

CHAPTER V

CONCLUSION, LIMITATIONS OF RESEARCH, SUGGESTIONS, AND IMPLICATIONS

A. Conclusion

Based on the results of survey at KAP Surabaya, Malang, Yogyakarta and Semarang, conclusions can be drawn as follows:

1. Auditor's Professionalism has positive significant effect towards determining the level of materiality on Auditing Process. Professional attitudes and actions are the demands of various professional fields including the auditor profession. Auditors who are professional in auditing are expected to produce audits that fulfill the requirements. Professionalism that must be instilled in the auditor in carrying out its functions can be through education, selection training, seminars, and continuous training. The concept of modern auditor professionalism in carrying out work is related to two aspects, namely structural aspects and attitudes. Structural aspects whose characteristics are part of the formation of training schools, the formation of professional associations, and the formation of a code of ethics. Aspects of attitude related to the formation of the soul of professionalism.
2. Skepticism has positive significant effect towards determining the level of materiality on Auditing Process. The application of skepticism is very

important and fundamental because it can affect the effectiveness and efficiency of audits. Low skepticism will reduce the effectiveness of the audit, and if it is too high it will increase the costs. A skeptical auditor must have an attitude of distrust in the explanation of the evidence obtained directly from the auditee but the auditor must ask questions to obtain the reasons, evidence and confirmation of the findings obtained.

3. Auditor's Experience has positive significant effect towards determining the level of materiality on Auditing Process. An auditor must have sufficient experience to be able in making some decisions in the audit report. Audit experience is demonstrated by the auditor's hours of conducting audit procedures related to providing an opinion on the audit report. The intended experience is the auditor's experience in auditing financial statements, both in terms of length of time, and the number of assignments that have been made. The more an auditor checks the financial statements, the higher level of audit quality possessed. An auditor must first seek professional experience under the supervision of a more experienced senior auditor. When auditor has done more assignment or audit task, there must be something new and different about the conditions that exist in the field between auditing one company with another company. This condition causes the auditor to have more experience in field practice. With that experience, auditor will be easier to determine the level of materiality. So, this research shows empirical and practical evidence that the higher auditor's experience has in

auditing financial reports, it gives effect when auditor determining the level of materiality in auditing financial statements.

B. Limitations of Research

This study has several limitations that can be improved by further research. The limitations of this study are as follows:

1. The sample in this study is only a few, namely the auditors who work in KAP in the Surabaya, Malang, Yogyakarta and Semarang regions. Time of distributing questionnaire is on early years also causes the number of samples only a little because many auditors are in charge of auditing in the field.
2. This study uses data collection methods through distributing questionnaire directly which takes a long time to collect. Questionnaire method can also be produced a biased answer from the respondent.

C. Suggestions

Based on the results of the research that has been done, there are several suggestions that researchers can provide for further research, namely as follows:

1. Future research should expand the research sample area like samples in certain provinces so there are more samples.
2. Future research should add to the number of independent variables, for example professional ethics, audit risk, or knowledge of detecting errors.

3. Further research can use the interview method directly to the respondent so the answers given are not biased and more accurate.

D. Implications

The implications of this research for economic aspect is when third parties such as stakeholders will take some decisions based on financial statements, they will more trust because the auditor itself is fulfill professionalism and skepticism aspect. Auditor depicts about the fairness of financial statements on auditing report. When stakeholders or investor are trusting based on auditing report and the financial statements of the company is unqualified opinion, they will invest more, and then it can increase the level of economy. Besides that, the implications for social is auditor obtain public trust because they implement their tasks totality and they have integrity when auditor doesn't carry out the auditing again. The implication for environment is auditor can be a coordinating institution between an entity or company and the third parties. Because auditor is more understanding about the financial reporting and auditing itself, then the third parties need truthfully information to take some decisions.