



Factors that Influence Auditor Decisions: Ethics, Experience, and Culture with Materiality as an Intervening Variable

Yuhanis Ladewi^{1*}, Mizan², Deska Maulidia Nadi³, Fitantina⁴, Junaidi⁵

^{1,2,3 &5} Accounting Department, Muhammadiyah University of Palembang, Indonesia

⁴ Management Department, Muhammadiyah University of Palembang, Indonesia

ARTICLE INFO

Article history:

Received: 12 May 2025

Accepted: 25 May 2025

Published: 30 May 2025

Keywords:

Ethics,
Experience,
Culture,
Materiality Level,
Consideration,
Decision-making

ABSTRACT

This study aims to determine and analyze the effect of professional ethics, auditor experience, and organizational culture on auditor decision-making, considering the level of materiality as an intervening variable at the Supreme Audit Agency of the Republic of Indonesia, Representative of South Sumatra. Data was obtained from a questionnaire distributed to auditors working at the Badan Pemeriksa Keuangan. The results of this study indicate that professional ethics and auditor experience affect materiality level considerations. Organizational culture has no significant effect on materiality level considerations, professional ethics, and materiality level considerations have a significant effect on auditor decision-making, and auditor experience and organizational culture have no significant effect on auditor decision-making.

1. INTRODUCTION

The auditor is responsible for assessing and examining the financial information presented by the company and providing a reasonable opinion on the truth, fairness, and compliance of the company's financial statements. Kasdin (2019) Decision-making can be used as a starting point to define a decision, which is a process that involves consideration in determining one thing with certain criteria through certain stages.

Thian (2021) said that, concerning the level of materiality, there is no definite answer regarding the amount of presentation that will affect the decision-making on the use of financial statements. Yinger (2017) found that the Audit experience was an experience associated with more discrimination for financial assistance offered and recommended lenders. Means Aziz (2021). Organizational culture plays an important role in building auditor behavior to avoid dysfunctional behavior. Organizational cultures that emphasize supervision and strong internal controls can make decisions and conduct audits with integrity.

Corresponding Author:

*Email: yuhanisladewi@gmail.com

Problems that occur related to professional ethics according Iryanto (2020), Ali (2022) & Grwal (2022) stated that the Public Accounting Firm (KAP) that conducted the audit had given an opinion not by the code of ethics on the financial statements, then bribed four West Java Representative BPK auditors & some of its auditors had cheated on the ethics test, this illustrates something serious about the challenges of professional ethics, especially the principles of integrity, professionalism in the world of auditing.

In another case related to auditor experience Aman, (2023), Wahyu, (2021), Berita Merdeka, (2022) & Iwan, (2023) stated that the Public Accountant, and the Public Accounting Firm in question could not find any indications of manipulation of financial statements, conducting investigative audits using inaccurate data, audit negligence by Public Accountant Kasner Sirumapea because the recording of the transaction was considered unreasonable & regretted that the presentation of the audit results of the Badan Pemeriksa Keuangan (BPK) was not very specific. This illustrates that a lack of accuracy, inaccurate data, and auditor negligence can drive the need for improvement in audit practices.

Phenomena related to organizational culture according to Isma (2023), Bey, (2023) & Widodo, (2021) stated that the cooperation between the Financial Audit Agency (FAA-BPK), and Australian Nasional Audit Office (ANAO) BPK has grown more mature with a change in focus from technical level training, the role of BPK in overseeing, and assessing public financial management is crucial, especially to realize transparent, and accountable public finances & BPK initiated the utilization of various electronic data originating from ministries/agencies, and other related parties in the BPK Big Data Analytics (BIDICS) application. This illustrates that this kind of organizational culture can advance organizational culture, and add insight, showing competence in an organization.

Issues related to Auditor Decision-making to Mulyono (2023), Tarkosunaryo, (2020), and Qosasi (2023) then the public accountant has given an opinion 'opinion with modification' The opinion includes one of the three types of auditor's opinion, namely fair opinion with exceptions, unfair opinion, and opinion without giving an opinion, and BPK is committed to always being consistent in assisting law enforcement. This illustrates that there is consistency in decision-making and seriousness in carrying out their duties.

Cases related to consideration of materiality level Pius (2023), Muryanto (2023), & Natsir (2021) stated that there were accounts that were not reported to the Ministry of Finance, direct use of revenue which not deposited into the State treasury, the USU 2022 financial report assessment system saw that the financial statements were presented fairly, free from material misstatement, & There was an impairment of the findings of state losses in the SPAM Drinking Water project at the Ministry of PUPR by BPK RI. This illustrates that the results of material findings directly or indirectly in the phenomenon can have a serious impact on the credibility of a financial audit institution.

This research is based on several previous studies conducted by Budi & Umar (2019), Fitra & Hendratno (2022), and Rampa & Damayanti (2022) show that professional ethics affect the consideration of the level of materiality. Furthermore, research conducted by Leriza & Melinda (2021) and Rampa & Damayanti (2022) shows that auditor experience affects the consideration of the level of materiality. other research conducted by Ariska et al. (2020) shows that auditor experience does not affect the consideration of the level of materiality

Research conducted by Rastina et al. (2022) dan Fanani & Jalil (2016) shows that organizational culture affects the consideration of the level of materiality. Research conducted by Laila & Novita (2019), Bharata & Wiratmaja (2017), and Ilhamsyah & Nopiyanti (2020) shows that consideration of the level of materiality affects auditor decision-making

Research conducted by Henry (2022), Sastrodiharjo & Suraji (2021), and Suratman et al. (2021) shows that professional ethics affect auditor decision-making. Research conducted by Hasnanto (2019), Mudassir (2016), and Nurhafika & Shita (2021) shows that auditor experience affects auditor decision-making. Then, research conducted by Wawo et al. (2015), Aprilawati & Suardana (2016) shows that organizational culture affects auditor decision-making.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Professional Ethics, The Influence of Professional Ethics on Consideration of the Level of Materiality

Nurhidayati et al. (2022) explain that professional ethics are an attitude of life in the form of justice to provide a professional service to the community in complete order and expertise as a service in carrying out duties that are obligations to the community. Harbani (2020) states that professional Ethics is a guide in carrying out a job to be responsible and uphold the values that exist in it. Jason (2022). Professionals are bound by attitudes, principles, and character dispositions that govern how their profession is practised, commonly called 'professional ethics.' Such ethics are not confined to clients but, according to obligations, are also owed to colleagues and members of the public at large. Professional Ethics Measurement, namely Integrity, Objectivity, Professional Competence, Confidentiality, and Professional Behavior (Mubarakah (2023), Metha, (2020), & Widana & Cahya (2020). The theory put forward by Hambali et al. (2021), Soemarso (2018), dan Harakan et al. (2019) and previous research conducted by Budi & Umar (2019), (Fitra & Hendratno (2022) dan Rampa & Damayanti, (2022) states that professional ethics affect the consideration of the level of materiality.

H1: There is an influence of Professional Ethics on the Consideration of Materiality Level

The Influence of Auditor Experience on Materiality Level Considerations

Auditor experience is essential in carrying out his profession apart from education. It is important to consider its function as an examiner who must be able to provide input or opinions (Purba & Umar, 2021). Increasing the auditor's knowledge capacity can be obtained from experience working with a team and experience handling various audit work (Azmi et al., 2024). Next, Yohanes (2020) states that audit experience is one of the main determinants that affect efficient performance in professional practice. Yinger (2017). The Audit experience was an experience associated with more discrimination in financial assistance offered and recommended lenders. Measurement of Auditor Experience: The auditor's work length and the training that has been attended (Yohanes, 2020; Wardah, 2020). The theory put forward by Wardah (2020), Purba & Umar (2021), dan Thian (2021) and previous research conducted by Leriza & Melinda (2021) dan Rampa & Damayanti (2022) states that the auditor's experience affects the consideration of the level of materiality. Meanwhile, the results of previous research conducted by Ariska et al. (2020) indicate that the auditor's experience does not affect the consideration of the materiality level.

H2: There is an influence of the Auditor's Experience on the Consideration of the Level of Materiality

The Influence of Organizational Culture on Materiality Level Considerations

Bambang et al, (2023), Robinns in Marsitah, (2022), & Azza, (2020). Organizational culture is an invisible social force embraced by the organization's members when solving external and internal problems, which has worked well enough to be considered valid—organizational Culture Measurement: Innovation and Risk Taking, Aggressiveness, Team Orientation, and Results Orientation. (Sukmara, 2023), Yusuf (2022) & Wahyu et al. (2022). The theory put forward by Yadiati & Mubarok (2017), Henry (2019), dan Agus (2023), and previous research conducted by Rastina et al. (2022), and Fanani & Jalil (2016). It is stated that organizational culture affects the consideration of the level of materiality.

H3: There is an influence of Organizational Culture on the Consideration of Materiality Level

Materiality Level Considerations: The Influence of Materiality Level Considerations on Auditor Decision Making

Some of the opinions that have been expressed by Thian, (2021), Ida et al., (2023), & AICPA, (2018) can be concluded that the Materiality Level Consideration is an uncertain

answer regarding the content of the financial reporting framework or the limit on the level of error in financial statements. Rogers (2015), Rahmat & Dewi (2022) Materiality Level Consideration Measurement, namely: Financial Statement Level and Account Balance Level. The theory put forward by Hery, (2019), Thian, (2021), dan Dien & Yunita, (2020) and previous research conducted by Laila & Novita, (2019), Bharata & Wiratmaja, (2017) dan Ilhamsyah & Nopiyanti, (2020) states that consideration of the level of materiality affects the auditor's decision-making.

H4: There is an effect of Materiality Level Considerations on Auditor Decision Making

The Influence of Professional Ethics on Auditor Decision Making through Consideration of Materiality Level

Professional Ethics was developed to convince the trustees (shareholders and other stakeholders) that the work (audit) given will be carried out properly for their benefit. Soemarso (2018). Professional ethics are issued by professional organizations to regulate the behavior of their members in carrying out their professional practices for the community. The professional ethics issued by the Indonesian Institute of Accountants not only regulates its members who practice as public accountants, but also regulates the behavior of all its members who practice in various other types of accounting professions, Mathius (2016). The term professional ethics means corner of behavior of the members of the profession to watch the associate and other fellow members in general and the client in particular. This means that professional ethics means the angle of behavior of members of the profession to pay attention to partners and fellow members in general and clients in particular Metha, 2020). Research on professional ethics in auditor decision-making is research by Hery (2022). The results of this study show that the implementation of professional ethics affects audit decision-making. Other research is in line with Sastrodiharjo & Suraji (2021). and research by Suratman et al. (2021)

H5: There is an influence of professional ethics on Auditor decision-making through the Consideration of the Materiality Level

The Influence of Auditor Experience on Auditor Decision Making through the Consideration of the Level of Materiality

The higher the auditor's experience, the more capable the auditor can master his duties and the activities he audits and affect the decision-making of the Desak auditor (2022). The higher the auditor's experience, the higher the quality of audit decision-making. Experience for auditors is an important element in carrying out their duties. professional auditors must have sufficient experience about their duties and responsibilities Wardah, 2020:20). An experienced auditor will be more sensitive in understanding every relevant information related to the decision he or she makes. Wardah (2020:19). Research on auditors' experience of auditor decision-making is in the research of Mudassir (2016) shows that the auditor's work experience affects ethical decision-making. This is in line with the research of Nurhafika & Shita (2021). Another research conducted by Hasnanto (2019) shows that the auditor's work experience does not affect ethical decision-making.

H6: There is an influence of the Auditor's Experience on the Auditor's Decision Making through the Consideration of the Level of Materiality

The Influence of Organizational Culture on Auditor Decision Making through Materiality Level Considerations

An organizational culture that emphasizes transparency, honesty, and accountability provides a strong foundation for good behavior in financial reporting, then a strong organizational culture will support the audit process in auditor decision-making, Mulyati et al. (2023). Organizational culture plays an important role in building auditor behavior to not behave dysfunctionally. An organizational culture that emphasizes strong internal supervision and control can make decisions and conduct audits with integrity Azis, 2021). Organizational culture plays an important role in supporting decision-making. This includes the role of work members in the organization during the initial audit process, the data collection process, as

well as explanations and comments on the results of Putri's audit findings, (2021). The research on organizational culture on auditor decision-making is the research of Wawo et al., (2015) The results of this study show that using a sample of 37 internal auditors working at the South Sulawesi provincial inspectorate results that organizational culture affects the ethical considerations of auditors. This is in line with the research of Apriliawati & Suardana (2016), previously, in a study conducted by Mudassir (2016) stated that organizational culture does not affect auditor decision-making.

H7: There is an influence of Organizational Culture on Auditor Decision Making through Materiality Level Considerations

Auditor Decision-making

Dini et al., (2022); Hadiat, (2023); Kasdin, (2019); & Victor (2020) stating that decision-making is a typical human activity in the process before a decision is made, it is necessary to make thorough considerations about possible consequences that can arise based on the data and facts that are available. Auditor decision-making is measured through: Materiality and risk, Personality Type, Audit Evidence, Adequacy (Arrens Dini et al., (2022:148), Abdul et al., (2020:92))

3. RESEARCH METHOD

The type of research used is descriptive and associative. The variables used are professional ethics, auditor experience, organisational culture, auditor decision making, and considerations of materiality.

Table 1. Operationalization Variable

Variable	Dimension	Indicator	Scale
Professional Ethics (X1) Professional ethics is a guideline that can be used as a guide for a person to be responsible in carrying out work	1. Integrity	1. Be honest in professional relationships. 2. An accountant must show honesty, straightforwardness, and sincerity	Ordinal
	2. Objectivity	1. Undue influence from other parties. 2. Maintaining a Practical and Fair Tendency	
	1. Professional Competencies	1. Maintain professional knowledge and expertise 2. Maintain a professional level of competence	
	4. Concealment	1. Respect for information confidentiality 2. To keep the information from being used by personal interests or parties when	

	5. Professional behavior	<ol style="list-style-type: none"> 1. Comply with applicable laws and regulations 2. Behave well and elevate oneself from behavior that can be harmful to his profession 	
Auditor Experience (X2)	<ol style="list-style-type: none"> 1. Length of work of the auditor 2. Training that have been or have been attended 	<ol style="list-style-type: none"> 1. Work experience is increasingly objective 2. The longer the work experience is worked on, the more his skills will be honed 1. Training to increase auditor experience 2. Training that auditors have participated in for auditor insights 	Ordinal
Organizational Culture (X3)	<ol style="list-style-type: none"> 1. Innovation and risk-taking 2. Aggressiveness 1. Team Orientation 2. Result Orientation 	<ol style="list-style-type: none"> 1. Employee motivation level to be innovative, Aggressiveness 2. The extent to which employees are encouraged to dare to take risks 1. Set lofty goals while staying realistic 2. The level of demands on the organization to behave aggressively and compete 1. Good cooperation with high commitment 2. Organized level of work activity in a team 1. Levels of demand to focus more on results 2. Focus on results 	Ordinal
Materiality Level Considerations (Y)	<ol style="list-style-type: none"> 1. Financial Statement Level 2. Account Balance Levels 	<ol style="list-style-type: none"> 1. Evaluate significant material control 2. Fairness in the overall financial statements 1. The account balance rate is lower than the materiality at the financial statement level 2. Testing the account balance in obtaining conclusions on the fairness of financial statements 	Ordinal

Auditor Decision Making (Z) Auditor Decision Making is a decision making process that requires comprehensive consideration of the possible consequences that may arise before a decision is made.	1. Materiality and risk	1. Accounts with large amounts in the financial statements 2. A greater amount of audit evidence compared to accounts with immaterial balances.	Ordinal
	2. <i>Personality type</i>	1. Good consideration 2. Consideration is based on personality type	
	3. Audit Evidence	1. Audit evidence determines the audit results 2. Reliability of the evidence collected	
	4. Adequacy	1. Quantity of evidence 2. Adequacy of the evidence on the sample	

Source: summarized from various sources (2025)

The population used in this study were auditors at the Supreme Audit Agency office totaling 160 people. By using the Slovin formula above, the sample used in this study was 62 auditors working at Badan Pemeriksa Keuangan of South Sumatra.

The data used in this study are primary data and secondary data. Primary data in this study were obtained from questionnaires distributed to respondents. Secondary data in the study was obtained from the phenomenon of the news. The data collection methods used in this research are interviews, questionnaires, and documents. Interviews were conducted by direct interaction with respondents to obtain the information needed. The questionnaire was conducted using a Google form to the Office of the Auditor General of the Republic of Indonesia, Representative of South Sumatra, and documents were carried out by collecting research topics such as notes or other archives. The data analysis techniques used are descriptive statistics and Structural Equation Modeling analysis (Pengukuran Model Specification, Structural Model Specification, and Complete Structural Model). The analysis techniques in this study used the Structural Equation Modeling (SEM) PLS Version 4 computer program.

4. RESULTS

This research is based on the transformation of research data in tabulation, so that it is easy to understand, and easy to understand, and. Based on a population of 160 auditors, and a sample of 62 auditors of the Badan Pemeriksa Keuangan of the Republic of Indonesia representatives of South Sumatra, only 36 auditors were willing to fill out the questionnaire.

Descriptive statistical analysis provides an overview or description of a series of techniques that prove the summary method of describing, and retrieving data in this study, namely the independent variables in this study, namely professional ethics (X1) which consists of 8 statements, Auditor Experience (X2) which consists of 4 statements, Organizational Culture (X3) which consists of 8 statements, consideration of the level of materiality (Y) consists of 4 statements and Auditor Decision-making (Z) consists of 8 statements.

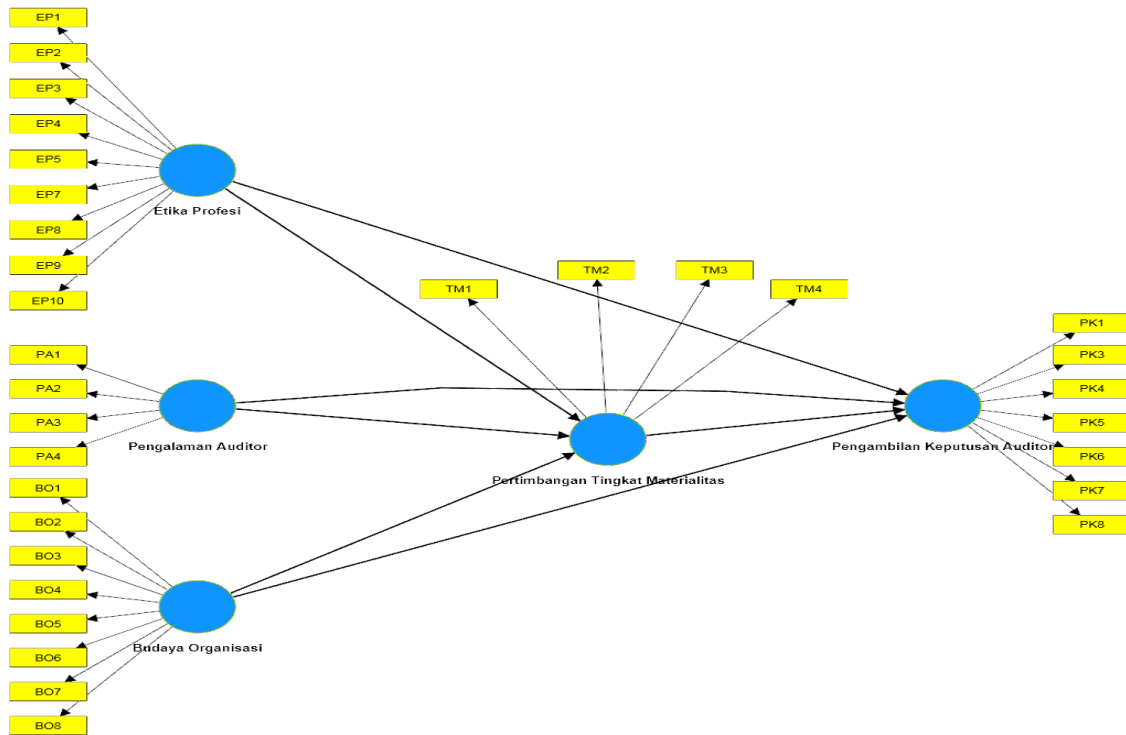


Figure 1. Outer Model Test Results

Table 2. Results Descriptive statistics of variables

Statement	N	Min	Max	Mean	Std Deviation	Criteria
Professional Ethics	36	35	45	41.111	3.911	Very High
Auditor Experience	36	14	20	17.944	1.970	Very High
Organizational Culture	36	29	40	34.389	3.689	Very High
Materiality Level Considerations	36	14	20	17.694	1.968	Very High
Auditor Decision-making	36	24	35	31,250	3,458	Very High

Source, Data Processed (2024)

The results of statistical tests of professional ethics variables (X1), auditor experience (X2), and organizational culture (X3) on auditor decision-making (Z) with consideration of the level of materiality (Y) as an intervening variable show that the average value of each variable obtained is very high.

Table 3. Validity and Reliability Data Testing (First Order)

	Var	Composite Reliability item	Composite reliability	Cronbach's Alpha Item	Cronbach's Alpha	AVE item	AVE
Professional Ethics Auditor	X ₁	0.944	0,70	0.945	0,60	0.679	0,50
Experience Organizational Culture	X ₂	0.953	0,70	0.891	0,60	0.637	0,50
Materiality Level Considerations	X ₃	0.924	0,70	0.932	0,60	0.754	0,50
Auditor Decision-making	Y	0.964	0,70	0.895	0,60	0.741	0,50
	Z	0.928	0,70	0.956	0,60	0.762	0,50

Source, Data Processed (2024)

Based on the results of validity testing, which can be seen from Table 2, it shows that the loading factor value is > 0.70 for each statement item, so it can be concluded that the items of the statement on the variable are valid because they meet the requirements of convergent validity. The composite reliability value for each variable has a value of 0.9 because it has a Composite reliability alpha of more than 0.70; this value indicates that each variable has met the composite reliability requirements. The Cronbach Alpha value of all variables has a value of > 0.60; this result shows that each variable has met the requirements, so it can be stated that it has a high level of reliability. Also, the AVE value of all variables has a value of > 0.5, which means that each variable has good validity

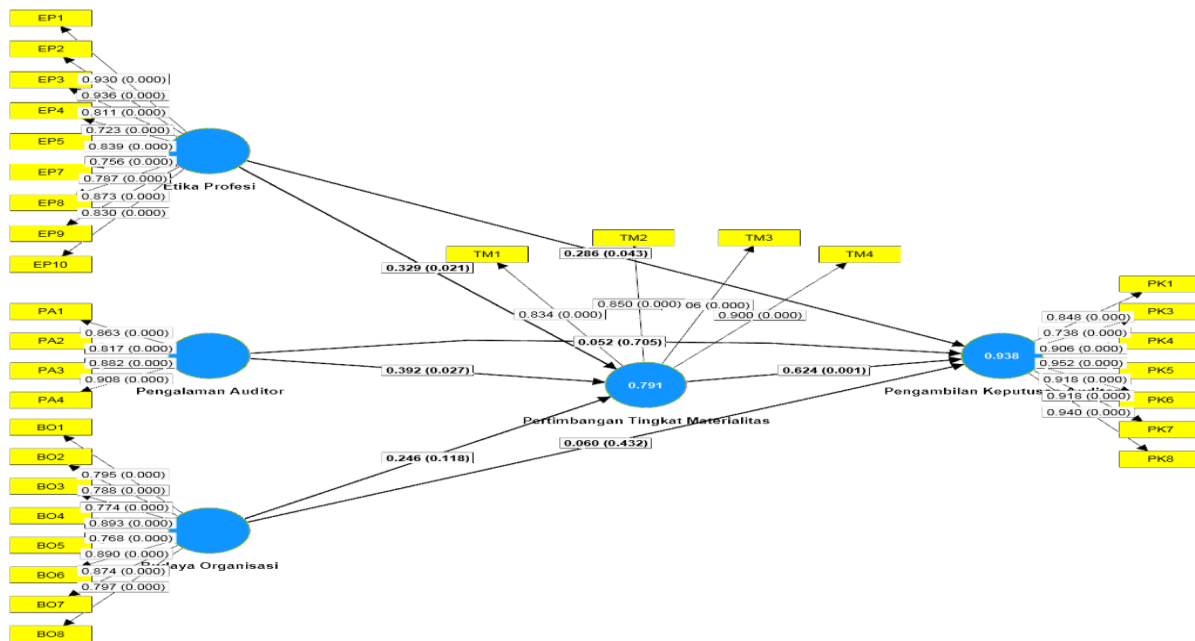


Figure 2. Inner Model Test Results

Structural model evaluation aims to predict the relationship between latent variables based on the substantive theory of the structural model evaluated with a significant value (t-value 1.96 with a significant 0.5%)

Hypothesis Test

Table 4
Estimation Output of Structural Model Testing (First Order)

	T statistics (O/STDEV)	p-value	Results
Professional Ethics -> Materiality Level Considerations	2.316	0.021	Significant
Auditor Experience -> Materiality Level Consideration	2.218	0.027	Significant
Organizational Culture -> Materiality Level Consideration	1.567	0.118	Not Significant
Materiality Level Consideration -> Auditor Decision-making	3.488	0.001	Significance
Professional Ethics -> Auditor Decision-making	2.029	0.043	Significant
Auditor Experience -> Auditor Decision-making	0.379	0.705	Not Significant
Organizational Culture -> Auditor Decision-making	0.786	0.432	Not Significant
Professional Ethics -> Auditor Decision-making -> Materiality Level Considerations	2.261	0.024	Significant
Auditor Experience -> Auditor Decision-making -> Materiality Level Consideration	1.779	0.076	Not Significant
Organizational Culture -> Auditor Decision-making -> Materiality Level Consideration	1.452	0.147	Not Significant

Source, Data Processed (2024)

Second Order CFA

In Second-Order CFA, for latent variables cannot be measured directly through their indicator variables. However, it has several indicators where these indicators cannot be measured directly and require several more indicators.

Measurement model specification(Outer Model)

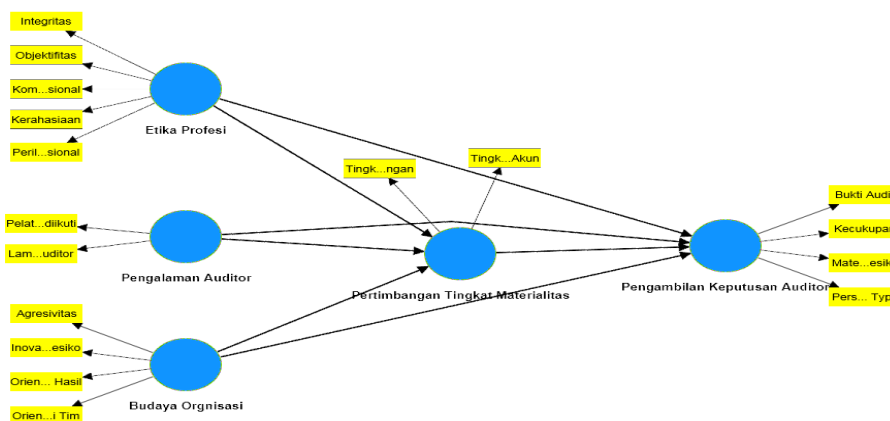


Figure 3. Outer Model Test Results

Measurement model testing will be carried out to show the results of validity and reliability tests, namely Convergent Validity, Discriminant Validity, and Composite Validity. The results of the validity and reliability tests can be seen in Table 4.

Data testing

Table 5
Validity and Reliability Data Testing (Second Order)

	Variab le	Composite Reliability item	Composite reliability	Cronbach's Alpha Item	Cronbac h's Alpha	AVE item	AVE
Professional Ethics	X ₁	0.945	0,70	0.926	0,60	0.775	0,50
Auditor Experience	X ₂	0.938	0,70	0.870	0,60	0.884	0,50
Organizational Culture	X ₃	0.945	0,70	0.922	0,60	0.812	0,50
Materiality Level Considerations	Y	0.935	0,70	0.860	0,60	0.877	0,50
Auditor Decision- making	Z	0.959	0,70	0.942	0,60	0.853	0,50

Source, Data Processed (2024)

Based on the results of validity testing, which can be seen from Table IV.4, it shows that the loading factor value is >0.70 for each statement item, so it can be concluded that the items of the statement on the variable are valid because they meet the requirements of convergent validity. The composite reliability value for each variable has a value of 0.9 because it has a Composite reliability alpha of more than 0.70, this value indicates that each variable has met the composite reliability requirements. The Cronbach Alpha value of all variables has a value of > 0.60, this result shows that each variable has met the requirements so it can be stated that it has a high level of reliability. Also, and also the AVE value of all variables has a value of > 0.5, which means that each variable has good validity.

Evaluasi Model Struktural (Inner Model)

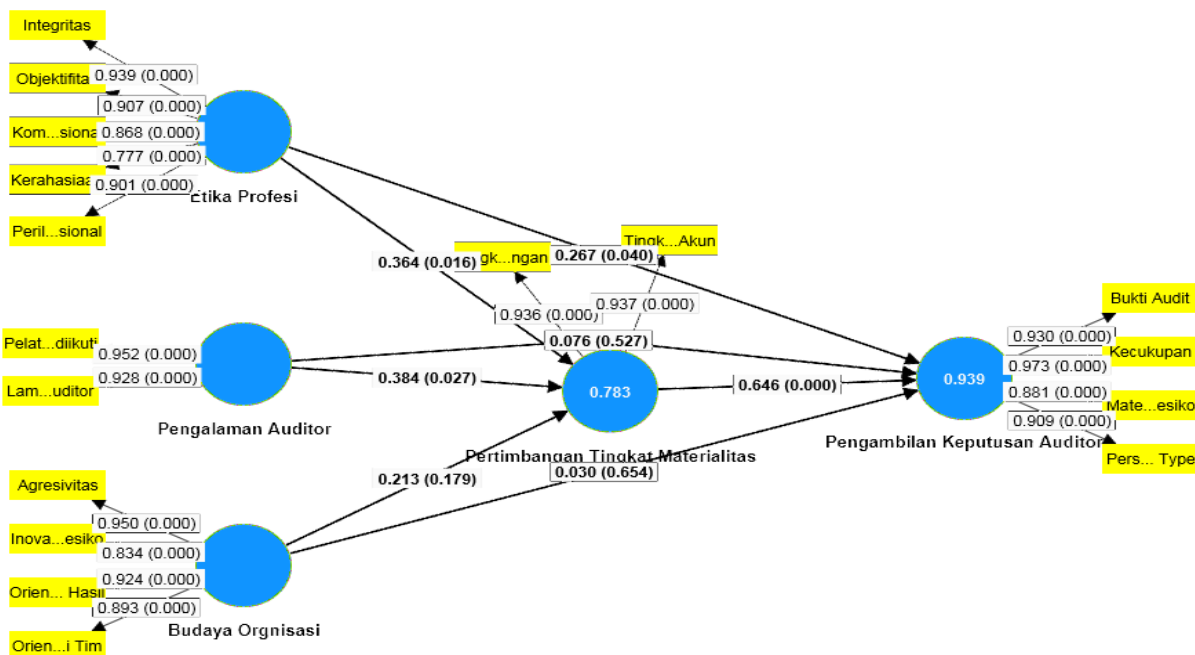


Figure 4. Inner Model Test Results

Structural model evaluation aims to predict the relationship between latent variables based on the substantive theory of the structural model evaluated with a significant value (t-value 1.96 with a significance of 0.5%).

Table 6
Estimation Output of Structural Model Testing (Second Order)

	<i>T</i> <i>statistics</i> (<i> O/STD</i> <i>EV </i>)	<i>P values</i>	Hasil
Professional Ethics -> Materiality Level Considerations	2.424	0.016	Significant
Auditor Experience -> Materiality Level Consideration	2.217	0.027	Significant
Organizational Culture -> Materiality Level Consideration	1.345	0.179	Not Significant
Materiality Level Consideration -> Auditor Decision-making	4.332	0.000	Significant
Professional Ethics -> Auditor Decision-making	2.058	0.040	Significant
Auditor Experience -> Auditor Decision-making	0.633	0.527	Not Significant
Organizational Culture -> Auditor Decision-making	0.449	0.654	Not Significant
Professional Ethics -> Auditor Decision-making -> Materiality Level Considerations	2.459	0.014	Significant
Auditor Experience -> Auditor Decision-making -> Materiality Level Consideration	1.915	0.056	Not Significant
Organizational Culture -> Auditor Decision-making -> Materiality Level Consideration	1.337	0.182	Not Significant

Source: Data Processed (2024)

Based on Table, this study has the following results in testing each hypothesis: (a). Professional Ethics Affect Materiality Level Considerations. The results of professional ethics on materiality level considerations obtained a T-statistic value of 2.424, and a P-value of 0.016, or this value has T-statistics > 1.96, and P-values <0.05, so the first hypothesis is accepted stating that professional ethics has a significant effect on materiality level considerations. (b). Auditor Experience Affects Materiality Level Considerations. The results of the auditor's experience on the consideration of the materiality level obtained a T-statics value of 2.217, and a P-value of 0.027, or this value has T-statistics > 1.96, and P-Values < 0.05, so the second hypothesis is accepted stating that the auditor's experience has a significant effect on materiality level considerations. (c). Organizational Culture Has No Effect on Materiality Level Considerations. The results of organizational culture on materiality level considerations obtained a T-statics value of 1.345, and a P-value of 0.179, or this value has T-statistics < 1.96, and p-Values > 0.05, so the third hypothesis is rejected stating that organizational culture has no significant effect on materiality level considerations. (d). Materiality Level Considerations Affect Auditor Decision-making. The results of considering the level of materiality on auditor decision-making obtained a statistics value of 4.332, and a P-value of 0.000, or this value has T-statistics > 1.96, and P-Values <0.05, so the fourth hypothesis is

accepted stating that consideration of the level of materiality has a significant effect on auditor decision-making. (e). Professional Ethics Affects Auditor Decision-making. The results of professional ethics on auditor decision-making obtained a T-statistic value of 2.058, and a P-value of 0.040, or this value has T-statistics > 1.96, and P-value < 0.05, so the fifth hypothesis is accepted stating that professional ethics has a significant effect on auditor decision-making. (f). Auditor Experience Has No Effect on Auditor Decision-making. The results of the auditor's experience on auditor decision-making obtained a T-statistic value of 0.633, and a P-value of 0.654, or this value has T-statistics < 1.96, and P-values > 0.05, so the sixth hypothesis is rejected stating that the auditor's experience has no significant effect on auditor decision-making. (g). Organizational Culture Has No Effect on Auditor Decision-making. The results of organizational culture on auditor decision-making obtained a T-statistic value of 0.449, and a P-value of 0.432, or this value has T-statistics < 1.96, and P-values > 0.05, so the seventh hypothesis is rejected stating that organizational culture has no significant effect on auditor decision-making. (h). Professional Ethics Affects Auditor Decision-making Through Materiality Level Considerations. The results of professional ethics on auditor decision-making obtained a T-statistic value of 2.459, and a P-value of 0.014, or this value has T-statistics > 1.96, and P-value < 0.05, so the eighth hypothesis is accepted stating that professional ethics has a significant influence on auditor decision-making through consideration of the materiality level. (i). Auditor Experience Has No Effect on Auditor Decision-making Through Materiality Level Considerations. The results of the auditor's experience on auditor decision-making obtained a T-statistics value of 1.915, and P-value of 0.056, or this value has T-statistics < 1.96, and P-Values > 0.05, so the ninth hypothesis is rejected stating that auditor experience has no significant effect on auditor decision-making through consideration of the materiality level. (j). Organizational Culture Has No Effect on Auditor Decision-making Through Materiality Level Considerations. The results of the auditor's experience on auditor decision-making obtained a T-statistic value of 1.337, and P-value of 0.182, or this value has T-statistics < 1.96, and P-Values > 0.05, so the tenth hypothesis is rejected stating that organizational culture has no significant effect on auditor decision-making through consideration of the materiality level,

DISCUSSION

The Effect of Professional Ethics on Materiality Level Considerations

Based on the results of the research that has been conducted, it shows that professional ethics affect the consideration of the level of materiality. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors have good professional ethics. The results of this study are also supported by research proposed by Budi & Umar, (2019), Fitra & Hendratno, (2022), and Rampa & Damayanti, (2022) Therefore, it can be concluded that professional ethics has an influence on the consideration of the level of materiality because in ethics in considering the level of materiality in conducting financial audits that the importance of integrity, objectivity, professional competence, confidentiality, and professional behavior in carrying out the audit process. This helps ensure that financial statements can be trusted. Based on the results of this study, can answer the existing phenomena, and the final results show that professional ethics has a significant influence on the consideration of the materiality level at the BPK RI Representative Office of South Sumatra.

The Effect of Auditor Experience on Materiality Level Considerations

Based on the results of the research that has been done, it shows that the auditor's experience affects the consideration of the level of materiality. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors have good experience. The results of this study are also supported by research proposed by Leriza, Rampa, and Damayanti (2022) stated that the auditor's experience affects the consideration of the level of materiality because the length of experience an auditor has can help identify potential in the financial statements. However, it is not in line with research conducted, by shows that auditor experience does not affect materiality level considerations. Based on the results of this study, we can answer the existing phenomena, and the final results show that the auditor's experience has a significant influence on the consideration of the materiality level at the BPK RI Representative Office of South Sumatra.

The Effect of Organizational Culture on Materiality Level Considerations

Based on the results of the research that has been conducted shows that organizational culture does not affect materiality level considerations. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors do not have a good organizational culture. The results of this study are not supported by research submitted by Fanani & Jalil, (2016) suggests that organizational culture affects the consideration of the level of materiality because a strong organizational culture in the financial reporting process can determine the correct level of materiality in auditing. Conversely, this research is supported by Rastina *et al.*, (2022) That organizational culture does not affect materiality level considerations because organizational culture on indicators of innovation, aggressiveness, team orientation, and orientation towards results has not been implemented properly, so that it can hinder the audit process. Based on the results of this study, we can answer the existing phenomena, and the final results show that organizational culture has no significant effect on the consideration of the materiality level at the BPK RI Representative Office of South Sumatra.

The Effect of Materiality Level Considerations on Auditor Decision-making

Based on the results of the research that has been conducted it shows that consideration of the level of materiality affects auditor decision-making. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors have good materiality. The results of this study are also supported by research Laila & Novita, (2019), Bharata & Wiratmaja, (2017), and Ilhamsyah & Nopiyanti, (2020) stated that consideration of the level of materiality has a significant effect on auditor decision-making because, in calculating a level of materiality correctly and thoroughly, an auditor can make the right decision in assessing financial statements and providing reliable information. Based on the results of this study, we can answer the existing phenomena, and the final results show that the consideration of the level of materiality has a significant influence on auditor decision-making at the BPK RI Representative Office of South Sumatra.

The Effect of Professional Ethics on Auditing Decision-making

Based on the results of the research that has been conducted, shows that professional ethics affect auditor decision-making. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors have good professional ethics. The results of this study are in line with research by Hery, (2022), Sastrodiharjo & Suraji, (2021), and Suratman *et al.*, (2021) suggest that professional ethics affect auditor decision-making because higher professional ethics ensure that an auditor makes decisions with professional st, and ards without pressure from the audited party. Based on the results of this study, can answer the existing phenomena, and the final results show that professional ethics has a significant influence on auditor decision-making at the BPK RI Representative Office of South Sumatra.

The Effect of Auditor Experience on Auditor Decision-making

Based on the results of research that have been conducted, shows that auditor experience does not affect auditor decision-making. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors do not have good experience. The results of this study are not in line with Mudassir, (2016), and Nurhafika & Shita, (2021) states that auditor experience affects auditor decision-making. However, in line with research conducted by Hasnanto, (2019). shows that auditor experience does not affect auditor decision-making because there may be several factors in making decisions. Auditors who do not have experience when making decisions can make mistakes or make a decision. Based on the results of this study, we can answer the existing phenomena, and the final results show that the auditor's experience does not have a significant effect on auditor decision-making at the BPK RI Representative Office of South Sumatra.

The Effect of Organizational Culture on Auditor Decision-making

Based on the results of the research that has been conducted, it shows that organizational culture does not affect auditor decision-making. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors already have good experience. This is not in line with research by Wawo *et al.*, (2015), Apriliawati & Suardana, (2016) stated that organizational culture affects auditor decision-making; on the contrary, this study is supported by Mudassir, (2016) Based on the results of this study, it can be concluded that organizational culture does not affect auditor decision-making because organizational culture on indicators of innovation, aggressiveness, team orientation, and orientation towards results has not been implemented properly so that auditors in making decisions tend to follow independently regulated audit rules, and standards and organizational culture does not affect the objective decision-making of an auditor. Based on the results of this study, we can answer the existing phenomena, and the final results show that organizational culture does not have a significant influence on auditor decision-making at the BPK RI Representative Office of South Sumatra.

The Effect of Professional Ethics on Auditor Decision-making through Materiality Level Considerations

Based on the results of the research that has been conducted shows that professional ethics affect auditor decision-making through consideration of the materiality level. This is in

line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors have good professional ethics. The results of this study are in line with research by Hery, (2022), Sastrodiharjo & Suraji, (2021), and Suratman *et al.*, (2021) suggests that professional ethics affect auditor decision-making because the higher the professional ethics, the more that an auditor makes decisions by professional standards without pressure from the audited party. Based on the results of this study, we can answer the existing phenomena, and the final results show that professional ethics has a significant influence on auditor decision-making through consideration of the level of materiality at the BPK RI Representative Office of South Sumatra.

The Effect of Auditor Experience on Auditor Decision-making through Materiality Level Considerations

Based on the results of the research that has been conducted, it shows that auditor experience does not affect auditor decision-making through consideration of the level of materiality. This is in line with the hypothesis presented, research that has been conducted at the South Sumatra representative of the Supreme Audit Agency (BPK) shows that auditors do not have good experience. The results of this study are in line with Hasnanto, (2019). shows that auditor experience does not affect auditor decision-making because there may be several factors in making decisions. Auditors who do not have experience when making decisions can make mistakes or make a decision. Based on the results of this study, we can answer existing phenomena, and the final results show that the auditor's experience has no significant effect on auditor decision-making through consideration of the level of materiality at the BPK RI Representative Office of South Sumatra.

The Effect of Organizational Culture on Auditor Decision-making through Materiality Level Considerations

Based on the results of the research that has been conducted, it shows that organizational culture does not affect auditor decision-making through consideration of the level of materiality. This is in line with the hypothesis presented, research that has been conducted by the South Sumatra representative of the Financial Audit Agency (FAA-BPK) shows that auditors do not have a good organizational culture Mudassir, (2016) and that organizational culture does not affect auditors decision-making because organizational culture on indicators of innovation, aggressiveness, team orientation, and orientation towards results has not been implemented properly so that auditors in making decisions tend to follow independently regulated audit rules, and standards and organizational culture does not affect the objective decision-making of an auditor Based on the results of this study can answer existing phenomena, and the final results show that organizational culture does not have a significant influence on auditor decision-making through consideration of the level of materiality at the BPK RI Representative Office of South Sumatra.

5. CONCLUSIONS, LIMITATIONS, AND SUGGESTIONS

Based on the results of the research, and discussion that has been carried out, it can be concluded that professional ethics and auditor experience affect the consideration of the materiality level at the Financial Audit Agency (FAA-BPK) of the Republic of Indonesia Representative of South Sumatra, organizational culture does not affect the consideration of the materiality level at the Financial Audit Agency (FAA-BPK) of the Republic of Indonesia Representative of South Sumatra, consideration of the materiality level, and professional ethics affect auditor decision-making at the Supreme Audit Agency of the Republic of

Indonesia Representative of South Sumatra, auditor experience, and organizational culture have no effect on auditor decision-making at the Badan Pemeriksa Keuangan of the Republic of Indonesia Representative of South Sumatera. Based on direct research during this research process, there are several limitations experienced and still have many shortcomings that continue to be improved in future studies. The limitations in this study are the number of respondents is only 36 auditors, of course, it is still less than the number of auditors, and it describes the actual situation. Future researchers are expected to further develop research by examining other variables such as Audit Opinions, Human Resources Competence, and professional Commitment, so that it is proven that many factors can influence auditor decision-making, and consideration of the level of materiality as another variable besides intervening.

REFERENCES

- AICPA. (2018). Alert : Developments in Preparation, Compilation, and Review Engagements. American Institute Of Certified Public Accountants.
- Ali. (2022). KPK submits case files for 4 defendants who received bribes from Ade Yasin.
- Aman. (2023). OJK Imposing Sanctions on AP and KAP Related to Wanaartha Life Amidst Liquidation Handling.
- Apriliawati, N. ketut, & Suardana, K. A. (2016). The influence of auditors' ethical considerations on ethical orientation and ethical culture of the organization as moderating variables. 17, 1226–1253.
- Ariska, N. P. L., Sunarsih, N. M., & Yuliasuti, I. A. N. (2020). The influence of auditors' ethical considerations on ethical orientation and ethical culture of the organization as moderating variables. 2(2), 18–36.
- Azis, N. A. (2021). Auditor Independence Interaction Model. PT Nasya Exp, and in Management.
- Azmi, Z., Erlina, E., Muda, I., & Erwin, K. (2024). Exploring The Use Of Knowledge-Based View In Accounting And The Business Environment. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi dan Bisnis, 12(3), 3203-3212.<https://doi.org/10.37676/ekombis.v12i3.5883>
- Azza, B. (2020). Corporate leadership and its role in shaping organizational culture and performance. Igi Global.
- Berita Merdeka. (2022). Examining Violations of the Code of Ethics of the Accounting Profession in Financial Report Cases PT Garuda Indonesia.
- Bey. (2023). Bey Machmudin Invites BPK West Java to Strengthen Collaboration in Public Financial Management.
- Bharata, I. M. A. P., & Wiratmaja, I. D. N. (2017). Materiality Consideration as a Moderating Variable of the Influence of Professional Ethics and Competence on the Accuracy of Auditor Opinion. E-Jurnal Akuntansi Universitas Udayana, 20(2), 1280–1309.
- Budi, T. R., & Umar, F. (2019). Effect of professionalism of auditors, and professional ethics on the Consideration of materiality level. 1(1), 44–53.
- Fanani, B., & Jalil, M. (2016). The Influence of Organizational Culture and the Role of Internal Audit on the Quality of Financial Reporting. SNaPP Proceedings: Social, Economic, and Humanities, 6(1), 371–378.
- Fitra, F. E., & Hendratno. (2022). The influence of professionalism and professional ethics on the consideration of materiality levels. 6(3), 703–711.
- Grwal. (2022). Ernst & Young will pay a \$100 million fine after auditors cheated on ethics exams.
- Hambali, R., Da"i, Mohamad, & Ilmiyah, Nurul. (2021). Professional Ethics. CV. Agrapana Media.
- H, and Iryanto. (2020). Kemenkeu will sanction the KAP involved in Jiwasraya and Asabri.
- Harakan, A., Prianto, A. L., & Jermsittiparsert, K. (2019). Proceedings of the 1st International Conference on Environmental Governance. Research Meets Innovation.
- Harbani, P. (2020). Professional Ethics. Nas Media Pustaka.
- Hasnanto. (2019). The influence of auditor work experience on auditor ethical decision making

- with emotional intelligence as a moderating variable.
- Hery. (2019). *Auditing : Basics of Accounting Auditing*. Gramedia Widiasarana Indonesia.
- Hery. (2022). The Influence of the Implementation of Professional Ethics on Public Accountant Decision Making. 6(2), 249–268.
- Ida, A., Rizki, Novia, & H, and ayani, Fice. (2023). *Basic Business Accounting*. Get Press Indonesia.
- Ilhamsyah, H. R., & Nopiyanti, A. (2020). The Influence of Materiality, Auditor Ethics and Auditor Independence on Audit Opinion. 8(3), 433–440.
- Isma. (2023). Strengthening cooperation between the chairman of the BPK and the Australian ambassador to Indonesia held a courtesy meeting.
- Iwan. (2023). The results of the Tarmizi Public Accounting Firm audit are “unclear.”
- Jason, C. (2022). *Professional Ethics in Construction and Engineering*. OUP Oxford.
- Kasdin, S. (2019). *Etika Profesi Akuntansi*. PT. Kanisius.
- Laila, C. H., & Novita, N. (2019). The influence of code of ethics, audit materiality, and audit risk on auditors' opinions. 9(1), 63–82.
- Leriza, D. A., & Melinda. (2021). Analysis of Implementation Professionalism, Professional Ethics, Auditor Experience, and Independence as a Materiality Level Consideration In KAP of Palembang City. 6(2), 119–124.
- Marsitah, L. (2022). *Lecturer performance model based on local wisdom*. Umsu Press.
- Mathius, T. (2016). *Audit Quality and Its Measurement*. Alfabeta.
- Metha. (2020). *Advanced Auditing : Latest Edition*. SBPD Publishing House.
- Mudassir. (2016). The Influence of Audit Experience on Ethical Decision Making with Organizational Culture as a Moderator. 6(1), 89–102.
- Mulyono. (2023). Dissenting Opinion, Hakim Calling State Losses in Asabri Case Inaccurate.
- Muryanto. (2023). Laporan Keuangan USU Tahun 2022 Raih Predikat Wajar Tanpa Pengecualian.
- Natsir. (2021). Witness Says BPK Auditor Received IDR 3 Billion Related to PUPR SPAM Project Findings.
- Nurhafika, & Shita, T. (2021). The Influence of Professional Ethics, Experience, and Public Opinion on Decision Making for Auditors at BPK RI Perwakilan Provinsi Sumatera Utara. 1(3), 217–232.
- Pius. (2023). BPK's findings at the Ministry of Education and Culture, there are hidden accounts, income not deposited into the state treasury.
- Putri, K. Y. S. (2021). *Communication Audit*. PT. Rajagrafindo Persada.
- Rampa, L., & Damayanti, R. A. (2022). The Influence of Professionalism, Professional Ethics, and Auditor Experience on Materiality Level Considerations. 15(1), 63–73.
- Rastina, R., Hasiyah, H., & Ishlah, I. (2022). The influence of skepticism, auditor rotation, and organizational culture on auditors' consideration of materiality levels. 7(2).
- Sastrodiharjo, I., & Suraji, R. (2021). The influence of the implementation of professional ethics and emotional intelligence on auditor decision making. 17(2).
- Suratman, A., Dian Puspita, M., & Manurung, E. (2021). The Influence Of Independence, Professionalism, Professional Ethics, and Accountability Of Auditors on the Quality Of Audit With Audit Work Discipline As Intervening Variables At Public Accounting Firm (Kap) In The Bekasi Area. *International Journal of Innovative Science and Research Technology*, 6(9), 271–277.
- Tarkosunaryo. (2020). *Examining the Role of Public Accountants in Cases Jiwasraya*.
- Thian, A. (2021). *Auditing fundamentals, integrated and comprehensive edition*. CV and I Offset.
- Victor. (2020). *Optimization for Decision-making*. MDPI.
- Wahyu. (2021). *BAKN Criticism of the Results of the South Sumatra BPK Audit Against DAK*.
- Wardah, M. S. (2020). *The Influence of Audit Knowledge, Audit Document Complexity, and Auditor Experience on Audit Judgement at the Inspectorate Office Kabupaten Aceh Barat*. Unimal Press.
- Wawo, A. B., Asni, N., & Nurnaluri, S. (2015). The influence of organizational culture, ethical awareness, and experience on auditors' ethical judgment through professional

commitment. 4, 15–24.

Widodo, J. (2021). President Appreciates Inspection Innovation BPK.

Yadiati, W., & Mubarak, Abdulloh. (2017). Financial Reporting Quality. PT Balebat Dedication Prima.

Yinger, J. (2017). Housing: Commuting the theory of urban residential structure. Scientific Publishing.

Yohanes, S. (2020). Auditor integrity influences the quality of audit results. Deepublish.