

# The Effects of Ethical Factors in Financial Statement Examination: Ethical Framework of the Input Process Output (IPO) Model in Auditing System Basis

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## Abstract

This study attempts to analyze ethical factors within the framework of the IPO model (input-process-output) as a proxy of audit quality. In more detail, this study creates a model framework that analyzes the influence of ethical factors consisting of integrity, objectivity and independence on audit quality with specific variables. This study was conducted by analyzing 220 respondents from auditors working in public accounting firms in major cities in Java, Indonesia, and analyzed using linear regression techniques. The study results show that the integrity variable has a positive and significant effect on output, and the objectivity variable has a significant effect on input, process and output. Meanwhile, the independence variable has not been empirically proven to have a significant effect on audit quality. These results emphasize the importance of increasing auditor independence in carrying out their duties, and theoretically prove the effect of abstract ethical factor values in empirical testing on audit quality.

**Keywords:** ethical factors, audit quality, input-process-output, auditing, financial examination

## 1. Introduction

The public accountant profession is a profession that relates to stressful work in connection with professional pressures and ethical attitudes that auditors must hold in carrying out their duties (Espinosa-Pike & Barrainkua, 2016; Tian & Peterson, 2016; Clayton & van Staden, 2015; Sunyoto et al., 2019). Implementation of auditing tasks is always supervised and must be in line with applicable regulations from the beginning to completion (Knechel & Salterio, 2016). In fact, until the audit report is verified by competent institutions and stakeholders, auditors must be able to behave ethically and show that they have implemented the applicable accounting standards correctly. Knapp (1985), Johari et al. (2019) found that auditors are vulnerable to environmental pressure and intimidation by clients in a conflict or dispute about accounting issues, including the need to make adjustments to financial statements, the appropriateness of accounting principles applied by clients, or the adequacy of financial statement disclosures. Goldman and Barlev (1975) explain that a common form of intimidation is the threat of auditor replacement. Thus, it is reasonable to assume that client pressure on the auditor at the time of the audit can negatively affect the auditor's work of audit quality.

There are many accounting scandals by companies hidden in the financial statements that have been engineered and involve top auditors (Peecer, et al 2007). This is related to the low level of audit quality caused by low professional knowledge and ethics of auditors, as well as high client pressure (Chandrarin & Subiyantoro, 2019; Sunyoto et al., 2019). In Indonesia, audit quality statistics show that of the forty violations committed by Public Accountants during 2007-2009, seventeen of which were violations related to audit quality (Agoes, 2012). Specifically, in 2007 there were dozens of Public Accounting Firms or Public Accountants whose licenses were frozen by the Minister of Finance. The suspension was related to violations of the Professional Standards of Public Accountants. This is related to the auditor's poor understanding of Financial Accounting Standards and SPAP (Suseno, 2013). Carcello and Nagy (2004) explain that financial statement manipulation is a problem that is often faced by the public accounting profession.

Based on the above arguments, it can be said that research on audit quality in accordance with the ethics held by auditors in financial audits needs to be done, especially regarding internal input factors of audit quality in the form of professional knowledge and auditor ethics as external input factors of audit quality. This study attempts to analyze ethical factors within the framework of the IPO model (input-process-output) as a proxy of audit quality. In more detail, this study creates a model framework that analyzes the influence of ethical factors consisting of integrity, objectivity and independence on audit quality with specific variables. Conceptually, the originality value offered by this study is its attempt to empirically test an abstract value, namely ethical factors, on audit quality. Basically, ethics is an objective abstract values that are run and are perceived subjectively by each individual, although this perception will tend to be in agreement with things that are considered unethical. On the other hand, audit quality is an aspect that is easily assessed in financial audit procedures. This has become a widely discussed topic in previous studies, only the formation of special models in testing and proving the usefulness of relationships through models like this has not been widely discussed.

## 2. Literature Review and Hypotheses

### 2.1 Effect of Auditor Integrity on Audit Quality

Ardelean (2013) explains that auditor ethics as a basic component for perceptions about the integrity, objectivity, and independence of auditors in providing audit opinions. Al Momani and Obeidat (2013) found that auditor integrity, objectivity, and independence had a positive effect on the auditor's ability to detect fraud. Goodwin (1999) found that the integrity of information sources is the most significant variable for determining sensitivity to audit information sources. Intakhan and Ussahawanitchakit (2009) show that audit independence has a positive effect on audit quality.

O'Regan (2004), Ismail et al. (2019), Kertarajasa et al. (2019) explain that audit quality is a picture of good performance and positive characteristics of auditors. A good auditor's performance can not be separated from the existence of good input and audit processes. In terms of audit quality inputs, Watt and Zimmerman (1981) define audit quality as consisting of two components: the auditor's competence to detect errors or irregularities in accounting records, and the auditor's independence to report errors or irregularities in auditor opinion. Based on this description, the proposed hypothesis is as follows:

H1a. Integrity has a positive and significant effect on audit input

H1b. Integrity has a positive and significant effect on the audit process

H1c. Integrity has a positive and significant effect on audit output

### 2.2 Effect of Auditor Objectivity on Audit Quality

Tangpinyoputtikhun and Thammavinyu (2010) found that CPA auditors who have high personal ethics will produce high audit quality. This is supported by Intakhan and Ussahawanichakit (2010) that auditors who have high ethical reasoning tend to pay attention to the public interest by providing high quality audit reports to achieve audit effectiveness and better audit performance. Intakhan and Ussahawanitchakit (2009) found that auditors who have high ethical orientation tend to act more independently and effectively to produce high audit quality.

Barton (2005) suggests that to develop and maintain credibility, accountability, transparency, and accuracy of financial statements, the company's financial statements must be examined by competent and independent auditors. Competence is related to knowledge (technical knowledge) and experience (practical knowledge). Frankel, Johnson, and Nelson (2002) state that the provision of non-audit services can influence auditor independence by increasing incentives to approve client pressure. In general auditors are considered more accepting of client desires when subject to client pressure (Farmer, Rittenberg, and Trompeter, 1987; Lord 1992; Hackenbrack and Nelson 1996).

In terms of the audit process, GAO (2003) defines audit quality as a measurement of the audit process in accordance with the generally accepted auditing standards (GAAS) to provide reasonable assurance that the audited financial statements and disclosures have been presented in accordance with the generally accepted accounting principles (GAAP) and there is no material misstatement caused by errors or fraud. Thus, audit quality in this study is defined as a combination of a good systematic inspection process (in accordance with GAAS) with good professional judgment from competent and independent auditors, to produce a high quality level of assurance to users of audit services (Knetchel, et al, 2013).

H2a. Objectivity has a positive and significant effect on audit input

H2b. Objectivity has a positive and significant effect on the audit process

H2c. Objectivity has a positive and significant effect on audit output

### 2.3 Effect of Auditor Independence on Audit Quality

Sudsomboon and Ussahawanitchakit (2009) found that commitment to judgment expertise and ethical awareness had no effect on audit quality. Gendron, Suddaby, and Lam (2006) find that the commitment of the independence of public accountants is lower than accountants who do not work as public accountants, and the independence commitment of public accountants working in large/international audit firms is lower than that of public accountants working in audits small firm.

Knapp (1991) found that the length of the auditor's relationship with the auditee could hinder the auditor's independence and accuracy in carrying out the audit task. Hamilton (2005) states that one of the factors that can hamper the ability of auditors to provide quality audits is a work relationship that is too long between the auditor and the client. Levitt (2000) found that non-audit services had an impact on auditor independence. The length of the employment relationship and the provision of non-audit service work can lead to dependence on the auditor's fee on the client and client pressure on the auditor which has an impact on decreasing audit quality and increasing the auditor's litigation potential (Agus & Ghozali, 2019). Studies reveal that competence and independence influence audit quality (DeAngelo, 1981; Deis and Groux, 1992; Wooten, 2003; Agus & Ghozali, 2019).

H3a. Independence has a positive and significant effect on audit input

H3b. Independence has a positive and significant effect on the audit process

H3c. Independence has a positive and significant effect on audit output

### 3. Theoretical Framework

Searching for previous research shows that audit quality research has been investigated through several models, including using the audit quality input-process-output (IPO) model that is related to auditor's professional knowledge and ethics. Tangpinyoputtikhun and Ussahawanitchakit (2008) found that tax auditors in Thailand who have professional knowledge can improve the quality of their work. Tangpinyoputtikhun and Thammavinyu (2010) found that CPA auditors who have professional knowledge tend to exploit their abilities in order to create accountability and improve audit quality.

PCAOB (2013) developed an audit quality framework covering three segments, namely audit input, audit process, and audit results. Related to the auditor profession that has the duty and responsibility to produce high audit quality, the audit quality can be seen from three points of view, namely: (a) input point of view, the profession requires the auditor to have technical knowledge, special experience (professional knowledge) and commitment high morals (high auditor ethics), (b) the process perspective, the profession requires the auditor to carry out a work based on standard work standards and professional ethics set by the profession, and can only be done by individuals with the ability and educational background in accounting and auditing, (c) the output point of view, the profession requires the auditor to present financial statements that are free from material misstatements and provide information that is useful to the public for economic decision making.

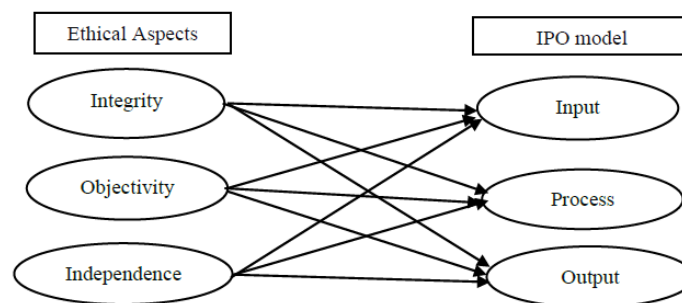


Figure 1. Research model of audit quality in IPO model

### 4. Method

This research was conducted on auditors working at Public Accounting Firms (KAP) registered in the IAI-KAP directory in 2013, especially those who live in four big cities in Java, namely; Jakarta, Surabaya, Semarang and

Bandung. The sampling technique is done by nonprobability sampling technique that is purposive sampling with the type of judgment sampling. From 600 questionnaires distributed, 220 questionnaires can be analyzed further.

The integrity variable is measured by 2 items, namely the honesty and obedience of auditors in the regulations in performing audit tasks (INT1), as well as the courage to express things according to their consideration and beliefs when doing audit tasks (INT2). Objectivity is measured by 3 items, namely carrying out audit tasks in accordance with facts and not looking for faults or hiding mistakes (OBJ1), carrying out audit tasks to meet the needs/interests of the users of financial statements (OBJ2), and taking an impartial perspective in evaluating evidence audit and preparation of audit reports (OBJ3). Independence is measured from 6 items, namely the auditor does not receive audit and non-audit assignments simultaneously from the same client and the same year (IND1), carry out the collection and evaluation of evidence (verification) that is accessed from the client's accounting records, the implementation is not adjusted to the client's request (IND2), decide on materiality level plans and audit risk assessment not adjusted to client requests (IND3), reject audit assignments for clients related to legal cases with him (IND4), reject audit assignments for clients related to him as share/joint owners investor/investor/director/manager or employee. (IND5), refused audit assignments for clients who have financial and kinship relationships with their families (IND6).

For the IPO aspects, operationally, input is measured by 5 items, namely the ratio of partner audit to auditor staff that is comparable in KAP can improve the quality of audit implementation (INP1), the number of working hours of partners, managers, and auditors who do not exceed normal workloads or do not exceed total audit work hours that should be able to improve the quality of audit implementation (INP2), exchange or change of audit teams for the same client at each different inspection period needs to be done (INP3), the greater percentage of audit work hours performed by outsourced (freelance) workers compared to the hours worked by full time staff (permanent staff) can reduce audit quality (INP4), adequate technical competence in understanding SAK, IFRS, and SPAP can improve audit quality (INP5).

The audit process is measured by 4 items: the auditor makes consideration of inherent risk and control risk in developing audit programs/procedures in accordance with professional standards (SPAP) (PRO1), applying the principle of professional skills (due professional care) and professional skepticism in gathering and evaluating audit evidence to support his opinion (PRO2), conducting audit planning carefully to obtain competent, sufficient, and timely audit evidence and documenting it well (PRO3), and the auditor's work is reviewed by superiors in a manner tiered before the audit report is made (PRO4).

Audit Reports as a reflection of audit output measured by 5 items, namely the audit report must be reliable and contains findings of significant weaknesses in the client's internal control system and recommendations for improvement as needed (OUT1), the audit report is presented objectively accordingly with SPAP and submitted on time in accordance with the agreement (OUT2), the audit report is avoided from the case of restatement of the audited financial statements, lawsuits from the use of financial statements, and reprimands from the PPAJP (OUT3), the formulation of opinion (the opinion of the auditor) has been based on the results of the evaluation results regarding conclusions drawn from audit evidence obtained, and adequately documented in the auditor's working paper (OUT4), issuance of the auditor's report and expressing the auditor's opinion, have been based on the results of audits conducted based on Auditing Standards set forth in SPAP and the provisions of the applicable law behavior (OUT5).

All variables are measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Data analysis was performed using linear regression techniques through IBM's Statistical Package for Social Science (SPSS) version 22. Testing included also analyzing descriptive statistics and correlations between variables, as well as the coefficient of determination.

## 5. Results

### 5.1 Descriptive Statistics

Descriptive statistical test results as in Table 1 reveal that the value given to each item of the six variables tested. For the integrity variable, the mean value for the two items is around 4.3 with a standard deviation of around 0.6. For the objectivity variable, the average value is around 4.3 with a standard deviation between 0.61 and 0.73. For the independence variable, the average value is around 4.2 with a standard deviation between 0.65 and 0.79.

Table 1. Descriptive statistics

Items (Ethical Factors)	Min	Max	Mean	Std. Dev	Items (IPO Aspects)	Min	Max	Mean	Std. Dev
Int01	2.00	5.00	4.36	.62	Inp01	1.00	5.00	3.95	.81
Int02	3.00	5.00	4.35	.58	Inp02	1.00	5.00	3.46	.87
Obj01	2.00	5.00	4.36	.61	Inp03	1.00	5.00	3.37	.99
Obj02	1.00	5.00	4.29	.73	Inp04	1.00	5.00	3.21	.92
Obj03	2.00	5.00	4.34	.64	Inp05	2.00	5.00	4.04	.80
Ind01	2.00	5.00	4.26	.65	Pro01	2.00	5.00	4.29	.73
Ind02	2.00	5.00	4.18	.74	Pro02	1.00	5.00	4.07	.78
Ind03	2.00	5.00	4.20	.69	Pro03	1.00	5.00	3.65	1.02
Ind04	2.00	5.00	4.29	.69	Pro04	1.00	5.00	3.84	.95
Ind05	1.00	5.00	4.20	.79	Out01	1.00	5.00	4.00	.80
Ind06	1.00	5.00	4.25	.79	Out02	1.00	5.00	4.11	.77
					Out03	1.00	5.00	3.75	1.03
					Out04	2.00	5.00	4.04	.76
					Out05	1.00	5.00	4.12	.83

For the IPO aspects, the average value for input is 3.21-4.04 with a standard deviation of 0.80-0.92, while for process variables, the average value is around 3.65-4.29 with a standard deviation of .73-1.02, and variables with an average value of 3.75-4.12 with a standard deviation of .76-1.03.

5.2 Reliability and Validity

The next test is the reliability and validity test. The test results present the reliability values that are reflected by Cronbach's Alpha ( $\alpha$ ) for ethical factors for integrity, objectivity and independence respectively 0.778, 0.771, and 0.790, while for the IPO aspects show values in a row for input, output and process are 0.687, 0.650 and 0.793. By using the standard from Nunally (1960) for accepting variable reliability of 0.60, it is stated that all variables in this study are reliable. Likewise, for the validity value of each construct, which is reflected by the Corrected Item-Total Correlation value, is higher than the r-table, it is stated that all items in this study are valid (Table 2).

Table 2. Reliability and validity testing

Ethical Factors	$\alpha$	Corrected Item-Total Correlation	N	IPO Aspects	$\alpha$	Corrected Item-Total Correlation	N
Integrity:	.778		3	Input:	.687		5
Int01		.637		Inp01		.585	
Int02		.637		Inp02		.428	
				Inp03		.446	
				Inp04		.384	
				Inp05		.361	
Objectivity:	.711		3	Process:	.650		4
Obj01		.526		Pro01		.421	
Obj02		.551		Pro02		.333	
Obj03		.512		Pro03		.462	

		Pro04	.509	
<i>Independence:</i>	.790	6	<i>Output:</i>	.793
Ind01	.489		Out01	.551
Ind02	.555		Out02	.732
Ind03	.488		Out03	.336
Ind04	.635		Out04	.542
Ind05	.587		Out05	.679
Ind06	.492			

5.3 Correlation

The correlation test results in Table 3 present that there is a significant relationship between the variables as a reflection of ethical factors (integrity, objectivity and independence), with aspects of the IPO (input, process-output). The test results stated the relationship of integrity with IPO aspects in a row was 0.308 with a significance level of  $p = 0.000$ , 0.186 ( $p=0.006$ ) .466 ( $p=0.000$ ). The correlational relationship between objectivity variables and IPO aspects was 0.385 ( $p=0.000$ ), 0.274 ( $p=0.000$ ), and 0.452 ( $p=0.000$ ), respectively.

Table 3. Correlation

Variable	Integrity	Objectivity	Independence	Input	Process	Output
Integrity	1.00	.711** (.000)	.604** (.000)	.308** (.000)	.186** (.006)	.466** (.000)
Objectivity		1.00	.649** (.000)	.385** (.000)	.274** (.000)	.452** (.000)
Independence			1.00	.262** (.000)	.156* (.021)	.340** (.000)
Input				1.00	.282** (.000)	.374** (.000)
Process					1.00	.272** (.000)
Output						1.00

\*\* . Correlation is significant at the 0.01 level (2-tailed); \* . Correlation is significant at the 0.05 level (2-tailed).

Meanwhile, the relationship of independence with the input variable is 0.262 with  $p=0.000$ , with the process variable is 0.156 with  $p=0.021$ , and with the output variable is 0.340 with  $p=0.000$ . The next test is hypothesis testing.

5.4 Hypothesis Testing

The first hypothesis which consists of 3 parts focusing on the influence of integrity states that integrity has a positive and significant effect on audit input, integrity has a positive and significant effect on the audit process and integrity has a positive and significant effect on audit output. The test results show that the coefficient ( $\beta$ ) and p-values for the influence of integrity on inputs, processes, and outputs are 0.068 ( $p=0.464$ ), -0.006 ( $p=0.949$ ), and 0.291 ( $p = .001$ ). These results indicate that the integrity variable has a positive and significant effect on output (H1c). This means that the hypothesis stating the influence of integrity on output is accepted. However, integrity has not been proven empirically to significantly influence input (H1a) and process (H1b), which is reflected by significance values above 0.05.

Partially, this study is incompatible with some of the previous findings. Goodwin (1999) found that the integrity of information sources is the most significant variable for determining sensitivity to audit information sources. Intakhan

and Ussahawanitchakit (2009) show that audit independence has a positive effect on audit quality. This is most likely due to the fact that this study focused on building models that test abstract ethical values on empirical audit quality. In addition, with respect to the significant influence of integrity on audit quality in the IPO model, this result is obtained by considering that the integrity measurement items are the honesty and obedience of auditors on the rules in conducting audit tasks and the courage to express things that according to their consideration and belief need to be done when performing tasks audits can affect the quality of the report as an auditing output.

Table 4. Hypothesis test, ANOVA and coefficient of determination

Hypothesis	$\beta$	t (sig.)	$\beta$	t (sig.)	$\beta$	t (sig.)
Integrity $\rightarrow$ Input	.068	.733(.464)				
Integrity $\rightarrow$ Process			-.006	-.064(.949)		
Integrity $\rightarrow$ Output					.291	3.343(.001)
Objectivity $\rightarrow$ Input	.335	3.454(.001)				
Objectivity $\rightarrow$ Process			.301	2.982(.003)		
Objectivity $\rightarrow$ Output					.238	2.613(.010)
Independence $\rightarrow$ Input	.003	.039(.969)				
Independence $\rightarrow$ Process			-.036	-.403(.687)		
Independence $\rightarrow$ Output					.010	.121(.904)
<i>Dependent</i>	<i>Input</i>		<i>Process</i>		<i>Output</i>	
Constant	8.326		10.661		6.597	
Std. Error	1.729		1.506		1.709	
t(sig.)	4.815(0.000)		7.079(0.000)		3.861(0.000)	
Adjusted R Square	0.139		0.063		0.236	
Std. Error of Estimate	2.72948		2.37720		2.69672	
F-Anova (p-value)	12.762(0.000)		5.898(0.001)		23.593(0.000)	

The second hypothesis states that there is an influence of objectivity on aspects of input, process and output. The test results show that the coefficient value for the effect of objectivity in a row on aspects of the IPO is 0.335 in the input with  $p=0.001$ , 0.301 in the process ( $p=0.003$ ), and 0.238 in the output ( $p=0.010$ ). These results indicate that objectivity has a positive and significant effect on aspects of the IPO in auditing organizations. Thus, hypotheses that state the positive and significant influence of objectivity on inputs (H2a), processes (H2b), and output (H2c) are accepted. This proves that the greater the auditor's objective in performing his duties, the greater his influence on improving audit quality. In detail, this also reflects that the auditor is able to carry out audit tasks in accordance with the facts and does not look for faults or hide mistakes, carry out audit tasks to meet the needs/interests of the users of financial statements, and take an impartial perspective in evaluating audit evidence and preparation of audit reports. These various measures, in turn, can affect the improvement of audit quality.

The results are in line with Barton's (2005) argument that to develop and maintain credibility, accountability, transparency, and accuracy of financial statements, the company's financial statements must be examined by competent and independent auditors. Practically, this proves that objectivity measuring items in this study are carrying out audit tasks in accordance with facts and not looking for mistakes or hiding mistakes, carrying out audit tasks to meet the needs/interests of users of financial statements, and taking an impartial perspective in evaluating evidence audit and audit report preparation, empirically able to improve audit quality in every input process, process and output in the form of financial statement presentation (Fakhimuddin, 2018).

The third hypothesis focusing on the effect of auditor independence states that there is a positive and significant effect on independence on audit quality that is reflected by the input, process and output (IPO) aspects. The test results show that the coefficient and significance for the influence of independence on the input is 0.003 ( $p=0.969$ ),

in the process of  $-0.036$  ( $p=0.687$ ), and at the output  $0.010$  ( $p=0.904$ ). This result means that the third hypothesis which states the positive and significant effect of independence on audit quality is not accepted. These results are in line with some of the findings of previous studies that there is the possibility of the auditor's inability to be independent who can be raised from the close relationship with the client and the length of work. For example, Knapp (1991) found that the length of the auditor's relationship with the auditee could hinder the independence and accuracy of the auditor in carrying out audit tasks. Hamilton (2005) states that one of the factors that can hamper the ability of auditors to provide quality audits is a work relationship that is too long between the auditor and the client. Levitt (2000) found that non-audit services had an impact on auditor independence. The length of employment relationship and the provision of non-audit service work can lead to dependence of the auditor's fee on the client and client pressure on the auditor which results in a decrease in audit quality.

## 6. Conclusion

This study aims to analyze the relationship between ethical factors and audit quality in an IPO model. Specifically, ethical factors are reflected by the integrity, objectivity and independence of auditors, while audit quality is proxied by inputs, processes and outputs. The results show that among the three ethical factors, there is only one factor, namely objectivity, which is proven to be empirically influential on audit quality both inputs, processes and outputs. Meanwhile, the integrity factor only has a positive and significant effect on output, and the independence factor has not been proven to have a significant effect on aspects of audit quality within the framework of the IPO model.

This research is motivated that research on audit quality in accordance with the ethics held by the auditor in financial audits needs to be done, especially regarding the internal input factors of audit quality in the form of professional knowledge and auditor ethics as external input factors of audit quality. This study offers originality in directly testing the effect of ethics on audit quality within an IPO (input-process-output) framework. Basically, ethics are objective abstract values that are carried out and perceived subjectively by each individual, although this perception tends to be in accordance with things that are considered unethical. On the other hand, audit quality is an aspect that is easily assessed in financial audit procedures. This has become a topic that has been widely discussed in previous studies, only the formation of special models in testing and proving the usefulness of relationships through models like these has not been widely discussed. Furthermore, the findings of this study reveal a model framework that analyzes the influence of ethical factors consisting of integrity, objectivity and independence of audit quality with certain variables. Conceptually, the originality value offered by this study is its attempt to empirically test abstract values, namely ethical factors, on audit quality.

As an implication, this research emphasizes the importance of increasing professional knowledge and related auditor ethics. This capability specifically refers to the auditor's ability to find and report fraud. The ability to find fraud relates to technical ability and practical knowledge of auditor experience, while the ability to report is related to integrity, objectivity, and independence as parts of auditor ethics. Thus, the auditor's professional knowledge and ethics determine audit performance, namely audit quality.

The limitation of this study lies in the fact that overall ethical factors do not prove significantly to audit quality. In addition, the generalizability value reflected by the adjusted R-square for all tests shows a low value. Future studies are expected to further examine the relationship between auditing ethics and audit quality in a more comprehensive IPO model. In addition, future studies are expected to find in detail the usefulness of the IPO model to empirically prove the importance of ethics in financial testing through auditing. This is because ethics is an objective having abstract values that are run and are perceived subjectively by each individual, although this perception will tend to be in agreement with things that are unethical. On the other hand, audit quality is an aspect that is easily assessed in financial audit procedures. Thus, testing between the compatibility of the relationship between ethics and audit quality will be relevant in subsequent investigations.

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