

THE ANALYZING MATERIALITY LEVEL CONSIDERATION BASED ON AUDITOR'S PROFESSIONALISM, PROFESSIONAL ETHICS AND AUDITOR'S EXPERIENCE

Dwi Puryati¹, Nabila Prananda², Novelia Ellena Nur Fatimah³

^{1,2,3}Accountant Study Program STIE Ekuitas Bandung

dwi.puryati@ekuitas.ac.id

Abstract

The objective of this study was to analyze the impact of an auditor's expertise, professional ethics, and experience on the level of materiality at a Public Accounting Firm in Bandung. This study methodology incorporated descriptive analysis and verification techniques. The research population consists of all auditors employed by a Bandung public accounting firm. The research sample was determined using a purposive sampling technique and the result was 41 auditors from 12 Public Accountant Firms in Bandung. Data collection techniques were carried out through questionnaires. The data analysis was carried out using regression analysis, determination coefficient, and hypothesis test. Before analyzing the data, instrument tests and classical assumption tests were carried out. The findings revealed a favorable and statistically significant effect of the auditor's professionalism, professional ethics, and experience on the amount of materiality considered by Bandung Public Accounting Firms. Consideration of the level of materiality was influenced by the auditor's professionalism, professional ethics, and experience by 52.1%, while the other 47.9% was determined by other factors that were not researched in this study.

Keywords: Auditor; Experience; Materiality; Professionalism; Professional ethics

Abstrak

Penelitian ini dilakukan di Kantor Akuntan Publik di Kota Bandung dengan tujuan menganalisis pengaruh profesionalisme auditor, etika profesi dan pengalaman auditor terhadap pertimbangan tingkat materialitas. Analisis deskriptif dan verifikatif digunakan sebagai pendekatan dalam penelitian ini. Populasi penelitian adalah semua auditor yang bekerja pada Kantor Akuntan Publik di Kota Bandung. Sampel penelitian berjumlah 41 auditor dari 12 Kantor Akuntan Publik di Kota Bandung. Teknik penentuan sampel yang digunakan adalah purposive sampling. Pengumpulan data dilakukan melalui kuesioner. Metode analisis data yang digunakan adalah analisis regresi berganda, koefisien determinasi dan uji hipotesis. Sebelum data dianalisis dilakukan uji instrument dan uji asumsi klasik. Hasil penelitian menunjukkan pengaruh yang positif dan signifikan dari variabel profesionalisme auditor, etika profesi, dan pengalaman auditor terhadap pertimbangan tingkat materialitas. Profesionalisme auditor, etika profesi dan pengalaman auditor mempengaruhi pertimbangan tingkat materialitas sebesar 52.1%, sedangkan pengaruh dari faktor lain yang tidak diteliti dalam penelitian ini sebesar 47.9%.

Kata kunci: Auditor; Etika profesi; Materialitas; Pengalaman; Profesionalisme

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Profile and corresponding author: Dwi Puryati is from Accounting Study Program of STIE Ekuitas Bandung, Indonesia. *Corresponding Author:* dwi.puryati@ekuitas.ac.id

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INTRODUCTION

The development of business is going faster and triggering increased competition among business people. Various kinds of efforts to increase income and survive in the face of competition continue to be carried out by business managers. Either the policies are always tracked by the firm, or the auditor as the third and independent party conducts an audit of the company's financial accounts. Financial statements should be arranged fairly and did not contain materiality misstatements, so in this case, the determination of material is important. Under certain conditions, the level of the materiality of a financial statement isn't the same one another. In this case, an auditor should have a professional attitude in carrying out an audit of financial statements (Masiulevicius A, 2018). The performance of materiality in the audit was designed to aid in identifying the current and potential risks of the designated areas, hence improving the effectiveness of audit results. And materiality is also an important factor for audit quality since it assures that the auditor's report view is consistent with audit evidence (Shvyreva, 2018).

The cases of violations of professional ethics and auditing occur in real practice. For example, the case that happened to one Public Accountant that was given sanctions of one-year freezing because of ignoring the Auditing Standard (Professional Standards of Public Accountings) on the financial statements of PT. Garuda Indonesia. The financial profession development center and the Financial Services Authority decided that the financial statement 2018 PT. Garuda was misstatement. The Ministry of Finance found that there had been a violation of the Audit Standards (SA) – Professional Standards of Public Accountants (SPAP) SA 315, SA 500, and SA 560 conducted by auditors from the KAP which had an effect on the opinion of the Independent Auditor's Report (pppk.kemenkeu.go.id, 2019). Indonesia Financial Service Authority (OJK) in 2019

gave administrative and written sanctions to one Public Accountant Firm because of material errors which required for changing based on facts known by the auditor subsequent to the published financial report of PT. Hanson International Tbk per December 31, 2016 (OJK, 2019). The auditor must be professional and competent to produce reliable audit reports and increase the client company's financial performance accountability (Lase, Hwee, & Edward, 2021). In addition to professionalism and professional ethics, an auditor at a Public Accounting Firm in Bandung must have appropriate experience to make decisions in audited reports.

Previous research related to this topic was conducted by (Halim, Satriawan, Dewi, & Wibisono, 2020), however, the point of difference with this research is the addition of a professional ethic variable. This is based on the opinion that professional ethic accountants will increase carry out the audit process, especially in providing consideration of materiality level in the case of the audit process in financial statements. The research result of (Rustiarini, Listawan, & Dewi, 2021), (Nadir, Rasyidah, Dien, Sabri, & Andi, 2019), (Novitasari, 2018), (Rahardjo & Farouk, 2019) and (Anggraini, 2021), showed that professional ethic affected materiality level consideration. On the background of the research, the goal of this study is to examine the impact of an auditor's expertise, professional ethics, and experience on the materiality level consideration at a public accounting firm in Bandung.

This research is anticipated to contribute to the growth of knowledge, particularly with regard to the relationship between auditor professionalism, auditor ethics, and auditor experience at the level of materiality concerns. This study's findings can also give a practical addition to the consideration of auditor professionalism, auditor ethics, and auditor experience in assessing the level of audit process materiality.

LITERATURE REVIEW

Theoretical Framework

Compliance Theory

Compliance theory is an organizational structure approach that combines concepts from the traditional and participative management models. According to compliance theory, organizations can be categorized based on the type of power they employ to control the behavior of its members and the level of participation of the members (Lunenburg, 2012). Compliance will ensure that actions comply with applicable laws, rules, policies or regulations. However, compliance also covers to whether the person or party engaging in process has in accordance with rules, standard and procedures in which it has been set and checked by the competent authorities related to certain laws and regulations. Instrumental and normative are two of basic perspective of compliance with law (Tyler, 2021). A person with personal interest could trigger a change in their behaviour would be under the instrumental perspective. On the other hand, normative perspective is in contrary to instrumental perspective as they are related to moral value and set aside personal interest. Compliance theory can encourage a person to act in accordance with applicable regulations (Lunenburg, 2012). The company has an obligation to submit financial statements on time. The annual report of issuers or public companies is a crucial information source about the company's performance and prospects for shareholders and the public as one of the basis for consideration in the stabilization of investment decisions. Issuers or Public Companies whose registration statements have become valid are required, under the decision of the Chairman of Bapepam and Financial Institution Number KEP-431/BL/2012, to submit an annual report to Bapepam no later than 4 (four) months after the end of the fiscal year.

Agency Theory

An agency hypothesis is a contractual relationship between a company's owner (the principal) and its management (the agent) to provide some service on their behalf, delegating some of the principal's decision-making authority to the agent (Michael & William, 1976). The shareholders (principals) appoint management as their agent and delegate to them the authority and responsibility to administer the firm. The agency relationship is problematic if the principal and the agent have opposing personal interests.

The agent is authorized by the owner to conduct the company's operations, so that the agent has more information than the owner. Frequently, the agent in charge of the company's management has access to confidential information regarding the company's operations. In addition, shareholders do not necessarily possess the knowledge required to determine whether a transaction serves their best interests or that of the managers. Therefore, managers can engage in opportunistic behavior by distorting the information they oversee. Information asymmetry is also related with moral risk issues, adverse selection, and opportunism (Zogning, 2017).

This agency theory can help an auditor to understand the problems that occur between the agent and the principal. In the context of agency, the role of third parties serves to monitor the behavior of management as an agent and ensure The agent acts according to the will of the principal. Auditors are considered parties who are able to bridge the principal and agent as a form of agent's responsibility to the principal. Auditors' responsibilities include rendering a judgment on the reasonableness of the financial statements produced by agents whose limitations can be deduced from the quality of the audit conducted by auditors.

Materiality

According to the Professional Standards of Public Accountants (SPAP) SA 320, materiality is the amount of accounting information if it occurs omissions or misstatements, may change or influence the judgment of the person giving the trust to that information. Materiality is a subtle and fluid idea that applies to all manner of things. Value of mistaken information on financial statements that might be take effect or even able to change the decision that comes from financial statements (Pentland & Singh, 2012). In executing audits of financial accounts and reaching audit conclusions, materiality is crucial. The auditor's judgement on whether or not financial statements give a true and fair view depends on the significance of materiality. The primary and most important materiality is planning materiality, which indicates whether identified misstatements could affect the economic decisions made by users of financial statements (Lakis & Masiulevicius, 2017). The initial consideration of materiality level is the maximum amount of misstatement in financial statements. This is an important decision taken by the auditor and requires adequate professional judgment. The objective of determining materiality is to assist the auditor in planning the collection of sufficient evidence. If the auditor sets a low amount, more evidence must be collected than a high amount, and vice versa. The concept of materiality exists in order to affect the quality and quantity of accounting information needed by the auditor in making decisions related to evidence. The impact of materiality disclosure on investor decision-making, as well as stakeholders' perceptions and expectations of overall materiality (Christensen, Eilifsen, Glover, & Messier Jr, 2020). The concept of materiality states that not all financial information is required or not all information should be communicated. In accounting reports only material information should be presented. Non-material information should be ignored or omitted.

Knowledge of the materiality level, audit risk, inter-company materiality level, and the order of materiality levels in the audit plan comprise the materiality level.

Hypotheses Development

The Effect of Auditor's Profesionalism on Materiality Level Consideration

Professionalism in audit is the application of knowledge and expertise within the frameworks of accounting and auditing standards, as well as the manner of professional conduct, in order to select one choice from a number of alternatives (Kadeh & Salari, 2011). Professionalism relates to the behavior, objectives, traits, and characteristics of a professional (Heyrani, Banimahd, & Roudposhti, 2016). An auditor must make a plan before carrying out the audit process include determining the level of materiality. A certified public accountant will consider whether the information is material or not because it affects the type of audit opinion rendered. Thus, the Materiality Level is more appropriate the more professional the auditor. Consideration in financial statement auditing, (Novitasari, 2018) states that an auditor must be professional in examining the financial statements of a company because professionalism has an effect in determining the consideration of the materiality level of a company. Previous research by (Anggraini, 2021), (Halim, Satriawan, Dewi, & Wibisono, 2020), (Rahardjo & Farouk, 2019), and (Novitasari, 2018) conclude are the professionalism auditor has positive effect on materiality level consideration.

H1: Auditor's professionalism has a positive effect on materiality level consideration.

The effect of Professional Ethics on Materiality Level Consideration

Ethics is a scientific study of behavior human beings in society, about field human behavior as right or wrong, good or bad. Ethics confirms principle-principles of necessary behavior taken by the individual to conform with accepted rule and norms (Maiwan,

2018). The ethical principles serve as the foundation for the Code of Ethics, which governs the performance of members who provide professional services. Congress adopts the ethical principles, which apply to all members. The ethics of the accountant profession in Indonesia is regulated in the Indonesian Accountant Code of Ethics. Professional ethics are behavioral values or judgments of an organization largely inform the auditor's ethical decisions. These factors play a crucial part in determining the auditor's ethical decisions and report fairness (Tassadaq & Malik, 215). An auditor must have professional ethics in carrying out their duties in examining financial statements. Therefore, the professional ethics of an auditor affects the determination of a company's materiality level. According to previous research by (Anggraini, 2021), (Halim, Satriawan, Dewi, & Wibisono, 2020), and (Nadir, Rasyidah, Dien, Sabri, & Andi, 2019) professional ethics have a beneficial effect on the level of materiality considered.

H2: Professional ethics has positive effect on materiality level consideration.

The Effect of Auditor's Experience on Materiality Level Consideration

The experience of the auditor is the experienced auditor has obtained from the length of work and the number of jobs he carries out (Ratna & Anisykurlillah, 2020). According to (Cahan & Sun, 2015), Auditors with experience have higher knowledge and more developed mental structures than those with less experience. Inability to make an estimate is the most typical reason for diagnosing a problem. A seasoned auditor will evaluate facts from a unique perspective. Auditors with more experience will be better able to determine the level of materiality in a company's financial statements. The auditor's experience in auditing financial statements can be determined based on the length of time auditing, the number of completed assignments, and the types of organizations

rules of behavior that are accepted and used by Accountant professional organizations which include personality, professional skills, responsibilities, the code of ethics implementation, interpretation, and improvement. The auditor must adhere to the Professional Ethics outlined by the Indonesian Institute of Certified Public Accountants. The rules, regulations, and audited. Depending on the auditor's experience, he or she may respond and evaluate information differently throughout the examination and while drawing audit findings about the examined object. In addition, the auditor's perspectives and replies regarding the information contained in the financial statements improve with increasing experience. Study of (Nadir, Rasyidah, Dien, Sabri, & Andi, 2019) states that auditors who have a lot of audit experience tend to have the ability to consider a good level of materiality, because auditor experience affects the consideration of materiality levels. Previous research by (Suyono & Farooque, 2019), (Ratna & Anisykurlillah, 2020), (Anggraini, 2021), (Rahardjo & Farouk, 2019), (Kuntari, Chariri, & Nurdhiana, 2017), (Halim, Satriawan, Dewi, & Wibisono, 2020) and (Haeridistia & Fadjarenie, 2019) discovered that the greater the auditor's experience, the better the opinions and reactions to the financial statement information. In order for the auditor's experience to positively impact materiality level consideration.

H3: Auditor's Experience has positive effect on materiality level consideration

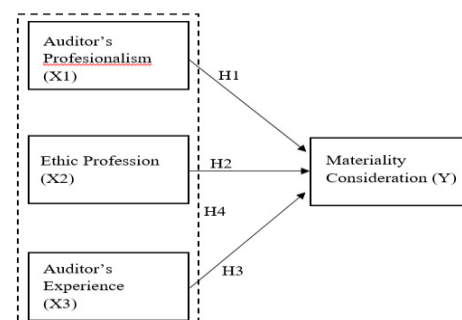


Figure 1. Paradigm Research

RESEARCH METHOD

Quantitative research is used in this study. The research was used descriptive and verifiable method.

This study's independent factors are auditor's professionalism, professional ethics, and experience, whereas the dependent variable is materiality level consideration. The operating variables are:

Operational Variables**Table 1. Operational Variables**

Variable	Indicator	Amount of Questions	Scale of Data
Auditor' Profesionalism (X1)	Integrity Objectivity Competence, professionalis & accuracy Confident ability Professional behavior (Muslim, Ahmad , & Rahim, 2019)	16	Interval
Profesional Ethics (X2)	Personality Professional Skill Responsibility Ethics code enforcement Ethics Code Interpretation and Improvements (Ratna & Anisykurlillah, 2020)	10	Interval
Auditor's Experience (X3)	Achieved Experience in one month Achieved Experience from a carry out task, Achieved Experience from auditing a lot of Companies (Ratna & Anisykurlillah, 2020)	3	Interval
Materiality (Y)	How important is materiality, Knowledge of materiality Audit procedurs Audit Risk Audit quality Materiality level in audit plan (Shvyreva, 2018)	8	Interval

Sources: Processed by Author.

Population and Sample

This study's population consists of Auditors at Public Accounting Firms in Bandung. Sample technique is purposive sampling with specified criteria. The research sample based on the specified criteria is as follows:

1. Public Accountant Firm in the Bandung City area which is still actively operating and registered with Indonesian Institute of Certified Public Accountants.
2. Public Accountant Firm that allows the research to be carried out.
3. The duration of the auditor's work is at least 2 years.

4. Auditors have auditing experience of >20 companies

There are 35 public accountant firm in Bandung City and 12 that are willing to be the research sample. The total population in this research is 201 auditors and those who meet the sample criteria are 41 with the determination of the sample as follows:

Table 2. Sample Determination

Sample	Quantity
Auditors at 12 Public Accountant Firms in Bandung	201
Doesn't Meet Criteria I: The duration of the Auditor's works is least 2 years	(112)
Doesn't Meet Criteria I: An auditor have experience in auditing more than 20 companies	(48)
Auditors that can be sampled this research	41

Sources: Processed by Author.

The Data Analysis

The data analysis used in this research is (1) Instrument testing; validation and reliability testing, (2) Classical Assumption Test are normality, heteroscedasticity, multicollinearity, (3) Regression Analysis, (4) Coefficient correlation and determination, (5) Hypothesis testing.

RESULT AND DISCUSSION**Respondent Data**

The research was conducted by distributing 41 questionnaires to auditors that works in Public Accountant Firms in the Bandung City. Based on the data from the questionnaires that have been collected, it can be analyzed and explained some general descriptions of respondents' identities which are divided based on respondents based on gender, age, last education, and position which are presented in the following table.

Table 3. Respondent Data

Gender	Frequency	%
Men	33	80%
Woman	8	20%
Total	41	100%
Age	Frequency	%

< 30 years	18	44%
30-35 years	5	12%
36-40 years	3	7%
41-45 years	4	10%
> 45 years	11	27%
Total	41	100%

Education Level	Frequency	%
Diploma	2	5%
Bachelor	31	76%
Master	7	17%
Doctor	1	2%
Total	41	100%

Position	Frequency	%
Partner	1	2%
Senior Auditor	16	40%
Junior Auditor	19	46%
Manager	2	5%
Supervisor	3	7%
Total	41	100%

Sources: SPSS 25, 2021(Processed by Author)

The following is a description of the results of a study of 41 respondents regarding auditor professionalism, professional ethics, auditor experience, and considerations of the level of materiality distributed to auditors at public accountant firms in the city of Bandung

Table 4. Recapitulation of Questionnaire Results

Variable	Minimum	Maximum	Ideal Score	Real Score	Percentage
Auditor's Professionalism	3	5	2939	3200	90 %
Professional Ethic	3	5	1899	2050	93%
Auditor's Experience	2	5	404	492	82%
Materiality level Consideration	3	5	1489	1640	91%

Sources: SPSS 25, 2021(Processed by Author).

Instrument Test

The instrument test on the consideration of the level of materiality, auditor's professionalism, professional ethics, and auditor's experience has been carried out with the results of all valid instruments having r-value greater than r table (0.308) as many as 41 respondents. And, the four components are declared reliable because the Materiality Level Consideration variable (Y) is 0.704, Auditor's Professionalism (X1) is 0.883, Professional Ethics (X3) is 0.641, and Auditor's Experience is 0.791. There are greater than the minimum standard of 0.6. This indicates that each statement element used is reliable. That is, when the statement is resubmitted, the answer will be relatively the same as the previous answer. Results of the validity and reliable test to show in the following table.

Table5. Result of Validity Test

Auditor's Professionalism			
No.	R-Coun t	R- Table	Valid/ Invalid
1	0,704	0,308	Valid
2	0,504	0,308	Valid
3	0,537	0,308	Valid
4	0,720	0,308	Valid
5	0,536	0,308	Valid
6	0,571	0,308	Valid
7	0,419	0,308	Valid
8	0,641	0,308	Valid
9	0,430	0,308	Valid
10	0,474	0,308	Valid
11	0,413	0,308	Valid
12	0,506	0,308	Valid
13	0,770	0,308	Valid
14	0,740	0,308	Valid
15	0,854	0,308	Valid
16	0,738	0,308	Valid
Professional Ethics			
1	0,417	0,308	Valid
2	0,443	0,308	Valid
3	0,497	0,308	Valid

4	0,412	0,308	Valid
5	0,430	0,308	Valid
6	0,467	0,308	Valid
7	0,568	0,308	Valid
8	0,530	0,308	Valid
9	0,596	0,308	Valid
10	0,543	0,308	Valid
Auditor's Experience			
1	0,872	0,308	Valid
2	0,799	0,308	Valid
3	0,887	0,308	Valid
Materiality Level Consideration			
1	0,516	0,308	Valid
2	0,498	0,308	Valid
3	0,520	0,308	Valid
4	0,608	0,308	Valid
5	0,557	0,308	Valid
6	0,590	0,308	Valid
7	0,543	0,308	Valid
8	0,734	0,308	Valid

Sources: SPSS 25, 2021(Processed by Author)

Table 6. Result of Reliability Test

Variable	Cronbach's Alpha	N	Description
Materiality level consideration	0,704	8	Reliable
Auditor's Professionalism	0,883	16	Reliable
Professional Ethic	0,641	10	Reliable
Auditor's Experience	0,791	3	Reliable

Sources: SPSS 25, 2021(Processed by Author).

The Classical Assumption Test

Before the regression, the classical assumption test was carried out with the following results:

The data is distributed normally with test results that the significance value (Asymp. Sig. 2-tailed) is 0.200. This indicates that the residual value has been normally distributed because the significance value is more than 0.05 ($0.200 > 0.05$). VIF value of auditor's professionalism variable is 1,401,

professional ethics is 1,303, and auditor experience is 1,550. While the tolerance value of The auditor professionalism variable is 0.714, professional ethics is 0.768, and auditor's experience is 0.645. Because the value of VIF < 10 and the value of tolerance > 0.10, it is no multicollinearity.

The result of the Glejser test is a significant value of the auditor's professionalism variable is 0.630, the professional ethics variables is 0.233 and the auditor's experience variable is 0.791. significant value all independent variables > 0.05, it is concluded that there is no heteroskedasticity

Table 7. Result of Normality Test-One-Sample Kolmogorov-Smirnov Test

N		41
Normal Parameter	Mean	.000000
	Std. Deviation	.19457868
Most Extreme Differences	Absolute	.082
	Positive	.082
	Negative	-.045
Test Statistic		.082
Asymp.Sig (2-tailed)		.200

Sources: SPSS 25, 2021(Processed by Author).

Table 8. Result of The Glejer Test

Unstandardized Coefficients			Standardized Coefficients	t	Sig.
Model	B	Std. Error	Beta		
(Constant)	.797	.394		2.022	.050
1 Professionalism Auditor	-.031	.063	-.090	-.486	.630
Professional Ethic	-.116	.096	-.217	-1.212	.233
Experience Auditor	-.009	.032	-.052	-.267	.791

Sources: SPSS 25, 2021(Processed by Author).

Regression Test Result

Based on the data from the multiple regression estimation results is following:

Table 9. Multiple Regression Result

Unstandardized Coefficients			Standardized Coefficients	t	Sig.
Model	B	Std. Error	Beta		
(Constant)	1.169	.689		1.696	.098
1 Auditor's Professionalism (X1)	.273	.110	.334	2.483	.018
Professional Ethic (X2)	.363	.168	.281	2.163	.037
Auditor's Experience (X3)	.116	.056	.292	2.063	.046

Sources: SPSS 25, 2021(Processed by Author).

The regression equation is obtained as follows: $Y = 1.169 + 0.273X1 + 0.363X2 + 0.116X3 + e$. That equation shows is all variable independent have a positive relationship with dependent variable.

Coefficient Determination

The results of the coefficient of determination test are:

Table 10. Result of Coefficient Determination Analysis

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 ^a	.521	.482	.20231

a. Dependent Variable: Materiality Level (Y).

b. Predictors: (Constant), Auditor's Experience (X3), Professional Ethics (X2), Auditor's Professionalism (X1).

Sources: SPSS 25, 2021(Processed by Author).

Based table 10, It can be concluded that the correlation coefficient is 0.722 or 72.2% and coefficient determination is 0.521 or 52.1 %. This shows that 52.1% of materiality level considerations are influenced by auditor's professionalism, professional ethics, and auditor's experience while the other 47.9% is determined by other factors that are not the object of research in this study.

Hypotheses Test Results

Statistical test t is used to determine the influence of each independent variable to individually on the dependent variable. At the significance level of 0.05 with the number of n (respondents) is 41 people, then the t-table has been determined at 2.026, with the following provisions: If the significance value of < 0.05 or $t > t\text{-table}$ we conclude H_a accepted and H_0 rejected. It means the independent variable is influenced on the dependent variables. If the significance value > 0.05 or $t < t\text{-table}$, we conclude the H_a is rejected and H_0 accepted, has no effect.

Result of the t test is presented in Table 9. At the significance level of 0.05 with the number of n (respondents) is 41 people, then the t-table has been determined at 2.026. The significance value of independent variable are 0,018; 0,037; and 0,046 < 0.05 or t-account are 2,483; 2,163; and 2,063 $> 2,026$, then H_a accepted and H_0 rejected. It means the partially all the independent variable have a positive significant effect on the dependent variables.

The Effect of Auditor's Professionalism on Materiality Level Consideration

Auditor's professionalism is measured based on five indicators with 16 questions. Based on the results of the questionnaire data processing, it shows that the respondents' responses regarding all the questions that make up the Auditor's Professionalism variable are 2939 out of an ideal score of 3280 (90%). It shows that indicators of integrity, objectivity, competence professional ad accuracy, confidence ability, and professional behavior are very good categories. This indicates that auditors who work at Public Accountant Firms in the Bandung City area have a very good level of devotion, loyalty and performance. They have carried out their obligations objectively based on facts by prioritizing public trust and the importance of being owned by the community in a transparent manner and not harming the community. So, an auditor who work at Public Accountant Firms in the city of Bandung have independence or high initiative to plan and decide the audit results obtained based on the facts encountered in the inspection process. They have confidence in professional regulations by stating and deciding opinions on the results of the audit without pressure from anyone, including from the management and have a good relationship with fellow auditors, and always participate in every meeting held by the auditors.

In this research the condition of auditor professionalism with excellent categories will greatly affect the audit process in determining the level of materiality. In the process of auditing financial statements, the

consideration of the level of materiality will be enhanced proportionally to the auditor's professionalism. Professionalism in the performance of a task is crucial. Because professionalism is tied to the public's requirement to have faith in the quality of service offered by the profession. Multiple indicators contribute to the professional evaluation of auditors. These characteristics are to sustain the auditing profession by completing audit job for inner satisfaction, never resigning from a given duty, generating transparency in the report for the community, delivering honest opinions, and determining the level of materiality (Putria & Mardijuwonob, 2020). Auditors with a high level of professional dedication will act in accordance with the public interest and will not harm their professional image (Kusumawati & Syamsuddin, 2018). The auditor's ability to evaluate the level of materiality is heavily influenced by his or her knowledge. According to study result by (Ussahawanitchakit & Intakhan, 2011), audit professionalism has a substantial favorable effect on audit independence. In addition, both audit professionalism and independence have a beneficial influence on audit effectiveness. Auditors are required to have a high level of expertise in their field because the public's confidence in the quality of auditing services is directly tied to the profession. This study is consistent with a study by (Anggraini, 2021), (Rahardjo & Farouk, 2019), (Halim, Satriawan, Dewi, & Wibisono, 2020) that professionalism Auditor has a positive impact on materiality level considerations. The more specialized the auditor, the greater the consideration of importance in the audit process. It is contrary with the research result by (Nadir, Rasyidah, Dien, Sabri, & Andi, 2019) is auditor's professionalism has a negative impact on materiality level considerations.

The Effect of Professional Ethics on Materiality Level Consideration

Based on the results of the questionnaire data, it shows that the respondents' responses to all the questions that make up the Professional Ethics variable Auditor are 1899 from the ideal score of 2050 (93%). Its shows that indicators of personality, professional skills, responsibility, ethics code enforcement, ethic code interpretation and improvement in the category of excellent. Auditors who work in Public Accountant Firms in the city of Bandung have a good personality, are responsible for the chosen profession, behave professionally at the time of decision making and attach more importance to the public interest than personal interests. In addition, auditors must have a feeling of responsibility at work, protect company secrets, have a professional demeanor when making decisions, comply with all existing legislation, including auditing inspection requirements, and uphold professional ethics wherever and whenever they work.

According to the study's findings, professional ethics has a considerable impact on the degree of materiality considered. Influenced by the auditor's professional ethics, the auditor's capacity to consider the level of materiality is strong. An auditor must adhere to the code of professional conduct established by the Indonesian Institute of Certified Public Accountants. This is designed to prevent competitiveness among accountants, which might lead to a false mindset. Due to the adoption of professional ethics, an auditor is expected to render an opinion that is consistent with the company's financial statements. By preserving professional ethics, it is believed that public accountants will not engage in fraud in order to produce audited views that accurately reflect the financial accounts. Understanding the code of ethics will improve the auditor's attitude and behavior in sustaining the quality and reputation of the profession.

In addition to the understanding of the code of ethics, personality trait differences also cause the auditor has a different perception and judgment in determining ethical decisions (Dewi & Dwiyanti, 2018). This study concurs with the findings of (Anggraini, 2021), (Halim, Satriawan, Dewi, & Wibisono, 2020), and (Nadir, Rasyidah, Dien, Sabri, & Andi, 2019) that professional ethics have a beneficial impact on the level of materiality considered. In the process of auditing financial accounts, the assessment of the level of materiality is enhanced by the auditor's professional ethics. Through quality control programs, they strive to monitor auditors' conduct, including professional ethics and audit quality (Andiola, Downey, & Westermann, 2020) and (Alsughayer, 2021).

The Effect of Auditor's Experience on Materiality Level Consideration

Based on the data from the questionnaire, it showed that respondents' responses to all questions that make up the experience Auditor variable were 404 out of an ideal score of 492 (82%). This is shows that the indicators of length of service, the number of tasks, and the type of company that have been handled in excellent category. In addition, in the descriptive analysis, it can be concluded that auditors who work at a Public Accountant Firm in the city of Bandung have a long enough working period so that it will affect decision making and also the responsibility of an auditor. Auditors also have knowledge and ability to handle cases in various companies.

The results of testing the third hypothesis indicate that the auditor's experience has a significant positive effect on the level of materiality considered by the Bandung firm. Experienced auditors will be able to identify the causes of errors and provide recommendations to eliminate or reduce these causes. Auditors at Public Accountants the Firm in Bandung City are able to complete tasks quickly and accurately due to their

frequent assignments and are able to learn from their failures and successes. Auditors' experience positively influences auditors' professionalism, so the effect to materiality and quality of audit (Suyono & Farooque, 2019), (Ratna & Anisykurlillah, 2020) state that auditors with varying levels of expertise differ in how they perceive and respond to the material gathered during the audit, as well as how they convey their audit conclusions on the subject as opinions. The auditor's experience is also one of the aspects that influence his or her judgment.

Previous research from (Anggraini, 2021), (Rahardjo & Farouk, 2019), (Kuntari, Chariri, & Nurdhiana, 2017), (Halim, Satriawan, Dewi, & Wibisono, 2020), (Haeridistia & Fadjarenie, 2019) discovered that the more experienced the auditor, the better the views and responses to the information contained in the financial statements, as the auditor did or did a great deal is consistent with the We are preparing the financial accounts of the many industries that we have researched.

CONCLUSION

From the results of the descriptive test, it can be concluded that variables of auditor professionalism, professional ethics, auditor experience, and consideration of the level of materiality at the Firm in Bandung are in the very good category. Auditor professionalism, professional ethics, and auditor experience have a positive significant effect on consideration of the level of materiality. This means that the higher auditor's professionalism, professional ethics, and auditor's experience, the greater the consideration of level of materiality.

Public Accountant is expected to always increase professionalism through formal and informal education such as training and certification so that the level of auditor's professionalism is maintained. And the code of ethics should be applied at the corporate level through the implementation of Good Corporate Governance. This research only examines auditors in the city of Bandung and

does not specify the type of company being audited, so it is hoped that further research will increase the scope of research and data analysis to be distinguished based on the type and size of the company.

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