

## Premature Discontinuation Study of Audit Procedure

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### Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh tekanan waktu, keinginan berpindah, dan tindakan pengawasan terhadap penghentian dini prosedur audit. Responden dari penelitian ini adalah auditor yang bekerja pada Kantor Akuntan Publik di Kota Makassar Provinsi Sulawesi Selatan. Jumlah sampel sebanyak 36 diperoleh dengan menggunakan metode purposive sampling. Data yang digunakan dalam penelitian ini adalah data primer yang dikumpulkan melalui kuesioner. Penelitian ini menggunakan analisis regresi berganda. Hasil penelitian menunjukkan bahwa time pressure berpengaruh signifikan terhadap premature sign-off prosedur audit, tetapi turnover intention dan supervisory actions tidak berpengaruh signifikan terhadap premature sign-off prosedur audit.

**Kata Kunci:** *Premature Sign-Off of Audit Procedure, Time Pressure, Turnover Intention, Supervisory Actions.*

### Abstract

The research to analyze the influence of time pressure, turnover intention, and supervisory actions on premature sign-off of audit procedure. The respondents from this research are auditors that work at Public Accountant Firms in Makassar City, South Sulawesi Province. The number of samples as many as 36 were obtained using purposive sampling method. The data that used by this research is primary data, it was collected by questionnaires. This research used multiple regression analysis. The result of this research indicates that time pressure has significant influence to premature sign-off of audit procedure, but turnover intention and supervisory actions don't have significant influence to premature sign-off of audit procedure

**Keywords:** *Premature Sign-Off of Audit Procedure, Time Pressure, Turnover Intention, Supervisory Actions.*

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## INTRODUCTION

The information contained in the financial statements is not fully reliable because the preparation process is carried out by the company's internal accountant which is part of the company so that an independent outside party is needed. This third party is a public accountant who works in a public accounting firm. Dharmawan (2015) stated that audit is seen as assurance service is an independent professional service that can improve the quality of information for decision makers.

Auditors are required to provide a quality financial statement opinion. In carrying out the audit process there are audit procedures that must be obeyed by the auditor. The audit procedure is made and implemented by the auditor in auditing the financial statements. However, in practice, the opinion given by the auditor is low quality. Actions that can reduce audit quality (RAQ) such as 1. Premature termination of the audit step in the audit program (premature sign-off), 2. Reducing the amount of work carried out in the audit step that is considered reasonable by the auditor, 3. Not conducting research on accounting principles, 4. Not conducting earnest review of client documents, and 5. Accepting weak client explanations (Dharmawan, 2015).

Some auditors in carrying out the audit process may be able to accept and take premature termination of audit procedures in order to remain in their work. While other auditors may choose not to prematurely terminate audit procedures in order to avoid the negative impact of such actions. Thus, it can be concluded that goal setting theory provides support for the theory which states that auditors can accept premature termination of audit procedures with specific objectives.

The premature termination of audit procedures can lead to a lack of audit quality due to two factors, namely internal factors and external auditor factors. Internal factors are the personality and confidence contained in an auditor, while external factors are defined as one of the ethical components that must be maintained and obeyed by the auditor when conducting an audit (Budiman, 2013). Some of the reasons why auditors practice premature termination of audit procedures are: (1) the limited audit period specified, (2) the assumption that the audit procedures performed are not important, (3) audit procedures are immaterial, (4) audit procedures which is not understood, (5) limited time for submitting audit reports, and (6) auditor boredom factor (Alderman and Derick, 1982).

One of the factors that influence premature termination of audit procedures is Time Pressure. Time pressure is a situation where the auditor is under pressure from the Public Accounting Firm where they works, to complete the audit at a predetermined time and budget (Wahyudi et al., 2011). Time Pressure given by public accounting firms to their auditors aims to reduce audit costs, so the faster the audit time, the smaller the audit costs (Weningtiyas et al., 2006).

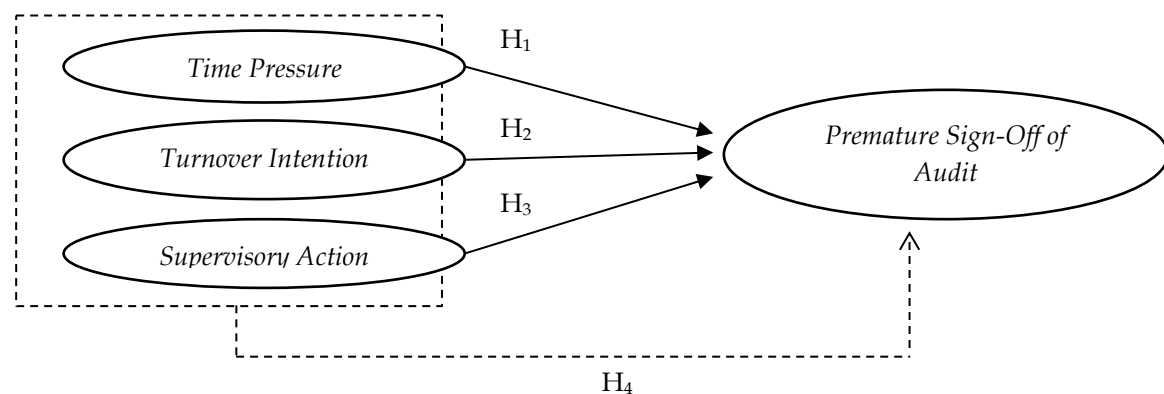
The existence of this time pressure forces the auditor to complete the task as soon as possible or according to the time budget that has been set. Of course, the implementation of audit procedures like this will not produce the same results if the audit procedures are carried out under conditions without time pressure. In order to keep the time budget that has been set, it is possible for the auditor to ignore audit procedures and even terminate audit procedures (Weningtiyas et al., 2006). Research conducted by Idawati (2018), Liantih (2010), Haryanto (2015), Wahyudi et al. (2011), and Rosdiana (2017), mention that time pressure has no effect on premature termination of audit procedures. On the other hand, research conducted by Safriliana and Boreel (2016), Akhsan and Untaminingsih (2014), Handayani (2016), Weningtiyas et al. (2006), Hidayat (2017), and Jaya (2014), state that time pressure has a positive effect on premature termination of audit procedures.

In addition to time pressure, turnover intention also affects premature termination of audit procedures. According to Susilo and Satriya (2019), turnover intention is a condition where employees have a conscious intention to look for another job as an alternative in a different organization. Research conducted by Safriliana and Boreel (2016), Akhsan and Untaminingsih (2014), states that turnover

intention has no effect on premature termination of audit procedures. On the other hand, research conducted by Handayani (2016), states the opposite, namely turnover intention has an effect on premature termination of audit procedures.

Another factor that can cause premature termination of audit procedures is supervision. Weak supervision can lead to high cases of premature termination of audit procedures by auditors. Rosalina (2011) states that "the role of good supervision will be able to increase the possibility of detecting premature termination of audit procedures as a form of audit behavior deviation". From the results of previous research, Akhsan and Untaminingsih (2014), stated that supervisory actions has no effect on premature termination of audit procedures. While research conducted by Rosdiana (2017), states that supervisors have an effect on premature termination of audit procedures.

This study refers to research conducted by Rosdiana (2017) which states that time pressure has no effect on premature termination of audit procedures while supervision actions affect premature termination of audit procedures. In addition, there are differences in the results of previous studies that cause researchers to carry out further research. The purpose of this study was to analyze the effect of time pressure, turnover intention and supervisory actions on premature termination of audit procedures. This research is very important. This is due to analyze how the attitude of the auditor at Makssar's Public Accounting Firm in carrying out the audit of the client's financial statements, when faced with a situation of time pressure, turnover intention and supervisor action. The results of this study can be useful for Public Accounting Firm in Makassar and other Public Accounting Firm outside Makassar to create more conducive working conditions and provide direction that can improve the quality of auditors in carrying out audits of clients' financial statements.



Information:

→ = Partial Test

--> = Simultaneous Test

**Figure 1.** Conceptual Framework

## METHODOLOGY

The research method that being used is a quantitative research method that analyzes the effect of time pressure, turnover intention, and supervisory actions on premature termination of audit procedures. This research was conducted on auditors who work at the Public Accounting Firm (KAP) of Makassar City, South Sulawesi Province. The population in this study are all the auditors who work at the Makassar

City Public Accountant Office, while the sample selection in this study is using the purposive sampling method, which is a sampling method based on certain characteristics that are considered to have significant relevance closely with the characteristics of the population that have been known previously or the sample unit contacted is adjusted to certain criteria that has been determined based on the research objectives (Syahrurum and Salim, 2014: 118). The sample may include staff auditors, whether partners, senior and junior auditors at the Public Accounting Firm. The number of samples in this study can be seen from the return of the questionnaire, and the returned sample is considered to have represented the population. Purposive sampling criteria in this study are:

1. Respondents in this study are auditors who work at the Makassar City Public Accounting Firm
2. Respondents who were sampled in the study had worked for more than 1 year.

The source of data used in this study is primary data derived from written responses to the distributed questionnaires which were previously preceded by a brief presentation on the purpose of filling out the questionnaire and other explanations in case of difficulty in interpretation. Questions in the questionnaire were measured on a Likert scale of 1-5. Data analysis and processing were carried out using a computerized application, namely the SPSS 26 (Statistical Package for Social Science 26). To determine the accuracy of the measuring instrument in measuring the variables studied, the researcher first tested the validity and reliability of the data. Then test the classical assumptions before testing the hypothesis. The classical assumption test consists of normality test, multicollinearity test, and heteroscedasticity test. After that, the researcher tested the hypothesis using multiple regression analysis, which consisted of testing the coefficient of determination ( $R^2$ ), partial test (t-test), and simultaneous test (F-test).

## RESULTS AND DISCUSSION

**Table 1.** Descriptive Statistical Test Results

	N	Minimum	Maximum	mean	Std. Deviation
Premature Termination of Audit Procedures	36	10	27	20.14	5.488
Time Pressure	36	14	25	21.78	2.451
Turnover Intention	36	4	13	10.50	1,890
Supervision action	36	30	40	38.53	2.184
Valid N (listwise)	36				

The table above shows that the average value of the three variables is close to the maximum number and is greater than the standard deviation value, thus indicating that the data distribution is good.

**Table 2.** Validity Test Results

Variable	R value count	Table R value	sig value.	Information
X1.1	0.657	0.329	0.000	Valid
X1.2	0.742	0.329	0.000	Valid
X1.3	0.809	0.329	0.000	Valid

X1.4	0.757	0.329	0.000	Valid
X1.5	0.561	0.329	0.000	Valid
X2.1	0.906	0.329	0.000	Valid
X2.2	0.872	0.329	0.000	Valid
X2.3	0.914	0.329	0.000	Valid
X2.4	0.517	0.329	0.001	Valid
X3.1	0.454	0.329	0.005	Valid
X3.2	0.386	0.329	0.020	Valid
X3.3	0.695	0.329	0.000	Valid
X3.4	0.669	0.329	0.000	Valid
X3.5	0.767	0.329	0.000	Valid
X3.6	0.827	0.329	0.000	Valid
X3.7	0.767	0.329	0.000	Valid
X3.8	0.733	0.329	0.000	Valid
Y.1	0.689	0.329	0.000	Valid
Y.2	0.946	0.329	0.000	Valid
Y.3	0.914	0.329	0.000	Valid
Y.4	0.745	0.329	0.000	Valid
Y.5	0.842	0.329	0.000	Valid
Y.6	0.761	0.329	0.000	Valid
Y.7	0.674	0.329	0.000	Valid
Y.8	0.617	0.329	0.000	Valid
Y.9	0.788	0.329	0.000	Valid
Y.10	0.496	0.329	0.002	Valid

Based on the results of the validity test above, it can be justified that the overall statement instrument used to measure the variables analyzed in this study is declared valid, this can be seen from the calculated  $r$  value of all variable indicators is greater than the value of  $r$  table  $n$  34, 5% = 0.329 and a significance value  $<0.05$ . This means that all question items used in this study are able to reveal something that is measured on the questionnaire.

**Table 3.** Reliability Test Results

Variable	Cronbach's Alpha	Information
Time Pressure	0.736	Reliable
Turnover Intention	0.788	Reliable
Supervision Action	0.748	Reliable
Premature Termination of Audit Procedures	0.904	Reliable

Table 3 shows the value of Cronbach's alpha from the time pressure variable of 0.736, turnover intention of 0.788, supervision action of 0.748, and premature termination of audit procedures of 0.904. Based on the Cronbach alpha's value of these variables, it can be justified that the overall question instrument used to measure the variables analyzed in this study is declared reliable, this can be seen from the Cronbach alpha value of each variable being studied which is greater than 0.60. This shows that each question item used will be able to obtain consistent data where if the question is asked again, the answer is relatively the same as the previous answer.

**Table 4.** Data Normality Test Results Using the One Sample Kolmogorov Smirnov Approach

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	36

<i>Normal Parameters<sup>a,b</sup></i>	<i>mean</i>	.0000000
	<i>Std. Deviation</i>	4.53224608
<i>Most Extreme Differences</i>	<i>Absolute</i>	.099
	<i>Positive</i>	.061
	<i>negative</i>	-.099
<i>Test Statistics</i>		.099
<i>asympt. Sig. (2-tailed)</i>		.200 <sup>c,d</sup>
<i>a. Test distribution is Normal.</i>		
<i>b. Calculated from data.</i>		
<i>c. Lilliefors Significance Correction.</i>		
<i>d. This is a lower bound of the true significance.</i>		

Based on table 4, it can be concluded that the significance value is 0.200 so the result is above 5% or 0.05. In other words, the independent variable and dependent variable are normally distributed. Kolmogorov Smirnov's One Sample Approach shows that the regression model is feasible because the assumption of normality of the data is met.

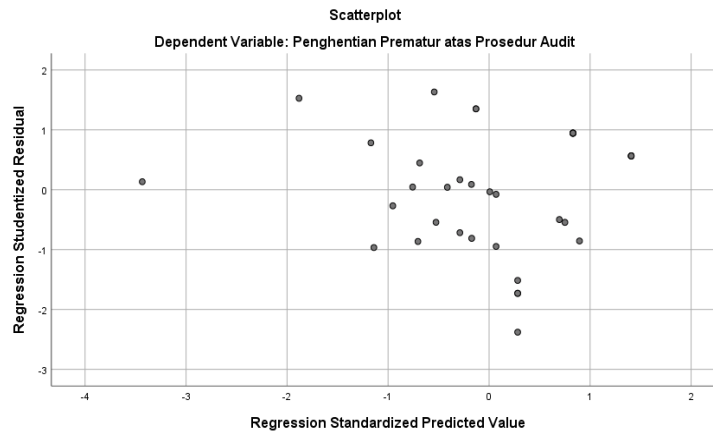
**Table 5. Multicollinearity Test Results**

		Coefficients <sup>a</sup>					
	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics
		B	Std. Error	Beta			Tolerance VIF
1	(Constant)	3.015	15,163		.199	.844	
	Time Pressure	1,278	.343	.571	3.725	.001	.908 1,102
	Turnover Intention	.308	.425	.106	.725	.474	.994 1.006
	Supervision action	-.362	.384	-.144	-.942	.353	.912 1.097

a. Dependent Variable: Premature Termination of Audit Procedure

Based on table 5, it is known that the VIF value of the time pressure variable (X1) is  $1.102 < 10$ , the turnover intention variable (X2) is  $1.006 < 10$ , and the supervisory action variable (X3) is  $1.097 < 10$  and the tolerance value of the time pressure variable (X1) is  $0.908 > 0.1$ , the turnover intention variable (X2) is  $0.994 > 0.1$ , and the supervision action variable (X3) is  $0.912 > 0.1$ , so the data does not occur multicollinearity because the VIF value is between 1.0-10 and the the tolerance is between 0.1-1.0.



**Figure 2.** Heteroscedasticity Test Results

Based on the scatterplot graph in Figure 3 shows that the data is spread below and above the number 0 (zero) on the Y axis and there is no clear pattern in the distribution of the data, then there is no heteroscedasticity in the regression equation model that is suitable for predicting premature termination of the procedure. audit based on the variables that influence it, namely time pressure, turnover intention, and supervision actions.

**Table 6.** Multiple Linear Regression Test Results

Coefficients <sup>a</sup>					
Model		Unstandardized Coefficients		Standardized Coefficients	t
		B	Std. Error	Beta	
1	(Constant)	3.015	15.163		.199
	Time Pressure	1.278	.343	.571	3.725
	Turnover Intention	.308	.425	.106	.725
	Supervision action	-.362	.384	-.144	-.942

a. Dependent Variable: Premature Termination of Audit Procedure

Based on the regression test, it states that the time pressure variable has an effect on premature termination of the audit procedure, because it has a t count of 3.725 and a significance level of 0.001. While the variable turnover intention and supervised action did not affect the premature termination of the audit procedure, because it had a small t count, namely 0.725 for the turnover intention variable and -0.942 for the supervised action variable. Likewise, the significance level is greater than 0.05, namely 0.474 for the turnover intention variable and 0.353 for the supervised action variable.

Based on table 7 shows the R<sup>2</sup> coefficient value of 0.318 or 32%. So it can be concluded that the magnitude of the influence of the independent variables, namely time pressure, turnover intention, and supervision actions on the dependent variable, namely premature termination of audit procedures, is 0.318 or 32%. The remaining 68% is influenced by other variables that are not included in this regression model.

**Table 7.** Determination Coefficient Test Results (R<sup>2</sup>)

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564 <sup>a</sup>	.318	.254	4.740

- a. Predictors: (Constant), Supervision Action, Turnover Intention, Time Pressure  
 b. Dependent Variable: Premature Termination of Audit Procedure

**Table 8.** Simultaneous Test Results (Test F)

ANOVA <sup>a</sup>						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	335,362	3	111.787	4.976	.006 <sup>b</sup>
	Residual	718,944	32	22,467		
	Total	1054,306	35			

a. Dependent Variable: Premature Termination of Audit Procedure

b. Predictors: (Constant), Supervision Action, Turnover Intention, Time Pressure

The sig value < 0.05, or the calculated f value > the f table value, then there is a simultaneous influence of the X variable on the Y variable. Where,

$$F_{\text{tabel}} = F(k; n - k)$$

$$F_{\text{tabel}} = F(3; 36 - 3) = 2,89$$

Based on the output above, it is known that the significance value for the effect of X1, X2, and X3 on Y is 0.006 < 0.05 and the calculated F value is 4.976 > F table 2.89, so it can be concluded that H4 is accepted which means there is an effect of X1, X2, and X3 simultaneously against Y.

## Discussion

Effect of time pressure on premature termination of audit procedures

The results of the hypothesis test show that the significance level of the time pressure variable is 0.001 (smaller than 0.05) so it can be concluded that time pressure has an effect on premature termination of audit procedures. Thus the hypothesis which states that time pressure affects premature termination of audit procedures is acceptable. The relationship between time pressure and premature termination of audit procedures is positive. The higher the level of time pressure received by the auditor, the higher the possibility of premature termination of audit procedures. The results of this study are consistent with the results of research conducted by Safriliana and Boreel (2016), Akhsan and Untaminingsih (2014), Handayani (2016), Weningtiyas et al. (2006), Hidayat (2017), and Jaya (2014) which state that time pressure affects premature termination of audit procedures.

The effect of turnover intention on premature termination of audit procedures

The results of the hypothesis test show that the significance level of the turnover intention variable is 0.474 (greater than 0.05) so it can be concluded that turnover intention is not effecting the premature termination of audit procedures. Thus the hypothesis which states that turnover intention has an effect on premature termination of audit procedures cannot be accepted. Turnover intention does not have a positive effect on premature termination of audit procedures because of the characteristics of respondents, in this case auditors who work at Makassar's Public Accounting Firm, have a desire to last longer at Public Accounting Firm where they work, so that auditors feel that if they want to get an award in the form of a promotion or salary, the auditor is less likely to take premature termination of audit procedures that can reduce the quality of the audit results. The results of this study are consistent with the



results of studies conducted by Safriliana and Boreel (2016), Akhsan and Untaminingsih (2014) which state that turnover intention is not effect on premature termination of audit procedures.

#### Effect of supervision action against premature termination of audit procedures

The results of the hypothesis test show that the significance level of the supervision action variable is 0.353 (greater than 0.05) so it can be concluded that the supervision action has no effect on premature termination of audit procedures. Thus, the hypothesis which states that supervisory actions have a negative effect on premature termination of audit procedures cannot be accepted. Based on the research data, it is stated that the junior auditors who dominate are 69%, where the junior auditors do not yet have adequate skills in audit work and carry out the audit work to the best of their ability, so that even though the junior auditors have received direction from their supervisors, they feel confident even if they reduce one or several the results of audit procedures will be the same as the results obtained if he performed all audit procedures. The results of this study are consistent with the results of research conducted by Akhsan and Untaminingsih (2014) which states that supervision actions do not effect on premature termination of audit procedures.

#### Effect of time pressure, turnover intention, and supervisory actions against premature termination of audit procedures

The results of the hypothesis test show that the significance level of time pressure, turnover intention, and supervision measures is 0.006 (smaller than 0.05) so it can be concluded that time pressure, turnover intention, and supervision measures have a simultaneous and significant effect on premature termination of audit procedures. Thus the hypothesis which states that time pressure, turnover intention, and supervisory actions affect premature termination of audit procedures can be accepted. Auditors who experience high time pressure and turnover intention, as well as low supervisory actions are more likely to prematurely terminate audit procedures. Therefore, to reduce deviations in audit implementation, it is necessary to have good time management, and good supervision in carrying out audit procedures.

## CONCLUSION

The results of data processing show that time pressure has an effect on premature termination of audit procedures, while turnover intention and supervision actions have no effect on premature termination of audit procedures. On the other hand, time pressure, turnover intention, and supervisory actions combined together have an effect on premature termination of audit procedures.

This study has several limitations, First, this research is limited to the object of research of auditors who work at the Public Accounting Firm of Makassar City, South Sulawesi Province so that the results of the study cannot be generalized to auditors as a whole. Second, in this study the researchers only used questionnaires, so there are still possible weaknesses encountered, such as inaccurate, not serious answers, respondents who answered carelessly and dishonestly, and questions that were incomplete or poorly understood by respondents. Third, this study does not distinguish between the types of time pressure, so it is not clear whether time budget pressure or time deadline pressure is more dominant in influencing auditors to prematurely terminate audit procedures. Fourth, this research was conducted during

the covid 19 pandemic, so there were accessibility problems in sampling because many offices work from home so that not all auditors can provide the response expected by researchers.

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