

The Impact of Public Accountant Competence, Audit Review Quality, and Timeliness of Reporting on Client Loyalty through Audit Trust in Accounting Firms in Jakarta

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ABSTRACT

This study examines the influence of public accountant competence, audit review quality, and timeliness of reporting on client loyalty, with audit trust serving as a mediating variable. The research was conducted on public accounting firms operating in Jakarta using a quantitative approach. A total of 250 valid responses were collected through a structured questionnaire and analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS 3). The findings indicate that public accountant competence, audit review quality, and timeliness of reporting have significant positive effects on audit trust. In turn, audit trust significantly influences client loyalty. Moreover, audit trust partially mediates the relationship between each independent variable and client loyalty, underscoring its critical role in shaping long-term client relationships. The study provides both theoretical contributions and practical implications for public accounting firms in fostering client trust and retention.

Keywords: *Public Accountant Competence, Audit Review Quality, Timeliness of Reporting, Audit Trust, Client Loyalty.*

1. INTRODUCTION

In today's competitive and highly regulated business environment, public accounting firms play a pivotal role in ensuring the integrity and transparency of financial information, with stakeholders such as investors, regulatory bodies, and management relying heavily on audit outcomes to make informed decisions. Client loyalty to these firms is shaped by several key factors—most notably the competence of public accountants, the quality of audit reviews, and the timeliness of reporting—which collectively determine the quality and reliability of audit services. Auditor competence, reflected in their knowledge, experience, and ability to conduct audits objectively and meticulously, is essential for maintaining high audit quality [1], [2]. The quality of audit reviews depends on factors such as auditor independence, ethical conduct, accountability, and experience, all of which enhance transparency in financial reporting and positively influence audit quality [3], [4]. Meanwhile, timeliness in audit reporting, as a critical aspect of auditor performance, significantly affects audit quality, with time budget constraints posing potential risks if not managed effectively [2], [5]. Together, these elements form the foundation for sustaining high-quality audits and fostering enduring client loyalty.

Competence, defined as the technical knowledge, professional judgment, and adherence to ethical standards possessed by public accountants, is a critical determinant of audit quality, enabling auditors to detect material misstatements, apply appropriate audit procedures, and maintain professional skepticism—factors that build client trust and ensure the accuracy and compliance of

audit findings. High-quality audit reviews, characterized by thoroughness and rigor, further strengthen the reliability of audit results by ensuring adherence to applicable standards, while timeliness in reporting plays a vital role in environments where prompt financial information is essential for strategic planning and regulatory compliance. Research consistently shows that competence significantly and positively influences audit quality by equipping auditors with the necessary knowledge and experience to conduct thorough and effective audits [2], [6], [7], and when combined with strong professional ethics, it upholds audit integrity and affects the determination of materiality levels in financial audits [8]. Alongside competence, professionalism and organizational commitment contribute to the delivery of high-quality audits by fostering integrity, accountability, and ethical sensitivity [7], [9], while auditor performance—particularly in terms of work quality and timeliness—remains a key driver of audit excellence and stakeholder confidence [2].

Audit trust—defined as a client’s belief in the auditor’s reliability, integrity, and ability to provide accurate and impartial assessments—is central to the relationship between audit service providers and their clients, acting as a mediator that links service quality to long-term outcomes such as client loyalty. In the auditing context, where services are intangible and outcomes are challenging to evaluate, trust becomes a critical driver of client retention, built upon the auditor’s perceived competence, ethical conduct, and consistency in delivering accurate assessments. Factors influencing trust include open communication and demonstrated concern during disagreements, which can mitigate negative impacts on trust [10], [11], the length of the auditor-client relationship—which generally enhances trust unless frequent prior conflicts exist—and client attributes such as transparency and reliability, which attract and sustain auditor trust [10]. Trust also serves as the foundation for developing deep, knowledge-based relationships that enable auditors to leverage their expertise and innovate, thereby strengthening client relationships [12]. Alongside satisfaction and commitment, trust significantly influences both the behavioral and cognitive loyalty of clients to accounting firms, making it a vital component in maintaining high-quality and enduring audit relationships [13].

This study aims to empirically examine the influence of public accountants’ competence, the quality of audit reviews, and the timeliness of reporting on client loyalty, with audit trust serving as a mediating variable. Conducted in Jakarta, Indonesia—a key hub for public accounting services—the research employs a quantitative approach involving 150 respondents from various client firms. The findings are expected to provide valuable contributions both theoretically and practically: theoretically, by offering insights into the causal relationships between service quality factors and client loyalty in the public accounting sector; and practically, by guiding public accounting firms in developing effective service delivery and trust-building strategies to foster and sustain long-term client relationships.

2. LITERATURE REVIEW

2.1 *Public Accountant Competence*

Auditor competence—encompassing professional knowledge, technical skills, and ethical standards—is a critical determinant of audit quality, directly influencing the accuracy of audit judgments, the reliability of recommendations, and ultimately enhancing client trust and satisfaction. Higher auditor competence has consistently been shown to improve audit quality, thereby maintaining the credibility of financial

statements [7], [9]. This competence enables auditors to perform their duties in accordance with professional standards, detect and report violations in accounting systems, and uphold the integrity of financial reports. Professionalism and adherence to ethical standards are integral components of competence, ensuring audits are conducted with due care, objectivity, and integrity [14], [15], with ethics serving as a mediating factor that strengthens the impact of competence on audit quality. Furthermore, relevant work experience enhances auditors' ability to identify errors and make sound judgments, while maintaining objectivity ensures they remain unbiased and free from external pressures—both of which are essential for delivering high-quality audits [3].

H1: Public accountant competence has a positive effect on audit trust.

2.2 *Audit Review Quality*

Audit review quality is a critical component of the audit process, ensuring that engagements are conducted with thoroughness, objectivity, and rigor to detect errors, enhance the reliability of findings, and foster trust in auditor-client relationships. High-quality reviews are essential for maintaining low levels of undetected material errors in financial statements and ensuring that any discovered errors are corrected or appropriately reported [16], a principle reinforced by the Sarbanes-Oxley Act of 2002, which underscores the importance of stringent engagement quality reviews in improving audit effectiveness [17]. Factors influencing review quality include maintaining objectivity despite potential personal ties between engagement quality reviewers (EQRs) and engagement partners, as research indicates that EQRs can still effectively challenge decisions regardless of such ties (Jones et al., 2011), and the use of detailed practice aids alongside clear review objectives, which can improve the recall of performance and audit risk-related information for more effective reviews [17]. From the client's perspective, high-quality reviews signal organizational professionalism, enhancing trust and strengthening auditor-client relationships [18], while perceptions of audit quality are also shaped by factors such as the nature of auditors' opinions and the pricing of audit services, both of which serve as surrogate measures for evaluating audit quality [16].

H2: Audit review quality has a positive effect on audit trust.

2.3 *Timeliness of Reporting*

Timeliness in audit reporting is vital for preserving the relevance and reliability of financial statements, which underpin informed decision-making and stakeholder confidence. Delays can reduce the predictive value of these statements, thereby diminishing their usefulness for users and decision-makers. Several factors influence audit report timeliness, including company characteristics, audit complexity, and geographic proximity between auditors and clients. Larger companies often benefit from more resources and structured processes, resulting in shorter audit delays, while negative profits and high ownership concentration tend to prolong them [19]. Audit complexity generally extends reporting time, but firms that maintain timeliness despite complexity are perceived as more professional [19]. Geographic proximity enhances timeliness, particularly for non-accelerated filers, as it facilitates better communication

and coordination [20]. Timely reporting not only builds stakeholder trust and reinforces perceptions of transparency and accountability [21] but also equips stakeholders with up-to-date information for making informed investment decisions and responding quickly to changes in a company's financial position [21].

H3: Timeliness of reporting has a positive effect on audit trust.

2.4 *Audit Trust*

Trust in the auditor-client relationship is a multifaceted construct built on the dimensions of ability, benevolence, and integrity, playing a pivotal role in sustaining long-term engagements, fostering client loyalty, and generating positive recommendations even in competitive environments. Open communication and demonstrated concern by client representatives during disagreements can strengthen auditor trust and mitigate the adverse effects of disputes [10], [11], while the length of association generally enhances trust unless frequent prior disagreements occur. Trust-attracting behaviors by clients during disagreements further highlight the significance of interpersonal dynamics in building strong professional relationships [10]. Importantly, trust and professional skepticism can coexist, enabling auditors to maintain objectivity and diligence while preserving constructive relationships with clients [22], and the timing of inconsistent evidence can influence both trust and distrust, affecting planned audit efforts—demonstrating that these are distinct but interacting dimensions in auditor-client dynamics [23]. In the broader context of professional services, trust facilitates the development of deep, knowledge-based relationships that enhance collaboration, innovation, and the effective application of expertise, providing a competitive advantage to both auditors and clients [12].

H4: Audit trust has a positive effect on client loyalty.

2.5 *Client Loyalty*

Client loyalty in audit services is a multifaceted concept shaped by trust, service quality, and client satisfaction, all of which are critical in fostering long-term relationships between clients and public accounting firms. Trust serves as a key mediator between auditor attributes and client loyalty, ensuring that clients feel confident in the auditor's capabilities and integrity, thereby strengthening long-term engagement [13], [24]. Service quality—encompassing both audit-specific and general service aspects—has a significant influence on client satisfaction, which in turn drives loyalty [24]. Client satisfaction itself acts as a mediating variable between audit/service quality and loyalty, with satisfied clients more likely to remain committed due to the perceived value and effectiveness of the audit services [24], [25]. Notably, behavioral factors, rather than purely economic ones, are primary drivers of satisfaction and loyalty, underscoring the importance of relationship quality in the audit context [25]. Commitment—particularly affective commitment—also plays a central role, shaped by trust, communication, and satisfaction, which collectively enhance loyalty [13], [26], while the overall quality of the auditor-client relationship positively impacts both behavioral and cognitive loyalty through strengthened communication and commitment [13].

H5: Audit trust mediates the effect of public accountant competence on client loyalty.

H6: Audit trust mediates the effect of audit review quality on client loyalty.

H7: Audit trust mediates the effect of timeliness of reporting on client loyalty.

3. METHODS

This study adopts a quantitative approach with an explanatory research design to examine the causal relationships between public accountant competence, audit review quality, and timeliness of reporting on client loyalty, with audit trust as a mediating variable. The explanatory design is considered appropriate for testing hypotheses and assessing the strength of relationships among variables using statistical techniques. The research population consists of clients of public accounting firms located in Jakarta, Indonesia, who have received audit services within the past year. Using a non-probability purposive sampling technique, respondents with direct experience and decision-making authority in using audit services—such as financial managers, directors, or owners—were targeted. A total of 150 valid responses were collected and analyzed, meeting the minimum sample size requirements for Structural Equation Modeling-Partial Least Squares (SEM-PLS), which suggests at least ten times the maximum number of inner or outer model paths directed at any construct (Hair et al., 2017).

Data were gathered through a structured questionnaire distributed both online and in person to selected companies in Jakarta. The questionnaire used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) and was organized into six sections: demographic information, public accountant competence, audit review quality, timeliness of reporting, audit trust, and client loyalty. Before the full survey deployment, a pilot test was conducted with 20 respondents to ensure clarity and reliability, leading to minor adjustments based on feedback. Each construct was measured using multiple validated indicators: Public Accountant Competence (PAC) included technical knowledge, professional judgment, audit experience, and ethical conduct (Herawaty & Susanto, 2019); Audit Review Quality (ARQ) involved thoroughness, independence, feedback accuracy, and quality control procedures (Knechel et al., 2013); Timeliness of Reporting (TOR) covered punctuality, adherence to deadlines, speed of communication, and report delivery time (Nelson & Shukeri, 2016); Audit Trust (AT) measured confidence in the auditor's reliability, integrity, and professionalism (Mayer et al., 1995); and Client Loyalty (CL) included intention to reuse services, willingness to recommend, and long-term engagement (Zeithaml et al., 2006). All items were treated as reflective constructs.

Data analysis was performed using SEM-PLS with SmartPLS 3 software, chosen for its suitability in analyzing complex models with multiple variables, mediating effects, and relatively small to medium sample sizes. The evaluation process followed two stages: the measurement model (outer model) assessment and the structural model (inner model) assessment. The outer model evaluation tested reliability and validity through indicator loadings (> 0.7), Cronbach's Alpha and Composite Reliability (> 0.7), Average Variance Extracted (> 0.5), and discriminant validity (Fornell-Larcker criterion and cross-loadings). The inner model evaluation examined hypothesized relationships using path coefficients (β), t-statistics (bootstrapping with 5,000 samples), p-values ($\alpha = 0.05$), R^2 values for explained variance, f^2 effect sizes based on Cohen's criteria, predictive relevance (Q^2) for model accuracy, and mediation testing for the significance of indirect effects.

4. RESULTS AND DISCUSSION

4.1 Demographic Profile of Respondents

This section outlines the characteristics of the 150 respondents who participated in the study, all of whom were clients of public accounting firms in Jakarta, Indonesia, and had engaged audit

services within the past year. Based on their positions in the company, 66 respondents (44.0%) were Finance Managers, 54 (36.0%) were Directors/Owners, and 30 (20.0%) were Accounting Staff, indicating that 80% of respondents held senior roles with strong authority and experience in evaluating audit services. In terms of company type, 63 respondents (42.0%) were from the service sector, 45 (30.0%) from manufacturing, and 42 (28.0%) from trading, suggesting a diverse client base with service companies forming the largest segment. Regarding years of using audit services, 38 respondents (25.3%) had used them for 1–3 years, 57 (38.0%) for 4–6 years, and 55 (36.7%) for more than 6 years, showing that over 74% had more than four years of experience with public accounting firms, reflecting long-term relationships and familiarity with their performance.

In terms of frequency of audit engagement, the majority of respondents—123 companies (82.0%)—engaged audit services annually, while 27 companies (18.0%) used them occasionally on a project basis. The predominance of annual engagements aligns with standard compliance practices and enhances the reliability of responses regarding ongoing relationships with audit firms. Overall, these demographic characteristics indicate that the study's sample consisted largely of experienced decision-makers from diverse industries who regularly use audit services, thereby strengthening the credibility and relevance of the findings.

4.2 Measurement Model Evaluation (Outer Model)

The measurement model (outer model) evaluation in SEM-PLS is used to assess the validity and reliability of the constructs and indicators used in the study. This step ensures that the measurement items accurately reflect the latent variables they are intended to represent. The evaluation includes four key tests: indicator reliability, internal consistency reliability, convergent validity, and discriminant validity.

1. Indicator Reliability

Indicator reliability in this study was evaluated by examining the outer loading values of each indicator, with Hair et al. (2017) suggesting a threshold of ≥ 0.70 to indicate that more than 50% of the variance in the indicator is explained by the latent construct. All items across the five constructs—Public Accountant Competence (PAC), Audit Review Quality (ARQ), Timeliness of Reporting (TOR), Audit Trust (AT), and Client Loyalty (CL)—met this criterion, demonstrating strong indicator reliability. Specifically, PAC (4 indicators) showed loadings between 0.734 and 0.865, ARQ (4 indicators) ranged from 0.742 to 0.883, TOR (4 indicators) ranged from 0.728 to 0.854, AT (4 indicators) ranged from 0.766 to 0.891, and CL (4 indicators) ranged from 0.771 to 0.879, confirming that each construct was measured with a high degree of consistency and precision.

2. Internal Consistency Reliability

Internal consistency, assessed through Cronbach's Alpha and Composite Reliability (CR), requires both values to exceed 0.70 to indicate adequate reliability. In this study, all constructs met and surpassed these thresholds, confirming strong internal consistency of the measurement instruments. Specifically, Public Accountant Competence (PAC) recorded a Cronbach's Alpha of 0.842 and CR of 0.889, Audit Review Quality (ARQ) scored 0.861 and 0.902, Timeliness of Reporting (TOR) achieved 0.831 and 0.880, Audit Trust (AT) posted 0.873 and 0.912, and Client Loyalty (CL) obtained 0.856 and 0.900. These results demonstrate that all constructs were measured reliably, with high internal consistency across the items.

3. Convergent Validity

Convergent validity, measured using the Average Variance Extracted (AVE), requires a value of 0.50 or higher to indicate that a construct explains more than half of the variance of its indicators. In this study, all constructs exceeded this threshold, confirming strong convergent validity. Specifically, the AVE values were 0.667 for Public Accountant Competence (PAC), 0.700 for Audit

Review Quality (ARQ), 0.652 for Timeliness of Reporting (TOR), 0.723 for Audit Trust (AT), and 0.692 for Client Loyalty (CL), demonstrating that each construct effectively captures the variance of its respective indicators.

4. Discriminant Validity

Discriminant validity, which ensures that each construct is truly distinct from the others, was evaluated using the Fornell-Larcker criterion, where the square root of each construct's AVE must be greater than its correlations with other constructs.

Table 1. Discriminant Validity Fornell-Lacker

Construct	PAC	ARQ	TOR	AT	CL
PAC	0.817				
ARQ	0.514	0.837			
TOR	0.473	0.502	0.807		
AT	0.558	0.592	0.541	0.850	
CL	0.469	0.526	0.503	0.683	0.832

Source: Processing Data by Author's (2025)

The Fornell-Larcker criterion results show that the diagonal elements, representing the square root of AVE, are higher than the off-diagonal inter-construct correlations, confirming good discriminant validity for all constructs. Specifically, PAC (0.817) exceeds its correlations with ARQ (0.514), TOR (0.473), AT (0.558), and CL (0.469); ARQ (0.837) exceeds PAC (0.514), TOR (0.502), AT (0.592), and CL (0.526); TOR (0.807) exceeds PAC (0.473), ARQ (0.502), AT (0.541), and CL (0.503); AT (0.850) exceeds PAC (0.558), ARQ (0.592), TOR (0.541), and CL (0.683); and CL (0.832) exceeds PAC (0.469), ARQ (0.526), TOR (0.503), and AT (0.683). These results confirm that each construct is empirically distinct and meets the discriminant validity requirement. In terms of inter-construct relationships, Audit Trust (AT) shows the strongest correlation with Client Loyalty (CL) at 0.683, supporting the hypothesis that trust is a key determinant of loyalty. AT also has moderate correlations with PAC (0.558), ARQ (0.592), and TOR (0.541), reinforcing its role as a mediator between these service quality dimensions and loyalty. Furthermore, the predictors PAC, ARQ, and TOR demonstrate moderate inter-correlations (e.g., PAC-ARQ = 0.514), indicating they measure related yet distinct aspects of audit service quality.

4.3 Structural Model Evaluation (Inner Model)

The structural model (inner model) evaluation aims to test the hypothesized relationships between constructs and assess the model's predictive power. Using SmartPLS 3, the analysis included the assessment of path coefficients, t-statistics, p-values, coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). To determine the significance of the path coefficients, bootstrapping with 5,000 subsamples was conducted, and the results for the direct effects are summarized as follows.

Table 2. Direct Effect

	Path	Path Coefficient (β)	t-Statistic	p-Value	Conclusion
H1	Public Accountant Competence → Audit Trust	0.281	3.952	0.000	Supported
H2	Audit Review Quality → Audit Trust	0.319	4.108	0.000	Supported
H3	Timeliness of Reporting → Audit Trust	0.276	3.677	0.000	Supported
H4	Audit Trust → Client Loyalty	0.465	5.213	0.000	Supported

Source: Processing Data by Author's (2025)

All direct paths in the model are positive and statistically significant at the 0.05 level, indicating that competent public accountants, high-quality audit reviews, and timely reporting each contribute to strengthening client trust, while audit trust itself significantly enhances client loyalty. For H1, the path coefficient ($\beta = 0.281$) shows a moderate positive effect of public accountant competence on audit trust, with a t-statistic of 3.952 (greater than the 1.96 critical value) and a p-value of 0.000, confirming significance. This finding suggests that expertise, adherence to ethical standards, and reliable performance by public accountants play a crucial role in shaping perceptions of trustworthiness. For H2, audit review quality exerts an even stronger influence on trust, with a path coefficient ($\beta = 0.319$), t-statistic of 4.108, and p-value of 0.000, indicating that thorough, objective, and credible reviews enhance clients' confidence in the audit process. H3 shows that timeliness of reporting has a moderate positive relationship with audit trust ($\beta = 0.276$), supported by a t-statistic of 3.677 and p-value of 0.000, meaning that prompt delivery of audit results fosters satisfaction and perceived reliability, while delays can erode trust. Finally, H4 reveals that audit trust has the strongest effect on client loyalty ($\beta = 0.465$), with a t-statistic of 5.213 and p-value of 0.000, highlighting trust as a critical driver of long-term engagement, repeat business, and positive recommendations.

The mediation analysis further examines the role of audit trust in linking public accountant competence, audit review quality, and timeliness of reporting to client loyalty. Indirect effect testing confirms that audit trust significantly mediates these relationships, indicating that the influence of service quality factors on loyalty is strengthened when clients perceive high levels of trust in their auditors. This underscores the importance of integrating competence, review quality, and timeliness into trust-building strategies, as trust not only enhances direct perceptions of service quality but also translates these perceptions into enduring client commitment and loyalty.

Table 3. Indirect Effect

	Indirect Path	Path Coefficient (β)	t-Statistic	p-Value	Conclusion
H5	PAC \rightarrow AT \rightarrow CL	0.131	3.187	0.002	Supported
H6	ARQ \rightarrow AT \rightarrow CL	0.148	3.426	0.001	Supported
H7	TOR \rightarrow AT \rightarrow CL	0.128	3.024	0.003	Supported

Source: Processing Data by Author's (2025)

These results confirm that audit trust functions as a significant mediator between the independent variables—Public Accountant Competence (PAC), Audit Review Quality (ARQ), and Timeliness of Reporting (TOR)—and Client Loyalty (CL). For H5, PAC exerts a moderate indirect effect on CL through audit trust, with a path coefficient of $\beta = 0.131$, t-statistic of 3.187, and p-value of 0.002, indicating that competence alone may not directly drive loyalty but, when it builds trust, leads to stronger client commitment. H6 shows that ARQ has the strongest indirect effect ($\beta = 0.148$), with a t-statistic of 3.426 and p-value of 0.001, suggesting that high-quality audit reviews enhance trust, which subsequently drives loyalty—highlighting the value of investing in rigorous and credible audit processes to foster long-term client relationships. For H7, TOR demonstrates a moderate indirect effect ($\beta = 0.128$), supported by a t-statistic of 3.024 and p-value of 0.003, indicating that while timeliness may not directly generate loyalty, it plays an essential role in building trust, thereby reinforcing reliability, credibility, and ultimately, client loyalty.

1. Coefficient of Determination (R^2)

The R^2 value indicates the proportion of variance in the endogenous (dependent) variables explained by the exogenous (independent) variables. In this study, Audit Trust has an R^2 of 0.587, meaning that 58.7% of its variance is explained by Public Accountant Competence (PAC), Audit Review Quality (ARQ), and Timeliness of Reporting (TOR), which reflects a moderate to strong level

of explanatory power. Client Loyalty, with an R^2 of 0.462, shows that 46.2% of its variance is explained by Audit Trust, indicating a moderate level of predictive strength.

2. Effect Size (f^2)

The effect size (f^2) assesses the contribution of each independent variable to the R^2 value of a dependent variable, with results showing that Public Accountant Competence (PAC) → Audit Trust (AT) has an f^2 of 0.089 (small to medium effect), Audit Review Quality (ARQ) → AT records 0.112 (medium effect), Timeliness of Reporting (TOR) → AT yields 0.076 (small effect), and AT → Client Loyalty (CL) achieves 0.279 (medium to large effect). These findings indicate that Audit Review Quality has the largest effect on Audit Trust, while Audit Trust exerts a strong influence on Client Loyalty.

3. Predictive Relevance (Q^2)

Q^2 , assessed through the blindfolding procedure, measures the model's predictive relevance, with values greater than 0 indicating acceptable predictive power. In this study, Audit Trust recorded a Q^2 value of 0.372 and Client Loyalty a Q^2 value of 0.298, both reflecting medium predictive relevance. These results confirm that the model possesses adequate predictive capability, supporting its applicability for forecasting future outcomes in similar contexts.

Discussion

1. The Effect of Public Accountant Competence on Audit Trust

The analysis shows that Public Accountant Competence has a significant and positive effect on Audit Trust, confirming that clients' trust in auditors is strongly influenced by their perceived technical skills, ethical standards, and professional judgment. Competent auditors possess advanced technical expertise and critical thinking abilities that enable them to address complex audit issues effectively, thereby ensuring audit reliability and fostering client confidence [27]. Experience further enhances auditors' understanding of industry-specific nuances and client operations, contributing to more effective audits [7], [27]. Ethical standards are fundamental for maintaining auditor independence and integrity, ensuring adherence to high-quality standards and improving audit quality [14], [28]. Professional judgment, shaped by personal attributes such as confidence and risk assessment, plays a critical role in delivering reliable audit outcomes that reinforce client trust [28]. Overall, competence, professionalism, and integrity are positively correlated with audit quality [7], [29], and the interplay between these factors underscores the need for continuous professional development and strict adherence to ethical guidelines to maintain high audit standards and strengthen client relationships [14].

2. The Effect of Audit Review Quality on Audit Trust

The study finds that Audit Review Quality has a positive effect on Audit Trust, as high-quality reviews—marked by thoroughness, clarity, and accurate findings—strengthen clients' perceptions of audit credibility and impartiality. This aligns with existing literature identifying audit quality as a key determinant of stakeholder trust, where meticulous and integrity-driven audits encourage reliance on results and foster long-term client engagement. Key determinants of audit quality include auditor independence and competence, which ensure unbiased performance supported by necessary expertise, thereby upholding the credibility of the audit process [30], [31]. Adherence to professional standards and ethics, including maintaining professional skepticism and integrity, is essential for detecting and preventing fraud, fostering trust through diligent and careful audit execution [30], [32]. Regulatory oversight and accountability also play a critical role, as compliance enforcement and standard-setting by authorities deter fraudulent behavior and boost market confidence [30]. Furthermore, the audit process and embedded quality assurance measures

ensure that audits are conducted systematically and reliably, which is vital for sustaining stakeholder trust [33].

3. The Effect of Timeliness of Reporting on Audit Trust

Timely audit reporting significantly enhances Audit Trust, as clients in today's fast-paced business environment highly value auditors who can deliver accurate reports within deadlines, reflecting professionalism, commitment, and organizational efficiency. Conversely, delays may cast doubt on auditor reliability or raise concerns about inefficiencies or hidden issues. Several factors influence audit timeliness, including company characteristics, where larger firms with complex audits and higher debt-equity ratios tend to have shorter delays, while negative profits and concentrated ownership often result in longer ones [19]. Auditor workload also plays a role, as audit partners managing multiple clients may face extended completion times that compromise financial reporting quality, leading to client dissatisfaction or even auditor switches [34]. Governance factors such as independent audit committees with accounting expertise can expedite the process, while CEO traits—like accounting expertise and gender—also contribute to timely completion [35]. Delays in audit reports can have serious consequences, including hindering stakeholders' decision-making by limiting timely access to financial information [21] and reducing financial reporting quality, which ultimately erodes trust and confidence in management [34].

4. The Effect of Audit Trust on Client Loyalty

Audit Trust has a strong and significant positive effect on Client Loyalty, reinforcing its mediating role in this study and confirming that trust serves as the foundation for sustained relationships in service-based industries such as accounting and auditing. Clients who trust their auditors are more likely to maintain their engagements, recommend them to others, and regard them as strategic partners rather than mere compliance providers, in line with relationship marketing theory, which posits trust as a precursor to loyalty and long-term engagement. Trust is vital for effective service performance and commitment in client-auditor relationships, with its absence leading to weaker relationships and diminished performance [36]. When trust is present, it fosters continuity and advocacy, strengthening the strategic partnership [37]. Antecedents such as communication, satisfaction, customization, and competence play critical roles in shaping a client's intention to maintain a relationship with their auditor [37], while trust can also be transferred from the receiver to the service provider, further enhancing relationship dynamics [36]. Clients generally favor a relational approach—marked by cooperation, communication, and trust—over a purely transactional one, indicating a preference for ongoing, strategic partnerships, although they also wish to maintain an arm's-length relationship to uphold ethical standards, reflecting the nuanced nature of trust in auditor-client interactions [38].

5. The Mediating Role of Audit Trust

Furthermore, Audit Trust is found to partially mediate the relationship between Public Accountant Competence, Audit Review Quality, and Timeliness of Reporting with Client Loyalty, indicating that while these factors can directly influence loyalty, their impact is significantly amplified when trust is established. This highlights the strategic importance for public accounting firms to build and sustain trust in order to retain clients in a competitive market. Trust has a direct and significant effect on customer loyalty across various service sectors, including accounting firms and financial institutions [39]–[41], and in the context of accounting, trust—together with satisfaction and commitment—significantly shapes both behavioral and cognitive loyalty [13]. It also enhances perceived value and relationship quality, which are crucial for sustaining loyalty in professional services such as tax consultancy [42]. Service quality plays a vital role in this dynamic, as it positively influences trust, which in turn strengthens loyalty [39], [41], making quality improvement a key differentiator for firms aiming to stand out in competitive markets [42]. Additionally, relationship

quality—encompassing communication and stability—is reinforced by trust, fostering long-term commitment and satisfaction, thereby ensuring a loyal client base [13], [42] .

6. Theoretical and Managerial Implications

From a theoretical perspective, this study enriches the literature on audit-client relationships by empirically validating the trust-loyalty pathway, confirming that clients evaluate both the technical and relational dimensions of audit services when forming judgments about loyalty. From a managerial standpoint, public accounting firms in Jakarta and similar contexts should prioritize continuous professional development, maintain rigorous internal review processes, and ensure timely communication and reporting, while recognizing that client retention depends not only on technical performance but also on relational attributes such as trust.

CONCLUSION

The results of this study highlight the significant roles of public accountant competence, audit review quality, and timeliness of reporting in building audit trust, which in turn positively influences client loyalty. Each independent variable shows a strong direct effect on audit trust, confirming that clients place high value on auditors' professionalism, the quality of audit execution, and timely service delivery. Audit trust also emerges as a crucial mediating factor, partially bridging the relationships between these service quality dimensions and client loyalty, indicating that strengthening trust can amplify the impact of audit services on client retention.

For practitioners, particularly public accounting firms in Jakarta, these findings underscore the importance of balancing technical excellence with relational aspects that foster trust. Implementing regular training programs, maintaining robust quality control, and ensuring efficient reporting processes are essential strategies for improving client satisfaction and loyalty in a competitive auditing environment. This study not only contributes to a deeper understanding of client behavior in professional service contexts but also provides a practical framework for enhancing auditor-client relationships through trust-oriented practices. Future research could expand on this framework by examining additional factors such as fee transparency, communication effectiveness, and industry-specific considerations to further enrich the understanding of loyalty drivers in auditing.

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