THE INFLUENCE OF PROFESSIONAL COMMITMENT AND AUDIT EXPERIENCE ON EXTERNAL AUDITORS’ ETHICAL DECISION MAKING IN PUBLIC ACCOUNTING OFFICE IN SURABAYA CITY

Alif Faruqi Fehri Yanto
Sekolah Tinggi Ilmu Ekonomi Gempol
E-mail: Aliffaruqi658@gmail.com

Abstract
This study aims to provide empirical evidence of the impact of professional commitment and audit experience on auditors' ethical decision-making. The study used a quantitative descriptive research design and purposive sampling to collect data from public accountants in Surabaya with over one year of experience and authorized to sign accountants' reports. The Partial Least Square 3.0 analysis model was used for data analysis. The findings of hypothesis testing indicate that professional commitment and audit experience have a partially positive impact on external auditors' ethical decision-making.

Keywords: Auditor Ethical Decision Making, Audit Experience, Professional Commitment

1. INTRODUCTION
Financial reports are not only used by the company but also by external parties such as investors, creditors, shareholders, government, and the community (Mulyadi, 2013). Financial statements serve as a communication medium that connects interested parties to the company, including external and internal (management) parties. Financial reports are a means of communicating information to external parties. As such, management, as an internal party, has an obligation to prepare financial statements that provide useful information to external parties (Citra et al., 2021). Shareholders need information about the amount of capital invested in the company. Creditors and investors require information to make economic decisions because they provide loans or investments. Meanwhile, the government needs information to determine the amount of tax that the company needs to pay to the state (Khuzaimah & Hermawan, 2018).

One policy that is commonly adopted is for companies to undergo a financial audit by a third party, which is usually a public accountant. Public accountants or independent auditors hold a strategic position as a third party in the corporate environment to audit client companies (Sihombing, 2020). However, the auditor profession often faces a dilemma situation that results in a conflict between choices (Vincent & Osesoga, 2019). According to Utariyani & Astika (2022), ethical dilemma situations are difficult to avoid, and one of the common dilemmas faced by auditors is that clients request an audit when the company's financial statements do not exist. Some clients even ask for an audit opinion as a formality.

One example of an audit case involving ethical dilemmas faced by KAPs in Indonesia is the audit of KAP Eddi Pianto & Partners on PT. Telkom. The case began with KAP Haryanto Sahari & Partners refusing to provide a previous audit report as a reference for the audit. KAP Eddi Pianto & Partners had difficulty obtaining an
explanation for the previous audit, resulting in a delay in financial reporting. As a consequence, KAP Eddi Pianto & Partners faced sanctions (Su’un et al., 2020).

Recently, bribery cases involving auditors have led to questions about the independence of auditors by the public. In the case of Justinus Aditya Sidharta, a public accountant who violated his independence by making a mistake while auditing the financial statements of PT. Great River Internasional, Tbk, it is possible that the public accountant could not read the problem or may have deliberately manipulated it. If the public accountant participates in manipulating financial statements, then the independence of the auditor should be questioned (Fitriani et al., 2022).

There was a case involving an auditor at a BUMN where the commissioner of PT Kereta Api revealed that the BUMN financial statements were manipulated or lied about, showing that the company received profits when it should have reported losses. From these two cases, we can conclude that a public accountant must comply with and uphold the Professional Standards of Public Accountants (SPAP). If an auditor is unable to fulfill their duties in accordance with ethics, their license may be revoked, as in the case of Public Accountant Justinus Aditya Sidharta, who clearly violated the SPAP in connection with the Audit Report on the Consolidated Financial Statements. Such a violation would damage both the public accountant's reputation and the public's trust in them (Aryandini & Suratman, 2018).

During the ethical decision-making process, auditors are always faced with ethical dilemmas that involve making choices between conflicting values. An ethical dilemma is a situation in which a person must make a decision about appropriate behavior (Aryawati et al., 2021). To ensure ethical decision-making, an auditor needs to understand the factors that influence the realization of ethical decision-making. Kristianti & Kristiana (2020) state that ethical considerations are an essential component of the ethical decision-making process because one must first consider what is morally correct to determine the final outcome of a decision.

Professional commitment is used as a guide to understanding values and norms that can be used to evaluate the attitudes of public accountants when facing their job. Commitment to the profession can be realized by having self-motivation, which encourages aspiring to all ideas and ideas that arise, and being assisted by competent supervision, resulting in satisfaction with their work (Hehanussa, 2018). Riaweny & Diana (2020) revealed that individual belief in their abilities plays an important role in reacting to the various pressures they face. This concept of belief is known as self-efficacy. Self-efficacy can be interpreted as an individual's belief in their own ability to organize and carry out the actions needed to achieve a certain level of achievement (Widiarini & Suputra, 2017).

Another factor that can influence the auditor's ethical decision-making is having sufficient work experience in the field of auditing, as it can provide more knowledge and various findings in each examination, leading to making the right decisions. Butt (1988) revealed that auditors who have sufficient experience will make relatively better judgments in their assignments compared to auditors who are less experienced.

As described above, several factors influence the auditor's ethical decision-making, and they need to be studied further and used as variables in this study. Based on this, the title of this study can be formulated as "The Influence of Professional Commitment and
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Work Experience on External Auditor Ethical Decision-Making at Public Accounting Firms in the City of Surabaya”.

2. LITERATURE REVIEW
2.1. Ethical Theory
Bertens (2000) states that ethical theory can help the decision-making process related to morals and the justification of the decision. The ethical theory used in this study to develop the hypothesis, namely:

a. Utilitarianism Theory
This theory discusses that every individual must make an optimal effort to take actions that maximize benefits and minimize negative impacts. Bertens (2000) states that utilitarianism is divided into two, namely: (a) act utilitarianism, namely actions that are beneficial to many people, (b) rule utilitarianism, namely moral rules that are accepted by the wider community.

b. Deontology Theory
This theory discusses the individual's obligation to give rights to others, so that the basis for assessing the good or bad of something must be based on obligations, not the consequences of actions. Deontology emphasizes that actions are never good because the results are good, but because of the obligations that must be done (Bertens, 2000).

c. Virtue Theory
This theory discusses the character of a person that enables him to behave morally well. There are two parts to virtue theory, namely: (a) individual business actors, such as: honesty, fairness, trust and tenacity, (b) the level of the company, such as: friendliness, loyalty, honor, shame possessed by managers and employees. According to rights theory, deed is good, if it is in accordance with human rights (Bertens, 2000).

2.2. Ethical Decision Making
Trevino (1986) developed a model of ethical decision making by stating that ethical decision making is an interaction between individual factors and situational factors (person-situation interactionist model). He stated that a person's ethical decision making will depend on individual factors (individual moderators) such as ego strength, field dependence, and locus of control and situational factors such as immediate job context, organizational culture, and characteristics of the work.

2.3. Professional Commitment
Professional Commitment According to Hehanussa, S. J. (2018) is an important individual attribute regardless of whether a job is a profession or not. So it can be said that professionalism is the attitude of responsibility of an auditor in completing his audit work with sincerity as an auditor. Riaweny & Diana (2020) and Fitriani et al. (2022) explain that professional commitment has a positive and significant effect on auditor decision making. Based on the explanation above, the hypothesis developed is: H1: Professional Commitment has a positive effect on auditor performance.
2.4. Audit Experience

According to research conducted by Jatiningsih & Purwaningtyas (2019), the higher the auditor's experience, the better the resulting audit quality. Similar to research conducted by Damayanti & Priyadi (2020) that experience for auditors in the field of auditing plays an important role in increasing the knowledge and expertise acquired by auditors from their formal education so that audit quality will get better as experience increases. Based on the results of the analysis and discussion conducted by Jatiningsih & Purwaningtyas (2019) and Damayanti & Priyadi (2020), it can be concluded that auditor experience has a positive and significant effect on auditor ethical decision making.

H2: Audit experience has a positive effect on auditor performance.

3. RESEARCH METHODS

The type of research used in this study was quantitative research (Sugiyono, 2017). The research was conducted at the Public Accounting Firm (KAP) in the city of Surabaya. The population in this study consisted of all independent auditors who worked in Public Accounting Firms (KAP) in the city of Surabaya. The population in this study was 43 public accounting firms. The sample was a part of the population that was representative of that population. The sample in this study consisted of independent auditors who worked at a public accounting firm in the city of Surabaya. Sampling in this study was carried out using a purposive sampling method, in which the sample was determined with certain considerations or criteria. The sample in this study was an auditor who worked at a Public Accounting Firm in the city of Surabaya, provided that the respondent concerned had worked for at least one year at that Public Accounting Firm. The reason for choosing to have one year of work experience was because they had had the time and experience to adapt and assess the conditions of the work environment. The sample in this study consisted of 86 auditors. In this study, the facts revealed were actual facts, namely the data obtained from a questionnaire in the form of a list of written questions that had been formulated previously, which the respondents answered, and alternative answers to the questions had been provided. Then the data was processed using the Partial Least Square analysis technique.

4. RESULTS AND DISCUSSION

4.1. Research Results

The results of the Outer Model on the variables Ethical Decision Making (Y), Professional Commitment (X1) and Auditing Experience (X2) are shown in the following table.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Loading Factor</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Decision (Y)</td>
<td>0.781</td>
<td>0.832</td>
</tr>
<tr>
<td>Professional Commitment (X1)</td>
<td>0.801</td>
<td>0.866</td>
</tr>
<tr>
<td>Auditor Experience (X2)</td>
<td>0.864</td>
<td>0.897</td>
</tr>
</tbody>
</table>

Sources: Output Partial Least Square.
The table above indicates that both indicators significantly measure the variables of ethical decision (Y), professional commitment (X1), and audit experience (X2), as each indicator has a value greater than 0.5 or is declared fixed. The highest loading factor coefficient shows that the audit experience indicator (X2) is the strongest indicator for measuring auditor decision-making (Y). Therefore, the primary factor contributing to the ethical decision-making (Y) of external auditors is their work experience.

Table 2. Research Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Independent</th>
<th>Dependent</th>
<th>T-Statistic</th>
<th>p-value</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Commitment (X1)</td>
<td>Ethical Decision Making (Y)</td>
<td>2.11</td>
<td>0.009</td>
<td>Significant</td>
</tr>
<tr>
<td>Auditor Experience (X2)</td>
<td>Ethical Decision Making (Y)</td>
<td>4.52</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Output Partial Least Square.

4.1.1 The Effect of Professional Commitment on the Auditor's Ethical Decision Making

After examining the results presented in Table 2, it is evident that the T-statistic value for professional commitment and auditor decision-making is 2.11. Moreover, the T-statistic value is greater than 1.96, indicating that the results are statistically significant. If the P-Value is less than 0.05, then the results are considered significant, and the variable of professional commitment to auditor decision-making shows a value of 0.009. Therefore, it can be concluded that professional commitment has an impact on auditor decision-making, and Hypothesis 1 is accepted.

4.1.2 The Effect of Work Experience on Auditors' Ethical Decision Making

After examining the results presented in Table 2, it is evident that the T-statistic value for auditor experience on auditor decision making is 4.52. This value exceeds 1.96, indicating statistical significance. Furthermore, the P-value for the auditor's experience variable on auditor decision making is 0.000, which is less than the significance level of 0.05. These results lead to the conclusion that the auditor's experience has a significant influence on the auditor's decision making, thereby supporting hypothesis 2.

4.2. Discussion

4.2.1 The Effect of Professional Commitment on Auditors' Ethical Decision Making

Based on the analysis results, it is evident that professional commitment has a significant impact on auditor ethical decision making at a level of significance of 0.009. This indicates that the higher the level of professional commitment of an auditor, the better their adherence to the implementation of professional ethics in public accounting, ultimately affecting their ethical decision-making. Therefore, the first hypothesis is accepted. Professional commitment plays a crucial role in the decision-making process when auditors encounter ethical conflicts and dilemmas. It fosters sensitivity and awareness among auditors in fulfilling their duties, including making decisions related to
ethical values (Hehanussa, 2018). The findings of this study are consistent with the research results of Riaweny and Diana (2020) and Arifuddin and Indrijawati (2020), which indicate that professional commitment has a significant influence on auditors' perception of ethical decision-making.

4.2.2 The Effect of Audit Experience on Auditors' Ethical Decision Making

Based on the results of the analysis, it is evident that audit experience has a significant impact on auditor ethical decision-making at a significant level of 0.000. This implies that the longer an auditor's experience, the better their adherence to the implementation of public accounting professional ethics, which, in turn, impacts their ethical decision-making. Thus, the second hypothesis is accepted. The influence of work experience on ethical decisions in this study indicates that external auditors' work experience can describe the influence on their ability to make ethical auditor decisions. The longer an external auditor's work experience, the more ethical decision considerations they will take, as tasks carried out repeatedly provide opportunities to do their best, and experience can improve ethical decision-making performance. Therefore, a direct relationship was found between work experience and ethical decision-making in this research. The findings of this study are reinforced by the research of Jatiningsih and Purwaningtyas (2019) and Damayanti and Priyadi (2020), which also suggest that audit experience has a significant effect on the perception of auditors' ethical decision-making.

5. CONCLUSION

The results of this study suggest that in order to enhance the quality of audit decision-making, KAP auditors should increase their ethical awareness by enhancing professional skepticism to provide accurate opinions. This, in turn, can improve the integrity and credibility of the public accounting profession. Based on the empirical evidence from the conceptual model developed in this study, it can be concluded that the level of experience of an auditor has a direct impact on the ethical decision-making of an external auditor. Therefore, it can be said that the findings of this study imply that the length of service of an external auditor can determine ethical decisions that are always good and right.
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