# Quality analysis of financial statement reviews of local government: study of the impact of variables of time pressure and professional skills

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| Article Info | ABSTRACT |
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| | The main problems of this research were to test and analyze two independent variables, time pressure and professional skill, that related to the quality review of financial statements as a dependent variable. The data source used in this research was primary data, which is obtained from questionnaires. The questionnaires distributed to 36 respondents as the research sample. Those are internal auditor at Local Government of North Konawe and East Konawe. The data was analyzed by using Program Statistical Package for the Social Sciences (SPSS) Ver.22. The results show that time pressure and professional skills simultaneously have significant effect to the quality review of financial statement. Partially, time pressure has negative and significant effect to the quality review of financial statement, which means that if time pressure increases then the quality of review decreases, otherwise if time pressure decreases then the quality of the financial statement review increases. The result also indicated that professional skill has positive and significant effect to the quality review of financial statement. This means that if professional skill increases then the quality of the financial statement review will also increase and vice versa if the professional skill is low then the quality of the financial statement review will decrease. |

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## Introduction

Public sector supervision provides a control mechanism in order to realize good governance, as is the commitment of the Government of the Republic of Indonesia which is explicitly stated in Presidential Regulation of the Republic of Indonesia (PERPRES RI) No. 81 of 2010 concerning the Grand Design of Bureaucratic Reform 2010-2025. The regulation explicitly states that bureaucratic reform in all Ministries/Institutions/Local Governments is carried out with the aim of realizing good governance by implementing the principles of good governance and clean government. This is the embodiment of Law no. 32 of 2004 concerning Local Government which mandates and gives authority to local governments to carry out part of the public service process to be managed independently with the principles of effectiveness, efficiency and economy. However, the implication of this regulation has given rise to abuse of authority in the regions, which is indicated by the emergence of corrupt behavior practices by public officials and the weakness of the internal control system, namely that there are still non-compliance with the provisions of the legislation, resulting in indications of losses(Kewo & Mamuaya, 2019).

Based on the perspective of agency theory, auditing is considered as one of the useful ways to reduce agency costs (Hay & Cordery, 2017;Jensen & Meckling, 1976).Fungsi audit sebagai landasan tata kelola sektor publik memberikan penilaian objektif tentang apakah sumber daya publik dikelola secara bertanggung jawab dan efektif untuk mencapai hasil yang diinginkan serta membantu organisasi sektor publik mencapai akuntabilitas dan integritas, meningkatkan operasi, dan menanamkan kepercayaan di antara warga negara dan pemangku kepentingan (IIA, 2012:5). From the perspective of audit executives, the government's internal audit is the heart of public administration accountability (Aikins, 2013). The supervisory role of the management of governance activities in the regions is carried out by the Government Internal Supervisory Apparatus (APIP). This is regulated in regulation PER/04/M.PAN/03/2008 letter (b) concerning the APIP Code of Ethics which states that in order to realize good, efficient, clean and responsible governance, a qualified Government Internal Supervisory Apparatus (APIP) and professional auditors is needed.

APIP in this case is an inspectorate institution which is a government agency that has the duties and functions to carry out supervision, including reviewing local government financial reports (LKPD) either on a semi-annual or quarterly basis. LKPD as a form of accountability for the implementation of the Local Revenue and Expenditure Budget (APBD) by the Local Government must be presented in accordance with government accounting standards set by the government. LKPD provides information on the effectiveness and efficiency of programs that are useful for the community related to the use of resources owned by local governments(Adiputra et al., 2018).

The review is one of the government's efforts through the inspectorate institution in the realization of a clean, transparent and accountable government, through quality supervision of state finances(Puspasari & Irawan, 2018). Reviu atas laporan keuangan dilakukan dengan tujuan untuk memberikan informasi kepada kepala daerah sehubungan dengan pengelolaan APBD yang menjadi tanggungjawabnya, yaitu bagaimana organisasi perangkat daerah yang ada memenuhi dan menjalankan tanggungjawab atas dana yang diserahkan, apakah telah dilaksanakan dan dilaporkan sesuai peraturan dan ketentuan yang ada. In addition, reviews can also be used as a basis for improving or improving future performance so that they can provide added value for improving the performance of local governments as a whole. This can be achieved if the review is carried out in accordance with the instructions in the Regulation of the Minister of Home Affairs of the Republic of Indonesia (PERMENDAGRI) Number 4 of 2018 concerning the Implementation of the Review on Accrued-Based Local Government Financial Statements. The regulation states that APIP's task of reviewing LKPD is in order to ensure the reliability of the information presented before it is submitted to the Supreme Audit Agency (BPK). The review of accrual-based LKPD is an activity that includes tracing numbers, inquiries and analytical procedures that become an adequate basis for Inspectors as auditors to issue a Review Results Report (LHR). LHR includes review statements, comments and additional information (basic of review, objectives, goals, scope, conclusions and recommendations, as well as follow-up to the results of the review.

The LKPD review mechanism by APIP is not much different in principle from the audit procedure, although the objectives, scope and output of the two monitoring mechanisms are very different. There are 3 (three) stages that must be passed by the auditor to provide a reasonable (limited) basis for confidence that the LKPD has been prepared based on an adequate Internal Control System (SPI) and in accordance with Government Accounting Standards (SAP). The first stage is the preparation of the review, which is a mechanism that includes an understanding of the accounting and reporting entities, an assessment of the SPI, and the preparation of a review work program. The second stage, namely the implementation of the review, is related to implementation activities carried out in parallel, namely carried out simultaneously or throughout the implementation of the budget and preparation of the LKPD without having to wait for the LKPD to be completed by the local government. And the last is review reporting, namely the mechanism for reporting the results of the review as outlined in the Review Results Note (CHR) and the Review Results Report (LHR).

Studies on the role of internal or external auditors in local governments are relatively limited, found in academic journals (Pilcher, 2014), when compared to a business enterprise setting. The determinants of the quality of the LKPD review have been carried out by several previous studies and show that the results of the auditor's review will be effective depending on the characteristics of the auditor, procedures, time pressure and internal control of public entities(Maulana et al., 2017; Rochmatullah & Hartanto, 2015). One of the characteristics of auditors needed to obtain quality review assignment outputs is professional skills. Professional skills are part of the competencies that must be possessed by a professional auditor (Pandoyo, 2016). The first general standard of examination states that examiners are required to use carefully and thoroughly their professional expertise or skills in conducting examinations. This standard requires that the financial examiner must have expertise in generally accepted accounting related to the entity being audited (Batubara, 2008). Professional skills are an important requirement to be implemented in audit work. Zahmatkesh & Rezazadeh, (2017) provided empirical evidence that the professional competence of auditors

has an impact on audit quality. Rahman's (2009) study also proposes that due professional care is the most influential factor on audit quality. Careful and thorough professional skills of auditors will increase professional judgment (professional judgment) carried out by the auditor during the examination.

In addition to professional skills, the time pressure variable also has the potential to contribute to the quality of the APIP review results. Time pressure indicates that auditors need less time in their audit/non-audit work. Margheim and Pany (1986) revealed that time pressure often causes auditors to neglect parts of the audit program, resulting in lower audit quality. Furthermore, Paino et al., (2010) shows that one of the variables that lead to dysfunctional audit behavior is time budget pressure. Professional auditors need the right time in carrying out their audit work, and therefore the extent to which time pressure will affect audit quality needs to be investigated. The results of previous studies show differences, for example a study conducted by Pratomo, (2016) on the internal auditors of the local government in the former Surakarta Residency, which found that time budget pressure did not affect audit quality. However, the findings of the study by Widyarini & Ratnadi, (2016) on APIP at the Provincial/District/City Inspectorate in Bali shows that time pressure has a negative effect on the quality of LKPD reviews. Thus, the greater the time pressure experienced by the auditor, the lower their audit quality tends to be (Broberg et al., 2017).

The review of LKPD causes the role of the Inspectorate in regional financial supervision to become larger and has a very strategic value to be able to control regional financial policies economically, efficiently, effectively, transparently, and accountably. The review is expected to reduce weaknesses and errors in accounting and presentation of financial statements. A quality review will be able to improve the quality of information presented in financial reports and create good local government financial management. A good quality of financial report reviews will ensure the achievement of the review objectives (Dona, 2013).

The reviews that occur in the field are still far from the standard as stated in the applicable laws and regulations, so pragmatically it can be said that the Review Results Report (LHR) is not in accordance with expectations (Deda et al., 2017). This indication is indirectly reflected in the opinion on the financial statements issued by the Supreme Audit Agency of the Republic of Indonesia (BPK RI). The results of the LKPD review are taken into consideration in the external examination, in this case carried out by the BPK. The opinion given by the BPK is a reflection of financial accountability for the implementation of the APBD.

Based on data from the 2018 1st Semester I BPK Examination Results Summary for Southeast Sulawesi Province, it shows that from 18 administrative regions, consisting of Provincial, City and Regency Governments, it shows that most of the Regional Governments have obtained Unqualified Opinions (WTP) in 2017 (BPK). RI, 2018: p. 323). However, there are still local governments with reasonable opinions with exceptions, one of which is the East Kolaka Local Government. Then there is the Local Government whose WTP Opinion is relatively new, namely the North Konawe Local Government. Based on these considerations, the motivation of this research is to empirically investigate the quality of APIP's review of LKPD in these two areas.

The review is an early warning system to prevent misstatement of financial information. Through the review, the financial statements are expected to avoid the problem of material misstatement (Puspasari & Irawan, 2018). A review of the LKPD is carried out to provide confidence in the quality of local government financial reports. The review does not provide a basis for expressing an opinion or opinion on the financial statements and has a lower level of confidence than the audit.

This study differs from previous research in several respects. First, this research takes the topic of the quality of the reviews conducted by APIP as the internal auditor of the Local Government, especially the Local Governments of North Konawe and East Kolaka. These two regions have a history of weak internal control systems over the last five years, namely 2013-2017, which has an impact on the fairness of financial statements. This indicates that the outcome of the review conducted by APIP still does not provide optimal results for the presentation of LKPD. Although financial reports are the responsibility of the Regional Government, the implementation of the review task is expected to help the quality of the presentation of financial reports before being submitted to the BPK. Second, the variables analyzed are time pressure and professional skills associated with the quality of the relatively limited review carried out in research related to public sector supervision. This variable is more associated with the quality of audits conducted by public accountants in private companies. Consideration of the timing of the review process from planning to the preparation and submission of the report on the results of the review to the Regional Head is important in determining the quality of the results of the review carried out by APIP. Therefore, with the limited time for conducting the review in parallel, carried out simultaneously or throughout the implementation of the budget and the preparation of the LKPD, as well as the professional skills of the apparatus in the supervisory process, it is important to examine the extent of its contribution to the quality of the LHR submitted by APIP. Based

on this background, the research question posed in this paper is "Does the pressure of time and professional skills affect the quality of the review of Regional Government Financial Reports (LKPD)?".

## Method

The population in this study were auditors at the North Konawe and East Kolaka Regional Governments, which consisted of 19 auditors from the North Konawe Regional Government and 19 Auditors at the East Kolaka Regional Government, with a total of 38 respondents. By using the census method, the number of samples is the same as the total population, namely 38 respondents. Data was collected by distributing questionnaires containing a list of written statements to the Government Internal Supervisory Apparatus (APIP) at the North Konawe and East Kolaka Local Governments. Statements in the questionnaire for each variable in this study were measured using a Likert scale, which is a scale used to measure attitudes, opinions, perceptions of a person or group of people on a particular social phenomena. Qualitative and quantified answers from respondents. To analyze the answers to the questionnaire from respondents, statements were scored using the provisions of the Likert scale developed by Riduwan (2008), namely:

Score of 1 = Strongly Disagree (SD)
Score of 2 = Disagree (D)
Score of 3 = Neutral (N)
Score of 4 = Agree (A)
Score of 5 = Strongly Agree (SA)

Characteristics of respondents can be classified based on age, gender, education level, position, years of service. A total of 38 questionnaires were distributed to respondents, 36 were returned and could be analyzed. Data on the characteristics of respondents can be seen in the following table.

**Table 1.** Characteristics of Respondents

| No. | Age | Frequency | |
|---|---|---|---|
| | | Person | Persentage |
| 1. | 21-30 Years | 7 | 19% |
| 2. | 31-40 Years | 18 | 50% |
| 3. | 41-50 Years | 6 | 17% |
| 4. | $\geq$50 years | 5 | 14% |
| | **Total** | **36** | **100%** |
| No. | Sex | Frequency | |
| | | Person | Persentage |
| 1. | Male | 22 | 61% |
| 2. | Women | 14 | 39% |
| | **Total** | **36** | **100%** |
| No. | Education Level | Frequency | |
| | | Person | Persentage |
| 1. | D3 | 1 | 3% |
| 2. | S1 | 26 | 72% |
| 3. | S2 | 9 | 25% |
| | **Total** | **36** | **100%** |
| No. | Title | Frequency | |
| | | Person | Persentage |
| 1. | Irban | 2 | 6% |
| 2. | Auditor | 34 | 94% |
| | **Total** | **36** | **100%** |
| No. | Work Period | Frequency | |
| | | Person | Persentage |
| 1. | 1-10 Years | 28 | 78% |
| 2. | 11-20 Years | 6 | 17% |
| 3. | $\geq$20 years | 2 | 6% |
| | **Total** | **36** | **100%** |

Source: Primary data will be processed in 2018

**Operational Definition of Variables and Measurement**
*Time Pressure ($X_1$)*

is a condition where the auditors of the Inspectorate of North Konawe and East Kolaka are under pressure to complete their duties within the designated time window. Adopting from Widyarini and Ratnadi (2016), time pressure is measured from the limited time for assignments and communication of time budgets and performance appraisals from superiors. This variable is measured by 2 indicators through 7 statements. Respondents' responses were determined using a 5-point Likert scale: strongly disagree (score of 1), disagree (score of 2), undecided (score of 3), agree (score of 4), strongly agree (score of 5).

### Professional Expertise (X2)

is the ability or skill required by the auditors of the Inspectorate of North Konawe and East Kolaka to be able to conduct examinations objectively, carefully and thoroughly, guided by the established standards. Adopting from Sopian, (2017), this variable is measured by education, training and experience. This variable is measured by 3 indicators through 12 statements. Respondents' responses were determined using a 5-point Likert scale: strongly disagree (score of 1), disagree (score of 2), undecided (score of 3), agree (score of 4), strongly agree (score of 5).

### Quality of Financial Statements Review (Y)

is the ability of the auditors of the North Konawe and East Kolaka Inspectorates to find and report weaknesses or errors in the financial statements based on the accounting standards and review standards that have been set. Adopting from Widyarini and Ratnadi (2016), this variable is measured by implementation time and review stages; reviewer competence; review working papers; and review reporting. This variable is measured by 4 indicators through 8 statements. Respondents' responses were determined using a 5-point Likert scale: strongly disagree (score of 1), disagree (score of 2), undecided (score of 3), agree (score of 4), strongly agree (score of 5).

### Data Analysis Technique

Multiple linear regression analysis method is an analytical tool used in this study with the help of the IBM Statistical Package for Social Sciences (SPSS) Statistics Version 21 software. This technique is used to test the significant effect of Time Pressure ($X_1$), Professional Skills ($X_2$), and Quality of Local Government Financial Report Review (Y). The relationship between these variables can be described in the following equation:

$$Y = a - b_1 X_1 + b_2 X_2 + \text{\euro}$$

| | |
|---|---|
| Y | = Review Quality |
| a | = Constant Value |
| $X_1$ | = Time Pressure |
| $X_2$ | = Professional Skills |
| $b_1, b_2$ | = Regression coefficient of each variable |
| € (Epsilon) | = Other variables not researched |

### Hypothesis Test
#### T test (Partial Test)
The t-test aims to see the effect of each independent variable on the dependent variable. The t test is done by comparing the t count with the t table. The test criteria used are:

If the value of $t_{count} > t_{table}$ or significance value $< \alpha = 0.05$, it means that the independent variable has a partial effect on the dependent variable.
If the value of $t_{count} < t_{table}$ or significance value $> \alpha = 0.05$, it means that the independent variable has no partial effect on the dependent variable.

#### Coefficient of Determination ($R^2$)
The coefficient of determination ($R^2$) essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one. A small ($R^2$) value means that the ability of the independent variables in explaining the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variables (Ghozali, 2005).

## Result and Discussion

**Autocorrelation Test**
Autocorrelation test is conducted to test a linear regression model whether there is a correlation between residuals (interference error) from one period to another. A good regression model is free from autocorrelation or serial correlation. The autocorrelation test in this study was carried out using the Durbin Watson test. To detect the presence or absence of autocorrelation, the Durbin-Watson test is carried out under the following conditions: 1) D-W numbers are below – 2, meaning that there is a positive autocorrelation; 2) D-W numbers are between – 2 to + 2, meaning that there is no autocorrelation; 3) D-W numbers are above + 2, meaning that there is a negative autocorrelation.

The results of the autocorrelation test show that the Durbin Watson value is 1.634 where the value is declared free from autocorrelation because it is between values between -2 to +2, so the regression model in this study is free from autocorrelation. The results of the autocorrelation test can be seen in table 3 below.

**Table 2.** Autocorrelation Test

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .680[a] | .463 | .430 | .41793 | 1.634 |

a. Predictors: (Constant), Professional Skills, Time Pressure
b. Dependent Variable: Quality of Financial Statements Review

**Multicollinearity Test**
The multicollinearity test aims to test whether there is a correlation between the dependent variables in the regression model variables. The multicollinearity test was carried out by looking at the Tolerance Value and the variance inflation factor (VIF). If the tolerance value is more than 0.10 and the VIF value is less than 10, it can be concluded that the regression model does not have a multicollinearity problem. The results of the multicollinearity test on the variables of time pressure and professional skills on the quality of financial report reviews indicate that the independent variables, namely time pressure and professional skills, have a tolerance value of more than 0.10, which is 0.992 and a VIF value of less than 10, which is 1.008. This shows that there is no correlation between independent variables, so it can be concluded that there is no multicolinearity. The results of the autocorrelation test can be seen in table 4 below.

**Table 3.** Multicollinearity Test

**Coefficients[a]**

| Model | | Collinearity Statistics | |
|---|---|---|---|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Time Pressure | .992 | 1.008 |
| | Professional Skills | .992 | 1.008 |

Dependent Variable: Quality of Financial Statements Review

**Multiple Linear Regression Analysis Results**

**Table 4.** Multiple Linear Regression Analysis Results

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 4.669 | .639 | | 7.306 | 0.00 |
| Time Pressure | -.681 | .148 | -.588 | -4.593 | 0.00* |
| Professional Skills | .402 | .129 | 0.400 | 3.119 | 0.00* |
| R | 0.680 | | | | |
| R Square | 0.463 | | | | |
| Adjusted R Square | 0.430 | | | | |
| Sig. F | 0.000* | | | | |

Source : Data processed, 2018

The results of the regression test in table 1 produce the following equation:

$$Y = 4,669 - 0,681X_2 + 0,402X_2 + \epsilon$$

The multiple linear regression equation model above can be described as follows: 1) The regression coefficient for the time pressure variable is -0.681, meaning that there is a negative relationship between time pressure and the quality of the financial report review. So it can be concluded that if the time pressure variable decreases by one unit and the other independent variables are assumed to be constant or equal to zero, then the variable quality of financial report reviews will increase by 0.681 units or 68.1%; 2) The regression coefficient for the professional proficiency variable is 0.402. This means that there is a positive relationship between professional skills and the quality of financial statement reviews. So it can be concluded that if the professional skill variable has increased by one unit and the other independent variables are assumed to be constant or equal to , then the review quality variable will increase by 0.402 or 40.2%.

**Coefficient of Determination**
The coefficient of determination aims to measure how far the model's ability can explain the variation of the dependent variable. The coefficient of determination is intended to determine how far the independent variables, namely time pressure and professional skills, affect the quality of financial statement reviews. The value of $R^2$ has an interval from 0 to 1 ($0 \leq R^2 \leq 1$).

Table 1 shows that the magnitude of $R^2$ (R-Square) = 0.463. This shows that the magnitude of the direct influence of the time pressure variable ($X_1$) and professional skills ($X_2$) on the quality of the financial report review (Y) is 46.3%. This means that there are other variables or epchelon variables (€) of 53.7% which affect variable Y but are not measured in this study.

**The Effect of Time Pressure on the Quality of Local Financial Report Review**
The results of hypothesis testing indicate that the $t_{count}$ value is 4.593 > $t_{table}$ is 2.035 with a significance level of 0.00 <0.05, so it can be concluded that time pressure has a significant effect on the quality of the financial report review. The negative time pressure regression coefficient value of -0.681 indicates that time pressure has a negative effect or has an inverse relationship with the quality of the financial report review. This means that if the time pressure increases, the quality of the review will decrease, but on the contrary if the time pressure decreases, the quality of the financial report review will increase. This means that the shorter the time given to carry out the review, the lower the quality of the resulting financial report review. The longer the time given to carry out the review, the higher or better the quality of the resulting financial report review. Thus the first hypothesis ($H_1$) is accepted.

Theoretically, the results of this study provide empirical support for the attribution theory proposed by Heider (1958) in Ikhsan and Ishak (2005). This theory was developed by Fritz Heider who assumes that a person's behavior is determined by a combination of internal forces (internal forces), namely factors that come from within a person such as ability or effort, and external forces (external forces), namely factors that comes from outside, such as difficulties in work or luck (Ikhsan and Ishak, 2005). Based on this theory, an auditor's actions in carrying out a financial statement review can be caused by environmental factors such as time pressure

The results of the analysis of respondents' answers to the time pressure variable show that the majority of respondents' answers are in agreement. This indicates that in carrying out the review of financial statements, the auditor feels pressure due to the limited time for carrying out the review activities, so that the review is carried out in a hurry and lacks focus. The limited time of assignment will make the auditor feel pressured in carrying out his duties so that the auditor tends to act dysfunctional, this will result in the low quality of the financial report reviews produced. According to Ikhsan and Ishak (2005), one of the reasons often put forward for poor performance is due to time pressure.

The results of this study are in accordance with a study conducted by (Widyarini & Ratnadi, 2016; Broberg et al., 2017) which shows that there is a decrease in audit quality on auditors who are under pressure due to a very tight time budget. The results of this study are in line with the research of Widyarini and Ratnadi (2016) which states that time pressure has a negative effect on the quality of the LKPD review, APIP who feels pressure is likely to neglect the review procedure so that the quality of the LKPD review is not achieved.

**The Influence of Professional Skills on the Quality of Local Government Financial Report Review**
The results of hypothesis testing show that the $t_{count}$ is 3,119> $t_{table}$< 2,035 with a significance level of 0.00< 0.05, so it can be concluded that Professional Skills has a significant effect on the quality of financial report reviews. The regression coefficient value of professional skills which is positive at 0.402 indicates that professional skills have a positive effect or have a direct relationship with the quality of the financial report review. This means that if professional skills increase, the quality of financial report reviews will also increase, and vice versa if professional skills are low, the quality of financial report reviews will decrease. This means

that the higher the professional skills possessed by an auditor towards his profession, the lower the quality of the financial report reviews produced. Thus, the second hypothesis (H$_2$) is accepted.

The results of this study provide empirical support for cognitive psychology theory. According to cognitive psychology theory, auditors who have the skills can process information better and will eventually show better performance when compared to auditors who are not capable. In addition, Gibson (2001) says skills play a major role in individual behavior and achievement. If every employee is aware of the skills they have, it will have a major effect on their performance. This means that if an auditor is aware of the skills he has, it will affect the quality of the resulting financial report reviews.

The results of the analysis of respondents' answers to the professional skill variable show that the majority of respondents' answers are in agreement. This indicates that in carrying out the audit of financial statements, the auditor requires professional skills. Professional skills are an important requirement to be implemented in carrying out the review. Careful and thorough professional skills of auditors will increase professional judgment (professional judgment) carried out by the auditor during the examination. Rahman's research (2009) provides empirical evidence that professional skill (due professional care) is the most influential factor on audit quality.

The results of this study are in line with Purnami's research (2014) which states that professional skills have a significant effect on the quality of the reviews conducted by the Bangil Regency Inspectorate. The more proficient an examiner is, the more proficient in thinking he will always question and evaluate his audit evidence critically and thoroughly, so that an examiner can produce quality inspection results as expected.

## Conclusions

The conclusions from the results of the research and discussion previously stated are as follows: 1) The results of hypothesis testing indicate that time pressure has a negative and significant effect on the quality of financial report reviews. Because in carrying out the review of financial statements, the auditor feels pressured due to the limited time to carry out review activities, so that the review is carried out in a hurry and lacks focus. The limited time of the assignment will make the auditor feel pressured in carrying out his duties, so that the auditor tends to act dysfunctional. This will result in the low quality of the financial report reviews produced; 2) The results of hypothesis testing indicate that professional skills have a positive and significant effect on the quality of financial statement reviews. This shows that the higher the professional skills possessed by an auditor, the higher the quality of the financial report reviews produced. This means that, in carrying out an audit of financial statements, auditors need professional skills. Professional skills are an important requirement that must be applied in carrying out a review. The careful and thorough professional skills of auditors will improve the professional judgments carried out by the auditors during the examination.

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