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The Influence of Quality Control Systems and Auditor Competence in Improving Audit Quality at ABC Public Accounting Firm (KAP) in Medan City

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Abstract

This study aims to analyze the influence of quality control systems and auditor competence on audit quality at ABC Public Accounting Firm (KAP) in Medan City. The increasing growth of the capital market and the demand for transparency in financial reporting have made audit quality a crucial factor in maintaining public trust. Audit quality reflects the auditor's ability to detect and report material misstatements, which is influenced by internal factors within the firm, including the implementation of a quality control system and the level of auditor competence. This research uses a quantitative approach with primary data collected through questionnaires distributed to 23 auditors using a saturated sampling technique. Secondary data were obtained from relevant literature and prior studies. Data analysis was conducted using SPSS version 25, including validity and reliability tests, classical assumption tests, and multiple linear regression analysis. The results indicate that all research instruments are valid and reliable, and the data meet the required assumptions. The findings show that the quality control system has a positive and significant effect on audit quality, indicating that well-implemented policies and procedures can improve consistency and accuracy in audit processes. Auditor competence also has a positive and significant effect on audit quality, suggesting that auditors with higher knowledge, experience, and expertise are better able to produce reliable audit results. Simultaneously, both variables significantly influence audit quality, with a coefficient of determination (R^2) of 0.498, meaning that 49.8% of the variation in audit quality can be explained by these two factors, while the remaining 50.2% is influenced by other variables. In conclusion, strengthening quality control systems and improving auditor competence are essential strategies to enhance audit quality and maintain public confidence in the auditing profession.

Keywords: *Quality Control System 1, Auditor Competence 2, Audit Quality 3, Public Accounting Firm 4, Financial Reporting 5*

INTRODUCTION

Increasing economic growth and capital market development in Indonesia are encouraging more companies to go public through the Indonesia Stock Exchange (IDX) (IDX, 2024). This situation not only increases the number of public companies but also increases the need for transparency and accountability in corporate financial reports. As these demands increase, the role of independent auditors or public accountants becomes increasingly important in providing assurance of the fairness of financial reports presented by companies (Arens, Elder, & Beasley,

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2022).

The primary objective of auditing financial statements is to enhance the credibility of financial information and provide users with sufficient confidence in making economic decisions (IAI, 2021). Financial statements audited by independent auditors are expected to provide relevant and reliable information, thereby mitigating the risk of information asymmetry between management and stakeholders. Therefore, audit quality is crucial for maintaining public trust in the public accounting profession.

Audit quality itself is defined as the auditor's probability of detecting and reporting material misstatements in financial statements (DeAngelo, 1981). The greater the auditor's ability to detect and report these errors, the higher the quality of the resulting audit. Good audit quality will improve the quality of a company's financial reporting and strengthen the trust of investors and other external parties.

In practice, audit quality is not influenced by a single factor, but rather by various internal factors within a Public Accounting Firm (KAP). One crucial factor is the quality control system. A quality control system is a set of policies and procedures designed to ensure that all audit activities are conducted in accordance with applicable professional standards (IAI, 2021). This system serves to maintain consistent audit quality and minimize the risk of errors during the audit process.

Besides a quality control system, another equally important factor is auditor competence. Auditor competence reflects the auditor's ability, knowledge, experience, and expertise in performing audit tasks (Arens et al., 2022). Auditors with high competence are better able to understand the complexity of financial statements, identify risks of misstatement, and provide a more accurate assessment of a company's financial condition.

In Medan, the development of Public Accounting Firms (KAP) is increasing in line with the growing demand for audit services. One such firm, KAP ABC, also faces challenges in maintaining audit quality amidst increasingly fierce competition among public accounting firms. This situation demands a robust quality control system and continuous improvement of auditor competency to ensure the quality of audits produced and the trustworthiness of financial statement users. Based on the description, this study was conducted to determine the influence of the quality control system and auditor competence in improving audit quality at KAP ABC in Medan City, both partially and simultaneously.

METHOD

This study uses a quantitative approach to analyze the influence of the quality control system and auditor competence in improving audit quality at ABC Public Accountant Auditors in Medan City. The data used consists of primary data obtained through distributing questionnaires to auditors working at ABC Public Accounting Firm in Medan City, as well as secondary data originating from literature, scientific journals, and previous research relevant to the research topic.

The population in this study was all auditors working at ABC Public Accounting Firm in Medan City with a sample of 23 respondents taken using a saturated sampling technique, namely the entire population was used as a research sample.

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Data collection techniques were conducted using a questionnaire with a Likert scale (1–5) and documentation. Furthermore, the data were analyzed using SPSS version 25 using validity and reliability testing methods, classical assumption testing, and multiple linear regression analysis to examine the influence between research variables.

RESULTS AND DISCUSSION

1. Respondent Characteristics

Of the 23 auditor respondents at ABC Public Accounting Firm in Medan, 12 (52%) were male and 11 (48%) were female. This indicates a relatively balanced balance between male and female auditors in the implementation of audit work at ABC Public Accounting Firm.

Based on age group, respondents were predominantly aged 25–35 (10 people, 43%), followed by those aged 36–45 (8 people, 35%), and those aged 45 and above (5 people, 22%). This indicates that most auditors are of productive age with varying levels of work experience.

Based on work period, 9 respondents (39%) had a work period of 1–5 years, then 8 respondents (35%) had a work period of 6–10 years, and 6 respondents (26%) had a work period of more than 10 years. This condition shows that the research respondents consist of auditors with varying work experience so that they can represent the condition of auditors at KAP ABC Medan City in general.

2. Validity and Reliability Test

Table 1. Validity Test Results

Variables	Item	r-count	r-table	Information
Quality Control System (X1)	X1.1	0.801	0.294	Valid
	X1.2	0.784	0.294	Valid
	X1.3	0.812	0.294	Valid
	X1.4	0.790	0.294	Valid
Auditor Competence (X2)	X2.1	0.768	0.294	Valid
	X2.2	0.781	0.294	Valid
	X2.3	0.803	0.294	Valid
Audit Quality (Y)	Y1	0.825	0.294	Valid
	Y2	0.812	0.294	Valid
	Y3	0.798	0.294	Valid

(Source: Processed data, 2026)

The validity test results show that all statement items in the Quality Control System, Auditor Competence, and Audit Quality variables have a calculated r-value > r-table (0.294). This means that all indicators in the research instrument are declared valid and able to measure the research variables accurately, making them suitable for further analysis.

Table 2. Validity Test Results

Variables	Cronbach's Alpha	Information
Quality Control System	0.881	Reliable
Auditor Competence	0.867	Reliable
Audit Quality	0.893	Reliable

(Source: Processed data, 2026)

The Cronbach's Alpha value for all variables was >0.7, indicating that the research instrument was reliable. This indicates that the questionnaire had good and stable response

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consistency between items, making it reliable and suitable for further analysis in this study.

3. Classical Assumption Test

Table 3. Normality Test

Kolmogorov-Smirnov	Sig.	Information
0.062	0.200	Normal

(Source: Processed data, 2026)

The normality test results showed a significance value of 0.200, which is greater than 0.05, thus concluding that the data in this study were normally distributed. Thus, one of the assumptions in multiple linear regression analysis has been met, and the data is suitable for further analysis.

Table 4. Multicollinearity Test

Kolmogorov-Smirnov	Tolerance	VIF	Information
SPM (X1)	0.615	1,626	There is no multicollinearity
Auditor Competence (X2)	0.615	1,626	There is no multicollinearity

(Source: Processed data, 2026)

Based on the results of the multicollinearity test, a tolerance value of 0.615 and a VIF value of 1.626 were obtained for each independent variable, namely the Quality Control System and Auditor Competence. These values indicate that tolerance > 0.1 and VIF < 10, so it can be concluded that there is no multicollinearity between the independent variables in this research model.

Table 5. Heteroscedasticity Test

Variables	Sig.	Information
SPM (X1)	0.318	There is no heteroscedasticity
Auditor Competence (X2)	0.291	There is no heteroscedasticity

(Source: Processed data, 2026)

The heteroscedasticity test results show that the significance value for the The results of the heteroscedasticity test indicate that the significance value for all variables is greater than 0.05, namely the Quality Control System at 0.318 and Auditor Competence at 0.291. This indicates that there are no symptoms of heteroscedasticity, so the regression model meets the classical assumptions.

4. Multiple Linear Regression Analysis

Table 6. Regression Results

Model	B	Std. Error	Beta	t	Sig.
Constanta	0.945	0.402	-	2,350	0.021
SPM (X1)	0.421	0.110	0.412	3,827	0,000
Auditor Competence (X2)	0.388	0.115	0.365	3,374	0.001

(Source: Processed data, 2026)

The results of the regression analysis indicate that the quality control system and auditor competence have a positive influence on audit quality. The regression coefficients of 0.421 and 0.388, respectively, indicate that any increase in these two variables will be followed by an increase in audit quality. This confirms that a good quality control system and high auditor competence play a significant role in improving audit quality at ABC Public Accountant Firm in Medan City, in carrying out audit tasks professionally and according to standards.

5. Hypothesis Testing

Table 7. t-Test (Partial)

Variables	t-count	t-table	Sig.	Information

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SPM (X1)	3,827	2,074	0,000	H1 accepted
Auditor Competence (X2)	3,374	2,074	0.001	H2 accepted

(Source: Processed data, 2026)

The t-test results show that the quality control system and auditor competence have a significant effect on audit quality with significance values of 0.000 and 0.001, respectively, which are smaller than 0.05. This means that both variables partially have a real influence on audit quality at ABC Public Accountant Firm in Medan City.

Table 8. F Test (Simultaneous)

F-count	F-table	Sig.	Information
40,912	3.49	0,000	H3 accepted

(Source: Processed data, 2026)

The F-test results show a significance value of 0.000, which is less than 0.05. Therefore, it can be concluded that the quality control system and auditor competence simultaneously have a significant effect on audit quality. This indicates that both variables together are able to explain changes in audit quality at ABC Public Accountant Firm in Medan City.

Table 9. Coefficient of Determination

R	R Square	Adjusted R Square
0.706	0.498	0.472

(Source: Processed data, 2026)

The coefficient of determination (R^2) of 0.498 indicates that 49.8% of the variation in audit quality can be explained by the quality control system and auditor competence. Meanwhile, the remaining 50.2% is influenced by other variables outside this study, such as auditor independence, professional ethics, time budget pressure, work experience, and other factors not examined in this study.

6. Discussion

The Influence of Quality Control Systems on Audit Quality

The quality control system has a positive and significant impact on audit quality. The better the quality control system at KAP ABC Kota Medan, the higher the resulting audit quality.

The Influence of Auditor Competence on Audit Quality

Auditor competence has a positive and significant impact on audit quality. Auditors with extensive knowledge and experience are better able to produce high-quality audits.

The Influence of Quality Control Systems and Auditor Competence on Audit Quality

Simultaneously, the quality control system and auditor competence significantly influence audit quality. Both variables are important factors in improving audit quality.

CONCLUSION

Based on the results of research conducted on employees at the ABC Public Accounting Firm (KAP) in Medan City:

1. The quality control system has a positive and significant effect on audit quality.
2. Auditor competence has a positive and significant effect on audit quality.
3. Both variables simultaneously have a significant effect on audit quality of 49.8%.

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