


Factors Influencing Audit Judgement: Literature Review

Ervan Reri Nugraha¹, Trinandari Prasetya Nugrahanti²

^{1,2,3}IKPIA Perbanas Institute Jakarta

Article Info	ABSTRACT
<p>Article history:</p> <p>Received January, 2025 Revised January, 2025 Accepted March, 2025</p>	<p>The correctness of the final opinion regarding the fairness of the financial accounts will be impacted by the auditor's poor judgment. As a result, the assessment has a big impact on the ultimate choice, which will either directly or indirectly influence the choices that stakeholders must make. The purpose of this study is to investigate audit judgment empirically. The methodology is a study of the literature that looks at eight major studies and explores the findings of earlier research on the factors that can influence audit judgment. The theoretical contribution comprises supplying references for additional research as well as expanding readers' and researchers' knowledge. Practically speaking, this study should help readers understand the value of having audit judgment, particularly auditors and stakeholders.</p>
<p>Keywords:</p> <p>Audit Judgement, Auditor Experience, Independence, Competence, Audit fee, Auditor Mood, Auditor Virtue, Job Knowledge, Literature Review</p>	<p><i>This is an open access article under the CC BY-SA license.</i></p>
<p>Corresponding Author:</p> <p>Name: Ervan Reri Nugraha Institution Address: IKPIA Perbanas Institute Jakarta e-mail: ervanrerinugraha@gmail.com</p>	

1. INTRODUCTION

When financial information users consider decision-making, they need accurate financial reports [1]. Therefore, the presence of an independent third party, namely the auditor, is needed. Auditors are independent professionals that provide financial statement verification services. They are accountable to society and the public for their work, not only to the customers they serve. The auditor is free to base his decisions in the assignment on his personal considerations. Auditors must base their decisions on the evidence they have gathered, not only what they have seen and heard. It is the duty of auditors to make sure that the financial statements that companies provide are accurate and pertinent. In the course of their work, the auditor will design and conduct the audit in order to obtain sufficient assurance about the presence or lack

of significant errors, whether or not they are deliberate.

According to [2], auditing is the process of overseeing financial reporting and its disclosure by assessing a substantial amount of alternative data and determining if the data complies with accounting rules. Naturally, a variety of factors influence the formation of good audit quality [3]. The overall quality of the audit is determined by the quality of the audit judgment.

An auditor's judgment is a subjective assessment or point of view when reacting to information that affects the documentation of evidence and the decision-making process about the auditor's opinion on an entity's financial accounts [4]. If the auditor's appraisal of the fairness of the financial statements is incorrect, it will affect the final opinion's correctness. The negative effects on public opinion, business relationships,

reputation, and self-esteem greatly exceed the cost of defending against the charge. Since auditors may face legal repercussions if the audited financial statements turn out to be materially inaccurate, their capacity to properly develop these assessments is essential. The degree of correctness of audit judgment determines the quality of audit results; the more accurate the auditors' judgment, the better and higher the quality of the audit results [5].

The auditor's ability to provide an assessment is very important, because like the incident that occurred with PT Indofarma Tbk (INAF), the Independent Auditor gave a Fair opinion on PT Indofarma Tbk's Financial Statements in 2021, even though based on the case it was revealed that there were significant irregularities that caused state losses of IDR 371.8 billion. The ability of auditors is highly tested when facing the condition of financial statements presented manipulatively, so that they can carry out quality audits resulting from the ability to conduct audit assessments.

As professionals, auditors are not only responsible for providing an opinion on the fairness of financial statements, but also on the overall audit results. Auditors must be careful in carrying out their duties and making appropriate audit judgments. To avoid audit failures, auditors are required to always be professional, which is a crucial issue in the accounting profession. The professionalism of auditors can be seen from their accuracy in making audit judgments during assignments.

Fritz Heider first put forth the notion of attribution in 1958. It describes how we interpret and make sense of an individual's actions. The process of determining the reasons and motivations underlying a person's actions is the main focus of this theory. According to attribution theory, a person's behavior can be explained through two main factors: internal and external. Internal factors include individual traits, characters, and attitudes, while external factors involve certain situational pressures or conditions that can affect a person's actions [6]. Understanding these two elements helps

us to better understand why people behave the way they do. In this situation, the auditor must be able to evaluate or disclose the auditee's condition.

The purpose of the research is to be able to provide insight into the problems that have been described from several previous studies, this research aims to gain a deeper understanding of the factors that can affect audit judgement. The implications of this study are expected to provide a foundation for the development of more effective strategies in improving the quality and accuracy of audit assessments. In addition, it is hoped that this study will provide valuable guidance for practitioners and decision-makers in the context of financial audits.

2. METHODS

This study uses a literature review methodology, incorporating data from the last six years' worth of scientific publications. In order to guarantee that the research includes the most recent advancements about the components influencing audit judgment, this database was chosen over a six-year timeframe. Reading abstracts, reading entire articles, and assessing the caliber of study methods using internet resources like Google Scholar are all part of the literature selection process.

In the context of qualitative research, literature review must be applied in accordance with the underlying methodological assumptions. This means that literature review must be carried out inductively, where the research process does not begin with directed questions from the researcher, but is more open to the development of existing information. One of the main reasons to choose a qualitative method is because of its exploratory nature [7]. Thus, this approach allows research to be carried out exploratively to understand the phenomenon being studied more deeply.

3. RESULTS AND DISCUSSION

3.1 Article Identity

Table 1. Article Identity Summary

No	Author & Year	Heading	Journal	Citation(s)
1	[8]	The Effect of Mediation of Self-Efficacy and Professional Skepticism on the Influence of Auditor Experience on Audit Judgement (Empirical Study at the BPKP Office of Maluku Province)	Garuda: Intelektiva: Jurnal Ekonomi, Sosial & Humaniora Intelektiva, 4(10)	1
2	[9]	The Influence of Independence, Competence and Professional Skepticism Towards the Quality of Audit Judgment (Empirical Study on the Audit Board of the Republic Indonesia Representative of Bali Province)	Garuda: HITA Accounting and Finance, 5(3)	16
3	[10]	The Influence of Competence, Time Budget Pressure, Audit Fee, Audit Quality on Audit Judgment of Public Accounting Firms in Jakarta	Copernicus: Journal Scientific Of Mandalika, 4 (5)	5
4	[11]	The Effect of Independence and Auditor Experience on Audit Judgment with Task Complexity as a Moderating Variable in the Finance Sector and the Development Supervisory Agency (BPKP) Representative of DKI Jakarta, Indonesia	Copernicus: International Journal Of Economics, Management, and Accounting, 2(2)	0
5	[12]	The Influence of Independence, Integrity, and Professionalism on Audit Judgment (Study on BPK RI Bali Provincial Representative)	Sinta 4: Economic Journal, 13(3)	0
6	[13]	The Influence of Auditor Competence, Auditor Mood, and Auditor's Virtue towards Audit Evaluation (Case Study on Public Accounting Firms in Jakarta)	DOAJ: American Journal of Humanities and Social Sciences Research, 9(9)	8

- 7 [14] The Influence of Auditor Experience, Auditor Expertise, Independence, Obedience Pressure, and Task Complexity on Audit Judgement Sinta 4: Journal of Accounting and Taxation, 11(1) 24
- 8 [15] The Effect of Job Complexity, Job Knowledge and Job Experience with Self-Efficacy as a Moderating Variable on Audit Judgment Sinta: Scientific Journal of the Present Global Economy, 12(2) 5

3.2 Theories Used

Table 2. Theory Used

Theories used	Mention(s)
Attribution Theory	4
Prospect Theory	1
Theory of Virtue Ethics	1
Cognitive Theory	2
Affective Event Theory	1
<i>Theory Ethics of Virtue</i>	1
<i>Theory planned of behavior</i>	1

Researchers frequently employ attribution theory to explain auditor judgment, performance evaluation, and decision-making. Attribution has to do with the evaluation and the conduct of an auditor. Internal attribution determines the auditor's capacity for sound judgment, with the elements influencing the capacity originating more inside.

Prospect Theory [16] is a behavioral model that illustrates how people choose amongst a range of risky and uncertain options. Human behavior in all domains, including life in decision-making under many circumstances, is described by prospect theory. This theory takes a descriptive method to focus on an actual decision-making process.

The Greek philosopher Aristotle developed the Ethics of Virtue theory, which holds that integrity and personal character combine to create a concept of living life in accordance with a commitment to come to a clear understanding of what kind of person I want to be and how I can become that person. According to virtue ethics, virtue is a normative attribute that characterizes people's propensity to act morally and so

fulfill the values of the group they belong to [17].

[18] proposed the Cognitive Theory in an effort to explain how people think in response to persuasive stimuli and how their ideas and cognitive processes influence whether and how much they experience changes in their attitudes. According to this view, people's information, beliefs, or opinions about their surroundings, personalities, or actions make up the cognitive component.

Employee performance and job satisfaction may be impacted by emotional responses to events that take place in the workplace, according to the Affective Event Theory model [19]. Emotions and moods are significant aspects of life that can impact job satisfaction and performance in the workplace. According to this hypothesis, an employee's emotions are a reaction to things that happen in their workplace.

Theory of planned behavior according to [20] can provide predictions on behavior control such as behavior measurement by including previous subjective norm measurements, then if you want to estimate a person's intention,

knowing a person's attitude is very important. Behavioral control of a person's perception of their desire to behave can affect behavioral intention. There is a considerable possibility of perceived behavioral control in behavior. A

3.3 Article Methodology

Table 3. Article Methodology

Article No	Data Type	Source Data	Sample	Sampling Method	Data Analysis
1	Quantitative	Primary questionnaire	Data: 62 auditors at the Maluku Provincial BPKP Office)	<i>Purposive sampling</i>	Regression
2	Quantitative	Primary questionnaire	Data: 60 auditors at the Bali Provincial BPKP Office	<i>Purposive sampling</i>	Regression
3	Quantitative	Primary questionnaire	Data: 32 auditors in 9 Accounting firms in Jakarta	<i>Purposive sampling</i>	T-test, R square test, and F test
4	Quantitative	Primary questionnaire	Data: 53 people in BPKP DKI Jakarta	<i>Purposive sampling</i>	<i>Analisis Partial Least Square</i> Regression
5	Quantitative	Primary questionnaire	Data: 95 BPK RI auditors at the Bali Provincial Representative Office	<i>Purposive sampling</i>	Regression
6	Quantitative	Primary questionnaire	Data: 120 respondents from 24 Public Accounting Firms	<i>convenience sampling</i>	Analisis Partial Least Square Regression
7	Quantitative	Primary questionnaire	Data: 104 respondents who worked at a Public Accounting Firm for at least 3 years in Jakarta and Tangerang with a minimum of S1 education with a minimum position of senior auditor	<i>Purposive sampling</i>	Regression
8	Quantitative	Primary questionnaire	Data: 100 auditors at public accounting firms in the East Surabaya area	<i>Probability sampling</i>	Regression

This table presents a comprehensive summary of the key aspects related to the methodology used in several research articles focused on the analysis of factors affecting audit judgement. The types of data used in this study are uniformly classified as primary data. With the data source generated by

person's work ethic in his or her behavior depends not only on the motivation to do the work but also on sufficient control over the behavior carried out [21].

giving questionnaires to the respondents, data was obtained for further analysis. The samples examined in the study were all obtained from auditors working in BPKP Representative Offices, Public Accounting Firms and BPK RI Representative Offices.

Data analysis usually uses regression analysis that significantly tests the relationship between variables and variables. This table can provide an overview of various

data sources, sampling methods, and analysis techniques used in testing hypotheses that affect audit judgement.

3.4 Results

Table 4. Summary of Results

Heading	Result
The Effect of Mediation of Self-Efficacy and Professional Skepticism on the Influence of Auditor Experience on Audit Judgement (Empirical Study at the BPKP Office of Maluku Province)	Audit judgment is positively and significantly impacted by the experience of the auditor. However, the association between auditor experience and audit judgment does not involve self-efficacy as an intervening variable. Similarly, the association between auditor experience and audit judgment is unaffected by professional skepticism as an intervening variable.
The Influence of Independence, Competence and Professional Skepticism Towards the Quality of Audit Judgment (Empirical Study on the Audit Board of the Republic Indonesia Representative of Bali Province)	The quality of audit judgment is positively and significantly impacted by independence. The quality of audit judgment is positively and significantly impacted by competence as well. Professional skepticism, however, has no discernible impact on the caliber of audit judgments.
The Influence of Competence, Time Budget Pressure, Audit Fee, Audit Quality on Audit Judgment of Public Accounting Firms in Jakarta	Competence significantly and favorably affects audit judgment. Time budget constraint is thought to significantly and negatively impact audit judgment. Audit judgment is positively and significantly impacted by audit costs. Additionally, audit judgment is positively and significantly impacted by audit quality. In general, audit judgment is influenced by expertise, time budget pressure, audit fee, and audit quality.
The Influence of Audit Independence and Experience on Audit Judgment with Task Complexity as a Moderating Variable in the Financial Sector and Development Supervisory Agency (BPKP) Jakarta Representative Jakarta Area, Indonesia	Independence has a significant effect on audit judgment. Audit experience has a big influence on audit judgment. Task complexity has no effect on the influence of independence on audit judgment. Task complexity does not lessen the influence of audit expertise on audit judgment.
The Effect of Auditor Competence, Auditor Mood, and Auditor Virtue on Audit Judgement (Case Study on Public Accounting Firms in Jakarta)	Judgement audits benefit from the competency of the auditor. The mood of the auditor influences audit judgment in a good way. The audit judgment is positively impacted by virtue auditors.
The Influence of Auditor Experience, Auditor	The audit judgment is unaffected by the auditor's experience. Audit judgment is influenced by the auditor's experience. Audit

Expertise, Independence, Compliance Pressure, and Task Complexity on Audit Judgement	judgment is impacted by independence. The audit decision is unaffected by compliance pressure. The audit judgment is influenced by the task's complexity.
--	---

<i>The Effect of Job Complexity, Job Knowledge and Job Experience with Self-Efficacy as a Moderating Variable on Audit Judgement</i>	Job complexity has no influence on audit judgment. Job knowledge has a positive and significant effect on audit judgment. Job experience has a positive and significant effect on audit judgment.
--	---

Auditors with a lot of experience (high flying hours) will produce fewer errors in audit assignments when compared to auditors who do not have much experience. This interprets that when the job experience (experience of audit assignment) decreases, the audit judgment made by the auditor will decrease as well as when the experience of audit assignment increases, the audit consideration made by the auditor will also increase (positive slope). Auditors with a high working period will gain a lot of experience and have gone through many challenges in completing audit assignments, so that auditors have adequate ability to process irrelevant financial statement information and the ability to detect fraud and material misstatements will produce independent audit reports that are adequate and reliable by their users [21], [24], [25].

Independence, in this case, shows that the auditor should not be controlled or influenced by anyone in the audit activities that are still being carried out so that it can improve the quality of the resulting audit judgement. This shows that the long-established relationship with the auditee affects the audit judgement produced by the auditor. In certain cases, when conducting an audit, an auditor who has been established for a long time with the auditee can interfere with the independence of an auditor. This can happen if the auditor and the auditee have group interests or between the two parties there is a personal relationship, so that it can affect the level of independence of the auditor [12].

According to the code of ethics, a public accountant must be competent if they

have the professional knowledge and expertise necessary to persuade a client or employer that they are providing competent professional services. This includes those who hold a CPA qualification. An auditor must possess knowledge of the subject matter, technical and functional skills, behavioral skills, intellectual capacity (including professional judgment), and professional values, ethics, and attitudes in order to perform their job. Knowledge and experience are indicators of a profession's competence; an auditor needs both formal education and experience in his field to assist himself in offering professional services [13].

A small audit fee can result in limited time and costs in carrying out an audit procedure and cause auditor information to be limited, thus affecting the auditor's consideration [10].

Audit quality is a possibility of finding errors in financial reporting by material misrepresentation [22]. This is very important for auditors in the auditing process because it is useful in reducing errors in information in financial statements used by managers, investors and external parties, [23].

The auditor the auditor's emotional state may have an unconscious or conscious impact on their decision-making. It is forbidden for auditors to base their decisions on their personal opinions. The evidence gathered must serve as the foundation for the auditors' professional decision-making [13], [26].

According to the code of ethics for public accountants, virtue auditors are essential for upholding the profession's reputation and fulfilling their duties to the

community. They must demonstrate the integrity of their character and morals [13].

Job Knowledge, the number of tasks carried out by auditors will increase their insight and knowledge, auditors who do not have knowledge and goal orientation have a significant error rate compared to auditors who do not have it. This interprets that when job knowledge decreases, audit judgment made by auditors will also decrease, as well as when audit assignment knowledge increases, audit considerations made by auditors will also increase (positive slope). Auditors who perform audit work based on adequate knowledge will provide adequate independent audit report output as well

4. CONCLUSION

Audit judgement is a perception consideration in responding to financial statement information obtained. In order for an auditor judgement to be accountable, an organization needs to pay attention to the factors that affect audit judgement.

The following conclusions were drawn from the discussion's outcomes: Auditor Experience Influences Audit Judgement; that is, if Audit Judgement improves, Audit Experience will as well.

Audit judgment is influenced by auditor competency; therefore, if auditor competency is improving, so will audit judgment. Audit Judgement is influenced by Auditor Independence, thus if Auditor Independence improves, so will Audit Judgement. Audit Fees affect Audit Judgement, meaning that if the Audit Fee is getting better, then Audit Judgement will also be better. Audit Quality affects Audit Judgement, meaning that if Audit Quality is getting better, then Audit Judgement will also be better. Auditor Mood affects Audit Judgement, meaning that if the Auditor Mood is getting better, then Audit Judgement will also be better. Virtue Auditors affect Audit Judgement, meaning that if Virtue Auditors get better, then Audit Judgement will also get better. Job Knowledge affects Audit Judgement, meaning that if Job Knowledge is getting better, then Audit Judgement will also be better.

As one of the literature reviews that discuss the topic of audit judgment, the results of the research can still be expanded to the scope of literacy used from various sources. Further research can also focus on other variables whose influence on audit judgment is still not widely researched, such as self-efficacy, time budget pressure, and so on.

REFERENCES

- [1] Tan, W., & Kuntadi, C. (2022). The Role of Auditor Experience, Whistleblowing, and Red Flags on Auditor Fraud Detection. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 5(4), 30669-30675.
- [2] Siregar, W. M., Saputra, J., & Muhammad, Z. (2019). The Effect of Audit Knowledge, Audit Document Complexity and Auditor Experience Towards Audit Judgement of Internal Auditor in West Aceh Inspectorate Office, Indonesia. *Universiti Malaysia Terengganu Journal of Undergraduate Research*, 1(2), 111-117.
- [3] Badera, I. D. N., & Jati, I. K. (2020). Moral reasoning, whistleblowing intention, and audit judgement moderate the effect of ethical sensitivity on internal audit quality. *International Research Journal of Management, IT and Social Sciences*, 7(6), 42-53.
- [4] Prasetya Muttiwijaya, G. T., & Ariyanto, D. (2019). Pengaruh Self Efficacy, Skeptisisme Profesional, Independensi, dan Kompleksitas Tugas Terhadap Audit Judgment. *E-Jurnal Akuntansi*, 27, 1290. <https://doi.org/10.24843/eja.2019.v27.i02.p17>
- [5] Gendrianto, Rustandi, B., & Mutaqien, T. Z. (2018). Faktor-Faktor yang Mempengaruhi Audit Judgment. *Jurnal SIKAP (Sistem Informasi, Keuangan, Auditing Dan Perpajakan)*, 3(1), 37-48.
- [6] Luthans, F., Avolio, B. J., Walumbwa, F. O., & Li, W. (2005). The psychological capital of Chinese workers: Exploring the relationship with performance. *Management and organization review*, 1(2), 249-271.
- [7] Ali, H., & Limakrisna, N. (2013). *Metodologi Penelitian (Petunjuk Praktis untuk Pemecahan Masalah Bisnis, Penyusunan Skripsi, Tesis, dan Disertasi)* (1 ed.). Deepublish.
- [8] Usmany, P., Erlely, P. M., & Radianto, A. J. V. (2023). Efek Mediasi Efikasi Diri Dan Skeptisme Profesional Pada Pengaruh Pengalaman Auditor Terhadap Audit
- [9] Dilla, P. A. M. (2021). Pengaruh Independensi, Kompetensi Dan Skeptisme Profesional Terhadap Kualitas Audit Judgment. *Hita Akuntansi dan Keuangan*, 2(2), 333-349.
- [10] Nurcaliana, Y. A., & Pangaribuan, H. (2023). Pengaruh Kompetensi, Time Budget Pressure, Audit Fee, Kualitas Audit

- Terhadap Audit judgment Kantor Akuntan Publik Di Jakarta. *JOURNAL SCIENTIFIC OF MANDALIKA (JSM) e-ISSN 2745-5955 | p-ISSN 2809-0543*, 4(5), 43-50.
- [11] Gunawan, J., & Napisah, N. (2024). The Influence of Independence and Audit Experience on Audit Judgment with Task Complexity as a Moderating Variable at the Financial and Development Supervisory Board (BPKP) Representative of the DKI Jakarta Region, Indonesia. *International Journal of Economics, Management and Accounting (IJEMA)*, 2(2), 225-236.
 - [12] Ramadhani, M. I. N., Suryanawa, I. K., & Sudirga, I. G. A. D. S. (2024). The Influence Of Independence, Integrity, And Professionalism On Audit Judgement (Study At BPK RI Representative Of Bali Province). *Jurnal Ekonomi*, 13(03), 204-218.
 - [13] Siregar, R. A., & Fadjarenie, A. The Effect Of Auditor Competence, Auditor Mood, And Auditor Virtue On Audit Judgement.
 - [14] Vincent, N., & Osesoga, M. S. (2019). Pengaruh Pengalaman Auditor, Keahlian Auditor, Independensi, Tekanan Ketaatan, Dan Kompleksitas Tugas Terhadap Audit Judgement. *Ultimaccounting Jurnal Ilmu Akuntansi*, 11(1), 58-80.
 - [15] Hakim, A. L., & Anwar, S. (2021). Pengaruh Job Complexity, Job Knowledge dan Job Experience dengan Self-Efficacy Sebagai Variabel Moderasi Terhadap Audit Judgment. *Jurnal Ilmiah Ekonomi Global Masa Kini*, 12(2), 112-126.
 - [16] Kahneman, T. (1979). D. kahneman, a. tversky. *Prospect theory: An analysis of decisions under risk*, 263-291.
 - [17] MacIntyre, A. (2007). *After virtue: A study in moral theory*. University of Notre Dame Press.
 - [18] Greenwald, A. G. (1968). On defining attitude and attitude theory. *Psychological foundations of attitudes*, 99, 361-388.
 - [19] Coulter, M. (2012). Stephen P. Robbins. *Management*. Pearson.
 - [20] Hasnidar, Mediaty, & Kusumawati, A. (2018). The Effect of Self-Efficacy and Obedience Pressure on Audit Judgment by Using Task Complexity and Moral Reasoning As The Moderating Variable. *International Journal of Advanced Research*, 6(10), 238-248.
 - [21] Hakim, A. L., & Anwar, S. (2021). Pengaruh Job Complexity, Job Knowledge dan Job Experience dengan Self-Efficacy Sebagai Variabel Moderasi Terhadap Audit Judgment. *Jurnal Ilmiah Ekonomi Global Masa Kini*, 12(2), 112-126.
 - [22] Pangesti, D. B., & Setyowati, W. (2018). Pengaruh Persepsi Etis, Pengalaman Auditor, Tekanan Ketaatan dan Kompleksitas Tugas Terhadap Kualitas Audit Judgement. *Prosiding SENDI*, 978-979. https://unisbank.ac.id/ojs/index.php/send_i_u/article/view/6057
 - [23] Pangaribuan, H. (2017). Audit Quality, Independence of Auditor and Implementation of Audit Standard: A Survey Based Study. *Abstract Proceedings International Scholars Conference*, 5(1), 107. <https://doi.org/https://doi.org/10.35974/isc.v.1498>
 - [24] Nugrahanti, T. P., & Jahja, A. S. (2018). Audit judgment performance: The effect of performance incentives, obedience pressures and ethical perceptions. *Journal of Environmental Accounting and Management*, 6(3), 225-234.
 - [25] Nugrahanti, Trinandari & Pratiwi, A. (2023). The Remote Auditing and Information Technology. *JABE (Journal of Accounting and Business Education)*. 8. 15-39. 10.26675/jabe.v8i1.37369.
 - [26] Nugrahanti, T. P. (2023). Analyzing the evolution of auditing and financial insurance: tracking developments, identifying research frontiers, and charting the future of accountability and risk management. *West Science Accounting and Finance*, 1(02), 59-68.