Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

Remote Auditing, AI, Litigation Risk, and Due Professional Care Moderating Audit Quality

Aida Noor Laeliya[1*] and Anis Chariri[2]
[1,2]Department of Accounting, Faculty of Economics and Business, Diponegoro University, Semarang, Indonesia

Email Address:
aidalaeliya.al@gmail.com, anis_chariri@live.undip.ac.id*
**Corresponding Author*

Submitted *11-12-2025* ***Reviewed*** *13-01-2026* ***Revised*** *17-01-2026* ***Accepted*** *20-01-2026* ***Published*** *03-02-2026*

Abstract: This research investigates the impact of remote auditing, artificial intelligence (AI), and litigation risk on audit quality, examining the moderating role of due professional care. Employing a quantitative approach with data collected from auditors in Indonesian Public Accounting Firms, the research addresses the evolving audit landscape. The findings confirm that both remote auditing and AI significantly enhance audit quality by improving accuracy, efficiency, and real-time evidence evaluation. Conversely, litigation risk shows no significant relationship with audit quality, suggesting that external legal pressure is not yet a dominant behavioral driver for Indonesian auditors. The moderation analysis offers a key insight: due professional care strengthens the positive effect of remote auditing but fails to enhance the effects of AI or litigation risk. This research underscores the critical need for auditors to possess digital competence and exercise professional judgment to fully leverage digital technologies and optimize audit performance in the digital era.
Keywords: Remote Auditing; Artificial Intelligence; Litigation Risk; Due Professional Care; Audit Quality.

Abstract: Penelitian menguji pengaruh remote auditing, artificial intelligence (AI), dan risiko litigasi terhadap kualitas audit dengan due professional care sebagai variabel moderasi. Pendekatan penelitian menggunakan metode kuantitatif dengan responden auditor yang bekerja pada Kantor Akuntan Publik di Indonesia. Hasil penelitian menunjukkan bahwa remote auditing dan AI berperan dalam meningkatkan kualitas audit melalui peningkatan akurasi, efisiensi, cakupan data, serta kemampuan menilai bukti audit secara real time. Sebaliknya, risiko litigasi belum menunjukkan hubungan kuat dengan kualitas audit, menandakan bahwa tekanan hukum eksternal belum menjadi pendorong utama perilaku auditor. Pengujian moderasi menunjukkan bahwa due professional care memperkuat pengaruh remote auditing, namun tidak meningkatkan pengaruh artificial intelligence maupun risiko litigasi. Penelitian ini menegaskan pentingnya kompetensi digital dan pertimbangan profesional sebagai faktor utama dalam mengoptimalkan kinerja audit di era digital.
Kata Kunci: Remote Auditing; Artificial Intelligence; Risiko Litigasi; Due Professional Care; Kualitas Audit.

INTRODUCTION

External audits are essential for upholding the credibility of financial statements and safeguarding the reliability of the information disclosed to the public is reliable, unbiased, and free from material misstatements. By conducting an independent assessment, auditors offer impartial assurance to stakeholders that the financial statements have been prepared in compliance with the relevant accounting standards. Historical experience shows that audit failures can have significant systemic impacts, as seen in the Enron and WorldCom cases, which shook public confidence and prompted global regulatory reforms. In Indonesia, supervision by the Financial Services Authority (OJK) and the Financial Services Authority (P2PK) emphasizes that audit quality is a crucial element in

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

maintaining capital market stability and creating sound corporate governance.

As the business environment becomes increasingly complex, auditors are required to be able to provide comprehensive risk assessments and carry out audit methods exhibiting a high level of precision. The complexity of transactions, regulatory dynamics, and changes in accounting standards have prompted the auditing profession to adapt through a more analytical and risk-based approach. At the same time, technological developments have driven fundamental transformations in Global auditing practices. The application of technologies such as remote auditing, data analytics, big data, and artificial intelligence (AI) has become an essential component of the modern auditing process (Alma'aitah et al., 2024; Li et al., 2024). These technologies enable auditors to expand the scope of testing, improve the precision of data analysis, and identify anomalies more quickly and efficiently. This digital transformation enhances the efficacy of audit procedures and alters the auditor's paradigm in assessing audit evidence and risks.

These global changes have direct implications for the implementation of audits in Indonesia. Demands for professionalism and audit quality are increasing, in line with stricter regulatory oversight. However, conditions in the field show that audit practices still face various challenges, particularly related to independence and professional ethics. A number of cases, such as Garuda Indonesia (2019), Bank Century (2008), and PT Kimia Farma, reveal ethical violations and non-compliance with audit standards that have impacted the credibility of audit reports (Triono & Sumarja, 2023). The Indonesian Institute of Accountants has recorded an increase in reports of auditor ethical violations of nearly 30 percent in the last two years, an indication that professional oversight mechanisms still need to be strengthened. In addition, the potential for litigation against auditors has also increased in line with higher public expectations for audit accountability. Auditors may face legal or administrative sanctions from regulators if they fail to detect material errors or perform audit procedures inadequately. This litigation pressure creates a need for auditors to work with a higher level of due professional care at every stage of the audit process.

Previous studies have examined audit quality from traditional perspectives such as auditor competence, independence, motivation, time pressure, professional skepticism, gender diversity, and the size of public accounting firms (Aswar et al., 2021; Li et al., 2024; Nguyen et al., 2023; Samagaio & Felício, 2022). However, most of these studies have not comprehensively highlighted the paradigm shift in auditing due to digitalization. The emergence of the industry 5.0 era has encouraged the use of AI, data analytics, and remote auditing, which can improve anomaly identification capabilities, real-time monitoring, and audit transparency (Barata & Kayser, 2024; Alma'aitah et al., 2024). Alternatively, digitalization also increases the risk of system dependence and potential technology-based errors, which requires the implementation of stronger due professional care (Munoko et al., 2020; Meiryani, 2019).

The main research gap lies in the lack of studies that explicitly examine the moderating role of due professional care. In the context of digital auditing, due professional care is highly relevant because it determines the degree to which auditors can apply appropriate professional judgment, especially when most of the audit process is conducted remotely or algorithm-based, which has the potential to trigger system reliance risks (Munoko et al., 2020).

The novelty of this research lies in testing an integrative model in which due professional care is tested as a specific moderator in these three key relationships. The objectives of this research are (1) to examine the effects of Remote Auditing, AI, and

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

Litigation Risk on Audit Quality; and (2) to analyze the moderating role of due professional care in these relationships. The differentiated outcomes of this research reveal that due professional care specifically amplifies the impact of remote auditing, while its moderating influence on AI and litigation risk remains insignificant. This finding adds an important contribution to the field. The theoretical contribution of this research is to enrich the audit quality literature with a new understanding of the interaction between technology and professionalism within the agency theory framework. From a practical standpoint, the findings of this research offer empirical insights for Public Accounting Firms (KAP) in Indonesia to enhance the effectiveness of their technology investments, the need to consider training programs to develop digital competencies in line with appropriate professional judgment to maximize audit performance in the digital era.

THEORETICAL REVIEW

Agency Theory. Agency theory describes the contractual arrangement between principals and agents, in which company owners delegate authority to another party to manage resources and make decisions on their behalf. Such delegation can create potential conflicts of interest because principals and agents often pursue different goals and possess asymmetrical information. This informational imbalance may motivate agents to act opportunistically in ways that disadvantage the principal (Abdelhak & Hussainey, 2025). In the realm of governance and oversight, agency theory views external auditing as a key mechanism for mitigating these conflicts. Independent auditors contribute by enhancing the credibility of financial statements and limiting the likelihood of misreported information that could mislead owners. Usman et al. (2024) highlight that auditors exposed to greater litigation risk tend to broaden their audit procedures and reinforce their work quality to reduce the chances of issuing inaccurate opinions. Accordingly, agency theory offers a strong conceptual foundation for understanding how audit quality and litigation risk function as interrelated elements aimed at aligning the interests of principals and agents.

Resource-Based View (RBV) Theory. The Resource-Based View asserts that an organization's sustained competitive advantage arises from its ability to develop and control resources that are valuable, rare, difficult for competitors to replicate, and not easily substituted. These resources extend beyond tangible assets and also encompass organizational capabilities, specialized knowledge, and technological competencies. In the context of modern auditing, the application of technologies such as remote auditing and AI is seen as a strategic resource that strengthens the capabilities of Public Accounting Firms in providing efficient and value-added audit services.

Digital technology helps auditors analyze large amounts of data quickly and accurately, expand the scope of examinations, and improve the efficiency of the audit process (Musa & Lefkir, 2024). Viewed through the RBV perspective, the use of remote auditing and AI can be considered a form of resource-based innovation that not only creates efficiency but also has the potential to become a source of sustainable competitive advantage for KAP. This interpretation is supported by the findings of Purwadi (2025), who shows that AI, Audit Information Systems, and Remote Audits positively and significantly improve auditor performance.

Assurance of the reliability and accuracy of financial statements still requires a combination of technology and auditor competence, including knowledge, experience, and strong critical thinking skills. Modern technological developments have changed the way

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

these capabilities are utilized in the effective performance of audit functions (Al-Ansi, 2022). In addition, auditors who are confident in applying their expertise, receive adequate training, work in a solid team, and are in a supportive organizational environment, tend to produce high-quality audits (Przegalinska et al., 2025).

Audit Quality. Audit quality reflects the auditor's capability to identify and communicate material misstatements in financial reports by applying audit procedures that align with professional standards (Baatwah et al., 2023; Alariqi et al., 2024). It is demonstrated through the auditor's skills in evaluating risks, conducting substantive examinations, and reviewing the reliability of internal control systems (Marais, 2024). Moreover, auditor independence plays an essential role in ensuring that material findings are disclosed, even when auditors encounter pressure from management (Yunis et al., 2024).

The capacity of the auditor's organization also affects audit quality. Large-scale KAP tend to produce more reliable audits because they are supported by adequate human resources, information technology, and quality control systems. Audit technology support enables a broader and more accurate data testing process, thereby improving the accuracy and precision of the examination. Rigorous audit practices strengthen the trustworthiness of financial reporting, strengthen stakeholder confidence, and support good corporate governance (Qader & Cek, 2024; Chen & Chen, 2019).

Remote Auditing. Remote auditing is a modern auditing approach that utilizes information and communication technology to carry out part or all of the auditing process from different locations, when auditors cannot be physically present at the client's location (on site). This approach has grown rapidly in line with the digitization of the auditing process and the implementation of flexible work systems in various organizations (Lorentzon et al., 2024). Through the use of online platforms such as video conferencing, document sharing systems, and cloud computing, auditors can examine documents, conduct interviews, and verify audit evidence in real time (Serag & Daoud, 2021). The implementation of remote auditing provides various benefits, including increased time efficiency, cost savings, and expanded cross-regional audit coverage (Bradanov, 2025).

In addition, remote auditing is considered to strengthen the objectivity and professional skepticism of auditors through the direct use of digital data for audit evidence analysis (Alma'aitah et al., 2024). However, limitations in communication, access to technology, and audit evidence validation remain major challenges that can affect the effectiveness of its implementation (Beau & Jerman, 2024). To maintain audit quality, auditors need to ensure that every remote auditing process is carried out based on systematic planning, appropriate risk assessment, and adequate supervision from audit leaders (Li, 2023). The implementation can be carried out partially or fully through digital media according to the needs and conditions of the client. With the application of appropriate guidelines, remote auditing offers the potential to enhance the effectiveness of the audit process while still upholding auditor independence and professional conduct.

Use of **Artificial Intelligence**. Artificial intelligence refers to technological systems that emulate human cognitive functions including analyzing information, learning from data, and supporting decision-making to facilitate the completion of complex tasks in a faster and more effective manner (Shazly et al., 2024). Within the auditing field, AI allows auditors to process extensive datasets, uncover patterns or irregularities, and recognize potential risks with greater precision (Musa & Lefkir, 2024; Han et al., 2023). The use of AI can be integrated throughout the audit workflow, beginning from the planning phase, continuing through substantive procedures, and extending to the preparation of audit

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

reports (Ivakhnenkov, 2023). Through technologies such as machine learning and data analytics, AI helps auditors automate routine procedures such as transaction checks, audit evidence verification, and internal control analysis (Almaqtari, 2024). The application of AI not only improves the efficiency and effectiveness of audits, but also strengthens auditors' ability to conduct risk-based assessments and early detection of fraud (Shamaya et al., 2023; Leocádio et al., 2024).

However, the application of AI in auditing also presents challenges, such as ethical issues, data reliability, and the need for caution in interpreting the results of the analysis produced by the system (Munoko et al., 2020; Noordin et al., 2022). Therefore, the application of AI needs to be balanced with the application of due professional care, where auditors remain responsible for verifying the results of the system and ensuring that the audit process meets applicable professional standards. With proper utilization, AI becomes a strategic resource for auditors to improve audit quality in the digital era (Qader & Cek, 2024).

Litigation Risk. Litigation risk is the potential legal liability faced by auditors due to non-compliance with auditing standards or failure to detect material misstatements in financial statements, which may result in legal action from aggrieved parties. In general, there are two types of litigation against Public Accounting Firms, namely litigation filed by supervisory authorities or professional associations, and litigation filed by audit clients. Litigation may arise from the provision of audit services to public or private entities, as well as from engaging in non-audit services, including tax filing, assurance-related activities, and consulting (Abdullah & Ani, 2021). Audit litigation can also emerge as a consequence of breaches of relevant regulations, including corporate law, securities law, or contractual provisions. The risk of audit litigation may increase when auditors fail to maintain due professional care or when accounting standards are not properly applied. The use of auditors with strong technical expertise and a professional assessment framework can help mitigate these risks by improving the quality of examinations and compliance with audit standards (Grenier et al., 2020).

From a legal perspective, auditors' responsibility to third parties is determined by three main liability regimes: privity, restatement, and foreseeability. Under the privity principle, auditors are liable only to parties with whom they have a direct contractual relationship. The restatement principle extends auditors' liability to certain third parties who rely on audited financial statements, such as creditors. The foreseeability principle provides the broadest scope of liability, as auditors may be held responsible to all parties whose reliance on the audit engagement is reasonably foreseeable when audit work fails to comply with professional standards (Boasiako et al., 2025). Maksymov et al. (2023) argue that understanding the factors that influence the trial process in audit litigation cases is important, particularly from the perspective of legal practitioners who are experienced in handling such cases. Therefore, the application of the principle of professional care and the improvement of audit quality are seen as strategic steps in reducing the potential for litigation and upholding the integrity of the auditing profession.

Due Professional Care. In modern auditing practice, due professional care reflects the competence and prudence of auditors in upholding the integrity of financial statements by avoiding any significant misstatement. This attitude is reflected through the application of professional skepticism, diligence in performing audit procedures, and the ability to delay decision-making until sufficient evidence is obtained (Sari & Fakhriyyah, 2024). The application of this principle contributes to improving audit quality because it requires auditors to always be objective, independent, and thorough in every stage of the

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

examination. Developments in audit technology, such as remote auditing and the use of AI, reinforce the urgency of applying due professional care. Auditors are expected to preserve professional skepticism and due care, safeguarding the audit's accuracy and quality amid the increasing use of technology. Due professional care operates as an oversight mechanism that ensures technology-supported audit activities are performed in accordance with established ethical and professional standards.

In addition, due professional care has important relevance to litigation risk. Awareness and application of this principle help auditors mitigate potential legal liability arising from professional negligence or error. Heightened litigation risk incentivizes auditors to increase audit effort, professional caution, and adherence to auditing standards, reflecting the exercise of greater due professional care, particularly when legal exposure is high (Boasiako et al., 2025). In the context of technology-based auditing, the application of this principle also ensures that the use of algorithms and AI-based systems is accurate, transparent, and in accordance with professional ethical standards to maintain the reliability of audit results (Munoko et al., 2020).

Remote Auditing and Audit Quality. Remote auditing is a modern auditing approach that utilizes information and communication technology as an alternative to conducting audits when auditors cannot be physically present at the client's location. This approach has developed in line with the digitization of audit processes and the implementation of flexible work systems in various organizations (Lorentzon et al., 2024). Utilizing technology like as video conferencing, cloud computing, and document sharing systems, auditors can effectively perform evidence testing and facilitate audit communication.

The implementation of remote auditing has been proven to increase efficiency, expand the scope of audits, and strengthen the objectivity and professional skepticism of auditors (Serag & Daoud, 2021; Alma'aitah et al., 2024). Based on the Resource-Based View (RBV) perspective, the use of this audit technology is seen as a valuable and difficult-to-imitate strategic resource, thereby creating competitive advantage and improving audit quality (Shbail et al., 2024). Thus, the use of remote auditing as an alternative to field auditing is believed to strengthen the effectiveness and reliability of the audit process.

H1: Remote auditing has a positive effect on audit quality.

Artificial Intelligence and Audit Quality. AI enhances the quality of audits by enabling the processing of large datasets, identifying unusual patterns, and automating routine audit tasks (Leocádio et al., 2024; Qader & Cek, 2024). AI helps auditors focus on high-risk areas, accelerates data-driven decision-making, and improves audit accuracy (Shamaya et al., 2023). Based on RBV theory, the application of AI fulfills the characteristics of VRIN because it creates efficiencies and added value that are difficult for competitors to imitate (Noordin et al., 2022; Przegalinska et al., 2025). The synergy between human capabilities and technology results in sustainable competitive advantage.

H2: The use of artificial intelligence has a positive effect on audit quality.

Litigation Risk and Audit Quality. Litigation risk is the potential legal liability faced by auditors due to non-compliance with audit standards or negligence in detecting material errors in financial statements. Heightened litigation exposure creates legal

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

pressure that incentivizes auditors to exercise greater prudence, enhance audit diligence, and strengthen adherence to professional standards in order to mitigate the risk of legal action (Boasiako et al., 2025). The threat of litigation serves as an external disciplinary mechanism that strengthens the accountability, independence and objectivity of auditors, ultimately enhancing the overall quality of audit outcomes (Usman et al., 2024).
According to agency theory, owners and management have unequal access to information, which can lead to opportunistic action on the part of management and increase litigation risk. The current situation, auditors act as an independent oversight mechanism that ensures financial statements are presented fairly and reliably. When litigation risk increases, auditors will be more cautious in assessing audit evidence and expand examination procedures to reduce the possibility of misstatement (Abdelhak & Hussainey, 2025). Recent empirical findings show that auditors with higher litigation exposure tend to improve audit quality to protect their professional reputation and reduce potential legal losses (Usman et al., 2024). Thus, litigation risk can serve as a driving factor for improving audit quality through increased professional responsibility and the application of higher skepticism.

H3: Litigation risk has a positive effect on audit quality.

Due Professional Care as a Moderating Variable. Due professional care represents the auditor's caution and thoroughness in evaluating audit evidence and making objective professional judgments (Meiryani, 2019). In the context of modern audit technology, such as remote auditing and AI, this professional attitude is crucial to maintaining the reliability of audit results despite reduced face-to-face interaction (Lorentzon et al., 2024; Han et al., 2023). Auditors who exhibit a strong level of due professional care will be better able to critically assess the results of system analysis, avoid automation bias, and maintain professional skepticism in accordance with audit ethics standards (Munoko et al., 2020; Musa & Lefkir, 2024).

From the Resource-Based View (RBV), litigation risk represents an external pressure faced by auditors, while due professional care constitutes an internal intangible capability that is valuable and difficult to imitate. Auditors possessing strong internal resources are therefore better able to respond to litigation pressure through more effective audit technology utilization and stricter adherence to professional standards, ultimately enhancing audit quality (Barney et al., 2021; Al Shbail et al., 2024). Careful auditors tend to be more thorough in identifying material errors and are better able to maintain professional accountability, especially when facing external pressures such as potential litigation (Abdullah & Ani, 2021). Accordingly, due professional care serves as a critical moderating factor that reinforces the relationship between remote auditing, AI, and litigation risk on audit quality.

H4: Due professional care strengthens the influence of remote auditing on audit quality.

H5: Due professional care strengthens the influence of artificial intelligence use on audit quality.

H6: Due professional care strengthens the influence of litigation risk on audit quality.

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

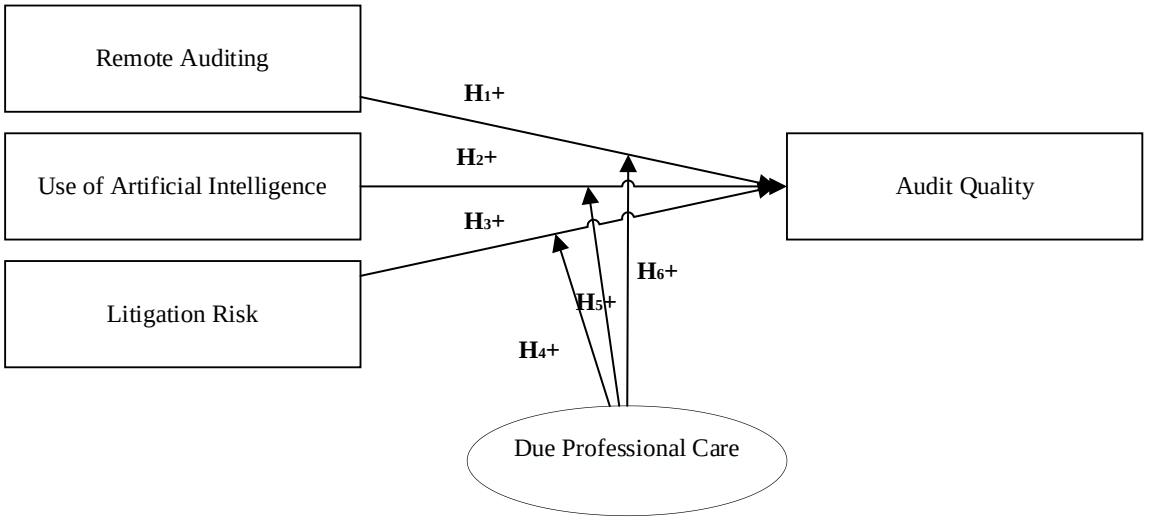

Figure 1. Research Model

As depicted in **Figure 1**, the research framework outlines the hypothesised effects of Remote Auditing, Artificial Intelligence utilisation, and Litigation Risk on Audit Quality. The model further incorporates Due Professional Care as a moderating factor, reflecting its potential role in enhancing the impact of the independent variables on audit quality.

METHOD

This research uses an explanatory quantitative methodology to examine the causal link among variables. The research population comprises external auditors employed in Public Accounting Firms (KAP) across Java, Indonesia. The employed sample technique is purposive sampling, with criteria including auditors employed at registered KAP, possessing experience in utilizing audit technology, and having served as audit team leaders. According to power analysis (Hair et al., 2021), a minimum of 155 respondents is necessary to ensure sufficient validity and reliability in the PLS-SEM model.

Primary data collection was carried out through questionnaires delivered through Google Forms to auditors fitting the research criteria. The questionnaire contained measurement indicators for each construct adapted from previous studies that had been tested for validity. All variables were measured using a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). Data analysis was conducted with the Partial Least Squares–Structural Equation Modelling (PLS-SEM) technique, facilitated by SmartPLS 4.0 software. The PLS-SEM method was used due to its appropriateness for predictive and intricate models that encompass reflecting and moderating factors (Hair et al., 2019b). The external model assessment encompassed the examination of validity and reliability via factor loading values, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha. Simultaneously, the internal model evaluation was performed to evaluate path coefficients, R-squared values, and predictive significance (Q-squared).

As a prerequisite for structural model evaluation, collinearity diagnostics were performed to ensure that the estimated relationships are not biased. Therefore, a full collinearity assessment was conducted by examining variance inflation factor (VIF) values

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

as a diagnostic tool to identify potential multicollinearity problems in the PLS-SEM model. The results indicate that all VIF values are below the threshold of 3.3, demonstrating that collinearity is not a concern (Hair et al., 2021b).

Furthermore, the potential presence of common method bias was assessed by examining collinearity patterns among latent constructs. VIF values were evaluated to detect excessive collinearity that could indicate systematic measurement-related bias. The results show that all constructs exhibit low VIF values, suggesting that common method bias is unlikely to substantially influence the estimated relationships. In addition, the absence of high collinearity among explanatory variables indicates that the structural model does not suffer from serious endogeneity problems related to predictor overlap. Therefore, the model can be considered sufficiently robust for hypothesis testing (Hair et al., 2019).

RESULTS

In this research, the data were analyzed using the SmartPLS software based on responses obtained from the previously administered questionnaire. The analysis included assessments of the outer and inner models to evaluate convergent validity, discriminant validity, reliability, and the significance of the relationships among variables associated with the proposed hypotheses.

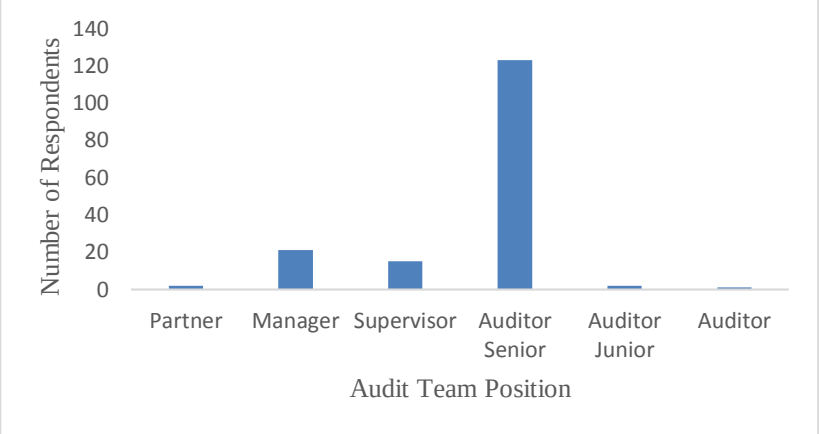

Figure 2. Distribution of Respondents by Audit Team Position

As shown in **Figure 2**, the data demonstrate that a predominant share of respondents were positioned as senior auditors, namely 123 people or 74.400 percent of the total respondents. Other positions that were quite dominant were manager, with 21 people (12.800 percent), and supervisor, with 15 people (9.100 percent). Meanwhile, the positions of junior auditor and partner were each represented by 2 people (1.200 percent). The positions of auditor were represented by only 1 person (0.600 percent).

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

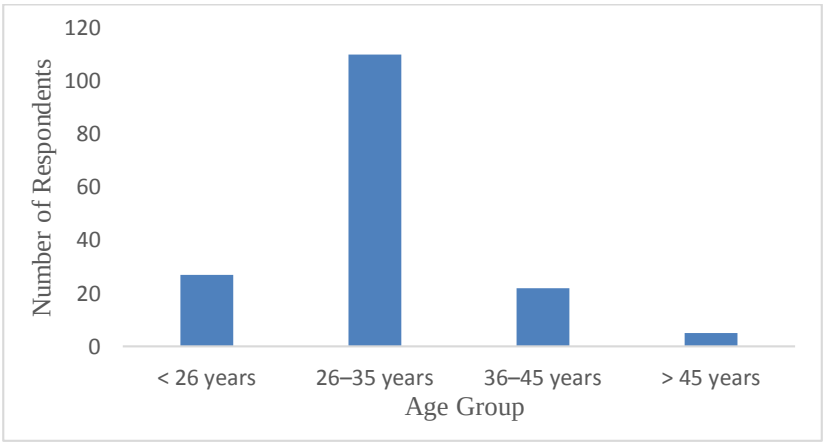

Figure 3. Distribution of Respondents by Age Group

As shown in **Figure 3**, concerning age distribution, respondents were predominantly within the 26 to 35 age intervals, totaling 110 people or 67.100 percent. Respondents under the age of 26 numbered 27 people (16.500 percent). Meanwhile, 25 respondents (13.400 percent) were in the 36 to 45 age range. Only 5 respondents (3 percent) were over 45 years old.

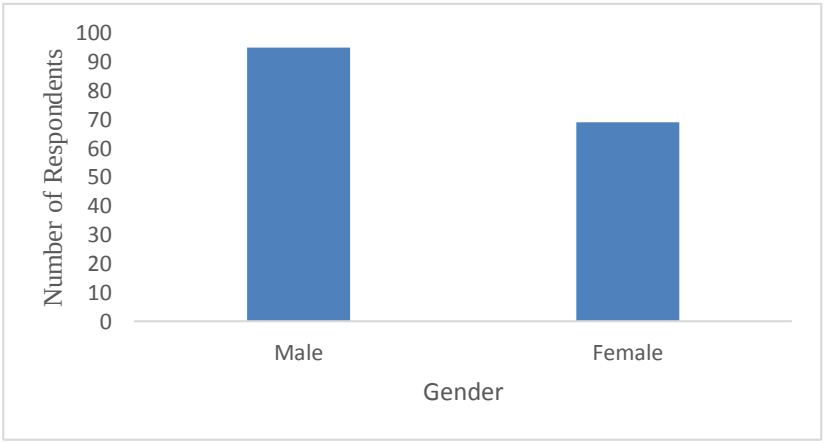

Figure 4. Distribution of Respondents by Age Group

As shown in **Figure 4**, based on gender, most of the respondents were male, numbering 95 people or 57.900 percent. Meanwhile, there were 69 female respondents (42.100 percent). This shows that auditors in this research environment are predominantly male. However, the proportion of women is also quite significant.

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

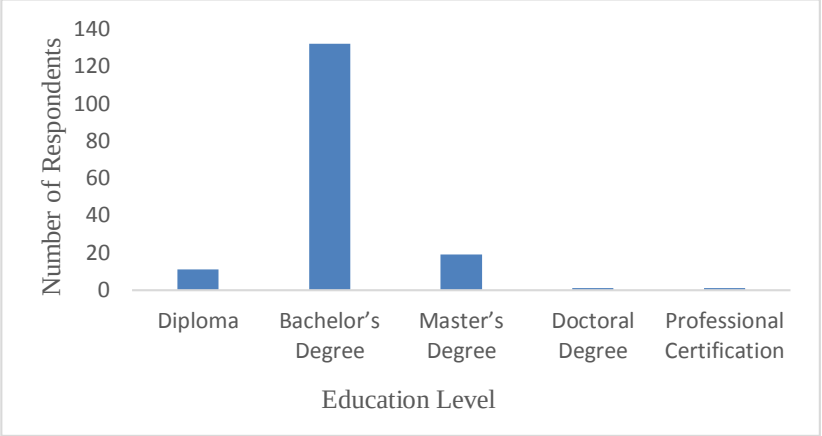

Figure 5. Distribution of Respondents by Education Level

As shown in **Figure 5**, the majority of respondents possessed a bachelor's degree as their greatest level of education, numbering 132 people or 80.500 percent. There were 19 master's degree graduates (11.600 percent) and 11 diploma graduates (6.700 percent). Meanwhile, there was one person each with a professional education background and a doctoral degree (0.600 percent each). This shows that the majority of respondents had adequate formal education backgrounds.

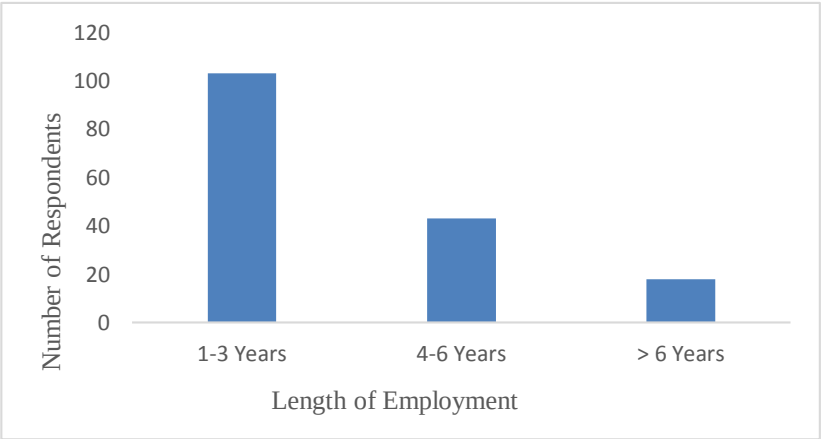

Figure 6. Distribution of Respondents by Length of Employment

As shown in **Figure 6**, based on length of employment at the public accounting firm, most respondents had between one and three years of work experience, namely 103 people (62.800 percent). A total of 44 people (26.200 percent) have worked for between four and six years. Meanwhile, 18 people (11 percent) have more than six years of work experience. This indicates that most respondents are situated within the early to mid-career spectrum of their roles in KAP.

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

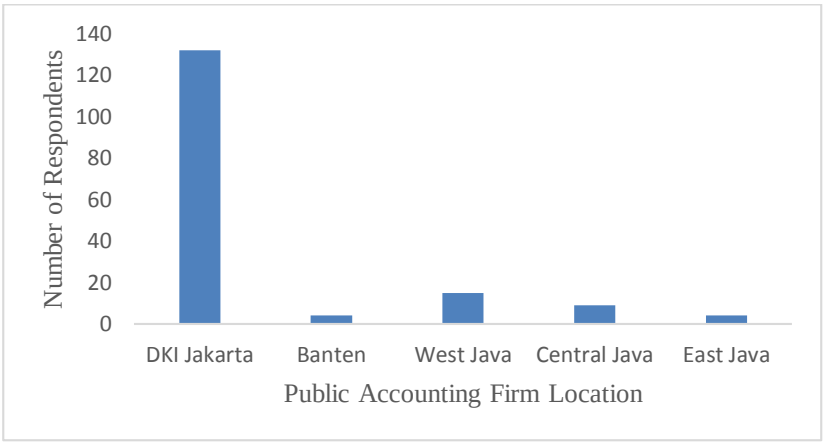

Figure 7. Distribution of Respondents by Location

As shown in **Figure 7**, Based on KAP location data, the majority of KAP are located in DKI Jakarta, with a total of 132 or 80.500 percent of the total. This shows that Jakarta is still the main center of public accounting services in Indonesia. Meanwhile, other provinces, including West Java, Central Java, Banten, and East Java have far fewer KAP. This imbalance reflects the need for a more even distribution of KAP so that audit services can reach a wider area in Indonesia.

Figure 2 until **7** presents the results of data analysis, showing that the majority of respondents were male (57.900 percent), aged 26 to 35 years (67.100 percent), and had a bachelor's degree (80.500 percent). Most respondents had worked at KAP for between one and three years (62.800 percent) with the dominant position being senior auditor (74.400 percent). In terms of location, most respondents came from DKI Jakarta (80.500 percent), followed by West Java (9.100 percent), Central Java (5.500 percent), Banten (2.400 percent), and East Java (2.400 percent). All respondents (100 percent) had experience using technology in auditing, including remote auditing and AI, and had served as audit team leaders. This profile shows that the research respondents were predominantly young auditors with bachelor's degrees, experienced in the use of audit technology, and working for large public accounting firms in urban areas, particularly Jakarta. This condition illustrates a professional environment that is accustomed to the application of digitalization in the audit process.

Table 1. Convergent Validity and Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
AI	0.845	0.850	0.882	0.517
DPC	0.895	0.910	0.913	0.517
KA	0.879	0.881	0.903	0.509
RA	0.870	0.886	0.897	0.558
RL	0.809	0.839	0.873	0.634

Source: Processed data (2025)

The questionnaire data analyzed using SEM-PLS were assessed through a series of statistical indicators to confirm that the measurement model satisfied the required validity and reliability criteria. Convergent validity assessment was performed with the Average Variance Extracted (AVE) value, as presented in **Table 1**. All constructs in this study,

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

specifically Artificial Intelligence (AI), Due Professional Care (DPC), Audit Quality (KA), Remote Auditing (RA), and Litigation Risk (RL), showed AVE values above 0.50. This indicates that each construct is able to explain more than 50 percent of the variance of the indicators that comprise it, so that all indicators have met the convergent validity criteria (Hair et al., 2019).

In addition, the reliability of the constructs was tested using Cronbach's Alpha (CA) and Composite Reliability (CR) values. Based on the test results in **Table 1**, all constructs showed CA and CR values greater than 0.700, in accordance with the recommendations of Sarstedt & Moisescu (2023). These results suggest that each construct demonstrates strong internal consistency, and the indicators employed reliably capture the intended variables. The rho_A value above 0.700 in all constructs further strengthens the conclusion that the measurement model is stable and has good reliability accuracy.

Overall, the outcomes of the validity and reliability assessments show that each construct meets the established criteria for a sound measurement model, making them fit for further evaluation within the structural model.

Table 2. HTMT Ratio

	AI	DPC	KA	RA	RL	DPC X RA	DPC X AI	DPC X RL
AI								
DPC	0.255							
KA	0.427	0.453						
RA	0.162	0.167	0.328					
RL	0.206	0.216	0.298	0.243				
DPC X RA	0.088	0.242	0.186	0.046	0.089			
DPC X AI	0.103	0.282	0.211	0.056	0.195	0.302		
DPC X RL	0.183	0.222	0.117	0.128	0.132	0.437	0.410	

Source: Processed data (2025)

Based on the validity test results in **Table 2 shows**, using the Heterotrait-Monotrait Ratio (HTMT) method, all constructs in the research model showed HTMT values below the maximum limit of 0.900. This condition indicates that each construct has clear differences from one another and there is no overlap between constructs (Roemer et al., 2021).

The highest HTMT value was found between the constructs of Due Professional Care (DPC) and Audit Quality (KA) at 0.453, which is still well below the threshold of 0.900, so that the relationship between the two still meets discriminant validity. Other HTMT values also show low to moderate correlation levels, such as the correlation between Artificial Intelligence (AI) and Audit Quality (KA) of 0.427, and between Due Professional Care (DPC) and Artificial Intelligence (AI) of 0.282. Some construct pairs even have very low HTMT values, such as between Remote Auditing (RA) and Due Professional Care (DPC) at 0.167, and between the moderation construct DPC × RA and Remote Auditing (RA) at 0.046.

The results suggest that all constructs in the model are empirically distinct and do not overlap with one another. Therefore, it can be concluded that all constructs meet the discriminant validity criteria based on the HTMT method. Adequate discriminant validity

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

ensures that each construct represents a unique concept, making them suitable for structural relationship testing and subsequent hypothesis analysis.

Table 3. Inner VIF

	VIF
AI	1.104
DPC	1.189
RA	1.057
RL	1.113
DPC x RA	1.304
DPC x AI	1.303
DPC x RL	1.431

Source: Processed data (2025)

Table 3 shows the inner variance inflation factor (VIF) values used to assess collinearity in the structural model. The results indicate that all VIF values are well below commonly accepted thresholds in PLS-SEM, suggesting that multicollinearity is not a concern (Hair et al., 2019). The absence of excessive collinearity among the constructs indicates that common method bias is unlikely to substantially influence the estimated relationships. Moreover, the low VIF values suggest that the model does not suffer from serious specification problems related to overlapping predictors, supporting the robustness of the structural model for hypothesis testing.

Table 4. Hypothesis Test

	Coefficient	P Values	Significant Results (+/-)	Conclusion
RA -> KA	4.154	0.000	Positive	Accepted
AI -> KA	3.718	0.000	Positive	Accepted
RL -> KA	1.399	0.081	Positive	Rejected
DPC x RA -> KA	1.701	0.045	Positive	Accepted
DPC x AI -> KA	0.983	0.163	Positive	Rejected
DPC x RL -> KA	1.366	0.086	Negative	Rejected

Source: Processed data (2025)

The results of the research demonstrate that remote auditing positively and significantly influences audit quality. This finding aligns with the results of the descriptive analysis, wherein all dimensions of remote auditing encompassing the digitization of audit procedures, professional skepticism, and time efficiency are categorized as high and correspond with the dimensions of audit quality. This suggests that remote auditing technology can enhance the efficacy of audit procedure execution, promptness, and the precision of auditors in identifying fraud.

Recent studies also support that remote auditing is a strategic resource that can improve competitiveness and audit quality in the digital era (Alma'aitah et al., 2024; Shbail et al., 2024; Przegalinska et al., 2025). The use of AI has also been proven to have a positive and significant effect on audit quality. Auditors assess that AI improves efficiency, speeds up big data processing, and strengthens analytical capabilities in identifying audit risks. These findings resonate with the Resource-Based View (RBV) theory, which positions AI as a valuable and difficult-to-imitate resource that can expand auditor capabilities. Previous research also confirms that AI can automate routine tasks, expand

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

the scope of testing, and support decision-making data-driven audit (Noordin et al., 2022; Shamaya et al., 2023; Antwi et al., 2024; Leocádio et al., 2024; Przegalinska et al., 2025). Conversely, litigation risk does not significantly affect audit quality. Although auditors have a high perception of legal responsibility and reporting of findings, empirical results show that litigation pressure has not become a factor influencing audit conduct within the scope of this research. This may be due to the lack of audit litigation cases in Indonesia and the unpreparedness of young auditors to face real litigation exposure. In line with evidence from emerging markets, litigation risk may fail to operate as an effective external governance mechanism, thereby weakening its role as predicted by agency theory (Abdullah & Ani, 2021).

In the moderation test, due professional care was discovered to strengthen the connection in remote auditing and audit quality. Auditors with a high level of caution are able to use remote auditing technology more effectively, critically assess evidence, and maintain objectivity in conditions of physical limitations. These findings are consistent with the view that auditor human resources are a strategic capability that strengthens the effectiveness of technology (Meiryani, 2019; Lorentzon et al., 2024).

Nevertheless, the research finds that due professional care does not enhance the linkage between the utilization of AI and the resulting audit quality. The rejection of this hypothesis is mainly influenced by the characteristics of respondents, who are predominantly young auditors with limited experience, and therefore unable to optimally combine AI automation results with professional skepticism. The complexity of AI technology and training limitations also hinder the effectiveness of moderation, in line with recent studies highlighting the difficulties of implementing AI in auditing (Munoko et al., 2020; Murikah et al., 2024; Musa & Lefkir, 2024).

Furthermore, the interplay between litigation risk and appropriate professional care does not significantly impact audit quality. Although both variables show high perception categories among auditors, professional care capabilities have not been able to strengthen the influence of litigation pressure. This is due to weak law enforcement, low exposure of auditors to litigation cases, and inconsistent application of care in audit practice. These findings contradict numerous prior research that assert auditors enhance their thoroughness when confronted with elevated litigation risk (Daneshvar et al., 2019). Thus, of the three main variables tested, only remote auditing and the use of AI were found to be significant, while litigation risk and the two litigation-based moderating relationships did not exert a substantial influence on audit quality.

Overall, the evaluation of the structural model indicates that remote auditing, the use of AI, and litigation risk, together with the moderating role of due professional care, can explain 37.300 percent of the variance in audit quality, as indicated by an R-square value of 0.373. This level of explanatory power suggests that the research model has a moderate predictive capability, while the remaining 62.700 percent is influenced by other factors outside the model. Thus, this research model is considered to have adequate predictive capabilities and can be used to explain how the combination of audit technology, professional care, and external pressures also contribute to shaping the level of audit quality within contemporary auditing practices.

DISCUSSION

Overall, the findings of this research advise that cutting edge era primarily based totally auditing practices, which encompass far flung auditing and using synthetic

intelligence (AI), have a widespread impact on enhancing audit nice. Meanwhile, outside strain withinside the shape of litigation threat turned into now no longer confirmed to have a widespread impact on audit nice, and the moderating impact of due expert care turned into handiest widespread withinside the courting among far flung auditing and audit nice. These findings illustrate that audit nice withinside the virtual technology is decided greater via way of means of a mixture of the auditor capacity to control era and expert prudence than via way of means of structural outside criminal pressures.

The results obtained from the examination of the initial hypothesis indicate that remote auditing exerts a positive and significant influence on audit quality, evidenced by a path coefficient of 0.245, a T-statistic of 4.154, and a p-value of 0.000. All dimensions of remote auditing exhibit elevated scores, particularly in the digitisation of the audit process, which enhances auditors capacity to identify material errors and signs of fraud. The findings affirm that remote auditing serves not merely as a technical remedy for geographical constraints but has evolved into a potent auditing technique that enhances efficiency, accuracy, and promptness of reporting. Auditors employ temporal flexibility and collaborative technologies to enhance the efficacy of evaluations while maintaining the integrity of evidence testing. Consequently, remote auditing enhances the three fundamental pillars of audit quality: the efficacy of audit methods, the professionalism and scepticism of auditors, and the promptness of reporting.

These results are in line with the research by Alma'aitah et al. (2024) and Shbail et al. (2024), which shows that remote auditing improves the efficiency and objectivity of the audit process by expanding auditors access to digital evidence in real time. Furthermore, these findings emphasize that audit digitization does not reduce auditor credibility, but rather expands the scope of examination while maintaining professional independence. Auditors who make optimal use of technology can perform more extensive substantive testing, trace transaction data through the client's online accounting system, and identify anomaly patterns more quickly. Therefore, the implementation of remote auditing contributes significantly to improving the quality of audit results, especially when supported by professional skills and good internal quality control.

Furthermore, the results of the second hypothesis test show that the use of AI exerts a favorable and substantial impact on audit quality, evidenced by a path coefficient of 0.297, a T-statistic of 3.718, and a p-value of 0.000. The use of AI helps auditors automate the audit process, minimize human error, and analyze large amounts of data at high speeds. These findings show that AI not only functions as a tool, but has changed the audit paradigm to be analytics-based and data-driven. Auditors who utilize AI can assess risks more comprehensively, identify anomaly patterns, and improve decision-making accuracy.

Descriptively, the role transformation dimension of auditors had the highest value (77.800), indicating a perception that AI has replaced some of the analytical functions of humans in auditing. However, even though AI improves efficiency, auditors remain the main determinants in interpreting system results and maintaining professional skepticism. These findings are consistent with research (Leocádio et al., 2024; Przegalinska et al., 2025; Qader & Cek, 2024) stating that the application of AI expands the scope of audit testing, accelerates the analytical process, and improves the effectiveness of the audit team. Recent research indicates that artificial intelligence (AI) technologies can automate routine audit tasks, allowing auditors to focus more on strategic decision-making and complex risk assessment. These findings support the evidence that the implementation of AI contributes positively to the continuous improvement of audit quality (Noordin et al., 2022).

UNTAR Universitas Tarumanagara
Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

The findings of testing the third hypothesis indicate that litigation risk does not significantly impact audit quality (coefficient 0.101; T-statistic 1.399; p-value 0.081). Litigation pressure is anticipated to compel auditors to behave more prudently, responsibly, and professionally to avert legal action. However, empirical results show that this external oversight mechanism has not been effective in the context of auditing in Indonesia. Low law enforcement against the auditing profession, the lack of audit litigation cases, and the limited involvement of auditors in legal proceedings mean that litigation risk has not become a factor that significantly influences the professional behavior of auditors. These results differ from the findings of Abdullah & Ani (2021), which show that litigation risk can encourage improvements in audit quality, but are consistent with (Elshafie, 2023), who finds that audit quality is driven more by internal audit mechanisms than by litigation pressure.

In the theoretical context, these results can be explained through two main approaches, namely the Resource-Based View (RBV) and Agency Theory. According to contemporary RBV, firm resources and capabilities both tangible and intangible are central to value creation and competitive advantage when they enable organizations to increase clients' willingness to pay or reduce operational costs. Advanced audit technologies such as remote auditing and AI, along with professional competencies such as due professional care, can be regarded as strategic capabilities that enhance audit effectiveness and quality when they are valuable, rare, and difficult to imitate (Barney et al., 2021). Auditors who are able to manage internal resources effectively tend to produce more efficient, accurate, and relevant audits. Recent empirical evidence indicates that audit quality is strongly influenced by auditors' professional judgment and their ability to utilize audit-related technologies effectively. These internal capabilities play a more decisive role in shaping audit quality than external pressures, suggesting that improvements in audit quality are primarily driven by auditor competence and professionalism rather than legal or environmental threats (Albitar et al., 2020).

The moderation analysis indicates that due professional care amplifies the effect of remote auditing on audit quality, as reflected by a coefficient of 0.110, T-statistic of 1.701, and p-value of 0.045. Auditors with a high level of prudence can optimally utilize remote auditing technology to identify relevant audit evidence, maintain objectivity, and ensure the accuracy of audit procedures. These results support the research of Meiryani (2019) and Amaraneysa & Amin (2024), which confirms that the professionalism and diligence of auditors are important factors in maintaining the effectiveness of technology-based audits. Due professional care has proven to be a crucial internal capability for maintaining audit quality in situations where physical interaction is limited, such as in remote audits.

However, due professional care was not found to enhance the relationship between the use of AI and audit quality (coefficient 0.084; p-value 0.163). One plausible explanation relates to the characteristics of the respondents, most of whom were young auditors (26 to 35 years old) with relatively limited experience in public accounting firms. Their lack of experience and limited technical familiarity with AI tools constrained their ability to fully apply professional prudence in technologically advanced audit settings. These results align with the findings of Munoko et al. (2020) and Murikah et al. (2024), which showed that the effectiveness of AI integration in audits is highly dependent on the level of experience, technological understanding, and professional training of auditors.

The results of examining the moderating effect of professional care on the connection between lawsuit risk and audit quality were equally insignificant (coefficient -0.103; p-value 0.086). This condition illustrates that even though auditors have a cautious

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

attitude and high accuracy, legal pressure has not functioned effectively as a driver for improving audit quality. The weak legal system, low exposure of auditors to litigation cases, and the lack of a culture of legal responsibility in the auditing profession are the main limiting factors. These results do not support the research of Chen et al. (2024), who find that litigation risk motivates auditors to improve audit quality; instead, the findings suggest that audit quality is more strongly influenced by internal factors such as ethical commitment, quality control systems, and audit experience than by external pressures.

Overall, this research provides a valuable contribution to contemporary audit research by highlighting that audit quality in the digital era is shaped not only by the presence of advanced technologies, but also by auditors' capacity to effectively leverage their internal resources particularly their professional care. Remote auditing and AI have been shown to improve the efficiency, effectiveness, and accuracy of audits, while due professional care reinforces these positive effects, especially in the context of remote auditing. However, external pressure in the form of litigation risk has not functioned optimally as a mechanism for monitoring auditor behavior, so reforms to professional law enforcement and increased legal risk awareness are still needed.

The practical consequence of these discoveries is the necessity for enhancement the technological competence and professional ethics training of auditors so that they can optimize the responsible use of audit technology. Public accounting firms need to invest in digital-based quality control systems, strengthen ethical policies, and encourage the formation of a culture of professional prudence at all levels of auditing. Meanwhile, from the regulator's side, policies are needed to clarify the legal responsibilities of auditors and strengthen the professional litigation system to ensure accountability. Theoretically, this research strengthens the relevance of RBV theory in illustrating how technological capabilities and professional competencies function as strategic resources that contribute to achieving higher audit quality, while also demonstrating the limitations of Agency Theory in the context of an audit environment where law enforcement is not yet strong.

Therefore, it may be inferred that enhancing audit quality in the digital era requires synergy between technology and auditor professionalism. Technologies such as remote auditing AI will only provide maximum benefits if balanced with the consistent application of due professional care. Going forward, efforts to improve audit quality need to be directed at developing the digital competencies of auditors, strengthening professional oversight systems, and enforcing stricter professional ethics and accountability to guarantee the enduring confidence in the auditing profession.

CONCLUSION

Furthermore, the research findings provide strong evidence that digital transformation, achieved through the application of remote auditing and the integration of AI, has significantly contributed to improving audit quality. Based on the statistical and descriptive analyses, both variables are shown to have a positive and significant influence on audit quality, whereas litigation risk does not exhibit a significant effect. This suggests that audit quality in the digital era is more strongly shaped by internal factors, particularly technological readiness and auditor competence than by external pressures such as legal threats or professional demands. In this context, auditors who are able to optimally utilize remote auditing technology and AI tend to produce more effective, efficient, and accurate audits, without neglecting the principle of professional prudence.

Positive findings on the remote auditing variable indicate that remote auditing can

support the flexibility and efficiency of the audit process, while maintaining the integrity and accuracy of reporting. The implementation of a technology-based audit system makes it easier for auditors to access client data in real time, verify audit evidence digitally, and expand the scope of testing without geographical limitations. The findings further indicate that the application of remote auditing of remote auditing improves auditors' ability to detect material errors and indications of fraud, as well as strengthening the dimensions of professionalism and professional skepticism.

Thus, the application of remote auditing is not just a temporary solution in emergency conditions such as a pandemic, but has developed into a long-term strategy that plays an important role in creating modern audits that are adaptive to technological developments and the needs of the audit services market.

Meanwhile, the use of AI also shows a positive and significant influence on audit quality. This shows that AI serves as a strategic resource that strengthens the audit process through its high analytical capabilities, data processing speed, and accuracy in identifying patterns and transaction anomalies. The use of AI contributes greatly to the effectiveness of auditors' decision-making, particularly in supporting data-driven audits and improving auditors' professional acumen in evaluating audit evidence. The ability of AI to swiftly and precisely handle large datasets significantly contributes to mitigating human mistake and enhancing the objectivity of audit outcomes. However, the results of the research also show that not all auditors are able to integrate this technology optimally, mainly due to limited technical understanding and experience in operating AI-based systems professionally.

Conversely, the litigation risk variable was not found to have a significant effect on audit quality. Although in theory, litigation risk is considered a form of external pressure that can encourage auditors to act more cautiously and accountably, empirical results show that this factor is not yet strong enough to influence auditor behavior in the field. This is most likely due to the legal environment in Indonesia, which has not yet placed significant pressure on the auditing profession, as well as the low level of auditor involvement in audit litigation cases directly. Thus, it can be concluded that external factors such as legal threats have not been the main drivers of audit quality improvement, and audit quality in Indonesia is largely determined by internal auditor factors and the organization's ability to manage its resources and technology.

In addition, the results of this research also confirm that due professional care plays a significant role in strengthening the relationship between remote auditing and audit quality. Auditors with a high level of professional care are able to optimize the use of remote auditing technology to obtain relevant, accurate, and reliable audit evidence. This proves that the integration of auditors' professional capabilities and technology can create positive synergy in improving audit quality. Auditors who apply the principles of prudence, professional skepticism, and thoroughness in assessing audit evidence are able to offset the risks of limited direct observation in remote auditing. Thus, due professional care serves as a control mechanism that ensures the use of audit technology remains within the corridor of professionalism and professional ethics.

However, the relationship between the deployment of AI and appropriate professional care has not been proven to significantly improve audit quality. Although these two factors separately contribute positively to audit quality, their synergy has not been fully realized. These findings indicate a gap between auditors' understanding of AI technology and the application of professional prudence in the context of digital auditing. Young auditors with limited experience tend to rely more on the results of system automation than to maintain professional skepticism in assessing the output generated by

AI. Therefore, it is necessary to strengthen technical competencies and increase understanding of AI-based audit technology so that due professional care can play an optimal role as a control in the digital audit process.

Another finding shows that due professional care also does not substantially contribute to enhancing the impact of litigation risk on audit quality. Even though auditors have a high level of prudence, external pressure in the form of litigation risk is not enough to encourage real changes in professional behavior. This condition shows that the success of improving audit quality does not solely depend on external pressure, but is more determined by internal motivation, professional ethics, and the quality control system implemented by public accounting firms (KAP). In this context, auditors in Indonesia still seem to place compliance with audit standards and professionalism as an intrinsic motivation, rather than a reaction to legal pressure or the threat of litigation.

This research theoretically substantiates the significance of the Resource-Based View (RBV) as the primary conceptual framework. The Resource-Based View (RBV) posits that an organization's competitive advantage hinges on its capacity to effectively manage internal resources that are valuable, rare, inimitable, and non-substitutable (VRIN). In the context of auditing, technologies such as remote auditing and AI are strategic resources that improve efficiency, reliability, and speed in conducting audits. Meanwhile, due professional care serves as a form of internal auditor capability that ensures the use of these technological resources remains in line with standards of professionalism and integrity. It is this combination of technological resources and human capabilities that forms a competitive advantage for public accounting firms in producing high-quality audits.

This research delivers empirical evidence supporting the development of modern auditing literature by emphasizing that audit quality in the digital era is not only determined by manual procedures or direct interaction with clients, but also by the effective use of technology and the professional capabilities of auditors. In terms of practical implications, the findings of this research carry significant implications for public accounting firms (KAP), especially regarding the enhancement of technological infrastructure, auditor training, and strengthening a culture of due professional care in every stage of the audit. Investment in remote auditing technology and AI needs to be accompanied by intensive training to improve auditors' technical capabilities so that they can make the most of this technology without neglecting the principles of professional prudence.

In addition, KAP management needs to strengthen internal quality control systems and create a work environment that supports continuous learning. Strengthening due professional care must be integrated into the organizational culture through professional ethics training, professional certification, and strict supervision mechanisms. This is important so that auditors are able to balance the efficiency generated by technology and the reliability of professional judgment, which is at the core of audit quality. In the long term, the combination of advanced audit technology and strong professional capabilities will be the main foundation for KAP in facing audit challenges and opportunities in an increasingly competitive digital era.

Therefore, the key conclusion from this research is that the improvement of audit quality is influenced by factors beyond merely the adoption of technology, but also on strengthening human aspects such as the prudence, professionalism, and integrity of auditors. Technologies such as remote auditing and AI will only provide added value if they are supported by adequate professional capabilities. Therefore, the primary emphasis in contemporary audit development plans should be on the advancement of auditor

competencies, the fortification of quality control systems, and the augmentation of awareness regarding professional duties. This research is anticipated to yield an empirical and theoretical basis for efforts to improve audit quality in Indonesia, as well as encourage faster adaptation to changes in the auditing paradigm in the digital age are based on the synergy between technological innovation and professionalism.

REFERENCES

Abdelhak, E. E., & Hussainey, K. (2025). The Impact of Audit Quality and Corporate Governance on Financial Segment Disclosure in Egypt. *International Journal of Financial Studies*, *13*(2), 1–24. https://doi.org/10.3390/ijfs13020057.

Abu Afifa, M., Saleh, I., & Abu Al-Nadi, R. (2024). A Study Of Mediating And Moderating Effects On The Relationship Between Audit Quality And Integrated Reporting Quality Among Jordanian Firms. *Asian Review of Accounting*. https://doi.org/10.1108/ARA-12-2023-0336.

Al-Ansi, A. A. (2022). Is The Impact Of Audit Effort On Quality Of Auditors' Performance Contingent On Virtual Audit Proficiency? An Auditors' Perspective During The COVID-19 Pandemic. *Cogent Business and Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2144704.

AL Abdullah, R. J., & AL Ani, M. K. (2021). The Impacts Of Interaction Of Audit Litigation And Ownership Structure On Audit Quality. *Future Business Journal*, *7*(1), 1–14. https://doi.org/10.1186/s43093-021-00067-8.

Al Shbail, M. O., Jaradat, Z., Al-Hawamleh, A., Hamdan, A., & Musleh Alsartawi, A. M. A. (2024). Enhancing Audit Quality In Non-Big 4 Firms: The Role Of Remote Auditing And Audit Staff Capabilities. *Journal of Financial Reporting and Accounting*. https://doi.org/10.1108/JFRA-11-2023-0653.

Alariqi, S. A., Ismail, A. H., & Al-awlaqi, M. A. (2024). Audit Quality in Least Developed Countries: The Case of Yemen. *European Journal of Accounting, Auditing and Finance Research*, *12*(4), 33–53. https://doi.org/10.37745/ejaafr.2013/vol12n43353.

Albitar, K., Gerged, A. M., Kikhia, H., & Hussainey, K. (2020). Auditing In Times Of Social Distancing : The E Ff Ect Of COVID-19 On Auditing Quality Distancing. *International Journal of Accounting & Information Management*, *1834–7649*. https://doi.org/10.1108/IJAIM-08-2020-0128.

Alma'aitah, R. T., Al-Hajaya, K., Sawan, N., & Alzeban, A. (2024). The Impact Of Remote Auditing On Audit Quality: The Moderating Role Of Technology Readiness. *Managerial Auditing Journal*. https://doi.org/10.1108/MAJ-02-2024-4210.

Almaqtari, F. A. (2024). The Role of IT Governance in the Integration of AI in Accounting and Auditing Operations. *Economies*, *12*(8). https://doi.org/10.3390/economies12080199.

Amaraneysa, A., & Amin, M. N. (2024). Pengaruh Due Professional Care dan Hal Audit Utama terhadap Kualitas Audit: Peran Moderasi Pengalaman Kerja. *Owner*, *8*(1), 737–748. https://doi.org/10.33395/owner.v8i1.1795.

Aswar, K., Akbar, F. G., Wiguna, M., & Hariyani, E. (2021). Determinants Of Audit Quality: Role Of Time Budget Pressure. *Problems and Perspectives in Management*, *19*(2), 308–319. https://doi.org/10.21511/ppm.19(2).2021.25.

Baatwah, S. R., Al-Ansi, A. A., Almoataz, E. S., & Salleh, Z. (2023). Self-Efficacy, Remote Audit Proficiency, Effort, And Performance In The COVID-19 Crisis: An

Auditor's Perspective. *Managerial Auditing Journal*, *38*(6), 832–862. https://doi.org/10.1108/MAJ-05-2022-3570.

Barata, J., & Kayser, I. (2024). How Will The Digital Twin Shape The Future Of Industry 5.0? *Technovation*, *134*(November 2023). https://doi.org/10.1016/j.technovation.2024.103025.

Barney, J. B., Ketchen, D. J., & Wright, M. (2021). *Resource-Based Theory and the Value Creation Framework*. *XX*(X), 1–20. https://doi.org/10.1177/01492063211021655.

Beau, P., & Jerman, L. (2024). Working Apart: Remote Working And Social Bonding In The Big Four Audit Firms. *Critical Perspectives on Accounting*, *99*. https://doi.org/10.1016/j.cpa.2024.102727.

Bernard Owusu Antwi, Beatrice Oyinkansola Adelakun, & Augustine Obinna Eziefule. (2024). Transforming Financial Reporting with AI: Enhancing Accuracy and Timeliness. *International Journal of Advanced Economics*, *6*(6), 205–223. https://doi.org/10.51594/ijae.v6i6.1229.

Boasiako, K. A., Manu, S. A., Kyiu, A., & Tawiah, B. (2025). Auditor Litigation Risk and Capital Structure Dynamics. In *International Journal of Accounting* 60, (2). https://doi.org/10.1142/S1094406025500039.

Bradanov, C. (2025). *Benefits Of Remote Auditing*. https://www.qmswrapper.com/blog/benefits-of-remote-auditing.

Chen, P.-C., Moul, C., & Reffett, A. (2024). Do PCAOB Inspections Change the Effect of Litigation Risk on Audit Quality? *The International Journal of Accounting*, *60*(01), 2450019. https://doi.org/10.1142/S1094406024500197.

Chen, S., & Chen, K. C. W. (2019). Disclosure of Internal Control Weaknesses and Auditors' Litigation Risk. *SSRN Electronic Journal*, *July*. https://doi.org/10.2139/ssrn.3417147.

Daneshvar, H., Samaie, M., & Baradaran Hasanzadeh, R. (2019). The Impact of Litigation Risk and Auditor Size on Auditor Conservatism and Auditor Conservatism on Information Asymmetry. *Iranian Journal of Accounting, Auditing and Finance*, *3*(3), 57–68. https://doi.org/10.22067/ijaaf.v3i3.89119.

Elshafie, E. (2023). Critical Audit Matters: Litigation, Quality And Conservatism. *Review of Accounting and Finance*, *22*(3), 294–328. https://doi.org/10.1108/RAF-05-2022-0147.

Grenier, J. H., Pomeroy, B., Stern, M. T., & Zielinski, N. B. (2020). The Effects Of Accounting Standard Precision, Auditor Task Expertise, And Judgment Frameworks On Audit Firm Litigation Exposure. *Current Issues in Auditing*, *14*(2), P19–P30. https://doi.org/10.2308/CIIA-2019-511.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021a). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research* (Issue October 2023). https://doi.org/10.1007/978-3-319-57413-4_15.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021b). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R*. Springer. https://doi.org/10.1007/978-3-030-80519-7_5.

Hair, J. F. J., Black, W. C., Babin, B. J., & Anderson, R. E. (2019a). Multivariate Data Analysis. In *Gedrag & Organisatie* (Eight). Annabel Ainscow. https://doi.org/10.5117/2006.019.003.007.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019b). When To Use And How To Report The Results Of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/EBR-11-2018-0203.

Han, H., Shiwakoti, R. K., Jarvis, R., Mordi, C., & Botchie, D. (2023). Accounting And Auditing With Blockchain Technology And Artificial Intelligence: A Literature Review. *International Journal of Accounting Information Systems*, *48*(April 2022), 100598. https://doi.org/10.1016/j.accinf.2022.100598.

Ivakhnenkov, S. (2023). Artificial Intelligence Application In Auditing. *Scientific Papers NaUKMA. Economics*, *8*(1), 54–60. https://doi.org/10.18523/2519-4739.2023.8.1.54-60.

Leocádio, D., Malheiro, L., & Reis, J. (2024). Artificial Intelligence in Auditing: A Conceptual Framework for Auditing Practices. *Administrative Sciences*, *14*(10). https://doi.org/10.3390/admsci14100238.

Li, Y. (2023). Impact Of Remote Audit On Audit Quality, Audit Efficiency, And Auditors' Job Satisfaction. *International Journal of Auditing*, *27*(2), 130–149. https://doi.org/10.1111/ijau.12306.

Li, Y., Goel, S., & Williams, K. J. (2024). Remote Audit Quality, Audit Efficiency, and Auditors' Job Satisfaction: Implications for Audit Firms and External Auditors. *Current Issues in Auditing*, *XX*(Xx), 1–9. https://doi.org/10.2308/ciia-2023-033.

Lorentzon, J. I., Fotoh, L. E., & Mugwira, T. (2024). Remote Auditing And Its Impacts On Auditors' Work And Work-Life Balance: Auditors' Perceptions And Implications. *Accounting Research Journal*, *37*(1), 1–18. https://doi.org/10.1108/ARJ-06-2023-0158.

Maksymov, E., Peecher, M., & Pickerd, J. (2023). How Trial Preparation Factors Influence Audit Litigation Outcomes: Insights from Audit Litigators Eldar. *Behavioral & Experimental Accounting EJournal*, *23529*(2), 1–45. https://doi.org/http://dx.doi.org/10.2139/ssrn.3555475.

Marais, A. (2024). Audit Quality and Financial Statement Manipulation: The Moderating Effect of Tone at the Top. *International Journal of Economics and Financial Issues*, *14*(5), 220–232. https://doi.org/10.32479/ijefi.16409.

Meiryani. (2019). Due Professional Care As A Moderating Variable To Independence Relationship To Audit Quality. *International Journal of Innovative Technology and Exploring Engineering*, *8*(10), 3463–3469. https://doi.org/10.35940/ijitee.J9720.0881019.

Munoko, I., Brown-Liburd, H. L., & Vasarhelyi, M. (2020). The Ethical Implications of Using Artificial Intelligence in Auditing. *Journal of Business Ethics*, *167*(2), 209–234. https://doi.org/10.1007/s10551-019-04407-1.

Murikah, W., Nthenge, J. K., & Musyoka, F. M. (2024). Bias and ethics of AI systems applied in auditing - A systematic review. *Scientific African*, *25*, e02281. https://doi.org/10.1016/j.sciaf.2024.e02281.

Musa, A. M. H., & Lefkir, H. (2024). The Role Of Artificial Intelligence In Achieving Auditing Quality For Small And Medium Enterprises In The Kingdom Of Saudi Arabia. *International Journal of Data and Network Science*, *8*(2), 835–844. https://doi.org/10.5267/j.ijdns.2023.12.021.

Nguyen, L. A., Kend, M., & Luong, H. (2023). Audit Quality And Independence Concerns After Major Audit Reforms Within A Developing Country: Stakeholder Perceptions From Vietnam. *Managerial Auditing Journal*, *38*(3), 314–335. https://doi.org/10.1108/MAJ-03-2022-3475.

Noordin, N. A., Hussainey, K., & Hayek, F. A. (2022). The Use of Artificial Intelligence and Audit Quality: An Analysis from the Perspectives of External Auditors in the UAE. *Journal of Risk and Financial Management*, *15*, 339.

https://doi.org/10.3390/jrfm15080339.

Przegalinska, A., Triantoro, T., Kovbasiuk, A., Ciechanowski, L., Freeman, R. B., & Sowa, K. (2025). Collaborative AI In The Workplace: Enhancing Organizational Performance Through Resource-Based And Task-Technology Fit Perspectives. *International Journal of Information Management*, *81*(November 2024), 102853. https://doi.org/10.1016/j.ijinfomgt.2024.102853.

Purwadi, F. M. M. (2025). The Influence of Artificial Intelligence, Audit Information System, and Remote Audit on Auditor Performance. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, *9*(1), 979–990. https://doi.org/10.31538/iijse.v9i1.8220.

Qader, K. S., & Cek, K. (2024). Influence Of Blockchain And Artificial Intelligence On Audit Quality: Evidence From Turkey. *Heliyon*, *10*(9), e30166. https://doi.org/https://doi.org/10.1016/j.heliyon.2024.e30166.

Roemer, E., Schuberth, F., & Henseler, J. (2021). HTMT2 – An Improved Criterion For Assessing Discriminant Validity In Structural Equation Modeling. *Emerald Publishing Limited*, *121*(12), 2637–2650. https://doi.org/10.1108/IMDS-02-2021-0082.

Samagaio, A., & Felício, T. (2022). The Influence Of The Auditor's Personality In Audit Quality. *Journal of Business Research*, *141*(May 2021), 794–807. https://doi.org/10.1016/j.jbusres.2021.11.082.

Sari, A. F. K., & Fakhriyyah, D. D. (2024). Due Professional Care and Audit Quality: Assessing the Influence of Time Budget Pressure, Accountability, and Auditor Experience. *Jurnal Ilmiah Akuntansi Dan Bisnis*, *19*(1), 19–31. https://doi.org/10.24843/JIAB.2024.v19.i01.p02.

Sarstedt, M., & Moisescu, O. I. (2023). Quantifying Uncertainty In PLS-SEM-Based Mediation Analyses. *Journal of Marketing Analytics*, *12*(1), 87–96. https://doi.org/10.1057/s41270-023-00231-9.

Serag, A. A. E., & Daoud, M. M. (2021). Remote Auditing : An Alternative Approach to Face the Internal Audit Challenges During The COVID-19 Pandemic. □□ □ □□ □□ □ □□ □□ □, *25*(2), 228–259. https://doi.org/10.21608/atasu.2021.181073.

Shamaya, V. P., Ashara, S. N., Sofyan, A., A., S., Leonica, A., & Ratnawati, T. (2023). Studi Literatur: Artificial Intelligence Dalam Audit. *Jurnal Riset Manajemen Dan Ekonomi (JRIME)*, *1*(3), 255–267. https://doi.org/10.54066/jrime-itb.v1i3.461.

Shazly, M., Abd Elalim, K., & Zakaria, H. (2024). The Impact of Artificial Intelligence on Audit Quality "A Field Study on Audit Firms in Egypt." *International Journal of Current Research*, *16*(05), 28273–28278. https://doi.org/10.1108/978-1-83608-756-420251001.

Triono, A., & Sumarja, F. (2023). Public Accountants: Law Enforcement of Violations of Auditing Practices. *Journal of Legal and Cultural Analytics (JLCA)*, *2*(1), 45–54. https://doi.org/https://doi.org/10.55927/jlca.v2i1.3350.

Usman, M., Nwachukwu, J., Ezeani, E., Salem, R. I. A., Bilal, B., & Kwabi, F. O. (2024). Audit quality and classification shifting: evidence from UK and Germany. *Journal of Applied Accounting Research*, *25*(3), 448–475. https://doi.org/10.1108/JAAR-11-2022-0309.

Yunis, M., Mirza, N., Safi, A., & Umar, M. (2024). Impact Of Audit Quality And Digital Transformation On Innovation Efficiency: Role Of Financial Risk-Taking. *Global Finance Journal*, *62*(January), 101026. https://doi.org/10.1016/j.gfj.2024.101026.

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

ACKNOWLEDGEMENTS

The author sincerely thanks all individuals who have contributed to the completion of this research. Special appreciation is extended to academic advisors for their valuable guidance, constructive feedback, and continuous support throughout the research process. The author also wishes to thank all auditors from Public Accounting Firms (KAP) across Java Island who participated as respondents and willingly shared their time and insights, which greatly enriched the quality of this research. Lastly, heartfelt appreciation is conveyed to family, colleagues, and friends for their constant support, motivation, and understanding during the preparation of this article. Although this research received no external funding, its completion was made possible through the author's independent effort and dedication.