace rules that may impact job satisfaction and employee productivity. The workplace comprises two categories: physical work and the non-physical work environment. Both of these aspects of the workplace are important. The investigation of the work environment in this specific research has a significant emphasis on the non-physical work environment, particularly the work environment around auditing.

In addition to the main theory, there are previous studies that can build hypotheses, namely the research of Hermanson et al. (2016), Furnham & Gunter (2015), and Mala & Chand (2015) stated that the audit work environment can be said to be adequate if the auditor can carry out his duties optimally, healthily, safely, and comfortably. The indicators used to measure the audit work environment refer to the proposed work environment dimensions (Furnham & Gunter, 2015) and then adjusted to the object of research, including (1) the work construction, (2) the job duties, (3) the attention and support from leaders, (4) the collaboration amongst auditors, and (5) the fluid communication. In line with previous theories and research that have been described, the better the work environment, the better the professional consideration produced by the auditor in decision-making. Therefore, the second hypothesis can be formulated as follows:

H2: The work environment has a positive effect on professional judgment.

Information Technology

Information technology is synonymous with computers and is the main element that combines computer technology with telecommunications technology (Thottoli et al., 2022). Information technology in the audit context is a form of developing the entire technology infrastructure in the audit process used to carry out effective and comprehensive information technology-based audit work (Nugrahanti & Pratiwi, 2023).

In addition to the main theory, previous research that can build hypotheses, namely Thottoli et al. (2022), Dai (2017), and Alao & Gbolagade (2019) stated that the use of information technology in accounting and auditing information systems can provide benefit productivity, namely faster transaction processing, more accurate calculations, minimized transaction processing costs, and timely preparation of report processing. In the industrial era 4.0, auditors are required to use special software to carry out computerized audits, so auditors must have new skills to keep abreast of information technology developments. New skills that must be possessed by auditors in the development of information technology in the industrial era 4.0 include expertise in understanding computer system design, the ability to identify and minimize new risks, as well as the expertise to know the use of computers in the audit process (Fedyk et al., 2022; Benford & Hunton, 2020). The indicators used to measure information

technology in the industrial era 4.0 refer to the principles of the digital era in auditing practices developed by research from Puthukulam et al. (2021) and Tortorella et al. (2023), including (1) Interoperability, (2) Virtualization, (3) Decentralization, (4) Real-time capabilities, and (5) Modularity. In line with previous theories and research that have been described, it can be concluded that the better the use of information technology, the better the professional consideration produced by auditors in decision-making. Therefore, the third hypothesis can be formulated as follows:

H3: Information technology in the industrial era 4.0 has a positive effect on professional judgment.

3. METHODOLOGY

This research is quantitative and causal research, where the researcher aims to examine the relationship between research variables (Cresswell, 2017). The population in this study was taken based on the KAP directory on the IAPI website and auditors working at the Public Accounting Firm in DKI Jakarta. The sampling technique uses convenience sampling, which is sampling according to the ease of getting samples and members of the population that are the most accessible so that they have the same opportunity to be selected as samples (Cresswell, 2017). A total sample of as many as 15 public accounting firms (KAP) as research objects and 115 respondents with auditor-level criteria as senior auditors, supervisors, managers, and partners was obtained.

This study used primary and secondary data sources as sources of information. Primary data is information collected directly from the source through questionnaire distribution results to auditors working at public accounting firms in DKI Jakarta as respondents. Primary data were collected using survey techniques. In addition to primary data, this study uses secondary data, namely data obtained by researchers indirectly through intermediary media, data obtained and recorded by other parties (Cresswell, 2017), such as notes, and documentary data published or unpublished. Research data is obtained using library research methods and by accessing websites. The data is in the IAPI Directory, which lists Public Accounting Firms from the IAPI website.

The responder is characterized in this study by their gender, age, degree of education, position or title, length of service, and duration. A descriptive statistical analysis offers a synopsis of the factors investigated in the study. In addition to the traditional assumption test, which includes normality tests, multicollinearity tests, and test heteroscedasticity, the testing technique applies a validity test to evaluate if a questionnaire is valid and a reliability test to establish whether a questionnaire can be relied upon. These tests are in addition to the traditional assumption test.

The dependent and independent variables are both types of variables employed in this investigation. The professional judgment (Y) variable will serve as the dependent variable in this study. The auditor's conduct, denoted by X1, and the working conditions make up the independent variables—(X2) and information technology (X3). Data analysis and testing were conducted based on the results of a questionnaire filled out by respondents using a Likert scale (1-5), where respondents are given questions ranging from answer choices from strongly agree to strongly disagree, as follows: 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree.

The findings of this research were subjected to further evaluation in the form of an analysis known as multiple linear regression. This technique for analyzing research data

employs the SPSS Statistics software. If the significance value is less than 0.005, it is reasonable to infer that the independent variable affects the dependent variable. A partial test (also known as a t-test) or a simultaneous test (also known as an F test) may be used to assess a hypothesis. The purpose of the model feasibility test is to determine whether or not the multiple linear regression model can be utilized as an effective analytical instrument by determining the extent to which the independent variables influence the tested variable. If the significant probability value for the model in the study is less than 0.05, the model is deemed viable; the hypothesis can be accepted (the regression coefficient is significant) (Cresswell, 2017).

4. RESULTS AND DISCUSSION

Description of Respondents

Table 1 below shows the description of respondents based on gender, which is dominated by male respondents, with as many as 71 respondents or 61.7% of the total respondents who participated in this study (see Table 2 below). Moreover, based on the age of the majority, the majority of respondents were between the ages of 28 and 32 (54 respondents or 47.0% of the total respondents). In contrast, based on the job position, the supervisor auditor position was dominated by 42 respondents, or 36.5% of the total number of respondents. Then, based on work experience, respondents with 6-8 years of experience dominated, constituting 46 respondents, or 40.0% of the total number of respondents.

Table 1
Description of Respondents

Based on Gender					
No	Description	Frequency	Percent	Valid Percent	Cumulative Percent
1	Man	71	61.7	61.7	61.7
	Women	44	38.3	38.3	100
	Total	115	100	100	
By Age					
No	Description	Frequency	Percent	Valid Percent	Cumulative Percent
2	24 – 27 years	13	11.3	11.3	11.3
	28 - 32 years	54	47.0	47.0	58.3
	33 - 37 years	32	27.8	27.8	86.1
	Over 38 years	16	13.9	13.9	100
	Total	115	100	100	
Based on the Job Position					
No	Description	Frequency	Percent	Valid Percent	Cumulative Percent
3.	Senior Auditors	34	29.6	29.6	29.6
	Supervisory Auditors	42	36.5	36.5	66.1
	Manager Auditors	35	30.4	30.4	96.5
	Partner Auditors	4	3.5	3.5	100
	Total	115	100	100	
Based on Work Experience					
No	Description	Frequency	Percent	Valid Percent	Cumulative Percent

4	<i>Valid</i>	3 - 5 years old	38	33.0	33.0	33
		6 - 8 years old	46	40.0	40.0	73
		9 - 11 years old	14	12.2	12.2	85.2
		Over 11 years old	17	14.8	14.8	100
		Total	115	100	100	

Source: Data processed by researchers

The descriptive statistics in Table 2 show the normal distribution of auditor behavior, work environment, information technology, and professional judgment. The auditor's behavior obtains a score between 68 and 90 out of a possible 100 marks, according to the descriptive statistical data presented in Table 3. The average score is 79.43, and the standard deviation of the scores is 5.82 points. The minimum possible score for the working environment is 67, while the maximum is 85. The average result is 79.17, while the standard deviation of the scores is 4.45. The lowest possible score in information technology is 40, and the highest is 79. The average score is 71.99, and the standard deviation of the scores is 6.44 points. The minimum possible score for professional discernment is 68, and the maximum is 80. The average score is 75.77, and the standard deviation of the scores is 2.87 points.

Table 2
Descriptive Statistics

No	Description	N	Minimum	Maximum	Mean	Std. Deviation
1	<i>Auditor Behavior</i>	115	68	90	79.43	5.827
2	<i>Work Environment</i>	115	67	85	79.17	4.450
3	<i>Information Technology</i>	115	40	79	71.99	6.39
4	<i>Professional Judgment</i>	115	68	80	75.77	2.866

Source: Data processed by researchers

Analysis of Research Results

Statistical testing

When testing a hypothesis, the accuracy of the results greatly depends on the quality of the data utilized in the test. If the instruments used to gather research data do not have validity and reliability that fulfill the basic standards, the data collected by those instruments cannot be used. The findings of the validity test indicated that the variables of auditor conduct, work environment, information technology, and professional judgment might be valid since they match the requirements, namely the Pearson Correlation $> r$ table. This means that the variables can be accepted as legitimate. The r table may be derived using the formula $df = N - 2$, resulting in a value of 2.167.

Besides, according to the results of the reliability test, the variable representing professional judgment has a Cronbach Alpha value of 0.904, the variable representing auditor behavior has a Cronbach Alpha value of 0.869, the variable representing the work environment has a Cronbach Alpha value of 0.875, and the variable representing information technology has a Cronbach Alpha value of 0.895. According to the results of the reliability test, all of the variables had Cronbach's Alpha values that were greater than 0.700, and each statement item used in this study was able to obtain consistent data because, if the statement were to be submitted again, a response that was relatively similar to the initial response would be obtained.

The classic assumption tests, including the autocorrelation, normality, multicollinearity, and heteroscedasticity tests, have been utilized in this study. The test's findings to determine whether the data follow a normal distribution demonstrate that the data do. Figure 1's graph illustrates that the Normal PP Plot graph of standardized residual cumulative probability displays a distribution pattern of two around the diagonal line, and it moves in the direction of the diagonal from the bottom left to the top right. This pattern can be noticed by looking at the graph. Based on this, one might conclude that the regression model satisfies the constraints set out by the normalcy assumption.

The results of the multicollinearity test. The tolerance values for auditor behavior, work environment, and information technology are 0.856, 0.511, and 0.561, close to the number 1. Additionally, each variable's Variance Inflation Factor (VIF) value comes in at 1.167, 1,957, and 1.784, which is less than 10. As a result, the multicollinearity issue in the regression model has been resolved, and the regression model may be used for the data in the current study.

After that, the heteroscedasticity test is carried out using a scatterplot graph that was previously constructed. It is easy to see that the data are scattered above and below the number 0 (zero), which represents the midway point on the Y axis of the scatterplot graph. The data are scattered around the scatterplot graph so that it is impossible to see any pattern in their display. A regression model is acceptable for professional judgment on the independent variables, which include auditor conduct, work environment, and information technology. This is based on the evidence presented here.

In addition, the autocorrelation test was executed by contrasting the Durbin-Watson value with the dL and dU values in the t table. If dL is smaller than 4-dW and dU, there is no autocorrelation evidence. The value of the DW is shown to be 2.059 in Table 5. The table value uses a significance value of 5%, the number of samples is 115, and the number of independent variables is 3. As a result, the generated Durbin Watson table is 1.6427 (dl) and 1.7496 (du). Because the value of DW 2.059 is more than the upper limit (du) of 1.7496 and DW 2.059 4 – du equals 2.250, one may conclude that there is neither a positive nor a negative autocorrelation.

In addition, the data from this study were evaluated using multiple linear regression analysis and an examination of the coefficient of determination (R Determination). Calculating the coefficient of determination allows one to determine the extent to which a model can account for the variability of the variable that is being studied. Table 3 shows the test results on the coefficient of determination.

Table 3
Determination R Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.630 ^a	.397	.381	2.255	2.059

a. Predictors: (Constant), Information Technology, Auditor Behavior, Work Environment

b. Dependent Variable: Professional Judgment

Source: Data processed by researchers

We calculated the R square value of 0.397 using the previously discussed R-value. Since the value is more significant than 0.05, the statistical analysis indicates a strong relationship

between the dependent and independent variables. This is because 0.05 is the threshold for significance in statistical analysis. The square root of the adjusted R-value is 0.381, which equals 38.1%; hence, the effect of all independent factors on the variable that is being researched is equal to 38.1%. At the same time, the remaining 61.9% is impacted by elements that were not considered for our study.

Table 4 F test results ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	371.649	3	123.883	24.361	.000 ^b
	Residual	564.473	111	5.085		
	Total	936.122	114			

a. Dependent Variable: Professional Judgment

b. Predictors: (Constant), Information Technology, Auditor Behavior, Work Environment

Source: Data processed by researchers

The statistical F test aims to determine whether independent variables included in the regression model simultaneously, such as auditor behavior, work environment, and information technology, influence the dependent variables, such as professional judgment. Given that the value of f is 24.361 and the significance is 0.000 in Table 4 of the F test results, which can be seen above, auditor behavior, work environment, and information technology simultaneously all influence the professional judgment variables.

The next step in the investigation involves evaluating hypotheses and performing multiple linear regression tests. The findings of examining the multiple linear regressions are presented in Table 5 and may be read as follows.

Table 5 Results of Multiple Linear Regression Tests and Results of Test Analysis t

Model		Coefficients ^a					Hypothesis
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
1	(Constant)	44.210	4.248		10.408	.000	Meaningless
	Auditor Behavior	.125	.038	.255	3.320	.001	H1 accepted
	Work Environment	.118	.059	.183	2.011	.047	H2 accepted
	Information Technology	.170	.040	.383	4.231	.000	H3 accepted

a. Dependent Variable: Professional Judgment

The above table illustrates the following relationship between the independent and dependent variables as follow:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Information:

- Y : Professional Judgement
- α : Constant
- β₁, β₂, β₃ : Regression Coefficient
- X₁ : Auditor Behavior
- X₂ : Work Environment

X3 : Information Technology
 ε : Standard error

Based on Table 5, the first statistical testing can be broken down, as below:

1. Auditor behavior has a t-value of 3.320 with a significance value of 0.001. Based on these results, auditor behavior affects professional judgment, or H1 has been accepted because $t_{count} > t_{table}$ where t_{table} is 1.981 and significance value < 0.05 . It implies that the auditor's behavior significantly positively affects professional judgment.
2. The work environment has a t value of 2.011 with a significance value of 0.047. Based on these results, the work environment that affects professional judgment or H2 H1 has been accepted because $t_{count} > t_{table}$ where t_{table} is 1.981, and the significance value is < 0.05 . It implies that work environments significantly positively affect professional judgment.
3. Information technology has a t value of 4.231 with a significance value of 0.000. Based on these results, information technology affects professional judgment, or H3 has been accepted because $t_{count} > t_{table}$ where t_{table} is 1.981, and the significance value is < 0.05 . This implies that information technology significantly positively affects professional judgment.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Discussion and Implications

Influence of Auditor Behavior on Professional Judgment

Based on the test results that have been carried out on the first hypothesis, it show that auditor behavior has a positive effect on the assessment of audit professionals. Thus, the first hypothesis is accepted. This study shows that the better the behavior of an auditor, the better the auditor's professional judgment in making a decision.

The results of this study are in line with attribution theory, which states that a person's behavior towards something is determined by internal and external factors. Based on this theory, auditor behavior is an internal attribution derived from the auditor's understanding of carrying out his work in accordance with the professional code of ethics of public accountants. When auditors at work show behavior in accordance with their professional code of ethics, the auditor's professional judgment will be better and more appropriate in providing opinions on the audited financial statements. The Public Accountant Professional Code of Ethics is a guideline and norm for all members who work as auditors. Auditors who carry out audits adhering to the highest ethical standards will result in quality audits. A quality audit is essential to ensure the auditor performs his responsibilities to the users of the audited financial statements (Douglas et. al., 2001).

The results of this study turned out to be in line with the journals used as references in this study, including by Amsari and Rasibo (2017), Robbins et al., (2018), and Nehme, et. al. (2023), show that auditor behavior affects professional judgment. Auditor behavior refers to ethical standards in accordance with the professional code of ethics, including integrity, objectivity, professional competence and prudence, confidentiality, and professional behavior are very important to ensure public trust. On the other hand, the results of this study contradict research conducted by Nugrahanti & Jahja (2018), which found that the auditor's professional attitude has no effect on audit judgment.

The Effect of the Work Environment on Professional Judgment

Based on the test results that have been carried out on the second hypothesis, the work environment has a positive effect on the assessment of audit professionals. Thus, the second hypothesis is accepted. This study shows that the better the work environment where the auditor works, the better and more correct the auditor's professional judgment in decision-making.

The results of this study are in line with attribution theory, which states that the work environment is an external attribution that comes from the conditions that exist around the auditor and that affect the auditor's work activities, such as time pressure, accountability, and assignment. These factors can have an impact on the auditor's performance in carrying out audit duties. If auditors can carry out their duties optimally while maintaining a level of health, safety, and comfort, then working conditions in public accounting firms will be adequate (Mala & Chand, 2015).

The results of this study are in line with the journals used as references in this study, including Şişmanoğlu & Arıkboğa (2018) and Mala & Chand (2015), which show the results that the work environment affects professional judgment. A conducive work environment will support the performance of an auditor; when in the implementation of the audit, the auditor works in an environment that has a good work structure and appropriate work responsibilities, receives attention and support from the leadership, peer review between members of the auditor team, and good communication, the auditor will use his professional judgment well. However, this study does not align with Gendrianto et al. (2018), who state that the work environment does not affect audit judgment.

The Effect of Information Technology on Professional Judgment

Our study's findings, particularly the acceptance of the third hypothesis, underscore the significant positive impact of information technology on the assessment of audit professionals. This insight is crucial as it reveals that higher utilization of information technology enhances auditors' ability to complete their work with professional judgment.

The results of this study align with attribution theory, which states that the use of information technology is an external attribution derived from the conditions around the auditor and which affect the auditor's work activities. Information technology in the context of auditing refers to the process of developing the entire technology infrastructure in the audit process used to conduct effective and comprehensive information technology-based audit work (Mervelito et al., 2021; Nugrahanti & Pratiwi, 2023).

Information technology in accounting and audit information systems can benefit productivity, namely faster transaction processing, more accurate calculations, minimized transaction processing costs, and timely preparation of report processing (Alao & Gbolagade, 2019). Information technology in the industrial era 4.0 encourages auditors to use software specifically used in computerized audits, so auditors must have new skills to keep up with the development of information technology (Dai, 2017; Thottoli et al., 2022). New skills that auditors must have in the development of information technology include expertise in understanding computer system design, the ability to identify and minimize new risks, and expertise in knowing the use of computers in the audit process (Fedyk et al., 2022; Benford & Hunton, 2020).

The results of this study are in line with the journals used as references in this study, including Manson et al. (2001), Fedyk et al. (2022), Nugrahanti & Pratiwi (2023), and Puthukulam et al. (2021), show that information technology in the industrial era 4.0 has a significant positive effect on professional judgment because technology helps auditors complete their work properly and correctly. Information technology can improve the quality of

an auditor's work and increase productivity. However, not all work can be done with the technology used by auditors; there are parts of the audit process that cannot be replaced by the system and still require professional judgment from auditors, such as sample selection, physical examination, stock-taking names, and fieldwork (Benford & Hunton, 2020).

5. CONCLUSION AND RECOMMENDATIONS

Based on the data analysis and discussion results, it can be concluded that auditor behavior affects the professional judgment of auditors working at Public Accounting Firms in DKI Jakarta. The better the auditor's behavior by the code of professional ethics, the better and more precise the auditor's professional judgment will be in providing opinion results on the audited financial statements. The work environment, namely conditions around the auditor, affects his work activities, time pressure, accountability, assignments, and the auditor's professional judgment. The more conducive the auditor's work environment is, the better the auditor's professional judgment in decision-making. Information technology used by auditors in the audit process affects the auditor's professional judgment. Current technology makes it easy for auditors to complete audit processes that can be carried out with information systems so that auditors can focus on audit procedures that require judgment. The better the technology in the auditor's information system, the more the auditor's professional judgment will improve.

Regarding recommendations that can be made to future researchers, it would be prudent to include additional variables not included in this study, such as working conditions, remote audits, time pressure, or the diversity of client traits and attitudes. Further, researchers can use other data collection techniques, such as direct interviews with the auditor. The time constraints when distributing questionnaires online via Google Form during peak season were due to the busyness of auditors in audit assignments, so Public Accounting Firms took a long time to respond, and several respondents still needed to complete the questionnaire.

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