

Analysis of Behavioral Factors Influence The Audit Judgment

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ARTICLE INFORMATION	ABSTRACT
Received: 15 September 2023 Revised: 22 September 2023 Accepted: 31 October 2023 <i>Keywords:</i> judgment, behaviour, audits.	Personal characteristics of audit judgment refer to individual traits that can influence the auditor's decision in making audit decisions. Some of the personal characteristics that are relevant in this context include personal risk assessment, level of confidence, technical knowledge, professional ethics, and communication and social interaction skills. The level of confidence plays an important role in making audit decisions, with auditors who are more confident tend to be more likely to take risks in issuing audit opinions. Strong technical knowledge is a prerequisite for producing accurate and up-to-date audit assessments. Professional ethics are the foundation for maintaining the independence and integrity of the auditor, while communication and social interaction skills are necessary to collaborate effectively with the audit team and clients. Overall, the auditor's personal characteristics have a significant impact on the quality and integrity of the audit results produced.

INTRODUCTION

Judgment is the human ability to make judgments or decisions based on available information. It involves a process of understanding, analyzing, and assessing various aspects of life, including moral judgments, individual character, product quality, or legal decisions (Krishna, 2012). Although judgments can be subjective and vary based on individual values, in many contexts, it is important to make rational judgments based on facts and objective considerations.

Auditor judgment refers to decisions taken by an auditor in carrying out his duties to examine the financial statements and accounting procedures of an entity. The auditor must carefully assess the risks, select appropriate audit methods, evaluate the evidence, and finally make

conclusions about the reliability of the audited financial statements. The quality of auditor judgment is critical in ensuring compliance with audit standards and maintaining the integrity of the audit process, which has a significant impact on stakeholder confidence in audited financial information (Brown-Liburd, Issa, & Lombardi, 2015). Auditor judgment is a decision-making process carried out by auditors in order to provide opinions on the fairness of financial statements. This process involves a variety of auditors' judgment and judgment, which can be influenced by a variety of factors, including behavioral factors.

Behavioral factors are factors related to the auditor's personal and social characteristics, which can affect the way the auditor thinks and acts. These factors can come from within the auditor, such as personality, experience, and values, as

well as from the auditor's environment, such as organizational culture and social pressures (Ajzen, 2002). Auditor behavior, including psychological, social, and ethical factors, can have a significant effect on auditor judgment during the audit process. Cognitive biases, such as confirmation bias, overconfidence, and attribution bias can drive auditors to make decisions that are not always based on objective analysis. In addition, the influence of the group within the audit firm and social pressure from colleagues can lead auditors to follow group norms, even if it conflicts with the decision they are supposed to make. Furthermore, the influence of personal interests, such as business relationships or financial interests with clients, can undermine the auditor's objectivity in evaluating financial statements. Nonetheless, strong professional ethics and auditor integrity can help reduce the impact of negative behavioral factors on auditor judgment. The implementation of quality control, ethical training, and strict professional guidelines are also efforts to ensure compliance with audit standards and integrity in the audit process.

Auditor behavior plays a key role in making quality judgments during the audit process, and its importance is critical in maintaining the integrity, reliability, and objectivity of audit results. Professional integrity and ethics are important cornerstones in maintaining the credibility of the audit profession. Auditors who act with integrity are more likely to make judgments based on objective analysis without personal bias or external pressure. Public and stakeholder trust in audit results depends heavily on the ethical behavior of auditors (Ardelean, 2013). In addition, objective behavior helps ensure that audit results are an accurate reflection of the quality of the audited financial statements. High audit quality depends on professional and disciplined conduct that complies with applicable auditing standards as well as applicable regulations in the auditing profession.

Auditor behavior can also play a role in the prevention and identification of fraud in financial statements (Olatunji & Adekola, 2017). Auditors who have sharp manners and strong ethics tend to be better at detecting and preventing fraud. By maintaining positive behavior, auditors can be at

the forefront of maintaining the integrity of financial statements and ensuring that honest and transparent business practices become standard. In order to maintain the quality and integrity of the audit process, audit firms and audit supervisory bodies usually provide ethical training, require auditors to comply with professional codes of ethics, and undergo regular reviews and supervision to ensure that auditors' behavior remains in accordance with applicable ethical and professional audit standards.

Planned Behavioral Theory or Theory of Planned Behavior (TPB) is a framework used in social psychology to understand and explain human behavior. This theory was developed by Icek Ajzen and Martin Fishbein and is a development of an earlier theory known as the Theory of Reasoned Action. Planned Behavioral Theory is used to analyze and forecast human behavior in a variety of contexts, including consumer behavior, health behavior, and professional behavior. This theory views behavior as the result of a rational thought process, in which individuals consider behavioral consequences, social norms, and self-control before making decisions.

Planned Behavioral Theory is a relevant behavioral framework to explain auditors' decision-making during the audit process (Montano & Kasprzyk, 2015). Auditors' attitudes toward various audit tasks, such as risk assessment or fraud identification, can influence the extent to which they commit to performing those tasks conscientiously and objectively. If auditors have a positive attitude toward these tasks, they may be more inclined to make judgments that focus on objective analysis and compliance with audit standards. However, if their attitude is negative or they feel that the tasks are not important, this can lead to less decision-making focusing on key aspects of the audit.

In addition, subjective norms also play an important role in auditor behavior. Their views on how others, including colleagues and superiors, view their decisions in audit decision-making can influence their actions. Auditors who feel group norms or professional norms support ethical action in auditing may be more inclined to make judgments that adhere to strict ethical guidelines

and standards (Alleyne, Hudaibn& Pike, 2013). . Conversely, if subjective norms favor less ethical actions or allow non-compliance with audit standards, this can influence auditor behavior in ignoring correct auditing practices. With an understanding of Planned Behavioral Theory, audit practitioners and researchers can understand the behavioral factors that influence auditors' decision-making, and use these insights to improve the audit process and maintain its integrity.

Research on behavioral factors that influence auditor judgment is a relevant and important subject in financial auditing. How do behavioral factors, including cognitive biases, normative influences, and perceptions of self-control, influence auditors' decision-making in risk assessment and fraud identification during the financial statement audit process? In this study, it will be studied how auditors' cognitive attitudes and biases, subjective norms in audit groups, and auditors' perceptions of self-control in audit situations, can affect audit results. Understanding these behavioral factors will provide valuable insights for audit practitioners, audit managers, and policymakers to improve the quality and integrity of the audit process, which will ultimately support stakeholder confidence in the audited financial statements.

LITERATURE REVIEW

Social cognitive theory (SCT), also known as social learning theory, was developed by Albert Bandura, a prominent psychologist who made significant contributions to the field of psychology. SCT provides a valuable framework for understanding and enhancing audit judgment (Bandura, 1997). By promoting observational learning, self-efficacy, vicarious reinforcement, and a culture of continuous improvement, organizations can empower their auditors to make sound, informed decisions that contribute to high-quality audits and strengthen investor confidence.

RESEARCH METHODS

The research method used is literature review analysis. Literature review is an approach that involves in-depth review and analysis of existing literature on a research topic. In the context of research on behavioral factors that affect

auditor judgment, here are the steps that can be used in using the literature review method:

- **Research Topic Selection:** Clearly define your research topic, such as "Behavioral Factors Influencing Auditor Judgment in the Context of Financial Auditing." Make sure your topic is specific enough to make it easier to find relevant literature.
- **Literature Source Identification:** Identify relevant literature sources. This can include academic journals, books, articles, research reports, and electronic sources such as academic databases. Make sure the sources you choose are relevant to your research topic.
- **Literature Collection and Selection:** Gather literature relevant to your topic and select the most relevant and high-quality literature. You may need to use appropriate keywords in your search to identify appropriate literature.
- **Literature Analysis:** A careful analysis of the literature you collected. Identify key findings and patterns that emerge from previous research. Take note of the behavioral factors that have been identified and how they have affected auditor judgment in previous studies.
- **Synthesis of Findings:** Create a synthesis of relevant findings from your literature. Identify common patterns, similarities, or differences in findings from various literature sources. This synthesis will help you in comprehensively understanding the behavioral factors that influence auditor judgment.
- **Summary:** Summarize the most relevant and significant findings from your review literature. This summary will help you present your existing research in an easy-to-understand framework that is relevant to your research topic.

The research reviewed is an article published between 2018 to 2022. The first stage to achieve the objectives of the research carried out is to determine the articles to be reviewed through the Google Scholar Database search engine. Articles that are the source of data come from journals, proceedings, and literature reviews. The next step is to identify articles that aim to analyze personal factors that affect audit judgment, so that the core problems that become research gaps can be drawn as research material for further research.

Tabel 1. Articles that are the subject of research studies

NO	Authors	Article Title	Year	Publisher
1	Luh risa Apriliani	The effect of auditor competence, self-efficacy, auditor seniority and task complexity on audit judgment	2021	<i>Jurnal Hita Akuntansi dan Keuangan</i>
2	andam dinillah antariksa	The effect of task complexity and audit experience on audit judgment in public accounting in Surabaya and Sidoarjo	2018	<i>eprints.perbanas.ac.id</i>
3	Ian Parhan, Kurnia Kurnia	The Effect of Audit Skepticism, Independence and Task Complexity on Audit Judgment	2018	<i>jurnalmahasiswa.stiesia.ac.id</i>
4	Arinza Rifqah Afrianti	The effect of audit experience, compliance pressure, personality type, and time budget pressure on audit judgment	2019	<i>eprints.perbanas.ac.id</i>

The papers collectively suggest that several factors influence audit judgment. Apriliani 2021 found that auditor competence, self-efficacy, and seniority have a positive effect on audit judgment, while task complexity has a negative effect. Antariksa 2018 also found that task complexity affects audit judgment, but audit experience does not. Parhan 2018 found that audit skepticism and task complexity positively influence audit judgment, while independence does not. Afrianti 2019 found that audit experience, obedience pressure, and time budget pressure have an effect on audit judgment, while the type of personality does not

RESULT AND DISCUSSION

Article Number Aspect

The articles that became the subject of study in the research there were 4 articles with published years between 2018 to 2021. The source of the 4 articles studied comes from national publishers who discuss specifically about the phenomenon that affects auditor judgment throughout Indonesia with the last 5 years.

Aspects of the Theme of Article Discussion

Luh risa apriliani article's topics discussed about the influence of auditor competence, self-efficacy, seniority, and task complexity on audit judgment. The articles also mentions the occurrence of judgment errors in auditing and the importance of improving auditor competence, self-efficacy, and seniority to enhance audit judgment. Additionally, the articles suggests that public accounting firms should provide training and guidance to enhance auditor competence, motivate auditors to increase self-efficacy, value senior auditors to retain their expertise, and continuously improve skills to handle complex tasks.

Andam dinillah antariksa article's topics discussed about the influence of task complexity and audit experience toward an audit judgment. analysis of the data that have been obtained from the respondents is processed using spss software. the results of this articles indicate that the task complexity affects the audit judgment which is taken by the independent auditor. this articles also obtained the result that audit experience owned by the auditor can not affect the audit judgment it takes. the independent variable in this study only has an influence of 26 percent, it is expected that the next research can use other independent variables to enrich science especially in the field of audit.

Ian Parhan article's topics discussed about the examine the influence of audit scepticism, independency, and task complexity to the audit judgment. An audit judgment is a decision which is issued by an auditor based on doucmentation of evidences which have been found. The result of the research shows that audit skepticism give positive influence to the audit judgment, this mean on the level of audit skepticism an auditor in conducting the audit, his judgment is give better, and task complexity give positive influence to the audit judgment, this mean auditor feels the audit task his faces a complex task, so the auditor has difficulty in performing the task and can't make professional judgment; Meanwhile, independency does not give any influence to the audit judgment, this mean low the auditor independence level, then low quality result audit judgment produce.

Arinza Rifqah Afrianti article's topics discussed about the examine the influence of audit experience, obediece pressure, type of personality, and time budget pressure on audit judgment. Auditor would make an audit report based on their judgments then bring their opinions out as the final process of their duty. The quality of judgments could represent how

well the auditor's performance. These results indicate audit experience, obedience pressure, and time budget pressure have effect on audit judgment, while the type of personality has no effect on audit judgment.

Aspects of Article Discussion Issues

Articles related to audit judgment in the last 5 years examine many diverse characteristic factors, it shows that audit judgment from external auditors is influenced by the following factors, including; audit competence, self-efficacy, seniority, audit experience, audit scepticism, Independence, obedience pressure, type of personality, time budget pressure and task complexity. Personal auditor factors to influence audit judgment that have become hits in the last 5 years there are 10 behavioral factors.

Factor perilaku yang paling sering diteliti 5 tahun terakhir adalah task complexity. Hal tersebut menunjukkan variable task complexity menjadi concern pada penelitian audit judgment. Task complexity menjadi factor yang terikat pada setiap keputusan audit judgment karena Task complexity refers to the level of difficulty and confusion associated with a task. In the context of auditing, task complexity can be influenced by factors such as the amount of information available, the clarity of the information, and the level of structure in the task. When tasks are more complex, auditors may face difficulties in performing their work, which can lead to errors or omissions in their audit judgments. Therefore, it is important to understand the impact of task complexity on audit judgment to improve the quality of audits and ensure that auditors can make accurate and reliable judgments.

The next behavioural factor that is often studied in the last 5 years is audit experiences. Audit experience is the knowledge and skills acquired by auditors during their experience in conducting audits. The more audit experience an auditor has, the better his or her ability to identify, assess, and respond to audit risks. This will result in a more accurate and quality audit judgment.

Aspects of Important Findings of the Article

Audit competence, self-efficacy, seniority, audit experience, task complexity, obedience to pressure, and time budget pressure are all characteristics that have a positive impact on an auditor's ability to influence audit judgments.

Audit competence refers to an auditor's knowledge and skills in understanding and applying

audit principles and standards. A highly competent auditor is better equipped to evaluate audit evidence and make informed decisions during the audit process. Self-efficacy, or an individual's belief in their ability to complete specific tasks, plays a crucial role in an auditor's confidence in handling audit responsibilities. High self-efficacy can lead to increased confidence when facing audit tasks, ultimately enhancing the auditor's capacity to make effective audit decisions.

Seniority, often measured in terms of an auditor's experience and tenure in the auditing profession, contributes significantly to the depth of an auditor's understanding of various audit aspects. With more years of experience, auditors tend to have a more profound knowledge base, which can positively impact their judgment. Audit experience, on the other hand, relates to the extent of an auditor's involvement in various audit projects throughout their career. Such experience helps auditors tackle complex and diverse audit situations more effectively, thus enhancing their decision-making capabilities.

Task complexity refers to the difficulty or intricacy of the audit being undertaken. The more complex an audit, the more vital competencies, experience, and in-depth knowledge become in making accurate audit decisions. Obedience to pressure reflects an auditor's ability to maintain integrity and independence when facing external pressures, such as those from client management or other stakeholders. Auditors who can maintain their independence in the face of pressure are more likely to make objective audit decisions. Time budget pressure signifies the pressure to complete an audit within a pre-established timeframe. Auditors frequently work within strict time constraints. While time pressure can be challenging, auditors who efficiently manage their time can still make sound audit decisions.

It is important to note that while these characteristics can positively influence audit judgment, they must be used wisely and within the context of ethical and professional audit standards. A deep understanding of the audit process, adherence to audit standards, and professional integrity remain crucial elements in making accurate audit decisions. These characteristics should complement, rather than substitute, these fundamental principles of the auditing profession.

CONCLUSIONS

Audit judgment is a crucial aspect of the auditing process, as it involves the auditor's evaluation of the evidence gathered during the audit and the formulation of an opinion on the fairness of the financial statements. Several factors have been identified as influencing audit judgment, including auditor characteristics, task characteristics, and organizational factors.

Auditor characteristics

- **Competence:** Auditor competence refers to the auditor's knowledge, skills, and abilities to perform an audit effectively. Apriliani 2021 found that auditor competence positively influences audit judgment, suggesting that more competent auditors are better able to make sound judgments about the financial statements.
- **Self-efficacy:** Self-efficacy refers to the auditor's belief in their ability to perform a task successfully. Apriliani 2021 also found that auditor self-efficacy positively influences audit judgment, indicating that auditors with higher self-efficacy are more confident in their judgments.
- **Seniority:** Seniority refers to the auditor's level of experience in the auditing profession. Apriliani 2021 found that auditor seniority positively influences audit judgment, suggesting that more experienced auditors are better able to make sound judgments.

Task characteristics

- **Task complexity:** Task complexity refers to the difficulty and ambiguity of the audit task. Apriliani 2021 and Antariksa 2018 both found that task complexity has a negative effect on audit judgment. This suggests that complex audits can make it more difficult for auditors to make sound judgments.
- **Audit skepticism:** Audit skepticism refers to the auditor's critical thinking skills and their willingness to question information provided by management. Parhan 2018 found that audit skepticism positively influences audit judgment, indicating that auditors with higher levels of skepticism are more likely to identify and correct errors or misstatements in the financial statements.

Organizational factors

- **Independence:** Independence refers to the auditor's freedom from conflicts of interest that could impair their objectivity. Parhan 2018 found that independence does not influence audit judgment. This may be due to the fact that independence is typically enforced through professional standards and ethical codes of conduct.
- **Obedience pressure:** Obedience pressure refers to the pressure that auditors may face to conform to the wishes of their superiors, even if they believe that such actions are not in the best interests of the audit. Afrianti 2019 found that obedience pressure has a negative effect on audit judgment, suggesting that auditors under obedience pressure may be more likely to make biased or inaccurate judgments.
- **Time budget pressure:** Time budget pressure refers to the pressure that auditors may face to complete an audit within a tight deadline. Afrianti 2019 found that time budget pressure has a negative effect on audit judgment, suggesting that auditors under time pressure may be more likely to make rushed or incomplete judgments.
- **Type of personality:** Afrianti 2019 found that the type of personality does not influence audit judgment. This suggests that personality may not be a significant factor in determining audit judgment.

Audit judgment is a complex process that is influenced by a variety of factors. By understanding these factors, auditors can take steps to improve their own judgment and ensure that they are providing high-quality audits.

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