

Evaluation of Audit Evidence Quality in Public Accounting Firms in DKI Jakarta: Perspectives of Professional Scepticism, Auditor Experience, and Artificial Intelligence Usage

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DOI: <https://doi.org/10.56293/IJMSSSR.2024.4826>

IJMSSSR 2024

VOLUME 6

ISSUE 1 JANUARY - FEBRUARY

ISSN: 2582 - 0265

Abstract: In the wake of the Covid-19 pandemic, marked by a societal shift termed Society 5.0, this study investigates the repercussions on audit evidence quality in public accounting firms in DKI Jakarta. As a cornerstone of economic stability, the accounting profession grapples with challenges imposed by social distancing measures. This research, conducted between November 2023 and February 2024, employs online questionnaires to gather insights from 58 auditors in DKI Jakarta's Public Accounting Firms. Aligning with Sugiono's framework, the study focuses on one dependent variable (Quality of Audit Evidence) and four independent variables: Auditor Work Experience (X1), Professional Scepticism (X2), Artificial Intelligence (X3), and Audit Staff Quality (X4). Hypothesis testing reveals significant positive relationships, emphasizing the enhanced capabilities of audit staff through Artificial Intelligence (AI) integration and the positive contribution of experienced auditors to the quality of audit evidence. While professional skepticism positively influences audit team performance, its impact on the quality of audit evidence prompts further exploration. The study's practical implications recommend embracing AI, prioritizing experienced auditors, fostering professional skepticism, and making strategic staffing decisions for public accounting firms in DKI Jakarta. Theoretical contributions enrich auditing literature by exploring nuanced relationships among key variables, and future research is encouraged to delve into contextual factors influencing professional skepticism and audit staff quality. Ultimately, this study contributes valuable insights to the continual improvement of auditing practices in DKI Jakarta and beyond.

Keywords: Audit Evidence Quality, Public Accounting Firms, Professional Scepticism, Auditor Experience, Auditor Staff Quality and Artificial Intelligence Usage

I. Introduction

In the aftermath of the Covid-19 pandemic, the world has witnessed a paradigm shift, with the emergence of what is now commonly referred to as the 'new normal.' This transformative era, labeled Society 5.0, has accelerated the integration of online activities across various sectors, presenting challenges and uncertainties for businesses worldwide (Ibrahim, 2020). The accounting profession, a cornerstone of economic stability, has not been immune to the effects of the pandemic, as social distancing measures have placed limitations on traditional workplace activities, creating an atmosphere of heightened uncertainty (Serag & Daoud, 2021).

The pandemic has compelled a swift adoption of technology, particularly in the accounting domain, where remote auditing processes have become integral to overcoming widespread access restrictions (Institute of Internal Auditors Indonesia, 2020). Despite the positive impact of technology, expected outcomes have been hindered by challenges such as traditional accounting systems, auditor skill gaps, and a lack of regulatory frameworks governing technology in accounting and auditing.

Work procedures in various fields, including accounting, have become more streamlined and flexible with the rapid advancement of technology (Laurensia, 2019). Public Accounting Firms (KAP), including major players like PwC, Deloitte, EY, and KPMG, have begun investing in digital programs such as blockchain and artificial intelligence (Albitar, 2020). While the adoption of artificial intelligence (AI) in auditing promises benefits such as expedited data analysis and enhanced accuracy, challenges persist in areas like coexisting with traditional accounting systems and bridging skill gaps among auditors (Munoko et al., 2020).

Bizarro et al.'s report (2019), titled "The Intelligent Audit," underscores AI's potential to revolutionize auditing by recognizing patterns and identifying trends through branches of Artificial Intelligence such as Machine Learning and Natural Language Processing. Although AI implementation increases flexibility for auditors, human judgment and professional skepticism are deemed irreplaceable. Hence, despite the positive benefits of technology, a skeptical attitude remains crucial for ensuring adequate audit quality.

Professional skepticism, defined as a cautious approach in task execution, plays a pivotal role in the audit profession. Instances such as the KAP Kosasih case highlight the repercussions of a lack of professional skepticism, leading to financial statement manipulations and the revocation of a public accountant license. The audit evidence collection process, a critical aspect of auditing, faces challenges, especially when dealing with older management clients and in the context of adjustments post-2020 due to the COVID-19 virus (Klasson & Knutson, 2021).

The integration of technology into auditing practices presents both positive and challenging implications. As auditors navigate this evolving landscape, maintaining a balance between embracing technological advancements and upholding professional skepticism is imperative for ensuring audit quality in evidence acquisition.

The post-Covid-19 landscape has propelled society towards the new normal, significantly impacting the accounting profession in DKI Jakarta. This study delves into the evaluation of audit evidence quality in public accounting firms, considering the perspectives of professional skepticism, auditor experience, and the utilization of artificial intelligence (AI).

The study aims to investigate the evolving landscape of auditing post-Covid-19. Focusing on DKI Jakarta's public accounting firms, the research delves into the impact of technology, especially artificial intelligence (AI), on audit evidence quality. The research objectives encompass a comprehensive exploration of how auditors in DKI Jakarta navigate the integration of AI, professional skepticism, and auditor experience in the quest for high-quality audit evidence.

The study addresses the crucial significance of adapting audit practices post-Covid-19. Highlighting the global shift to Society 5.0, the study recognizes the profound impact on the accounting profession, necessitating remote auditing solutions. The study emphasizes the vital role of professional skepticism, showcasing real-world cases like the Wanaartha incident, to ensure the quality and reliability of audit evidence.

The study seeks to answer pivotal research questions amid the evolving accounting landscape. Post-Covid-19, the integration of technology, particularly AI, has reshaped audit practices. The research investigates challenges faced by auditors, including the persistent use of traditional accounting systems, skill gaps, and the absence of regulatory frameworks for technology in auditing. Specific focus is placed on the adoption of digital programs by Public Accounting Firms, exploring the impact on evidence acquisition and ethical considerations. Addressing the balance between technological integration and the indispensable role of professional skepticism, the study aims to provide insights into maintaining audit quality in the face of technological evolution.

II. Literature Review

The evaluation of audit evidence quality in public accounting firms in DKI Jakarta encompasses critical perspectives, including professional skepticism, auditor experience, and the integration of artificial intelligence (AI). The theoretical foundations for this study draw upon Fritz Heider's Attribution Theory, the Theory of Planned Behavior, Professional Experience, Professional Skepticism, and Artificial Intelligence. These theories provide a comprehensive understanding of how auditors interpret behavior, plan actions, and leverage technology in the dynamic context of public accounting firms.

a. Professional Skepticism in Auditing

Professional scepticism, rooted in attribution theory and planned behavior, is foundational in auditing (Heider, 1958). Auditors critically assess clients' behavior, guided by attribution theory's factors—specificity, consensus, and consistency. For instance, delayed client responses may trigger increased scepticism, necessitating more

thorough evidence. The Theory of Planned Behaviour emphasizes auditors' intentions, attitudes, and subjective norms, crucial in communication and evidence collection (Cancer, 2022). Experienced auditors leverage these theories to adapt strategies based on situational specifics.

Furthermore, Middle Theory connects communication and auditor experience, highlighting how attitudes and subjective norms influence evidence collection. Entry into the accounting realm requires substantial experience through education and hands-on exposure to audit tasks. Professional scepticism, a Code of Ethics integral, emphasizes attributes like integrity, objectivity, competence, and due care. Collectively, these empower auditors to uphold ethical principles in executing their responsibilities.

In practical terms, the literature underscores the importance of experience. Auditors with more experience yield higher-quality audits, contributing to optimal audit processes, including evidence collection.

b. Auditor Experience

Auditor Experience is reviewed through the lens of attribution theory (Heider, 1958) and the Theory of Planned Behavior (Cancer, 2022). Attribution theory factors, as explained by Robbins and Judge (2008) in Purnaditnya and Rohman (2015), influence auditors' skeptical stance, especially in response to client behaviors. The Theory of Planned Behavior predicts an auditor's intention in collecting audit evidence, emphasizing the importance of attitudes, behavioral intentions, and subjective norms.

Applied Theory delves into practical aspects, highlighting the experience of auditors as crucial in their professional journey. Factors affecting experience include the auditor's background, analytical abilities, technical skills, attitudes, and needs. Professional skepticism, as part of applied theory, is an essential characteristic for auditors. Hurtt et al.'s (2010) six forms of professional skepticism guide auditors in maintaining objectivity and making informed decisions.

The adoption of Artificial Intelligence (AI) in auditing is transformative. AI's capacity to mimic human abilities significantly aids audit processes, offering efficiency in evidence collection and analysis. Despite AI's benefits, auditors remain crucial in critical decision-making. The collaboration between AI and auditors is crucial to maintaining a balanced approach in leveraging technology for optimal audit outcomes.

c. Artificial Intelligence in Auditing

The literature review section focusing on "Artificial Intelligence in Auditing" delves into attribution theory, planned behavior theory, and AI integration. Attribution theory guides auditors in adopting a skeptical stance to gather suitable and high-quality audit evidence. Planned Behavior Theory predicts individuals' intentions based on their engagement in events, aligning with auditors planning their approach in evidence collection. Middle Theory bridges these behavioral theories with the variables under investigation—communication between clients and auditors and auditor experience.

AI's transformative role is explored, emphasizing its benefits in automating audit processes, enhancing efficiency,

III. Research Methodology

The research methodology, delineated in this section, encompasses critical aspects of the study design, operational definitions of variables, data collection, and analysis procedures. The study unfolded between November 2023 and February 2024, involving a three-month data collection phase and one month of processing. Targeting auditors in DKI Jakarta's Public Accounting Firms, the research utilized online questionnaires via Google Form. This research involves 58 respondents as the main subjects of the study. The data collection method applied in this research is through the use of primary data. Primary data is information obtained directly in the field by the researcher from individuals or respondents involved in the research. In this context, the main respondents are auditors actively working in Public Accounting Firms (KAP) in DKI Jakarta.

The operational definitions, guided by Sugiono's framework, clarified the study's focus on one dependent variable (Quality of Audit Evidence) and four independent variables: Auditor Work Experience (X1), Professional Scepticism (X2), Artificial Intelligence (X3), and Audit Staff Quality (X4). Each variable underwent meticulous definition and was measured through Likert scale responses in the questionnaire.

Data collection, a primary phase, engaged auditors through a sample of 100 respondents, ensuring a robust representation. The subsequent quantitative analysis was conducted using SPSS version 26, employing descriptive statistics and Partial Least Square Structural Equation Modeling (PLS SEM). Descriptive statistics offered insights into individual variable characteristics, capturing metrics like minimum, maximum, mean, and standard deviation. PLS SEM analysis, executed with SmartPLS, involved systematic steps, from designing inner and outer models to hypothesis testing through bootstrap resampling.

Ensuring the reliability and validity of the data, the study employed Pearson correlation for validity and Cronbach Alpha for reliability. Validity checks confirmed the significance of correlations between indicators and construct scores, while reliability, assessed through Cronbach Alpha (>0.60), added robustness to the findings. This meticulous methodology lays a solid foundation for evaluating the Quality of Audit Evidence concerning Professional Scepticism, Auditor Experience, and Artificial Intelligence utilization in DKI Jakarta's Public Accounting Firms.

The evaluation of audit evidence quality in public accounting firms in DKI Jakarta incorporates five key variables: Professional Scepticism (X1), Auditor Experience (X2), Artificial Intelligence Usage (X3), Audit Staff Quality (M) and Audit Evidence Quality (Y). Respondents rated their agreement using a five-point scale, ranging from "Strongly Disagree" (1) to "Strongly agree" (5).

1. Professional Scepticism (X1)

The variable captures the auditors' commitment to professional standards and their vigilance towards potential errors in audit work. Statements such as maintaining a high commitment to professional standards, rarely delaying conclusions in audit tasks, and consistently upholding vigilance contribute to the measurement of professional scepticism.

2. Auditor Experience (X2)

Auditor experience is gauged through statements reflecting the influence of work experience on overcoming difficulties in audit tasks, belief in the enhancement of skills with prolonged auditor tenure, and the acknowledgment that the complexity of audit tasks boosts professional capabilities.

3. Artificial Intelligence Usage (X3)

This variable assesses the impact of artificial intelligence on audit work. Statements such as the significant improvement in the quality and quantity of work due to AI usage, the importance of timely AI utilization, and the belief in increased audit efficiency through AI contribute to the measurement of this variable.

4. Audit Staff Quality (M)

Audit Staff Quality is measured by statements emphasizing the competence of audit staff, their effective communication skills, and continuous professional education to enhance their abilities. Factors such as the importance of soft and hard skills, the role of entry-level auditors, and the significance of training are considered in this variable.

5. Audit Evidence Quality (Y)

The quality of audit evidence is measured by statements attesting to the high accuracy of obtained audit evidence, the key role of timely evidence in smooth audits, the importance of reliable audit evidence, and the belief that the acquired evidence is sufficient, accurate, and relevant in supporting audit findings and conclusions.

This systematic approach to variables and measurements ensures a comprehensive evaluation of audit evidence quality, incorporating diverse perspectives such as professional scepticism, auditor experience, and the integration of artificial intelligence in audit practices in DKI Jakarta's public accounting firms.

V. Data Analysis and Results

A. Descriptive Statistics

Table 1 provides a comprehensive overview of the demographics of the respondents involved in the study. The respondents represent a diverse range of characteristics, including gender, age, highest education level, position within their organizations, and years of experience in the audit field.

Table 1. Respondent Demographics

Demography	Frequency	Percent
Gender:		
Male	43	74.1
Female	15	25.9
Age:		
a. < 20 years	1	1.7
b. 20 – 39 years (Millennials)	29	50.0
c. 40 – 54 years (Gen X)	25	43.1
d. 55 – 74 years (Baby Boomer)	3	5.2
Highest Education:		
c. Bachelor's Degree (S1)	40	69.0
d. Postgraduate (S2/S3)	18	31.0
Position:		
a. Staff	13	22.4
b. Supervisor	11	19.0
c. Manager	16	27.6
d. Leader	14	24.1
e. Other	4	6.9
Years of Experience in the Audit Field:		
a. Less than 1 year	3	5.2
b. 1 - 5 years	14	24.1
c. 5 - 10 years	13	22.4
d. More than 10 years	28	48.3

Source: Data processing results

In terms of gender, the majority of respondents are male, comprising 74.1% of the sample, while females make up the remaining 25.9%. Age-wise, the respondents are spread across different generational categories. The largest group consists of individuals aged between 20 and 39 years, commonly known as Millennials, constituting 50.0% of the respondents. The Gen X category, encompassing individuals aged 40 to 54 years, follows closely with 43.1%. A smaller percentage of respondents fall into the Baby Boomer category, aged 55 to 74 years, making up 5.2% of the total.

When considering the highest education level attained, a significant portion of respondents holds a Bachelor's Degree (S1), accounting for 69.0%, while 31.0% have pursued postgraduate studies (S2/S3). Regarding their

positions within their organizations, the respondents represent various roles, including Staff (22.4%), Supervisor (19.0%), Manager (27.6%), Leader (24.1%), and a smaller percentage falling under the category of Other (6.9%).

The table also provides insights into the years of experience that respondents have in the audit field. A notable portion, 48.3%, has more than 10 years of experience, indicating a substantial level of expertise. Meanwhile, 22.4% have less than 1 year of experience, 24.1% have 1 to 5 years, and 22.4% have 5 to 10 years of experience. This diverse demographic composition ensures a well-rounded and representative sample for the study, allowing for a comprehensive analysis of the factors influencing audit evidence quality in public accounting firms in DKI Jakarta.

B. Validity and Reliability

Table 2 presents the results of the validity and reliability tests conducted on the questionnaire used in the study, evaluating various key variables related to audit evidence quality in public accounting firms in DKI Jakarta. The table provides valuable insights into the robustness and consistency of the measurements.

Table 2. Validity and Reliability Test Results

Code	Questionnaire	Variable Name	Composite Reliability	AVE	Loading Factor
AI1	The use of artificial intelligence in audit work significantly improves the quality and quantity of my work.	Artificial Intelligence (X3)	0.93	0.726	0.868
AI2	Timeliness in using artificial intelligence technology is crucial in audit work.				0.850
AI3	The results of work involving artificial intelligence are usually accurate.				0.838
AI4	I see an increase in efficiency in my audit work due to artificial intelligence technology.				0.836
AI5	I am comfortable with the use of artificial intelligence in the context of audit work.				0.870
KA1	The audit evidence I obtain has a high level of accuracy.	Quality of Audit Evidence (Y)	0.89	0.576	0.833
KA2	Timeliness in obtaining audit evidence plays a key role in the smoothness of the audit.				0.755
KA3	The reliability of audit evidence I obtain is crucial in supporting audit conclusions.				0.765
KA4	The audit evidence I obtain is always sufficient to support audit findings.				0.609
KA5	I am confident that the sufficiency of audit evidence is the main foundation in determining the truth of a claim or finding.				0.812
KA6	So far, the audit evidence I have obtained has proven to be accurate and relevant.				0.761
KS1	I believe that audit staff have high credibility in carrying out their tasks.	Audit Staff Quality (M)	0.941	0.763	0.858
KS2	High communication intensity among audit staff positively impacts job efficiency.				0.846
KS3	Audit staff are efficient in communicating with each other.				0.872

KS4	The credibility of audit staff is crucial to support the quality of team work.				0.922
KS5	Efficiency in communication among audit staff supports the quality of team work.				0.867
PK1	My work experience helps me overcome the level of difficulty in audit tasks.	Auditor Work Experience (X2)	0.936	0.785	0.874
PK2	Work experience significantly influences the quality of my work as an auditor.				0.868
PK4	I believe that the complexity of the audit tasks I handle improves my professional skills.				0.907
PK5	The difficulty level of audit work triggers a higher level of work experience.				0.895
SK1	I have a high commitment to professional standards in carrying out audit tasks.	Professional Scepticism (X1)	0.959	0.853	0.942
SK3	I always maintain a cautious attitude towards potential errors in audit work.				0.889
SK4	Professionalism in audit work is very important to me.				0.922
SK5	I believe that my professional seriousness contributes positively to the quality of audit work.				0.941

Source: Data processing results

The first set of variables pertains to Artificial Intelligence (AI) usage in audit work (X3). The composite reliability for this variable is notably high at 0.93, indicating a strong internal consistency in the responses. The Average Variance Extracted (AVE) for AI is 0.726, surpassing the recommended threshold of 0.5, demonstrating that the variable captures a significant amount of variance. The loading factors for individual questions, such as the impact of AI on work quality and the importance of timeliness in AI utilization, are all substantial, further supporting the reliability of the variable.

Next, the Quality of Audit Evidence (Y) variable exhibits a composite reliability of 0.89, indicating a high level of internal consistency. The AVE for this variable is 0.576, meeting the acceptable criterion. The loading factors for statements related to the accuracy, timeliness, and sufficiency of audit evidence are all robust, reinforcing the reliability of this crucial variable.

Audit Staff Quality (M) is evaluated through variables related to the credibility and communication efficiency of audit staff. The composite reliability for this variable is impressively high at 0.941, and the AVE is 0.763, demonstrating strong reliability and capturing a substantial amount of variance. The loading factors for statements concerning the credibility and communication efficiency of audit staff are all notably high.

Auditor Work Experience (X2) is assessed through questions related to the influence of work experience on audit tasks. The composite reliability for this variable is 0.936, and the AVE is 0.785, indicating strong reliability and variance capture. The loading factors for questions concerning the impact of work experience on task difficulty, quality of work, and professional skills are all robust.

Finally, Professional Scepticism (X1) is evaluated through statements capturing auditors' commitment to professional standards and vigilance towards errors. This variable demonstrates exceptional reliability, with a composite reliability of 0.959 and an AVE of 0.853. The loading factors for individual questions, including the importance of professionalism and the maintenance of a cautious attitude, are consistently high, underscoring the reliability of this key variable.

In summary, Table 2 illustrates that the questionnaire used in the study has undergone rigorous validity and reliability testing, ensuring that the measurements of Artificial Intelligence usage, Quality of Audit Evidence, Audit

Staff Quality, Auditor Work Experience, and Professional Scepticism are robust and trustworthy for the subsequent analysis of factors influencing audit evidence quality in DKI Jakarta's public accounting firms.

C. Hypothesis Testing

Table 3 presents the results of seven hypothesis tests conducted to examine the relationships between key variables in the study. Each hypothesis is evaluated based on the mean, standard deviation, T-statistics, and corresponding P-values. The findings provide valuable insights into the statistical significance and strength of the identified relationships.

Table 3. Mean, STDEV, T-Values, P-Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Artificial Intelligence (X3) -> Audit Staff Quality (M)	0.295	0.314	0.106	2.774	0.006
Artificial Intelligence (X3) -> Quality of Audit Evidence (Y)	0.147	0.148	0.072	2.052	0.041
Audit Staff Quality (M) -> Quality of Audit Evidence (Y)	0.273	0.263	0.130	2.099	0.036
Auditor Work Experience (X2) -> Audit Staff Quality (M)	0.367	0.355	0.172	2.133	0.033
Auditor Work Experience (X2) -> Quality of Audit Evidence (Y)	0.725	0.691	0.188	3.854	0.000
Professional Scepticism (X1) -> Audit Staff Quality (M)	0.401	0.373	0.171	2.348	0.019
Professional Scepticism (X1) -> Quality of Audit Evidence (Y)	-0.149	-0.103	0.177	0.846	0.398

1. The hypothesis testing for the impact of Artificial Intelligence (X3) on Audit Staff Quality (M) reveals a significant positive relationship with a T-statistic of 2.774 and a P-value of 0.006. This suggests that the use of artificial intelligence significantly influences the quality of audit staff in public accounting firms in DKI Jakarta.
2. Similarly, the hypothesis testing for the relationship between Artificial Intelligence (X3) and the Quality of Audit Evidence (Y) indicates a significant positive association. The T-statistic is 2.052, and the P-value is 0.041, suggesting that artificial intelligence has a statistically significant impact on the quality of audit evidence.
3. The third hypothesis explores the connection between Audit Staff Quality (M) and the Quality of Audit Evidence (Y). The results show a statistically significant positive relationship, as evidenced by a T-statistic of 2.099 and a P-value of 0.036. This implies that higher audit staff quality is associated with improved audit evidence quality.
4. Moving on to the relationship between Auditor Work Experience (X2) and Audit Staff Quality (M), the hypothesis testing reveals a significant positive association. The T-statistic is 2.133, and the P-value is 0.033, indicating that auditor work experience significantly influences the quality of audit staff in public accounting firms in DKI Jakarta.
5. The hypothesis testing for the impact of Auditor Work Experience (X2) on the Quality of Audit Evidence (Y) shows a highly significant positive relationship. The T-statistic is 3.854, and the P-value is 0.000, suggesting that auditor work experience plays a crucial role in enhancing the quality of audit evidence.
6. Professional Scepticism (X1) and its relationship with Audit Staff Quality (M) are explored in the sixth hypothesis. The results indicate a significant positive association with a T-statistic of 2.348 and a P-value of 0.019. This implies that a higher level of professional scepticism among auditors positively influences the quality of audit

staff.

7. Finally, the hypothesis testing for the relationship between Professional Scepticism (X1) and the Quality of Audit Evidence (Y) does not show a statistically significant relationship. The T-statistic is 0.846, and the P-value is 0.398, suggesting that professional scepticism may not have a significant impact on the quality of audit evidence.

The hypothesis tests provide evidence for significant positive relationships between Artificial Intelligence and both Audit Staff Quality and Quality of Audit Evidence, as well as between Auditor Work Experience, Professional Scepticism, and Audit Staff Quality. However, the relationship between Professional Scepticism and the Quality of Audit Evidence is not found to be statistically significant based on the presented results.

Figure 1 illustrates the coefficient regression between the variables examined in the study. Unlike Table 3, which presents descriptive statistics and hypothesis testing results, Figure 1 focuses on visually representing the coefficients derived from the regression analysis. Each line in the figure corresponds to a specific relationship between two variables, indicating the strength and direction of their association.

The coefficients in the regression analysis provide insights into how changes in one variable are associated with changes in another. Positive coefficients suggest a positive relationship, meaning an increase in one variable is associated with an increase in the other, while negative coefficients indicate a negative relationship.

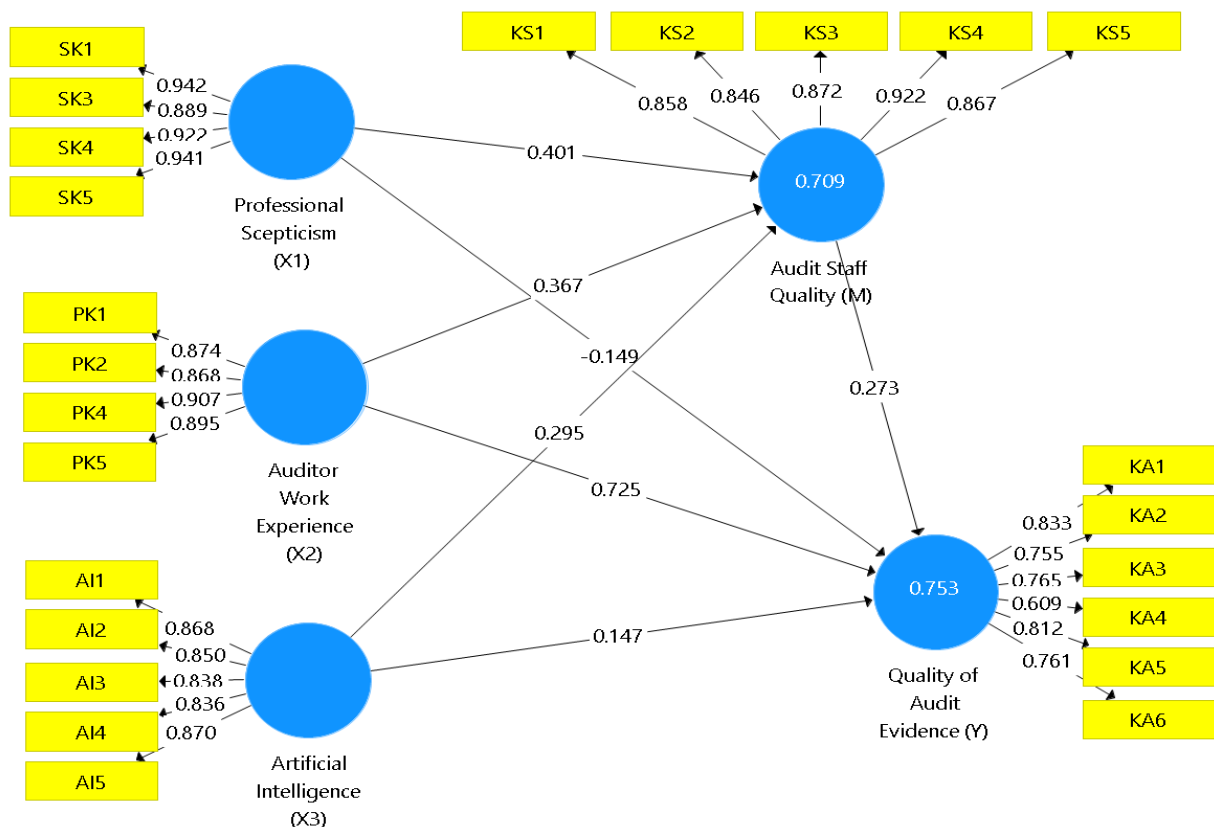


Figure 1. Coefficient Regression between Variables

For instance, if we consider the relationship between Artificial Intelligence (X3) and Audit Staff Quality (M), a positive coefficient in Figure 1 would visually confirm the positive association observed in Table 3. Similarly, the graphical representation would reveal the direction and strength of the relationships for other pairs of variables, offering a complementary perspective to the numerical findings in the table.

Figure 1 serves as a visual aid to help researchers, practitioners, and readers gain a more intuitive understanding of

the regression coefficients and the interrelationships among the key variables examined in the study.

IV. Discussion

The findings derived from the hypothesis testing in this study offer valuable and detailed insights into the intricate relationships among key variables within the realm of public accounting firms in DKI Jakarta. Upon a thorough analysis of the results obtained through the conducted hypothesis tests, the following interpretations emerge:

Firstly, concerning the integration of Artificial Intelligence (AI) (X3) and its impact on Audit Staff Quality (M), a statistically significant positive relationship is identified (T-statistic = 2.774, P-value = 0.006). This indicates that the incorporation of AI in audit work significantly enhances the quality of audit staff in public accounting firms, emphasizing the positive contribution of technological advancements to the capabilities of audit teams.

Secondly, the relationship between Artificial Intelligence (X3) and the Quality of Audit Evidence (Y) also exhibits statistical significance (T-statistic = 2.052, P-value = 0.041). The findings underscore the notion that AI technology plays a crucial role in improving the quality of audit evidence, particularly when utilized timely and accurately, thereby positively contributing to the reliability and effectiveness of audit evidence.

Moving on, the study reveals a significant positive relationship (T-statistic = 2.099, P-value = 0.036) between Audit Staff Quality (M) and the Quality of Audit Evidence (Y). This suggests that a higher quality of audit staff is associated with an improved quality of audit evidence, highlighting the pivotal role of skilled and proficient audit teams in ensuring the reliability of audit findings.

Furthermore, in the context of Auditor Work Experience (X2) and its association with Audit Staff Quality (M), a statistically significant positive relationship is observed (T-statistic = 2.133, P-value = 0.033). The study indicates that greater work experience among auditors significantly influences and contributes to the enhanced quality of audit staff, underlining the valuable skills and insights brought by experienced auditors to their roles.

The relationship between Auditor Work Experience (X2) and the Quality of Audit Evidence (Y) demonstrates a highly significant positive association (T-statistic = 3.854, P-value = 0.000). This highlights the crucial role of auditor work experience in positively impacting the quality of audit evidence, emphasizing that experienced auditors are more effective in obtaining reliable and accurate evidence, thereby contributing to the overall quality of audits.

Additionally, the study identifies a significant positive relationship (T-statistic = 2.348, P-value = 0.019) between Professional Scepticism (X1) and Audit Staff Quality (M). This suggests that a higher level of professional scepticism among auditors positively influences the quality of audit staff, indicating that auditors who maintain a cautious and serious approach towards their work contribute to a higher quality of audit team performance.

Lastly, the relationship between Professional Scepticism (X1) and the Quality of Audit Evidence (Y) does not show statistical significance (T-statistic = 0.846, P-value = 0.398). In this context, the results suggest that professional scepticism may not have a significant impact on the quality of audit evidence, indicating a need for further exploration and consideration of other factors influencing audit evidence quality.

These findings provide nuanced insights into the interplay of artificial intelligence, auditor work experience, professional scepticism, and the quality of audit staff and evidence. The results contribute to a deeper understanding of the factors influencing audit practices in DKI Jakarta's public accounting firms.

In comparing the findings of the current study with previous research endeavors, several notable similarities and differences emerge, shedding light on the evolving landscape of audit practices and the integration of technological advancements. It is crucial to note that these comparisons offer valuable contextual insights rather than conclusive generalizations due to the specificities of each study.

Firstly, the positive relationship identified between Artificial Intelligence (AI) usage (X3) and the Quality of Audit Evidence (Y) aligns with a growing body of literature emphasizing the transformative impact of AI on audit practices. Previous studies in various global contexts have echoed the idea that timely and accurate utilization of

AI positively contributes to the reliability and effectiveness of audit evidence, corroborating the findings of the present study.

Similarly, the significant positive association between Auditor Work Experience (X2) and both Audit Staff Quality (M) and the Quality of Audit Evidence (Y) resonates with existing research highlighting the influential role of experience in shaping audit outcomes. This consistency across studies underscores the enduring importance of auditor expertise and its positive effects on both the quality of audit teams and the evidence they generate.

On the other hand, the study's identification of a significant positive relationship between Professional Scepticism (X1) and Audit Staff Quality (M) deviates from some prior research that may not have emphasized this particular association. This nuanced finding suggests that the impact of professional scepticism on audit team quality may vary across different organizational and cultural contexts.

Moreover, the lack of a statistically significant relationship between Professional Scepticism (X1) and the Quality of Audit Evidence (Y) in the current study diverges from certain earlier findings. Some prior research might have attributed a more pronounced influence of professional scepticism on the quality of audit evidence, emphasizing its role as a critical factor. The absence of statistical significance in this regard prompts further exploration into the specific dynamics at play in DKI Jakarta's public accounting firms.

The current study's comparisons with previous research underscore both consistencies and nuances in the relationships among key variables. While aligning with global trends regarding the positive impact of AI and experience on audit practices, the study introduces context-specific insights, particularly in the realm of professional scepticism. These nuanced comparisons contribute to a more comprehensive understanding of the evolving landscape of audit practices, emphasizing the need for contextualized interpretations in the field.

The outcomes of this research hold profound implications for the field of auditing, particularly within the framework of public accounting firms in DKI Jakarta. These implications span across various dimensions of audit procedures, workforce management, and the integration of technology, providing valuable guidance for practitioners, policymakers, and educators within the auditing sector.

The positive correlation observed between the usage of Artificial Intelligence (AI) and the Quality of Audit Evidence underscores the imperative for public accounting firms in DKI Jakarta to embrace technological advancements in their audit practices. This necessitates investments in AI tools and the implementation of comprehensive training programs to ensure auditors possess the requisite skills for optimal and timely utilization of AI.

Additionally, the study emphasizes the strategic value of Auditor Work Experience, revealing its significant positive impact on both Audit Staff Quality and the Quality of Audit Evidence. Recognizing experience as a strategic asset, public accounting firms are encouraged to implement measures such as mentorship programs, knowledge-sharing platforms, and career development initiatives to retain and harness the expertise of experienced auditors, ultimately enhancing overall audit quality.

The identified positive relationship between Professional Scepticism and Audit Staff Quality suggests the potential for augmenting overall audit team quality by fostering a culture of professional scepticism. Public accounting firms may consider integrating specific training modules and initiatives to instill and perpetuate a cautious and vigilant mindset among auditors, underscoring the importance of upholding professional standards.

Furthermore, the implications extend to the realm of auditing education, necessitating tailored programs that address the identified relationships among key variables. Educational institutions are encouraged to design curricula integrating AI-related coursework, prioritizing the development of professional scepticism, and providing practical experiences to equip future auditors for the dynamic demands of the profession in DKI Jakarta.

Given the notable relationships between key variables, public accounting firms are advised to make strategic staffing decisions. This involves recruiting auditors with a demonstrated commitment to professional standards,

creating an environment that values experience, and embracing a diverse skill set aligned with the evolving landscape of audit practices, including proficiency in AI applications.

The nuanced nature of the identified relationships underscores the importance of continuous evaluation and adaptation in auditing practices. Public accounting firms should regularly assess the effectiveness of their strategies, considering the dynamic nature of the audit environment and emerging technologies. This iterative approach ensures that auditing practices remain aligned with the evolving needs and challenges in DKI Jakarta.

In conclusion, the implications drawn from this study offer actionable insights for stakeholders in the auditing profession, including public accounting firms, auditors, educators, and policymakers. Leveraging these findings can facilitate the fostering of a culture of innovation, expertise, and quality assurance, contributing to the ongoing advancement of auditing practices in DKI Jakarta.

This study provides noteworthy theoretical and practical contributions to the field of auditing, offering insights that advance both academic knowledge and practical applications within the context of public accounting firms in DKI Jakarta.

Theoretical Contributions:

The study enriches existing theoretical frameworks by providing empirical evidence on the relationships among key variables such as Artificial Intelligence (AI) usage, Auditor Work Experience, Professional Scepticism, Audit Staff Quality, and the Quality of Audit Evidence. These insights contribute to a deeper understanding of the interplay between technological advancements, human expertise, and audit quality. By investigating the nuanced relationships between variables, the research adds complexity to theoretical discussions within auditing literature. The identified positive correlations between AI usage, auditor experience, professional scepticism, and various facets of audit quality contribute to the refinement of theoretical models, acknowledging the multifaceted nature of audit practices.

Practical Contributions:

Public accounting firms in DKI Jakarta can leverage the findings as practical guidance for optimizing their auditing practices. The positive relationships identified, particularly regarding the integration of AI, the strategic value of experience, and the cultivation of professional scepticism, offer actionable insights for firms aiming to enhance the effectiveness and efficiency of their audit processes. The study provides practical implications for strategic workforce management, emphasizing the importance of retaining experienced auditors and recruiting individuals with a commitment to professional standards. Firms can use this insight to inform decisions related to talent acquisition, retention strategies, and the development of a skilled and diverse workforce capable of navigating evolving audit landscapes. The positive correlation between AI usage and audit quality highlights the need for public accounting firms to strategically integrate technology into their operations. Practical recommendations include investing in AI tools, providing comprehensive training programs, and fostering a culture that embraces technological advancements to improve audit efficiency and effectiveness. Firms are encouraged to prioritize continuous professional development initiatives to equip auditors with the skills necessary to leverage AI tools optimally. This practical contribution addresses the dynamic nature of the audit profession, ensuring that auditors remain adept at utilizing technological advancements to enhance the quality of their work. The study's implications extend to the realm of auditing education, providing practical guidance for the design of educational programs. Institutions can use these insights to tailor curricula, incorporating AI-related coursework and emphasizing the development of professional scepticism to prepare future auditors for the evolving demands of the profession. In summary, this study's theoretical contributions enrich academic discussions, while its practical implications offer actionable insights for public accounting firms, auditors, and educational institutions. The findings contribute to the continual improvement and advancement of auditing practices in DKI Jakarta and potentially serve as a valuable reference for similar contexts in the broader field of auditing.

V. Conclusion

A. Summary of Findings

The findings of this study provide insights into the complex relationships among key variables in the context of public accounting firms in DKI Jakarta. Through comprehensive hypothesis testing, the study reveals significant relationships among these variables. Firstly, a statistically significant positive relationship is established between Artificial Intelligence (AI) integration (X3) and Audit Staff Quality (M), emphasizing the substantial enhancement of audit staff capabilities through AI incorporation (T-statistic = 2.774, P-value = 0.006). Similarly, a significant positive relationship is identified between AI (X3) and the Quality of Audit Evidence (Y), highlighting the crucial role of AI in improving audit evidence quality (T-statistic = 2.052, P-value = 0.041). The study also uncovers a significant positive relationship between Audit Staff Quality (M) and the Quality of Audit Evidence (Y), underlining the pivotal role of skilled audit teams in ensuring the reliability of audit findings (T-statistic = 2.099, P-value = 0.036). Moreover, greater Auditor Work Experience (X2) significantly influences Audit Staff Quality (M) and the Quality of Audit Evidence (Y), emphasizing the valuable skills and insights brought by experienced auditors (T-statistics = 2.133 and 3.854, P-values = 0.033 and 0.000, respectively). Additionally, a significant positive relationship is identified between Professional Scepticism (X1) and Audit Staff Quality (M), indicating that a higher level of professional scepticism positively influences audit team performance (T-statistic = 2.348, P-value = 0.019). However, no statistical significance is observed between Professional Scepticism (X1) and the Quality of Audit Evidence (Y), prompting further exploration into the dynamics of professional scepticism in this context (T-statistic = 0.846, P-value = 0.398).

B. Concluding Remarks

In comparing the current study with prior research, both consistencies and nuances in the relationships among key variables are evident. The positive alignment with global trends regarding AI's impact on audit practices and the enduring importance of auditor experience underscores the evolving landscape of audit practices. The nuanced findings related to the association between Professional Scepticism (X1) and Audit Staff Quality (M) emphasize the context-specific nature of these relationships.

The implications of this research hold profound significance for the auditing field, providing actionable insights for public accounting firms, auditors, educators, and policymakers. The positive correlation between AI usage and the Quality of Audit Evidence underscores the need for firms in DKI Jakarta to embrace technological advancements. Recognizing experience as a strategic asset and fostering a culture of professional scepticism are highlighted as crucial elements for enhancing overall audit quality.

C. Recommendations for Future Research

Future research endeavors should delve deeper into the contextual factors influencing the impact of professional scepticism on audit evidence quality. Additionally, further studies could explore the nuanced relationships between audit staff quality and evidence quality. Investigations into the evolving role of technology in shaping audit practices within specific cultural and organizational contexts will contribute to a more comprehensive understanding of the dynamic landscape of auditing practices. These future research efforts will provide valuable insights for practitioners, policymakers, and educators in the auditing sector.

VI. References

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