

## **Strengthening Audit Quality Through Independence And Suspicion: Do Audit Fees Matter**

**Khairul Amri Hasibuan<sup>1\*</sup>, Sambas Ade Kusuma<sup>2</sup>, Iskandar Muda<sup>3</sup>**

<sup>1,2,3</sup>Universitas Sumatera Utara, Indonesia

*\*Corresponding Author: [khairulamri@students.usu.ac.id](mailto:khairulamri@students.usu.ac.id)*

### **Article History**

**Received: 09-09-2026**

**Revised: 16-09-2026**

**Published: 30-09-2026**

### **ABSTRAK**

This study aims to analyze the influence of independence and professional suspicion on audit firm quality, with audit service imbalance serving as a moderating variable. A quantitative approach was employed, utilizing a survey method targeting auditors working at Public Accounting Firms (KAP) in Medan City. Data were collected via questionnaires distributed to 30 auditors and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS). The results indicate that independence has a positive and significant effect on audit firm quality; specifically, higher levels of Independence lead to higher audit firm quality. However, professional suspicion was not found to have a direct effect on audit firm quality, suggesting that the impact of auditor professionalism on audit firm quality occurs directly rather than through the mechanism of professional suspicion. Furthermore, audit service imbalance was not found to moderate the relationship between independence, professional suspicion, and audit firm quality, indicating that the magnitude of audit service imbalance neither strengthens nor weakens the influence of independence and professional suspicion on audit firm quality. This study contributes to the auditing literature by highlighting the importance of independence as a primary determinant of audit firm quality, surpassing behavioral or economic factors. Practical implications emphasize the need to strengthen Independence through continuing professional education, the cultivation of a skeptical mindset, the calibration of audit judgments, and the enhancement of audit firm quality control systems to ensure sustained audit firm quality.

**Keywords:** *Audit Firm, Audit Firm Quality, Fee Audit, Independence, Professional Suspicion*

## INTRODUCTION

Within contemporary financial reporting frameworks, audits of financial statements generate value by offering independent verification from qualified professionals, such as certified public accountants. For stakeholders ranging from creditors and regulators to investors, management, and shareholders audited financial statements represent a critical input for economic decision-making. This value stems primarily from the reasonable assurance that such statements are free of material misstatement and fraudulent activity. As noted by Mardijuwono & Subianto (2018), the absence of material misstatement and fraud constitutes a defining feature of high-quality audits, since these audits deliver information that is both relevant and reliable.

Major corporate scandals have brought concerns over audit firm quality into sharp focus. In the United States, the 2001 Enron scandal ultimately led to the downfall of Arthur Andersen. The Parmalat case in Italy in 2003 further raised concerns about audit firm quality and was widely described as the European Enron. Public scrutiny intensified following the Satyam Computer Services revenue-falsification scandal in India in 2009, in which auditors failed to identify cash leakage and fictitious assets. In Japan, the Olympus accounting scandal in 2011 also raised concerns about the effectiveness of independent auditors in detecting fraudulent schemes. KPMG identified substantial advisory fees before the engagement was transferred to Ernst & Young, which subsequently recognized an excess in goodwill.

Audit firm quality concerns have also emerged in Indonesia. In 2018, an audit failure involving PT Garuda Indonesia Tbk resulted in sanctions involving BDO International, the Ministry of Finance's Center for Financial Professional Development (PPPK), and the Financial Services Authority (OJK). Alleged corruption involving operational subsidy funds for the Trans Padang bus service in 2025 also implicated an audit supervisor in the alleged manipulation of the financial statements of Perumda Sejahtera Mandiri. More recently, in 2026, OJK imposed sanctions on a public accountant following an audit failure involving PT Dana Syariah Indonesia, which was indicated to have manipulated its financial statements. These cases suggest that threats to Independence and weaknesses in professional suspicion remain relevant to audit firm quality in both international and Indonesian contexts (Hasibuan & Tjakrawala, 2025; Afnisah & Hasibuan, 2026).

Audit firm quality is shaped by a range of interrelated factors, including auditor characteristics, the broader audit environment, and the dynamics of the auditor-client relationship. Additionally, the work environment moderates how auditor supervisor characteristics relate to audit firm quality (Aisyaturrahmi, 2021; Ayed, 2025). Among the determinants explored in auditing research, Independence stands out as one of the most extensively studied (DeAngelo, 1981; DeFond & Zhang, 2014). At its core, independence embodies the principle that auditors must maintain objectivity and remain insulated from undue influence throughout the course of an audit engagement. Auditors who are truly independent are expected to form their opinions strictly on the basis of audit evidence, rendering objective judgments unaffected by client pressures or interests (Gul, 1989; Wallman, 1996; Craswell et al., 2002; Haruna et al., 2022; Hasibuan & Tjakrawala, 2025).

That said, the link between Independence and audit firm quality is not always clear-cut. In forming professional judgments and assessing audit evidence, auditors can encounter both professional and economic pressures (Tjan et al., 2024). At the same time, auditors function as

independent intermediaries connecting management with investors, creditors, and other stakeholders (Muslim et al., 2020). The empirical evidence on this relationship remains mixed: some studies find independence to be positively and significantly associated with audit firm quality (Prihantini et al., 2025; Hasibuan & Tjakrawala, 2025), while others report a positive but statistically non-significant association (Mardijuwono & Subianto, 2018).

Professional suspicion represents another behavioral dimension that can shape audit firm quality. It captures a mindset of inquiry, one in which auditors scrutinize audit evidence critically rather than taking it at face value (Nelson, 2009; Peytcheva, 2014; Farag & Elias, 2016; Nolder & Kadous, 2018). Several earlier studies have identified a direct association between professional skepticism and audit firm quality (Kusumawati & Syamsuddin, 2018; Mardijuwono & Subianto, 2018; Balboula & Elfar, 2023), though at least one study reports no significant effect (Soenjaya, 2024).

Economic considerations also contribute to audit firm quality. Among these, audit fees are one of the most widely discussed determinants in the auditing literature, as they capture both the level of audit effort and the degree of risk involved, factors that are themselves influenced by client-specific characteristics (Ensaf et al., 2025; Hasibuan & Tjakrawala, 2025). Audit fees refer to the compensation auditors receive in exchange for the professional services they provide to clients. The way fee levels influence audit firm quality can work through two opposing mechanisms (Van et al., 2022). On the one hand, larger fees can afford auditors greater time and resources to dedicate to audit procedures, allowing for a more rigorous examination of a client's financial statements (Salehi et al., 2019). On the other hand, when a firm becomes heavily dependent, economically, on a single major client, this reliance can pose a genuine risk to Independence.

As such, audit fees may function as either a reinforcing or weakening factor in the relationship between Independence and audit firm quality. Several studies find that audit fees exert a positive and significant direct effect on audit firm quality (Van et al., 2022; Ha & Tran, 2025). Evidence also suggests that audit fees play a moderating role in shaping audit firm quality relationships, strengthening the effect of audit report delay while weakening the effects of auditor tenure and auditor specialization, though without moderating the effect of audit firm size (Sari et al., 2023). In contrast, other studies report that audit fees do not have a positive and significant effect on audit firm quality (Hasibuan & Tjakrawala, 2025; Afnisah & Hasibuan, 2026). Tjan et al., (2024) show that audit fees are capable of strengthening the relationships that independence and professional skepticism each have with audit firm quality, while Fellicia & Dwi Astuti, (2025) find that audit fees diminish the relationships involving auditor switching and independence.

Given these mixed findings, it becomes important to examine how Independence, Professional Suspicion, and audit fees interact in shaping audit firm quality. To this end, the present study develops a conceptual model that brings Independence, Professional Suspicion, audit fees, and audit firm quality together within a single analytical framework. This study's novelty rests on its examination of an integrated moderated model, one in which audit fees are positioned as a moderating variable in the relationships between Independence, Professional Suspicion, and audit firm quality. In contrast to studies that concentrate primarily on direct effects, this approach explores whether auditor characteristics interact with economic incentives to jointly explain variation in audit firm quality.

This study is expected to contribute to the auditing literature by offering a more comprehensive understanding of the mechanisms that underlie the relationships among Independence, Professional Suspicion, audit fees, and audit firm quality. In addition to its theoretical significance, the study's findings offer practical value for regulators and professional bodies aiming to formulate policies that enhance audit firm quality. For users of financial statements, the study also provides useful insights for assessing public accounting services, particularly in relation to Independence and Professional Suspicion.

Behavioral Agency Theory contends that the economic model of human behavior underpinning conventional agency theory is overly simplistic. It calls for a reconceptualization of agency relationships, one that assumes bounded rationality and acknowledges the significance of agents' human capital as a product of both ability and work motivation (Leibenstein, 1966; Lepper & Greene, 1978; Pratt & Zeckhauser, 1985; Deci & Ryan, 1985; Frey & Jegen, 2001; and Sliwka, 2007). The theory further accounts for departures from rational choice assumptions, including attitudes toward loss, risk, and uncertainty (Wiseman & Gomez-Mejia, 1998), the discounting of time (Ainslie, 1991), sensitivity to inequity, and the trade-offs individuals make between intrinsic and extrinsic motivation (Adams, 1965). On this basis, the theory argues for revisions to the standard agency framework. One key revision concerns how agent performance and motivation are understood. Whereas conventional agency theory tends to prioritize aligning the interests of agents and principals, it pays comparatively little attention to how agents can be motivated to perform at their best (Pepper & Gore, 2015).

Independence denotes an auditor's capacity to carry out an audit engagement objectively and without bias. A common distinction is made between independence of mind, referring to the auditor's internal psychological state of independence, and independence in appearance, which pertains to external circumstances that may shape how others perceive that independence (SA 200, 2025). When independence is genuinely maintained, auditors are expected to assess financial statements objectively and to base their opinions on the evidence gathered throughout the engagement. This frames Independence as closely bound up with the auditor's attitudes, subjective norms, and perceived behavioral control. For example, evidence drawn from the Indonesian context shows that Independence has a positive and significant effect on audit firm quality (Zamzami et al., 2017).

Consistent with this, prior research has repeatedly identified Independence as one of the principal drivers of audit firm quality. The empirical results indicate a positive and significant effect, suggesting that as Independence rises, so too does audit firm quality (Hasibuan & Tjakrawala, 2025; Ha & Tran, 2025). Auditors who are genuinely independent tend to be more willing to communicate unfavorable findings to clients and to push back against accounting practices that fall short of applicable standards. Independence further contributes to reducing information asymmetry in financial reporting by reinforcing the credibility of audit conclusions (Otuya, 2019). Taken together, these arguments support the following hypothesis:

H1: Auditor independence has a positive and significant effect on audit quality.

Professional Suspicion describes an auditor's disposition to consistently question and critically assess audit evidence rather than take it at face value. Auditing standards place strong emphasis on maintaining this skeptical stance throughout the entire audit process (SA 200, 2025). Central to this construct is its role in detecting fraud and misstatement (Hurt et al., 2013). Auditors who are truly independent may be better positioned to exercise skepticism, precisely because they are less emotionally and economically tied to their clients. Consequently, possessing a skeptical mindset strengthens an auditor's capacity to detect material misstatements. In line with this, earlier research indicates that auditors displaying greater professional skepticism are better able to detect aggressive reporting practices and uncover misstatements (Peytcheva, 2014).

The more rigorously auditors question and critically examine audit evidence, the greater the likelihood of enhanced audit firm quality. This critical, questioning orientation, a core feature of Professional Suspicion, underlies the positive and significant relationship observed between Professional Suspicion and audit firm quality (Mardijuwono & Subianto, 2018). Additionally, auditors with higher levels of self-esteem may display stronger professional suspicion, which can, in turn, improve audit firm quality by way of gathering sufficient and appropriate audit evidence (Blix et al., 2021).

Behavioral Agency Theory holds that behavior emerges from intentions, which are themselves shaped by attitudes, norms, and perceived behavioral control, and that these intentions ultimately drive action (Pepper & Gore, 2015). Within this framework, skeptical judgments and the actions that follow from them are rooted in auditor characteristics and can shape an auditor's overall performance (Hurt, 2010). Prior studies suggest that professional suspicion may exert a direct influence on audit firm quality and, in certain contexts, act as a channel through which auditor characteristics come to shape audit firm quality outcomes (Kusumawati & Syamsuddin, 2018; Hasibuan & Tjakrawala, 2025; Afnisah & Hasibuan, 2026). On this basis:

H2: Professional skepticism has a positive and significant effect on audit quality.

Audit fees constitute the compensation auditors receive in return for the audit services rendered to clients, and may be paid in the form of money, goods, or services provided by the client or another related party in connection with the engagement (Agoes, 2017). The level of these fees can influence audit firm quality insofar as it determines the resources available to auditors for carrying out an engagement. Where fees are set at an adequate level, auditors are better able to conduct more thorough procedures, which may in turn enhance audit firm quality. Consistent with this, prior studies report a positive and significant relationship between audit fees and audit firm quality, underscoring the idea that compensation should be proportionate to the scope of audit services delivered (Yuniarti, 2011; Fauziyyah & Praptiningsih, 2020; Devota & Priono, 2021).

At the same time, the level of audit fees can potentially alter the relationship between Independence and audit firm quality. Tjan et al., (2024), for example, show that audit fees

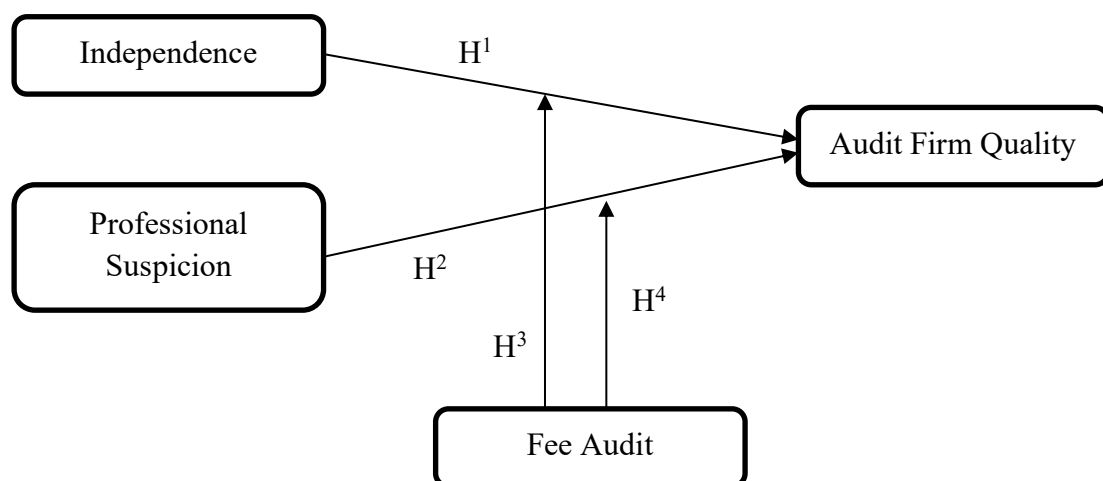
reinforce the relationships linking independence, professional suspicion, and audit firm quality. In certain circumstances, higher fees may actually support more independent audit work, since auditors are equipped with sufficient resources to carry out the required procedures. Yet economic dependence on a client can equally give rise to a threat to independence; when fee dependence becomes excessive, the risk of compromised Independence tends to increase accordingly (Resza et al., 2023). Taken together, these arguments give rise to the following hypothesis:

H3-H4: Audit fees serve as a moderator in the relationships that independence and professional skepticism each have with audit firm quality.

## RESEARCH METHOD

This research employs a quantitative approach grounded in survey methodology. Data collection was carried out via questionnaires distributed to auditors employed at Public Accounting Firms (KAP) in the city of Medan, with respondents selected via purposive sampling. To qualify for inclusion, respondents needed at least one year of experience conducting financial statement audits, spanning all auditor levels across the participating firms.

Structural Equation Modeling (SEM) was used to analyze the data, in order to examine the relationships among the independent, moderating, and dependent variables. Following Hair et al., (2018), the minimum required sample size can be approximated by multiplying the number of indicators by ten, though sample sizes above 100 are generally recommended for greater robustness. That said, smaller samples remain acceptable depending on the specific research context. Guided by this reasoning, the present study relies on a sample of 30 auditors drawn from Public Accounting Firms in Medan.



**Figure 1.** Conceptual framework

Every variable was assessed using a five-point Likert scale spanning from 1 (strongly disagree) to 5 (strongly agree). Independence and Professional Suspicion served as the independent variables, audit firm quality was treated as the dependent variable, with audit fees functioning as the moderating variable, and the operationalization of each variable is set out below.

**Table 1.** Variable measurement

| Variable                    | Indicators                                                                                                                                                                                                                                                                                                                                                                  | Source                                            |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Independence (I)            | <ol style="list-style-type: none"> <li>1. Not subject to pressure when expressing an audit opinion;</li> <li>2. Remains independent when facing intimidation;</li> <li>3. Exercises caution when making audit decisions; and</li> <li>4. Remains free from influence when considering the contents of financial statements.</li> </ol>                                      | Mardijuwono & Subianto, 2018; Sampet et al., 2025 |
| Audit Firm Quality (AFQ)    | <ol style="list-style-type: none"> <li>1. Ensures secure information exchange with clients, both digitally and physically;</li> <li>2. Audit procedures are designed to reduce errors or irregularities;</li> <li>3. The auditor understands the client's operating environment; and</li> <li>4. Audit findings are reported as identified without manipulation.</li> </ol> | DeAngelo, 1981; Azzari et al., 2023               |
| Professional Suspicion (PS) | <ol style="list-style-type: none"> <li>1. Questioning mind;</li> <li>2. Suspension of judgment;</li> <li>3. Search for knowledge;</li> <li>4. Interpersonal understanding; and</li> <li>5. Autonomy</li> </ol>                                                                                                                                                              | Hurt, 2010                                        |
| Fee Audit (FA)              | <ol style="list-style-type: none"> <li>1. Receives professional benefits beyond the fee specified in the audit contract;</li> <li>2. Determines fees based on amounts that will be or have been received by the client;</li> </ol>                                                                                                                                          | Abbott et al., 2003; Reid et al., 2019;           |

|  |                                                                                                                                                                                                                                    |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | 3. Fees received from a client represent a substantial proportion of the firm's revenue;<br>4. Fees are set by the client at a high amount; and<br>5. Fees are determined in accordance with professional association regulations. |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

## Descriptive Statistics

Descriptive statistics are used to summarize the principal features of both the research variables and the respondents' demographic profile, with the mean, standard deviation, minimum, and maximum values reported for the questionnaire responses obtained. As Martias (2021) explains, descriptive statistics offer a systematic way of summarizing observed data, allowing researchers to identify relevant patterns prior to conducting further analysis. Accordingly, the descriptive statistics reported in this study serve to summarize the information gathered from respondents' questionnaire responses.

## Data Analysis

### 1. Measurement Model (Outer Model)

#### a. Validity Test

Two forms of validity assessment were applied: convergent validity and discriminant validity.

#### 1) Convergent Validity

Convergent validity captures the strength of the relationship between a latent variable and its corresponding indicators, commonly assessed through indicator loading values. Any indicator falling short of the required threshold should be dropped from the measurement model (Husnawati et al., 2019; Gunistiyo et al., 2024).

##### a) Loading Factor or Outer Loading

Convergent validity in this study was evaluated using loading factor values. As a general guideline, loading values exceeding 0.70 are recommended for exploratory research (Santoso et al., 2020), although for research still at a developing stage, values between 0.50 and 0.60 may still be considered acceptable provided the AVE exceeds 0.50 (Rahadi, 2023).

##### b) Average Variance Extracted (AVE)

With respect to Average Variance Extracted (AVE), a construct is deemed to exhibit adequate convergent validity once its AVE value surpasses 0.50 (Gunistiyo et al., 2024).

## 2) Discriminant Validity

Discriminant validity verifies that every latent construct represents a notion that is, empirically, set apart from the rest (Hafni Sahir, 2022). One way to assess it is through cross-loading values, whereby each indicator is expected to load more strongly on its intended construct than on any other (Sugiyono, 2013).

Another approach, the Fornell-Larcker criterion assesses discriminant validity by weighing each construct's AVE square root against the correlations found among latent constructs, expecting the former to surpass the latter (Henseler et al., 2015). Under this criterion, a model is deemed to meet the discriminant validity requirement when each construct's AVE square root exceeds its correlations with the remaining constructs (Kwong & Wong, 2013).

A further alternative is the Heterotrait-Monotrait Ratio of Correlations (HTMT), which draws on the logic of the multitrait-multimethod matrix. Under this approach, an HTMT value under 0.90 is generally regarded as sufficient evidence of discriminant validity across reflective constructs (Henseler et al., 2015).

## b. Reliability Test

Reliability refers to the extent to which responses remain consistent and stable across repeated measurements. In this study, internal consistency is examined via Cronbach's Alpha and Composite Reliability, whereby a construct qualifies as reliable once its Cronbach's Alpha surpasses 0.60, and a Composite Reliability above 0.70 taken as an indication of high reliability (Husnawati et al., 2019).

## 2. Structural Model (Inner Model)

The inner model serves to test the causal links connecting the latent variables. Within PLS analysis, R-Square serves as the indicator of endogenous constructs' explanatory power, and changes in R-Square can signal the substantive contribution that independent variables make to their dependent counterparts (Sugiyono, 2013). Multicollinearity, meanwhile, is assessed through the Variance Inflation Factor (VIF), which flags high correlations among exogenous constructs that could otherwise undermine predictive capability (Sembiring et al., 2023). Building on this, Kock (2015) proposes the use of full collinearity VIF as an additional diagnostic for detecting Common Method Bias (CMB).

**Table 2.** Inner model assessment

| Criterion                    | Rule of Thumb                                                                                                                                                                 |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R-Square                     | R-Square is the coefficient of determination for an endogenous construct. Values of 0.75, 0.50, and 0.25 indicate strong, moderate, and weak explanatory power, respectively. |
| f <sup>2</sup> (Effect Size) | f <sup>2</sup> measures the effect of a latent variable on another variable. Values of 0.35, 0.15, and 0.02 indicate large, medium, and small effects, respectively.          |

|                       |                                                                                                                                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Full Collinearity VIF | Full Collinearity VIF assesses potential collinearity among exogenous constructs. A VIF below 5.0 indicates no problematic collinearity, while values above 5.0 indicate collinearity. Values below 3.3 are also considered evidence of freedom from Common Method Bias. |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 3. Hypothesis Testing

Hypotheses are tested by reference to t-statistics and probability values (Sugiyono, 2013), whereby support for a hypothesis at the 5% significance level requires a t-statistic above 1.96 together with a p-value under 0.05. In this way, hypothesis testing helps establish whether the empirical relationships observed are genuinely supported by the data, rather than resting on theoretical assumptions alone Anuraga et al., 2021).

### 4. Moderation Test

When an exogenous construct or moderator is formative, the Product Indicator Approach is not appropriate for testing interaction effects because formative indicators do not assume equal contributions to the construct. Henseler et al., (2015) developed the Two-Stage Approach for moderation analysis involving formative constructs. This approach uses latent variable scores to estimate the interaction effect.

Stage 1: Latent variable scores are derived by first estimating the main PLS model, after which these scores are computed and retained for use in the analysis that follows.

Stage 2: An interaction term is formed by multiplying the exogenous variable's latent scores with those of the moderator, and this term is then regressed against the endogenous variable.

The interaction model is then evaluated by comparing the R-Square values of the main-effects model against those of the full model incorporating the moderation effect, with the effect size of the interaction derived from the corresponding R-Square values.

$$f^2 = \frac{R^2_{\text{model with moderator}} - R^2_{\text{model without moderator}}}{1 - R^2_{\text{model without moderator}}}$$

Moderation effect sizes of 0.02, 0.15, and 0.35 correspond to weak, moderate, and strong effects, respectively, with Chin et al., (2003) noting that a weak effect size points to a relatively limited contribution from the interaction effect.

## RESULT AND DISCUSSION

### 1. Descriptive Statistics

**Table 3.** Descriptive statistics

| Variable | N | Minimum | Maximum | Mean | Standard Deviation |
|----------|---|---------|---------|------|--------------------|
|----------|---|---------|---------|------|--------------------|

|                        |    |       |       |        |        |
|------------------------|----|-------|-------|--------|--------|
| Independence           | 30 | 10.00 | 20.00 | 15.633 | 2.1632 |
| Professional Suspicion | 30 | 10.00 | 25.00 | 19.367 | 2.6208 |
| Audit Fee              | 30 | 15.00 | 25.00 | 20.934 | 2.2708 |
| Audit Firm Quality     | 30 | 11.00 | 20.00 | 16.500 | 1.8201 |

The sample comprised 30 auditors from Public Accounting Firms in Medan City. For Independence, responses averaged 15.633, ranging from 10.00 to 20.00 with a standard deviation of 2.1632, pointing to relatively homogeneous responses among participants. Professional Suspicion yielded a higher mean of 19.367, with scores spanning 10.00 to 25.00 and a standard deviation of 2.6208, reflecting somewhat greater variation in responses compared to independence. Audit fees showed a mean of 20.934, ranging from 15.00 to 25.00 with a standard deviation of 2.2708, again suggesting relatively homogeneous responses. Finally, audit firm quality recorded a mean of 16.500, with scores between 11.00 and 20.00 and a standard deviation of 1.8201; this comparatively high mean indicates that respondents generally viewed the audit firm quality produced by their firms in a favorable light.

## 2. Respondent Demographic Profile

**Table 4.** Respondent demographic profile

| Characteristic | Description       | f  | %    |
|----------------|-------------------|----|------|
| Gender         | Male              | 21 | 70.0 |
|                | Female            | 9  | 30.0 |
|                | Total             | 30 | 100  |
| Position       | Public Accountant | 1  | 3.3  |
|                | Audit Manager     | 4  | 13.3 |
|                | Audit Supervisor  | 5  | 16.7 |
|                | Audit Team Leader | 8  | 26.7 |
|                | Audit Team Member | 12 | 40.0 |
|                | Total             | 30 | 100  |
| Education      | Doctoral degree   | 1  | 3.3  |
|                | Master's degree   | 8  | 26.7 |
|                | Bachelor's degree | 16 | 53.3 |
|                | Diploma           | 5  | 16.7 |
|                | Total             | 30 | 100  |
| Experience     | 1–5 Years         | 20 | 66.6 |
|                | 6–10 Years        | 5  | 16.7 |
|                | >10 Years         | 5  | 16.7 |
|                | Total             | 30 | 100  |

The 30 auditors from Public Accounting Firms in Medan City who made up the sample were predominantly male, with 21 respondents (70.0%) falling into this category, while female respondents made up the remaining 9 (30.0%), indicating a predominantly male sample.

By position, most respondents were audit team members, totaling 12 auditors (40.0%), followed by audit team leaders with 8 auditors (26.7%) and audit supervisors with 5 auditors (16.7%). Four respondents were audit managers (13.3%), while one respondent was a public accountant (3.3%). The distribution indicates that most respondents occupied technical audit positions.

With respect to educational background, bachelor's degree holders formed the largest group at 16 respondents (53.3%), followed by 8 with master's degrees (26.7%), 5 with diplomas (16.7%), and 1 with a doctoral degree (3.3%). Looking at professional experience, the majority, 20 auditors (66.6%), had between 1 and 5 years in the field, while those with 6 to 10 years and those with more than 10 years of experience each accounted for 5 auditors (16.7%). This distribution suggests that most participants possessed meaningful professional exposure to auditing practice, lending credibility to their responses concerning independence, Professional Suspicion, audit fees, and audit firm quality. Overall, this demographic profile suggests that the sample consisted primarily of auditors possessing both professional knowledge and hands-on experience within Public Accounting Firms in Medan.

### 3. Measurement Model (Outer Model)

#### a. Validity Test

##### 1) Convergent Validity

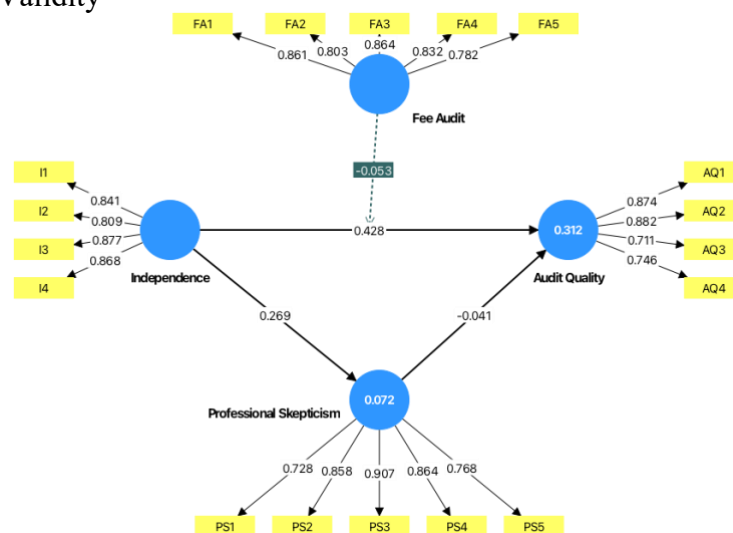


Figure 2. PLS algorithm results

All indicators for Independence, professional suspicion, audit fees, and audit firm quality had outer loading values above 0.50. These values exceed the minimum threshold commonly considered acceptable in developing and exploratory measurement models. The results therefore indicate adequate relationships between the indicators and their respective constructs. Convergent validity was further assessed using AVE, with a threshold of 0.50.

**Table 5.** Average variance extracted (AVE)

| Variable               | AVE   | Result |
|------------------------|-------|--------|
| Independence           | 0.669 | Valid  |
| Professional Suspicion | 0.702 | Valid  |
| Audit Fee              | 0.800 | Valid  |
| Audit Firm Quality     | 0.684 | Valid  |

Source: Processed data (2026)

Every construct records an AVE above the 0.50 cut-off, confirming that more than half of the variance in its indicators is accounted for, an indication that the indicators adequately represent their respective latent constructs.

## 2) Discriminant Validity

Discriminant validity, in turn, was tested by weighing each indicator's cross-loading on the construct it was meant to measure against its loadings on the other constructs, with an indicator satisfying this criterion when its loading on the intended construct exceeds its loadings elsewhere.

**Table 6.** Cross loadings

| Indicator              | Independence | Professional Suspicion | Audit Fee | Audit Firm Quality |
|------------------------|--------------|------------------------|-----------|--------------------|
| Independence           |              |                        |           |                    |
| I1                     | 0.861        | -0.294                 | 0.465     | 0.572              |
| I2                     | 0.778        | 0.015                  | 0.442     | 0.462              |
| I3                     | 0.851        | -0.083                 | 0.468     | 0.631              |
| I4                     | 0.778        | -0.084                 | 0.364     | 0.476              |
| Professional Suspicion |              |                        |           |                    |
| PS1                    | -0.145       | 0.831                  | -0.023    | -0.162             |
| PS2                    | -0.054       | 0.824                  | -0.071    | -0.171             |
| PS3                    | -0.028       | 0.871                  | -0.015    | -0.271             |
| PS4                    | -0.215       | 0.899                  | -0.043    | -0.415             |
| PS5                    | -0.099       | 0.756                  | -0.077    | -0.171             |
| Fee Audit              |              |                        |           |                    |
| FA1                    | 0.404        | -0.091                 | 0.864     | 0.207              |
| FA2                    | 0.503        | -0.137                 | 0.964     | 0.344              |
| FA3                    | 0.508        | 0.018                  | 0.947     | 0.410              |
| FA4                    | 0.377        | 0.041                  | 0.902     | 0.278              |
| FA5                    | 0.565        | 0.081                  | 0.805     | 0.303              |
| Audit Firm Quality     |              |                        |           |                    |

|     |       |        |        |       |
|-----|-------|--------|--------|-------|
| AQ1 | 0.182 | -0.131 | 0.094  | 0.585 |
| AQ2 | 0.202 | -0.282 | 0.107  | 0.706 |
| AQ3 | 0.095 | -0.325 | -0.044 | 0.614 |
| AQ4 | 0.785 | -0.243 | 0.451  | 0.848 |

Source: Processed data (2026)

Each indicator registers its highest loading on the construct it is intended to measure, confirming that the measurement model meets the cross-loading criterion for discriminant validity.

The Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio of Correlations (HTMT) were additionally applied to assess discriminant validity, with the corresponding results set out in the tables below.

**Table 7.** Fornell-larcker criterion

| Variable               | Audit Firm Quality | Fee Audit | Independence | Professional Suspicion |
|------------------------|--------------------|-----------|--------------|------------------------|
| Audit Quality          | 0,696              |           |              |                        |
| Fee Audit              | 0,359              | 0,895     |              |                        |
| Independence           | 0,663              | 0,534     | 0,818        |                        |
| Professional Suspicion | -0,326             | -0,016    | -0,144       | 0,838                  |

Source: Processed data (2026)

According to the Fornell-Larcker results, the square root of AVE for Audit Firm Quality is 0.696, which exceeds its correlations with Audit Fee (0.359), Independence (0.663), and Professional Suspicion (-0.326), satisfying the discriminant validity requirement for this construct. Similarly, Audit Fee records a square root of AVE of 0.895, which exceeds its correlations with Independence (0.534) and Professional Suspicion (-0.016). As for Independence, its AVE square root reaches 0.818, which is higher than its correlation with Professional Suspicion (-0.144), and collectively these results verify that all constructs meet the Fornell-Larcker criterion.

**Table 8.** Heterotrait-monotrait ratio of correlations (HTMT)

|                          | Audit Firm Quality | Fee Audit | Independence | Professional Suspicion | Fee Audit x Independence | Fee Audit x Professional Suspicion |
|--------------------------|--------------------|-----------|--------------|------------------------|--------------------------|------------------------------------|
| Audit Firm Quality       |                    |           |              |                        |                          |                                    |
| Fee Audit                | 0,286              |           |              |                        |                          |                                    |
| Independence             | 0,524              | 0,595     |              |                        |                          |                                    |
| Professional Suspicion   | 0,354              | 0,111     | 0,195        |                        |                          |                                    |
| Fee Audit x Independence | 0,140              | 0,377     | 0,136        | 0,141                  |                          |                                    |

|                                    |       |       |       |       |       |  |
|------------------------------------|-------|-------|-------|-------|-------|--|
| Fee Audit x Professional Suspicion | 0,118 | 0,450 | 0,187 | 0,362 | 0,198 |  |
|------------------------------------|-------|-------|-------|-------|-------|--|

Source: Processed data (2026)

All HTMT values are below 0.90. This suggests the model is free of discriminant validity issues, with the constructs remaining empirically distinct from one another.

b. Reliability Test

The reliability test evaluates the internal consistency of the research instrument. Cronbach's Alpha and Composite Reliability were used for this assessment.

**Table 9.** Reliability

| Variable               | Cronbach's Alpha | Composite Reliability | Result   |
|------------------------|------------------|-----------------------|----------|
| Independence           | 0.835            | 0.850                 | Reliable |
| Professional Suspicion | 0.897            | 1.033                 | Reliable |
| Fee Audit              | 0.937            | 0.969                 | Reliable |
| Audit Firm Quality     | 0.759            | 1.039                 | Reliable |

Source: Processed data (2026)

Given that all constructs register Cronbach's Alpha values above 0.60 and Composite Reliability values above 0.70, the measurement instrument shows adequate internal consistency, lending support to its use in the structural model analysis that follows.

4. Structural Model (Inner Model)

The inner model was subsequently assessed in order to test the causal relationships linking the latent variables, drawing on R-Square as an indicator of the endogenous construct's predictive explanatory power,  $f^2$  effect size to gauge the contribution of each exogenous variable, and Full Collinearity VIF to detect potential common method bias.

**Table 10.** R-square

| Variable           | R-Square | R-Square Adjusted |
|--------------------|----------|-------------------|
| Audit Firm Quality | 0.510    | 0.407             |

Source: Processed data (2026)

An R-Square value of 0.510 indicates that Independence, Professional Suspicion, and Audit Fee collectively account for 51.0% of the variance in Audit Firm Quality, which, based on the study's rule of thumb, denotes a moderate degree of explanatory strength. Meanwhile, the adjusted R-Square of 0.407 points to adequate explanatory capability once model complexity has been taken into account.

**Table 11.** Effect size

| Variable                           | Effect on Audit Firm Quality ( $f^2$ ) | Category |
|------------------------------------|----------------------------------------|----------|
| Independence                       | 0.490                                  | Medium   |
| Professional Suspicion             | 0.070                                  | Small    |
| Fee Audit                          | 0.015                                  | Small    |
| Fee Audit x Independence           | 0.012                                  | Small    |
| Fee Audit x Professional Suspicion | 0.017                                  | Small    |

Source: Processed data (2026)

The  $f^2$  results indicate that Professional Suspicion (0.070), Audit Fee (0.015), Audit Fee  $\times$  Independence (0.012), and Audit Fee  $\times$  Professional Suspicion (0.017) each exert only a small effect on Audit Firm Quality, whereas Independence stands out with a medium effect ( $f^2 = 0.490$ ). This pattern suggests that, among the variables examined, Independence contributes most substantially to explaining Audit Firm Quality within the model.

**Table 12.** Full collinearity VIF

| Variable                                                            | VIF   | Collinearity | Common Method Bias |
|---------------------------------------------------------------------|-------|--------------|--------------------|
| Independence $\rightarrow$ Audit Firm Quality                       | 1,475 | Non          | Non                |
| Professional Suspicion $\rightarrow$ Audit Firm Quality             | 1,272 | Non          | Non                |
| Fee Audit $\rightarrow$ Audit Firm Quality                          | 1,908 | Non          | Non                |
| Fee Audit x Independence $\rightarrow$ Audit Firm Quality           | 1,219 | Non          | Non                |
| Fee Audit x Professional Suspicion $\rightarrow$ Audit Firm Quality | 1,502 | Non          | Non                |

Source: Processed data (2026)

The VIF values are below both 3.3 and 5.0. Independence has a VIF of 1.475, Professional suspicion 1.272, Audit Fee 1.908, Audit Fee  $\times$  Independence 1.219, and Audit Fee  $\times$  Professional suspicion 1.502. These values indicate that the model is free from problematic collinearity and provide no indication of Common Method Bias based on the adopted VIF criterion.

## 5. Hypothesis Testing

Hypotheses were tested by reference to t-statistics and p-values, with support for a hypothesis established at the 5% significance level ( $\alpha = 0.05$ ) whenever the t-statistic surpasses 1.96 and the p-value drops below 0.05. The corresponding results are presented below.

**Table 13.** Hypothesis testing

| Path                                                                       | Original Sample (O) | t-Statistics | p-Values |
|----------------------------------------------------------------------------|---------------------|--------------|----------|
| Independence $\rightarrow$ Audit Firm Quality                              | 0,596               | 2,427        | 0,015    |
| Professional Suspicion $\rightarrow$ Audit Firm Quality                    | -0,209              | 0,944        | 0,345    |
| Fee Audit $\rightarrow$ Audit Firm Quality                                 | 0,117               | 0,431        | 0,666    |
| Fee Audit $\times$ Independence $\rightarrow$ Audit Firm Quality           | 0,079               | 0,398        | 0,691    |
| Fee Audit $\times$ Professional Suspicion $\rightarrow$ Audit Firm Quality | -0,129              | 0,450        | 0,653    |

Source: Processed data (2026)

Results from the hypothesis testing show a significant effect of Independence on Audit Firm Quality (t-statistic = 2.427, p-value = 0.015), lending support to H1 and indicating that as Independence strengthens, audit firm quality rises accordingly. By contrast, Professional Skepticism does not register a significant effect on Audit Firm Quality (t-statistic = 0.944, p-value = 0.345), leaving H2 unsupported.

As for the moderating role of Audit Fee, the results indicate that it moderates neither the relationship between Independence and Audit Firm Quality nor that between Professional Suspicion and Audit Firm Quality. Both interaction terms prove statistically insignificant at the 5% level, with t-statistics of 0.398 and 0.450 and corresponding p-values of 0.691 and 0.653, and interaction coefficients of 0.079 for Audit Fee  $\times$  Independence and -0.129 for Audit Fee  $\times$  Professional Suspicion. Collectively, these results indicate that elevated audit fees fail to strengthen the effects that Independence or Professional Suspicion have on Audit Firm Quality, nor do lower fees meaningfully diminish these relationships, pointing overall to weak moderation effects.

## DISCUSSION

### 1. Effect of Auditor Independence on Audit Quality

The results show that independence has an effect on audit firm quality that is both positive and statistically significant, suggesting that auditors who uphold objectivity, independence of mind, and freedom from undue external influence tend to produce audits of higher quality. Such independence places auditors in a stronger position to evaluate evidence objectively, detect material misstatements, and form opinions that remain unaffected by client interests.

This finding carries particular relevance within the Indonesian context, where auditors often navigate economic pressures, long-standing client relationships, and time constraints in the course of their engagements. Even so, the results suggest that independence continues to function as a primary safeguard of audit firm quality, with adherence to professional ethics and auditing standards remaining a critical foundation for audit practice in Indonesia.

This result aligns with prior empirical evidence. Sampet et al., (2025), for instance, established that Independence bears a significant relationship to audit firm quality, showing that stronger independence corresponds with better audit outcomes, a pattern echoed by Hasibuan & Tjakrawala (2025), who likewise reported a an effect of independence on audit firm quality that is both positive and significant. Otuya (2019) similarly established a link between Independence and the quality of financial reporting. Collectively, these findings underscore independence as a core attribute underpinning audit firm quality.

The results further lend support to Behavioral Agency Theory, which accounts for professional auditor behavior through the lens of the constructs of attitude, subjective norm, and perceived behavioral control. Within this framework, auditors firmly committed to independence are more inclined to form professional intentions that manifest in objective audit procedures and, in turn, elevate audit firm quality. At the same time, these results reaffirm the classical proposition that independence constitutes a fundamental pillar of audit firm quality (DeAngelo, 1981); even as audit environments grow increasingly complex, independence remains a factor that is difficult to substitute with others.

### 2. Effect of Professional Suspicion on Audit Quality

The results show that Professional Suspicion does not exert a significant effect on Audit Firm Quality. Despite respondents reporting relatively strong professional attitudes, this did not translate into a statistically significant improvement in audit firm quality. Several explanations may help account for this outcome. One possibility is that Professional Suspicion functions as a baseline characteristic already present among auditors, leaving limited variation across respondents, variation too narrow to meaningfully explain differences in audit firm quality. A second possibility relates to the highly regulated nature of auditing practice in Indonesia, shaped by auditing standards, firm-level quality control procedures, and hierarchical supervision. Under such institutional arrangements, audit firm

quality may hinge more on adherence to formal procedures than on variation in individual auditors' skepticism.

A third consideration concerns measurement: Professional Suspicion was captured through a self-reported questionnaire, an approach susceptible to social desirability bias, whereby respondents may be inclined to present themselves as skeptical, professional auditors. This tendency could mean the measure fails to fully capture genuine variation in skeptical behavior. Viewed through a behavioral auditing lens, this result suggests that psychological characteristics do not necessarily translate directly into observable audit firm quality outcomes. It may be that Independence exerts a more immediate influence on audit outcomes, while Professional Suspicion operates in a complementary rather than primary capacity.

These findings further suggest that Professional Suspicion does not consistently function as a direct determinant of audit firm quality. Auditors who combine independence with a critical, questioning mindset may indeed carry out more extensive and rigorous audit procedures; nonetheless, strong professional integrity and compliance with audit requirements can still uphold audit firm quality even where measured skepticism fails to register a statistically significant effect. This pattern is consistent with Soenjaya (2024), who likewise found that professional suspicion effect on audit firm quality is not consistently significant. In this sense, this finding adds to the auditing literature by pointing to the possibility that the link between professional suspicion and audit firm quality depends on the regulatory and organizational setting in which auditors work.

### 3. The Moderating Effect of Audit Fees on the Independence-Audit Firm Quality Relationship

The findings show that Audit Fee fails to moderate the link between independence and audit firm quality, as fee size neither strengthens nor weakens independence's effect on audit firm quality. Several explanations may help account for this finding. First, professional auditors are typically bound by codes of ethics and stringent independence requirements, which may allow them to preserve their independence even when fees are relatively high.

Second, audit fees may not necessarily foster strong economic bonding between auditor and client, since many Public Accounting Firms derive revenue from a diverse client base, a structure that can reduce the economic weight of any single engagement and, correspondingly, limit the extent to which fee dependence compromises auditor objectivity. Third, firm-level quality control mechanisms, partner review processes, and regulatory oversight may collectively temper whatever economic influence audit fees might otherwise exert.

This is in keeping with Tjan et al., (2024), who likewise found no moderating effect of audit fees on the independence–audit firm quality link, and with Fellicia & Dwi Astuti (2025), who reported that audit fees had neither a significant effect on audit firm quality nor a reinforcing effect on the relationship between independence and audit firm quality.

Together, these findings suggest that structural or economic variables do not necessarily amplify the behavioral determinants underlying audit firm quality.

Viewed through the lens of Behavioral Agency Theory, economic incentives do not automatically reshape professional auditor behavior; rather, professional norms, auditing standards, and auditor identity appear to carry greater weight than economic incentives in shaping audit firm quality. This finding thus lends theoretical support to the view that, within the context of auditors in Medan City, professional and ethical considerations explain audit firm quality more powerfully than purely economic factors.

#### 4. Moderating Role of Audit Fees in the Relationship between Professional Skepticism and Audit Quality

The results further show that Audit Fee does not moderate the relationship between Professional Suspicion and Audit Firm Quality, with fee levels neither strengthening nor weakening the effect of skepticism on audit outcomes. One plausible explanation is that professional ethics and auditing standards obligate auditors to sustain a questioning, critical stance throughout an engagement regardless of how much they are paid.

This finding is consistent with Hasibuan & Tjakrawala (2025), who likewise found no moderating effect of audit fees on the relationship between professional suspicion and audit firm quality, as well as with Afnisah & Hasibuan (2026), who reported no moderating role of audit fees in the relationship between Professional Suspicion and audit firm quality. Taken together, these results suggest that structural factors do not necessarily reinforce the behavioral mechanisms that underlie audit firm quality.

Interpreted through Behavioral Agency Theory, economic considerations do not automatically alter professional auditor behavior; instead, professional ethics and auditing standards appear to carry more weight than financial incentives in this regard. The findings thus point to behavioral and ethical factors remaining more consequential than economic incentives in explaining audit firm quality among auditors in Medan City.

## CONCLUSION AND SUGGESTIONS

This research aimed to investigate how independence and professional suspicion influence audit firm quality, treating audit fees as a moderating variable. The results demonstrate that independence has an effect on audit firm quality that is both positive and statistically significant, confirming that the capacity to uphold objectivity and professional independence stands as a key determinant of audit firm quality.

Professional suspicion, on the other hand, registers no significant direct effect on audit firm quality, pointing to the possibility that, within this sample, the measured level of skepticism did not account for observed differences in audit firm quality. Likewise, audit fees do not moderate the relationships linking Independence, Professional Suspicion, and audit firm quality, indicating that variation in fee levels does not materially reshape these relationships. Taken as a whole, the findings suggest that audit firm quality among auditors at Public

Accounting Firms in Medan City is more closely tied to professional characteristics, particularly independence, than to economic factors associated with audit fees.

This research adds to the auditing literature by establishing Independence as a key driver of audit firm quality. The direct effect observed for independence lends support to the view that professional auditor attitudes can be translated into genuinely high-quality audit behavior. By contrast, the non-significant effect found for Professional Suspicion suggests that behavioral mechanisms do not invariably represent the main pathway through which audit firm quality is enhanced, an observation that opens up avenues for future research to reassess the role of professional suspicion under differing institutional and organizational conditions. Similarly, the limited explanatory power of audit fees relative to professional and ethical factors extends the behavioral auditing perspective by underscoring the centrality of auditor characteristics in producing high-quality audits.

For Public Accounting Firms, these findings imply that efforts to improve audit firm quality should not be centered on fee structures alone. Instead, firms would do well to strengthen professional auditor behavior through four complementary initiatives: (1) skepticism-based training aimed at sharpening auditors' capacity to question and critically evaluate audit evidence; (2) development of a forensic mindset to cultivate investigative thinking in identifying fraud and material misstatements; (3) audit judgment calibration programs designed to promote greater consistency in professional judgment amid complex audit situations; and (4) bias-awareness training intended to mitigate cognitive biases, such as confirmation bias, anchoring bias, and overconfidence, that may otherwise distort audit decisions.

For regulators and professional organizations, the findings underscore the value of reinforcing oversight of Independence, alongside embedding case-based development of Professional Suspicion within continuing professional education programs.

A number of limitations should be borne in mind when interpreting these findings. First, because the study relies on a self-reported questionnaire, all variables are measured through respondents' own perceptions, an approach that may introduce social desirability bias, as auditors could be inclined to provide responses reflecting idealized professional behavior rather than actual practice. Second, the cross-sectional design precludes longitudinal observation of the causal dynamics among variables, making it difficult to adequately capture how independence, professional suspicion, and audit firm quality evolve over time. Third, although the Common Method Bias assessment yielded acceptable results, drawing on just one data source may still leave room for a degree of common method bias that cannot be fully excluded.

Fourth, the sample is limited exclusively to auditors from Public Accounting Firms in Medan City, so generalization to auditors throughout Indonesia should be undertaken cautiously. Fifth, audit firm quality is measured through auditor perceptions rather than objective indicators such as quality inspection findings, financial statement restatements, auditor litigation, or other external measures of audit firm quality. Future research should consider longitudinal designs, broader geographic coverage, combinations of survey data with

objective audit firm quality indicators, and additional behavioral variables such as professional judgment, auditor resilience, ethical reasoning, and fraud assessment as potential mechanisms linking Independence to audit firm quality.

## ACKNOWLEDGMENTS

The author extends sincere gratitude to all parties who contributed to the completion of this research. Special appreciation is directed to the auditors from public accounting firms in Medan who participated as respondents and provided valuable information and insights for this study. The author also expresses thanks for the support, guidance, and constructive feedback received from lecturers, colleagues, and fellow academics throughout the research process. The author bears full responsibility for the content and conclusions presented in this article.

## REFERENCES

- Abbott, L. J., Parker, S., Peters, G. F., & Raghunandan, K. (2003). The Association between Audit Committee Characteristics and Audit Fees. In *Auditing: A Journal Of Practice & Theory* (Vol. 22, Number 2).
- Adams, J. S. (1965). Inequity In Social Exchange. In L. Berkowitz (Ed.), *Advances in Experimental Social Psychology* (Vol. 2, pp. 267–299). Academic Press. [https://doi.org/https://doi.org/10.1016/S0065-2601\(08\)60108-2](https://doi.org/https://doi.org/10.1016/S0065-2601(08)60108-2)
- Afnisah, A., & Hasibuan, K. A. (2026). Indonesia Auditing Research Journal An examination of skepticism: Maintaining audit quality under the pressure of audit fees. In *Indonesia Auditing Research Journal* (Vol. 15, Number 1).
- Ainslie, G. (1991). Derivation of “Rational” Economic Behavior from Hyperbolic Discount Curves. *American Economic Review*, 81, 334–340.
- Aisyaturrahmi, A. (2021). Effective Audit Procedures: Is It Auditor’s Characters and Proffesional Sceptism Matters? *AKRUAL: Jurnal Akuntansi*, 13(1), 83–93. <https://doi.org/10.26740/jaj.v13n1.p83-93>
- Anuraga, G., Indrasetianingsih, A., & Athoillah, M. (2021). Pelatihan Pengujian Hipotesis Statistika Dasar dengan Software R. *Budimas : Jurnal Pengabdian Masyarakat*, 3. <https://doi.org/10.29040/budimas.v3i2.2412>
- Ayed, A. (2025). Supervisor personality and audit quality in Tunisia: do work environment and auditors’ experience matter? *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-05-2025-0373>

- Azzari, V., Mainardes, E. W., & Beiruth, A. X. (2023). ACCOUNTQUAL: a scale for measuring accounting service quality. *Journal of Accounting & Organizational Change*, 20(1), 130–152. <https://doi.org/10.1108/JAOC-07-2022-0112>
- Balboula, M. Z., & Elfar, E. E. (2023). The impact of partner perfectionism on audit quality: the mediating role of professional skepticism in the Egyptian context. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/JFRA-06-2023-0296>
- Blix, L., Chui, L., Pike, B., & Robinson, S. (2021). Improving auditor performance evaluations: The impact on self-esteem, professional skepticism, and audit quality. *Journal of Corporate Accounting & Finance*, 32, 84–98. <https://doi.org/10.1002/jcaf.22512>
- Chin, W., Marcolin, B., & Newsted, P. (2003). A Partial Least Squares Latent Variable Modeling Approach for Measuring Interaction Effects: Results from a Monte Carlo Simulation Study and an Electronic-Mail Emotion/Adoption Study. *Information Systems Research*, 14, 189–217. <https://doi.org/10.1287/isre.14.2.189.16018>
- Craswell, A., Stokes, D. J., & Laughton, J. (2002). Auditor independence and fee dependence. *Journal of Accounting and Economics*, 33(2), 253–275. [https://doi.org/https://doi.org/10.1016/S0165-4101\(02\)00044-7](https://doi.org/https://doi.org/10.1016/S0165-4101(02)00044-7)
- DeAngelo, L. E. (1981). Auditor size and audit quality. *Journal of Accounting and Economics*, 3(3), 183–199. [https://doi.org/https://doi.org/10.1016/0165-4101\(81\)90002-1](https://doi.org/https://doi.org/10.1016/0165-4101(81)90002-1)
- Deci, E. L., & Ryan, R. M. (1985). The general causality orientations scale: Self-determination in personality. *Journal of Research in Personality*, 19(2), 109–134. [https://doi.org/https://doi.org/10.1016/0092-6566\(85\)90023-6](https://doi.org/https://doi.org/10.1016/0092-6566(85)90023-6)
- DeFond, M., & Zhang, J. (2014). A review of archival auditing research. *Journal of Accounting and Economics*, 58(2), 275–326. <https://doi.org/https://doi.org/10.1016/j.jacceco.2014.09.002>
- Devota, A., & Priono, H. (2021). Etika Auditor sebagai Pemoderasi Fee Audit, Independensi, dan Kompetensi terhadap Kualitas Audit. *Jurnal Ilmu Sosial, Manajemen, Akuntansi Dan Bisnis*, 2, 14–28. <https://doi.org/10.47747/jismab.v2i2.243>
- Ensaf, A., Lari Dasht Bayaz, M., & Salehi, M. (2025). The impact of the previous audit adjustments on audit fees, audit quality and audit report delay. *International Journal of Accounting and Information Management*. <https://doi.org/10.1108/IJAIM-12-2024-0452>
- Farag, M. S., & Elias, R. Z. (2016). The relationship between accounting students' personality, professional skepticism and anticipatory socialization. *Accounting Education*, 25(2), 124–138. <https://doi.org/10.1080/09639284.2015.1118639>

- Fauziyyah, Z., & Praptiningsih, P. (2020). PENGARUH AUDIT FEE, AUDIT TENURE, DAN ROTASI AUDIT TERHADAP KUALITAS AUDIT. *Monex Journal Research Accounting Politeknik Tegal*, 9, 1–17. <https://doi.org/10.30591/monex.v9i1.1232>
- Fellicia, & Dwi Astuti, C. (2025). The Effect of Auditor Switching and Auditor Independence on Audit Quality With Audit Fee as a Moderating Variable. *Accounting Research Journal of Sutaatmadja (ACCRUALS)*, 39–50. <https://doi.org/10.35310/accruals.v9i02.1552>
- Frey, B., & Jegen, R. (2001). Motivation Crowding Theory: A Survey of Empirical Evidence. *J Econ Surv*, 15. <https://doi.org/10.2139/ssrn.203330>
- Gul, F. A. (1989). Bankers' Perceptions of Factors Affecting Auditor Independence. *Accounting, Auditing & Accountability Journal*, 2(3). <https://doi.org/10.1108/09513578910132303>
- Gunistiyo, Noviany, D., & Prihadi, D. (2024). Metodologi Penelitian Modern: Panduan SmartPLS yang Praktis untuk Peneliti. In *Dien Noviany R. S.E., M.M.*
- Ha, T. P. D., & Tran, M. D. (2025). The Impact Of Audit Fees On The Quality Of Audit Services Of Public Interest Entities In Vietnam. *Financial and Credit Activity: Problems of Theory and Practice*, 2(61), 168–179. <https://doi.org/10.55643/fcaptp.2.61.2025.4615>
- Hafni Sahir, S. (2022). *Metodologi Penelitian*. [www.penerbitbukumurah.com](http://www.penerbitbukumurah.com)
- Hair, J., Ringle, C., Gudergan, S., Fischer, A., Nitzl, C., & Menictas, C. (2018). Partial least squares structural equation modeling-based discrete choice modeling: an illustration in modeling retailer choice. *Business Research*, 12. <https://doi.org/10.1007/s40685-018-0072-4>
- Haruna, S. Y., Bala, H., & Bello, M. S. (2022). Audit Tenure, Audit Independence, Audit Committee Independence, Board Independence, and Audit Quality in the Listed Deposit Money Banks in Nigeria: The Moderating Effect of Institutional Ownership. *Jurnal Dinamika Akuntansi Dan Bisnis*, 9(1), 19–36. <https://doi.org/10.24815/jdab.v9i1.23618>
- Hasibuan, K., & Tjakrawala, K. (2025). The New Face of Audit Quality: Integrating Advanced Analytics and Digital Tools. *American Journal of Economic and Management Business (AJEMB)*, 4, 594–610. <https://doi.org/10.58631/ajemb.v4i5.205>
- Henseler, J., Ringle, C., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43, 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Hurt, K. (2010). Development of a Scale to Measure Professional Skepticism. *AUDITING: A Journal of Practice & Theory*, 29, 149–171. <https://doi.org/10.2308/aud.2010.29.1.149>

- Hurt, K., Brown-Liburd, H., Earley, C., & Krishnamoorthy, G. (2013). Research on Auditor Professional Skepticism: Literature Synthesis and Opportunities for Future Research. *AUDITING: A Journal of Practice & Theory*, 32, 45–97. <https://doi.org/10.2308/ajpt-50361>
- Husnawati, H., Tentama, F., & Situmorang, N. (2019). Pengujian validitas dan reliabilitas konstruk hope. *Jurnal Psikologi Terapan Dan Pendidikan*, 1, 128. <https://doi.org/10.26555/jptp.v1i2.15136>
- Juliyanti Sidik Tjan, Muslim, M., Andriani Alimin, Muh Yamin Noch, & Yaya Sonjaya. (2024). Independence, Professional Skepticism, And Audit Quality: The Moderating Role Of Audit Fees. *Jurnal Akuntansi*, 28(1), 40–60. <https://doi.org/10.24912/ja.v28i1.1698>
- Kock, N. (2015). Common Method Bias in PLS-SEM: *International Journal of E-Collaboration*, 11, 1–10. <https://doi.org/10.4018/ijec.2015100101>
- Kusumawati, A., & Syamsuddin, S. (2018). The effect of auditor quality to professional skepticism and its relationship to audit quality. *International Journal of Law and Management*, 60(4), 998–1008. <https://doi.org/10.1108/IJLMA-03-2017-0062>
- Kwong, K., & Wong, K. (2013). *Mastering Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS in 38 Hours*. <https://www.researchgate.net/publication/332031150>
- Leibenstein, H. (1966). *X-Efficiency* (pp. 1–4). [https://doi.org/10.1057/978-1-349-95121-5\\_1888-2](https://doi.org/10.1057/978-1-349-95121-5_1888-2)
- Lepper, M. R., & Greene, D. (1978). *The Hidden costs of reward: new perspectives on the psychology of human motivation*. <https://api.semanticscholar.org/CorpusID:142583737>
- Mardijuwono, A. W., & Subianto, C. (2018). Independence, professionalism, professional skepticism: The relation toward the resulted audit quality. *Asian Journal of Accounting Research*, 3(1), 61–71. <https://doi.org/10.1108/AJAR-06-2018-0009>
- Muslim, M., Nurwanah, A., Sari, R., & Arsyad, M. (2020). Pengaruh Pengalaman Kerja, Independensi, Integritas, Kompetensi Dan Etika Auditor Kualitas Audit. *Wacana Equilibrium (Jurnal Pemikiran Penelitian Ekonomi)*, 8, 100–112. <https://doi.org/10.31102/equilibrium.8.2.100-112>
- Nelson, M. W. (2009). A Model and Literature Review of Professional Skepticism in Auditing. *AUDITING: A Journal of Practice & Theory*, 28(2), 1–34. <https://doi.org/10.2308/aud.2009.28.2.1>

- Nolder, C., & Kadous, K. (2018). Grounding the professional skepticism construct in mindset and attitude theory: A way forward. *Accounting, Organizations and Society*, 67. <https://doi.org/10.1016/j.aos.2018.03.010>
- Otuya, S. (2019). *Auditors' Independence And Quality Of Financial Reporting In Listed Nigerian Manufacturing Companies*. <https://api.semanticscholar.org/CorpusID:268429348>
- Pepper, A., & Gore, J. (2015). Behavioral Agency Theory: New Foundations for Theorizing About Executive Compensation. *Journal of Management*, 41(4), 1045–1068. <https://doi.org/10.1177/0149206312461054>
- Peytcheva, M. (2014). Professional Skepticism and Auditor Cognitive Performance in a Hypothesis-testing Task. *Managerial Auditing Journal*, 29. <https://doi.org/10.1108/MAJ-04-2013-0852>
- Pratt, J., & Zeckhauser, R. (1985). *Principals and Agents: The Structure of Business*.
- Prihantini, F. N., Januarti, I., & Darsono. (2025). Evaluating the Impact of Board Effectiveness and Audit Committee Performance on Audit Quality during the Covid-19 Pandemic: Evidence from Indonesian Firms. *International Journal of Economics and Financial Issues*, 15(3), 254–261. <https://doi.org/10.32479/ijefi.17587>
- Rahadi, D. R. (2023). *Pengantar Partial Least Squares Structural Equation Modeling (PLS-SEM)*.
- Reid, L. C., Carcello, J. V, Li, C., Neal, T. L., & Francis, J. R. (2019). Impact of Auditor Report Changes on Financial Reporting Quality and Audit Costs: Evidence from the United Kingdom. *Contemporary Accounting Research*, 36(3), 1501–1539. <https://doi.org/https://doi.org/10.1111/1911-3846.12486>
- Resza, E., Koeswayo, P., & Devano, S. (2023). Pengaruh Fee Audit dan Masa Perikatan Audit Terhadap Kualitas Audit. *Owner*, 7, 3186–3196. <https://doi.org/10.33395/owner.v7i4.1631>
- Salehi, M., Fakhri Mahmoudi, M. R., & Daemi Gah, A. (2019). A meta-analysis approach for determinants of effective factors on audit quality: Evidence from emerging market. *Journal of Accounting in Emerging Economies*, 9(2), 287–312. <https://doi.org/10.1108/JAEE-03-2018-0025>
- Sampet, J., Sarapaivanich, N., & Wanchuplow, J. (2025). Bridging the Distance: Spatial and Social Factors Influencing Audit Quality and Auditor Independence in Small and Medium-

- Sized Enterprises. *Journal of Risk and Financial Management*, 18(7). <https://doi.org/10.3390/jrfm18070374>
- Santoso, R., Riharjo, I., & Kurnia, K. (2020). Independensi, Integritas, Serta Kompetensi Auditor Terhadap Kualitas Audit dengan Skeptisisme Profesional Sebagai Variabel Pemoderasi. *Journal of Accounting Science*, 4, 36–56. <https://doi.org/10.21070/jas.v4i2.559>
- Sari, M. P., Saidah, N., Utaminingsih, N. S., & Raharja, S. (2023). Determinants of Audit Quality in State-Owned Enterprises Listed on the Indonesia Stock Exchange with Audit Fee as Moderating Variable. *Montenegrin Journal of Economics*, 19(3), 89–102. <https://doi.org/10.14254/1800-5845/2023.19-3.7>
- Sembiring, T. F., Irmawati, Sabir, M., & Tjahyadi, I. (2023). *Buku Ajar Metodologi Penelitian (Teori dan Praktik)*.
- Sliwka, D. (2007). Trust as a Signal of a Social Norm and the Hidden Costs of Incentive Schemes. *American Economic Review*, 97, 999–1012. <https://doi.org/10.1257/aer.97.3.999>
- Soenjaya, H. (2024). Pengaruh Independensi, Skeptisisme, dan Kompetensi Auditor Terhadap Kualitas Audit dengan Etika Auditor sebagai Variabel Moderasi. In *Indonesian Journal of Auditing and Accounting (IJAA) 2024* (Vol. 1, Number 2). [www.jurnal.iapi.or.id](http://www.jurnal.iapi.or.id)
- Sugiyono. (2013). *Metode Penelitian Kuantitatif*.
- Van, H. N., Thanh, H. P., Thanh, C. N., Ngoc, D. N., & Hai, G. H. (2022). Study on factors affecting audit fees and audit quality through auditors' perceptions: Evidence from an emerging economy. *Problems and Perspectives in Management*, 20(2), 471–485. [https://doi.org/10.21511/ppm.20\(2\).2022.39](https://doi.org/10.21511/ppm.20(2).2022.39)
- Wallman, S. M. H. (1996). The Future of Accounting, Part Reliability and Auditor Independence. *Accounting Horizons*, 10(4), 76–97. <https://doi.org/10.2308/AH-9707142009>
- Wiseman, R. M., & Gomez-Mejia, L. R. (1998). A Behavioral Agency Model of Managerial Risk Taking. *The Academy of Management Review*, 23(1), 133–153. <https://doi.org/10.2307/259103>
- Yuniarti, R. (2011). Audit Firm Size, Audit Fee and Audit Quality. *Journal of Global Management*, 2(1), 84–97. <https://EconPapers.repec.org/RePEc:grg:03mngt:v:2:y:2011:i:1:p:84-97>

Zamzami, F., Tantri, S. N., & Timur, R. P. (2017). Effects of Auditor Independence and Experience, Size of Client's Financial Health and Audit Fee on Audit Quality: An Empirical Study on Public Accounting Firms in Indonesia. *Journal of Economics, Business and Management*, 5(1), 69–73. <https://doi.org/10.18178/joebm.2017.5.1.488>