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Audit Risk, Professional Skepticism, And Audit Quality: The Moderating Role of Utilization of Information Technology

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ABSTRACT

This research aims to analyze the effect of audit risk (AR) and professional skepticism (PS) on audit quality (AQ), with the utilization of information technology (UIT) as a moderating variable at Public Accountant Firms (PAF) in Jakarta. The novelty of this study lies in its examination of how technological integration may influence the relationship between auditor behavior and audit quality—a topic that remains underexplored in the Indonesian auditing context. This research employs a quantitative approach with 163 auditor respondents from both Big Four and non-Big Four PAFs. Data were analyzed using the SEM-PLS (Structural Equation Modeling - Partial Least Squares) method with SmartPLS 4.0. The results reveal that AR and PS significantly affect AQ, but UIT does not significantly moderate the relationship between AR or PS and AQ. These findings provide insights for PAFs to enhance audit quality by strengthening professional skepticism and managing audit risk effectively. While the moderating role of UIT was not supported, this suggests future research opportunities to explore other potential moderating variables or expand the scope to different regions or industries.

Keywords: Audit Risk, Professional Skepticism, Utilization of Information Technology, and Audit Quality

INTRODUCTION

In this era, there has been rapid economic development, accompanied by increasingly complex business transactions and heightened scrutiny from investors, regulators, and the public, all of whom demand the presentation of high-quality financial statements (Dalwadi, 2023; EZEAGBA, 2017; Joshi & Dotzlaw, 2020; Kornieieva, 2020; Sonnerfeldt & Pontoppidan, 2020). Financial statements are summaries of a company's financial transactions during its operations (Farishi & Lauw, 2023). These statements must comply with financial accounting standards (*Standar Akuntansi Keuangan* or *SAK*) to ensure relevance, reliability, and freedom from material misstatements. The increasing complexity of transactions can result in more detailed financial statements and a greater risk of material errors. This complexity presents challenges for stakeholders in assessing the reliability of the information disclosed, thereby creating a need for third-party assurance—namely, independent auditors.

Auditors serve as a bridge between differing interests and information asymmetries between company management and owners. They provide assurance that the financial statements presented by management are trustworthy and reliable, thus enabling stakeholders and other users to make informed decisions (Liana et al., 2021; Marundha, 2020; Muslim et al., 2020; Pratiwi et al., 2020; Renaldi & Mawardi, 2021). Audited financial statements are generally perceived to be more credible and fair than unaudited ones.

A notable example of audit failure involves the public accounting firm (*PAF*) PwC (*PwC Zhong Tian LLP*) in China in 2024. In this case, Evergrande Company reported significant increases in revenue and sales in 2019 and 2020. PwC Zhong Tian LLP failed to raise concerns over anomalies such as the 2019 revenue increase of 213.99 billion yuan—representing half of total revenue—and the 2020 sales increase of 350 billion yuan—comprising 78.5% of total sales. Furthermore, the firm did not verify the fraudulent bond transactions issued by the developer and was implicated in concealing the

irregularities. Had PwC Zhong Tian LLP identified these anomalies and evaluated Evergrande's internal procedures, the sanctions and fines levied against PwC in China could have been avoided.

This case illustrates the declining quality of work by *PAFs*. Audit quality reflects the service integrity of accounting firms, and any deterioration can erode public trust in the profession. Moreover, it may lead to increased government intervention in the accounting industry. Audit quality refers to the auditor's ability to provide reasonable assurance that the financial statements are free from material misstatements (ASIC, 2022). It also ensures that a company's financial reports accurately reflect its financial condition and reporting practices. Several factors may influence audit quality, including audit risk, professional skepticism, and the use of information technology.

Information technology is among the factors impacting the audit process. A key innovation is cloud-based technology, which helps reduce infrastructure costs and improve organizational efficiency through collaboration among government, private, and public sectors. Its adoption has rapidly expanded in business activities, especially in accounting and auditing, contributing significantly to the digital economy in Indonesia (Farishi & Lauw, 2024). These technological developments include *e-audit*, online transactions, single-platform tax management systems like *Coretax*, and digital banking access. The growing volume of data now allows for high-quality audits (CFA Institute, 2023). *E-audit* is a critical application of such technology, and auditors are expected to leverage these tools in their work. Senapan (2021) emphasizes that auditors must adapt to technological changes by using advanced software for deeper data analysis, more accurate risk identification, and improved efficiency.

Information technology can assist auditors in conducting comprehensive audit risk assessments. Audit risk (*AR*) refers to the possibility of undetected errors due to limitations in evidence, financial statement preparation, or internal controls. When material misstatements go unnoticed, audit quality suffers (Muslim et al., 2020). In addition to information technology and audit risk, professional skepticism also plays a pivotal role. Professional skepticism (*PS*) is an auditor's mindset marked by critical thinking, vigilance for fraud or error, and a rigorous evaluation of audit evidence. According to Mardijuwono & Subianto (2018), more skeptical auditors make greater efforts to gather reliable information for financial statement assessments.

Given the mixed findings regarding *PS* and *AR*, this study seeks to re-examine these variables to provide more accurate empirical insights. Additionally, inconsistencies between theory and findings on the use of information technology in audit quality suggest that this variable may be better positioned as a moderator rather than an independent variable. Therefore, this study employs information technology utilization (*UIT*) as a moderating variable to evaluate its effect on the relationship between *AR*, *PS*, and audit quality (*AQ*).

This study contributes to the literature by focusing on the audit profession within *PAFs* in Jakarta—a subject not extensively researched. The findings offer empirical evidence on how *AR* and *PS* influence *AQ*, with *UIT* tested as a moderating factor. The results also offer guidance for practitioners and regulators and serve as a foundation for future research into audit quality in various institutional contexts.

The novelty of this study lies in its distinctive use of *UIT* as a moderating variable between *AR*, *PS*, and *AQ*—an approach rarely seen in prior studies, especially in the Indonesian context. Unlike previous research that typically treats technology as an independent or mediating factor, this study evaluates whether *UIT* amplifies or weakens the effects of *AR* and *PS* on *AQ*. Conducted among auditors in Jakarta-based *PAFs*, the findings indicate that while *AR* and *PS* significantly influence *AQ*, *UIT* does not serve as a significant moderator. This challenges the conventional belief in the direct benefits of audit technology and highlights the need for supporting infrastructure, training, and strategic integration. Thus, the study not only contributes new empirical perspectives but also lays groundwork for broader and more nuanced future research.

METHOD

This research uses a quantitative approach, with *AR* and *PS* as independent variables, *AQ* as the dependent variable, and *UIT* as the moderating variable. The study describes several variables using numerical data, also referred to as verifiable data. The population in this study consists of auditors working at *Public Accountant Firms* (*PAF*) in Jakarta City. The sampling method employed is *saturated sampling*. *Saturated sampling* is a technique in which the entire population is used because it meets

specific criteria (Sugiyono, 2019). To collect the necessary data for this research, a questionnaire was used, which was adopted from several previous studies and modified to suit the study's objectives.

The data used in this study is primary data. It was collected through distribution using *Google Forms*. This distribution applied the *snowball technique*, whereby respondents were asked to forward the questionnaire to other *Public Accountant Firms* that met the research criteria. This study uses a five-point *Likert scale*, with the following scale: 1 = *Strongly Disagree* (*SD*), 2 = *Disagree* (*D*), 3 = *Less Agree* (*LA*), 4 = *Agree* (*A*), and 5 = *Strongly Agree* (*SA*).

Data analysis in this research uses *SEM-PLS* (*Structural Equation Modeling – Partial Least Squares*), processed using the *SmartPLS 4.0* application. The tests conducted include a validity test and *Cronbach's alpha* reliability test. The structural model is evaluated through six assessments: the *R-square* test, path coefficient test, *t*-test, predictive relevance test, model fit test, and effect size test.

Table 1. Variable and Indicator Research

Variable	Dimension	Indicator	Reference
Audit Risk (AR)	Misstatement Risk (AR1)	I have found material misstatements in the client's financial statements (AR11)	(Ainur et al., 2024; Cahyani & Rina, 2025)
		Discrepancies in financial statements often occur and require our special attention (AR12)	
	Transaction Complexity (AR2)	Complex transactions from clients increase audit risk we face (AR21)	
		Clients with complex business structures require extra attention (AR22)	
	Pressure (AR3)	Time pressure makes it difficult for us to complete audit thoroughly (AR31)	
		Pressure from clients can affect audit objectivity (AR32)	
	Internal Control System (RA4)	Clients with weak internal control systems can increase audit risk (RA41)	
		A strong internal control system helps me reduce audit risk (AR42)	
Professional Skepticism (PS)	Error Evaluation (PS1)	Are material misstatements caused by internal factors of the client (PS11)	(Tjia & Rahayu, 2024; Saleh, 2024)
		Are material misstatements factors that can be controlled by the client (PS12)	
		I consider external conditions (e.g., economic, regulatory) when assessing audit reports (PS13)	
		I evaluate misstatements caused by ignorance or fraud (PS14)	
	Evidence-Oriented (PS2)	I don't immediately trust client report data before verifying documentary evidence (PS21)	
		I am cautious and skeptical when receiving data from management (PS22)	

Variable	Dimension	Indicator	Reference
	Reaction to Misstatements (PS3)	Whenever I find a discrepancy between the data and other audit evidence, I perform further examination (PS31)	
		I perform additional audit procedures if the data provided by the client is inappropriate or questionable (PS32)	
Utilization of Information Technology (UIT)	Efficiency (UIT1)	The public accountant firms (PAF) where I work already uses audit software (UIT11)	(Daffa, et al., 2022)
		With the utilization of information technology, I can identify audit risks more quickly and accurately (UIT12)	
		With the utilization of information technology, I can evaluate large numbers of transactions efficiently (UIT13)	
	Interactive Collaboration (UIT2)	I can collaborate with audit team even from different locations (UIT21)	
		With the utilization of information technology, I can access client data directly (UIT22)	
	Competence (UIT3)	With the use of information technology, I can improve the accuracy of audit findings (UIT31)	
		I have adequate competence in using audit software (UIT32)	
		I have attended training related to the use of technology in audit process (UIT33)	
Audit Quality (AQ)	Compliance with Audit Standards (AQ1)	Audit procedures at the PAF are in accordance with applicable audit standards (AQ11)	(Sidik et al., 2024; Kumalasari et al., 2024)
		I follow audit guidelines used by public accountant firms (PAF) (AQ12)	
	Timeliness (AQ2)	I always complete audit reports by the deadline (AQ21)	
		The audit team at public accountant firms (PAF) has worked efficiently in completing audit work (AQ22)	
	Findings (AQ3)	The audit findings I report are always based on strong and valid evidence (AQ31)	
		The audit report accurately reflects the client's financial position (AQ32)	
	Independence (AQ4)	I maintain independence from client pressure (AQ41)	
		I always strive to remain objective when assessing and evaluating audit data provided by clients (AQ42)	

Source: Processed Data, 2025

Based on table 1, the indicators for each variable are shown. AR has 4 dimensions and 8 indicators; PS has 3 dimensions and 8 indicators; AQ has 4 dimensions and 8 indicators; UIT as a moderator has 3 dimensions and 8 indicators. The indicators used in this study were taken from previous journals. These indicators were filtered to obtain better results.

RESULTS AND DISCUSSION

Data was collected through multiple linear regression analysis as a tool to draw conclusions using Smart PLS version 4. Meanwhile, the validity and reliability were tested using Cronbach's alpha. Data collection was conducted from February to May 2025, involving 170 respondents who were auditors from Big Four and Non-Big Four Public Accountant Firms (PAF) in Jakarta. After screening based on research criteria, only 163 respondents were deemed eligible for analysis. The characteristics of the respondents presented in this study include gender, education, length of service, and type of public accountant firm:

Table 2. Respondent Characteristics

No	Respondent Characteristics	Qty	Percentage
1	**Gender**		
	Male	87	53,3%
	Female	76	46,7%
2	**Education**		
	S1	142	87,1%
	S2	21	12,9%
3	**Age**		
	Less than 25 years old	37	22,7%
	25 – 35 years old	91	55,8%
	35 – 45 years old	29	17,7%
	More than 45 years old	6	3,8%
4	**Length of Service**		
	Less than 2 years	28	17,1%
	2 – 4 years	123	75,4%
	5 – 6 years	12	7,5%
5	**Type PAF**		
	Big Four	67	40,1%
	Non-Big Four	96	59,9%

Source: Processed Data, 2025

The data in table 2 consists of gender, with 87 male respondents and 76 female respondents. Regarding education, the largest sample was in bachelor's degree (S1) with 142 respondents, followed by master's degree (S2) with 21 respondents. Regarding age, the largest sample was in the 25–35 age group with 91 respondents, and the smallest sample was in the over 45 age group with 6 respondents. Regarding work experience, the largest sample was in the 2–4 years category with 123 respondents, and the smallest sample was in the 5–6 years category with 12 respondents. Regarding the type of PAF from the respondents' workplace, the largest sample worked in Non-Big Four with 96 respondents, and the smallest sample worked in Big Four with 67 respondents.

Table 3. Descriptive Statistics Results

Variable	Qty	Minimum	Maximum	*Mean*	Std. Deviation
RA	163	1,25	4,88	3,4133	0,95271
SP	163	1,38	4,88	3,8727	0,84340
KA	163	1,38	4,88	3,8229	0,8651
PTI	163	1,25	4,88	3,7354	0,78030
Valid N (listwise)	163				

Source: Data Analysis, 2025

Table 3 presents the descriptive statistics for each variable in this study, namely AR, PS, AQ, and UIT. The statistics presented include the number of respondents (n = 163), minimum and maximum values, mean, and standard deviation (std. dev.). The mean value indicates the average perception of respondents toward each variable. The PS variable has the highest mean value of 3.8727, followed by the AQ variable with a mean value of 3.8229, and the UIT variable has a mean value of 3.7354. Meanwhile, AR has lowest mean value of 3.4133, indicating that auditors are aware of the existence of risks that can still be controlled in audit process.

The highest standard deviation is found in AR of 0.95271, indicating significant variation in perceptions among respondents regarding audit risks. Conversely, UIT has the lowest standard deviation of 0.78030, indicating more consistent perceptions in UIT. Overall, these descriptive statistical results provide an initial indication that respondents have a positive perception of PS, UIT, AQ. However, perceptions of AR show a greater level of diversity, as indicated by a higher standard deviation compared to other variables. This diversity indicates differences in respondents' views regarding the level of AR faced, which should be a key focus in further analysis to understand its impact on audit quality.

This research uses the Structural Equation Modeling analysis method with a Partial Least Squares (SEM-PLS) approach based on guidelines from (Hair et al., 2020; Jourdan & Laffly, 2020). This analysis consists of two main components, namely measurement model (outer model) to evaluate validity and reliability of construct, and structural model (inner model) to test the relationship between latent variables in the research model. The measurement model (outer model) was conducted by testing validity and reliability of the indicators for each variable. The testing for the measurement model (outer model) in this research used convergent validity testing.

Convergent validity testing is a test related to extent to which items in an instrument are positively correlated with other items in the same construct. Validity testing was conducted using convergent validity technique, measured using outer loading or loading factor parameter to test whether questionnaire items were grouped according to their variable groups. Convergent validity is considered valid if loading factor value is > 0.70 and average variance extracted (AVE) value is > 0.50. Convergent validity testing can be seen from loading factors as shown in following figure:

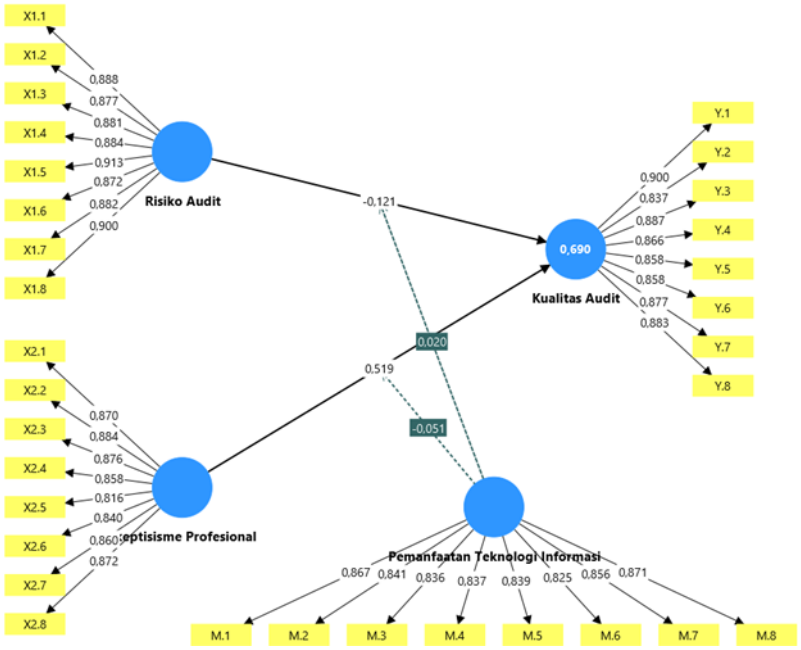

Figure 1. Complete SEM Model (Results with Smart PLS)
Source: Data Processed, 2025

The results of outer model testing have three main criteria used in data analysis techniques with SmartPLS to assess the quality of measurement model. The three criteria include convergent validity, composite reliability, and discriminant validity. All three aim to ensure that indicators used in research are able to measure latent constructs accurately and consistently. The following table shows results of convergent validity and composite reliability tests for each variable:

Table 4. Confirmatory Factor Analysis Results

Variable	Indicator	Loading Factors	Cronbach's Alpha	CR	AVE	Result
AR	$X_{1.01}$	0,888	0,962	0,967	0,787	Valid dan reliable
	$X_{1.02}$	0,877				Valid dan reliable
	$X_{1.03}$	0,881				Valid dan reliable
	$X_{1.04}$	0,884				Valid dan reliable
	$X_{1.05}$	0,913				Valid dan reliable
	$X_{1.06}$	0,872				Valid dan reliable
	$X_{1.07}$	0,882				Valid dan reliable
	$X_{1.08}$	0,900				Valid dan reliable
PS	$X_{2.01}$	0,870	0,950	0,958	0,739	Valid dan reliable
	$X_{2.02}$	0,884				Valid dan reliable
	$X_{2.03}$	0,876				Valid dan reliable
	$X_{2.04}$	0,858				Valid dan reliable
	$X_{2.05}$	0,816				Valid dan reliable
	$X_{2.06}$	0,840				Valid dan reliable
	$X_{2.07}$	0,860				Valid dan reliable
	$X_{2.09}$	0,872				Valid dan reliable
AQ	$Y_{.01}$	0,900	0,954	0,962	0,759	Valid dan reliable
	$Y_{.02}$	0,837				Valid dan reliable
	$Y_{.03}$	0,887				Valid dan reliable
	$Y_{.04}$	0,866				Valid dan reliable
	$Y_{.05}$	0,858				Valid dan reliable
	$Y_{.06}$	0,858				Valid dan reliable

Variable	Indicator	Loading Factors	Cronbach's Alpha	CR	AVE	Result
	$Y_{.07}$	0,877				Valid dan reliable
	$Y_{.08}$	0,883				Valid dan reliable
UIT	$M_{.01}$	0,867	0,944	0,953	0,717	Valid dan reliable
	$M_{.02}$	0,841				Valid dan reliable
	$M_{.03}$	0,836				Valid dan reliable
	$M_{.04}$	0,837				Valid dan reliable
	$M_{.05}$	0,839				Valid dan reliable
	$M_{.06}$	0,825				Valid dan reliable
	$M_{.07}$	0,856				Valid dan reliable
	$M_{.08}$	0,871				Valid dan reliable

Source: Data Analysis, 2025

Based on data in table 4, it shows that all indicators in research variables have a loading factor value > 0.70 and an AVE (Average Variance Extracted) value > 0.50. Based on these results, all indicators in research variables can be said to meet convergent validity test. The AVE value for AR variable is 0.787, indicating that on average 78.7% of information contained in each indicator can be consistently reflected in AR construct. The AVE value for PS variable is 0.739, indicating that on average 73.9% of information contained in each indicator can be consistently reflected in PS construct. The AVE value for AQ variable is 0.759, indicating that on average 75.9% of information contained in each indicator can be consistently reflected in AQ construct. The AVE value for UIT variable is 0.717, indicating that on average 71.7% of information contained in each indicator can be consistently reflected in UIT construct.

Reliability testing was conducted to prove the accuracy, consistency, and precision of instrument in measuring construct. This research conducted reliability testing using Cronbach's alpha and composite reliability (CR) approaches with a standard value of > 0.70. Table 4 shows that values of all variables in reliability test using Cronbach's alpha or CR are greater than 0.70. Therefore, it can be concluded that variables tested are valid and reliable, so they can be continued to test the structural model

Discriminant validity testing was conducted to determine extent to which measurement instrument for a construct differs from other constructs. Discriminant validity testing can be performed using cross-loading values and comparing the square root of AVE with latent construct correlations as parameters. One of discriminant validity tests is Heterotrait-Monotrait Ratio (HTMT) test. The threshold used is 0.85 for conceptually different constructs. If HTMT value exceeds this threshold, discriminant validity is considered inadequate because the constructs are not sufficiently different.

Table 5. Heterotrait-Monotrait Ratio of Correlation (HTMT) Value

	AQ	UIT	AR	PS	UIT x AR	UIT x PS
AQ						
UIT	0.770					
AR	0.186	0.064				
PS	0.842	0.823	0.118			
UIT x AR	0.121	0.153	0.491	0.186		
UIT x PS	0.531	0.445	0.140	0.612	0.319	

Source: Data Analysis, 2025

Based on the data in table 5, it shows that value of Heterotrait-Monotrait Ratio of Correlation (HTMT) for each variable has a value of < 0.90. This indicates that each manifest variable in this research has accurately described its latent variable and proves that discriminant validity of all variables has been fulfilled.

Table 6. Verification Results of the Influence Between Variables

Path	Coefficient	t-statistic	p-value	R^2	F^2	Decision
AR => AQ	-0,121	2,248	0,025	0,690	0,031	H1 accepted
PS => AQ	0,519	4,669	0,000		0,264	H2 accepted
UIT x AR => AQ	0,020	0,346	0,730		0,001	H3 rejected
UIT x PS => AQ	-0,051	0,812	0,417		0,006	H4 rejected

Source: Data Analysis, 2025

The structural model measurements used in this research are coefficient of determination (R^2), effect size (F^2), model fit, and path coefficients (β) as well as significance testing with p-value < 0.05 and t-statistics > 1.96. This is to prove acceptance or rejection of hypothesis proposed in this research. The coefficient of determination (R^2) analysis is employed to measure the proportion of variance in the endogenous variables that can be explained by the exogenous variables. R-square (R2) indicates the proportion of variance in dependent variable that can be explained by related independent variables. A coefficient of determination (R2) value of 0.75 indicates a strong explanatory power, a value of 0.50 reflects moderate explanatory power, and a value of 0.25 is considered.

Based on the data in table 6, it shows that in AR and PS models moderated by UIT on AQ, the coefficient of determination (R2) is 0.690. This can be interpreted as 69.0% of AQ can be explained by AR and PS variables moderated by UIT, while the remaining 31.0% (100% - 69.0%) is explained by other variables outside this research.

The effect size (F^2) is used to assess magnitude of effect for path coefficient, indicating whether the endogenous latent variable has a significant influence on the exogenous latent variable. The F-square (F^2) value is categorized based on level of influence, where a value of 0.02 indicates a small effect, 0.15 indicates a moderate effect, and 0.35 indicates a large effect. An F-square value less than 0.02 indicates that independent variable has minimal or insignificant impact on model variation.

Based on the results in table 6, it is known that direct effect of AR on AQ produces with F^2 value of 0.031, which falls into the small category; The direct effect of PS on AQ resulted with F^2 value of 0.264, which falls into the moderate category; The effect of AR moderated by UIT on AQ resulted with F^2 value of 0.001, which falls into the insignificant category; and the effect of PS moderated by UIT on AQ resulted with F^2 value of 0.006, which falls into insignificant category.

Path coefficients and p-values were used to test research hypotheses proposed. If a construct has a positive path coefficient value, it is said to be positively connected. Conversely, the construct may be considered negatively connected if path coefficient value is negative. Meanwhile, p-value will be used to determine whether a hypothesis is supported or not supported. The criteria for accepting or rejecting a hypothesis are if significance value with t-value > 1. 96 and or p-value < 0.05 at a significance level of 5% (α 5%), then Ha is accepted and Ho is rejected. Conversely, if t-value < 1.96 and or the p-value > 0.05 at a significance level of 5% (α 5%), then Ha is rejected and Ho is accepted.

H1: AR has a significant effect on AQ

Table 6 shows that hypothesis testing 1 (H1) on impact of AR on AQ shows a path coefficient value of -0.121. The t-statistic value in this construct relationship is 2.248 > 1.96 and the p-value is 0.025 < 0.05, so at a 5% error level, it is decided to accept the prediction of H1. Thus, the prediction of H1 is accepted, stating that AR has a negative and significant effect on AQ. The results of this research provide empirical evidence that the higher the AR, the lower AQ.

H2: PS has significant effect on AQ

Table 6 shows that hypothesis testing 2 (H2) on impact of PS on AQ shows a path coefficient value of 0.519. The t-statistic value in this construct relationship is 4.669 > 1.96 and p-value is 0.000 < 0.05, so at a 5% error level, it is decided to accept prediction of H2. Thus, the prediction of H2 is accepted,

stating that PS has a positive and significant effect on AQ. The results of this research provide empirical evidence that higher the PS, higher the AQ.

H3: UIT has not significant as a moderator relationship between AR on AQ

Table 6 shows that the test of hypothesis 3 (H3) on effect of AR moderated by UIT on AQ shows a path coefficient value of 0.020. The t-statistic value in this construct relationship is 0.346 > 1.96 and p-value is 0.730 < 0.05, so at a 5% error level, it was decided to reject prediction of H3. Thus, the prediction of H3, which states that UIF has significant as a moderator relationship between AR on AQ, is rejected. The results of this research provide empirical evidence that auditors still face limitations in optimizing UIT to detect audit risks during audit process.

H4: UIT has not significant as a moderator relationship between PS on AQ

Table 6 shows that hypothesis testing 4 (H4) on effect of PS moderated by UIT on AQ shows a path coefficient value of -0.051. The t-statistic value for this construct relationship is 0.812 > 1.96 and p-value is 0.417 < 0.05. Therefore, at a 5% error level, it is decided to reject prediction of H4. Thus, the prediction of H4, which states that UIF has significant as a moderator relationship between PS on AQ, is rejected. The results of this study provide empirical evidence that UIT in audit practice has not yet been fully integrated into professional approach of auditors, particularly in supporting application of systematic and data-based professional skepticism. This may be due to insufficient training, limited infrastructure, and resistance to technological changes in auditor's work environment.

DISCUSSION

After conducting a theoretical review and considering the characteristics of the research location, the selection of variables and research models was deemed relevant to describe the phenomenon under study in a more contextual and in-depth manner. This study involved four hypothesis tests. The results of the tests showed that AR and PS had a significant effect on AQ. Meanwhile, UIF has significant as a moderator relationship between PS and AR on AQ. Further discussion of the results of the four hypothesis tests will be described in detail to explain theoretical and empirical implications of each relationship between variables in this research model.

The results of the first hypothesis test indicate that audit risk (AR) has a negative and significant effect on audit quality (AQ) a for auditors working at public accountant firms in Jakarta City. These results show that the higher AR faced, lower the AQ produced. High levels of AR can hinder an auditor's objectivity and effectiveness in conducting audit procedures comprehensively. This condition impacts quality of audit reports, especially when auditors are faced with increasingly complex audit tasks requiring higher professional judgment. This finding aligns with previous research, indicating that even though auditors set risks at a low level, they are still not permitted to reduce scope of audit procedures that should be conducted. This condition is important to note because material errors can still occur, especially when the integrity of client management is in question. In certain situations, management may have personal interests or specific objectives to achieve through presentation of financial statements that are not in accordance with law, thereby increasing potential for errors or deviations that impact audit quality.

The results of second hypothesis test indicate that professional skepticism (PS) has a positive and significant effect on audit quality (AQ) among auditors working at public accountant firms in Jakarta City. These results highlight importance of a skeptical attitude in detecting potential errors or fraud during the audit process. Professional skepticism involves always asking questions, being vigilant about conditions and circumstances that may lead to material misstatements caused by ignorance or intentional fraud, and critically evaluating audit evidence. These findings align with previous studies Nikita Sari Wulan & Budiartha (2020) which revealed that higher the PS, higher the AQ produced. This reinforces the relationship between professional skepticism and audit quality. However, this research

is inconsistent with previous research Yulanda et al. (2023) which revealed that the limited completeness of data provided by clients can affect the effectiveness and smoothness of the audit examination process conducted by auditors.

The results of third hypothesis testing indicate that utilization of information technology (UIT) has not significant as a moderator relationship between audit risk (AR) on audit quality (AQ) among auditors working at public accountant firms in Jakarta City. These results show that auditors still face limitations in optimizing IT to detect AR during the audit process. These results can be interpreted as IT not yet being able to strengthen the relationship between AR and AQ. This finding is in line with previous research (Deviani & Badera, 2017) which revealed that auditors' understanding of information systems in their utilization has not had a significant effect on the determination of audit procedures, nor has it been able to reduce audit complexity in considering the audit risks faced. As a result, this has not had a significant impact on improving the quality of the audit results. Meanwhile, this finding is inconsistent with previous research (Julius et al., 2021), which revealed that information technology should be able to assist auditors in identifying anomalies, processing large data, improving efficiency, and accuracy in audit procedures. However, if auditors do not have adequate technical skills or IT system used is not fully integrated into the audit process, the role of information technology as a moderator becomes less effective.

The results of fourth hypothesis test indicate that utilization IT has not significant as a moderator relationship between professional skepticism on audit quality (AQ) among auditors working at public accountant firms in Jakarta City. These results suggest that although information technology has been used in the audit process, its presence has not been able to effectively strengthen or weaken the impact of PS on AQ. This condition is caused by a lack of auditor training, limitations in PAF infrastructure, and resistance to technological changes in the auditor's work environment. These findings are in line with previous studies which reveal that utilization of information technology without being supported by high professionalism does not improve audit quality (Astrina et al., 2020; Ingrit Febriany Tobe, 2017; Polontalo et al., 2022). Although information technology provides tools and processes that can improve audit efficiency and coverage, its utilization has not been able to make a significant contribution in supporting auditors' competence to improve and maximize audit quality.

CONCLUSION

Based on the results of the tests described by the researchers, *AR* has a negative and significant effect on *AQ* among auditors working at *Public Accountant Firms* (*PAF*) in Jakarta City. This indicates that the higher the *AR* faced, the lower the *AQ* produced. A high level of *AR* can hinder the objectivity and effectiveness of an auditor in carrying out audit procedures thoroughly. This condition contributes to a decline in the quality of the audit produced.

PS has a positive and significant effect on *AQ* among auditors working at *PAFs* in Jakarta City. This finding emphasizes the importance of skepticism in detecting potential errors or fraud during the audit process and reinforces the link between professional skepticism and audit quality. Auditors with a *PS* mindset are better prepared to face various situations with caution and resilience, particularly in high-pressure environments when assessing audit data and supporting documents. However, limited data provided by clients can still impact the effectiveness and efficiency of the audit process.

UIT does not have a significant moderating effect on the relationship between *AR* and *AQ* among auditors in *PAFs* in Jakarta. This indicates that limitations in optimizing *UIT*—either due to insufficient technical competence or underdeveloped systems—reduce the effectiveness of technology in detecting audit risks. Thus, the role of *UIT* in enhancing *AQ* remains suboptimal within the context of this study.

Likewise, *UIT* does not significantly moderate the relationship between *PS* and *AQ*. Although information technology is used in the audit process, its presence does not effectively strengthen or weaken

the influence of *PS* on *AQ*. This condition is attributed to a lack of auditor training, limited technological infrastructure in *PAFs*, and resistance to technological changes within the auditors' work environment.

This study found that *AR* and *PS* have significant effects on *AQ*, while *UIT* does not significantly moderate the relationship between either *AR* or *PS* and *AQ*. These findings contribute to the auditing field by encouraging *PAFs* to enhance their understanding and application of factors that influence audit quality. Moreover, firms should invest in training and improve technological infrastructure to ensure that the use of technology can support both audit risk assessment and professional skepticism in improving audit quality. The findings also provide academic value, showing that while *AR* and *PS* are critical to *AQ*, the moderating role of *UIT* remains limited.

The limitations of this research include, first, its geographic scope being restricted to Jakarta, which may limit the generalizability of the findings to other regions. Second, research on *UIT* as a moderating variable is still limited, especially in its potential to influence audit quality. Future studies could expand the sample to different geographic areas and introduce additional variables such as budget pressure, audit rotation, or auditor–manager interaction to generate a more comprehensive analysis of factors affecting audit quality.

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