DO AFFILIATED AUDIT FIRMS IN INDONESIA MEET GLOBAL QUALITY BENCHMARKS?

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ABSTRACT

The global business environment's increasing complexity necessitates audit firms to continually evolve competent quality control systems. High-quality audit and assurance services are vital for fostering trust among financial report stakeholders. The System of Quality Management (SOQM), adopted by audit firms, aims to enhance transparency, accountability, and credibility while minimizing risks and ensuring compliance with the highest quality standards. In response to the International Auditing and Assurance Standards Board's (IAASB) mandate, Indonesian audit firms are transitioning to SOQM, replacing the previous standard, SOQC. This transition emphasizes the importance of aligning with globally recognized quality management standards. However, there are variations in implementation due to the diverse nature of audit firms, highlighting the need for investigation. This study investigates whether affiliated audit firms in Indonesia meet global management quality benchmarks, focusing on standards outlined in ISQM 1, ISQM 2, and ISA 220 (Revised). The research distinguishes between firms affiliated with Big 4 and Non-Big 4 entities to assess their performance across key areas such as risk assessment, engagement quality reviews, and engagement partner responsibilities. Data were collected through structured surveys and analyzed using statistical methods to compare mean scores between the two groups. Findings indicate that Big 4 firms consistently demonstrate higher adherence to global standards, leveraging extensive resources, structured methodologies, and robust organizational frameworks to uphold stringent audit quality. However, the study identifies the impact of the busy season on audit practices as a significant limitation, influencing participant availability and potentially affecting data quality. The study concludes by recommending strategies for audit firms to enhance operational resilience, resource management, and continuous improvement initiatives to sustain high audit quality throughout varying operational demands.

Keywords: *Audit quality, audit standards, system on quality management.*

INTRODUCTION

The global business environment's increasing complexity necessitates audit firms to continually evolve competent quality control systems. High-quality audit and assurance services are vital for fostering trust among financial report stakeholders. The System of Quality Management (SOQM), adopted by audit firms, aims to enhance transparency, accountability, and credibility while minimizing risks and ensuring compliance with the highest quality standards. In response to the International Auditing and Assurance Standards Board's (IAASB) mandate, Indonesian audit firms are transitioning to SOQM, replacing the previous standard, SOQC. This transition emphasizes the importance of aligning with globally recognized quality management standards. However, there are variations in implementation due to the diverse nature of audit firms, highlighting the need for investigation.

While the adoption of SOQM in Indonesia shows significant progress, there is limited research on whether affiliated Indonesian audit firms meet global quality management benchmarks. This study fills this gap by assessing the extent to which affiliated firms adhere to SOQM standards, providing insights into their readiness for global operations. The research problem revolves around assessing whether affiliated Indonesian audit firms comply with SOQM standards. Specifically, it examines the alignment of quality management practices with global benchmarks and identifies potential discrepancies between local and international standards.

The research aims to achieve several interconnected objectives that collectively contribute to understanding the extent to which affiliated Indonesian audit firms meet global quality management benchmarks, as follows: (1) Evaluate the implementation of SOQM standards within these firms, examining the degree of alignment with internationally recognized practices, (2) Identify any challenges or discrepancies encountered during the adoption process, providing insights into the barriers hindering full compliance with global standards, (3) Assess the readiness of affiliated firms to operate effectively in the increasingly integrated global business landscape, considering factors such as technological advancements and cross-border collaboration, and (4) Offer practical recommendations for enhancing the alignment of quality management practices with international standards, thereby facilitating the improvement of audit quality and integrity within the Indonesian context. Through these objectives, the study aims to contribute valuable insights to both academic literature and practical efforts aimed at elevating audit quality standards in Indonesia.

This research contributes to the literature by shedding light on the implementation of SOQM in Indonesian audit firms affiliated with international entities. It offers valuable insights into the alignment of local practices with global standards, highlighting areas for improvement. Additionally, the study's findings can inform policymakers, regulatory bodies, and audit firms on strategies for enhancing audit quality and integrity in a global context.

This study corresponds to study carried out by Ismail (2018) who conducted exploratory research on the implementation of ISQC 1 in Malaysia, revealing satisfactory implementation in audit firms. Lapirkaia (2023) investigated firm risk assessment as part of an audit firm's SOQM, emphasizing the importance of expanding the system definition to enhance audit assignment quality. Furthermore, Alsaffar (2023) analyzed the impact of implementing ISQC 1 on audit firms in Iraq, highlighting improvements in service quality and long-term profitability.

RESEARCH METHODOLOGY

This study employs a quantitative research design to assess the performance of affiliated audit firms in Indonesia across ISQM 1, ISQM 2, and ISA 220 (Revised) standards. The quantitative approach allows for systematic data collection and analysis of numerical data to compare mean scores between Big 4 and Non-Big 4 firms.

The participants in this study are audit professionals and stakeholders affiliated with audit firms operating in Indonesia. The sample includes individuals directly involved in audit engagements, such as audit partners, managers, supervisors, seniors and staff responsible for quality management and engagement reviews.

Data collection is conducted through structured surveys distributed electronically to participants. The survey instrument is designed to gather quantitative data on various aspects of audit quality management as outlined in ISQM 1, ISQM 2, and ISA 220 (Revised). The survey items are formulated based on the standards' requirements and seek to assess respondents' perceptions and practices related to risk assessment, engagement quality reviews, engagement partner responsibilities, and adherence to ethical and professional standards.

Quantitative data analysis involves descriptive statistics to calculate mean scores and standard deviations for each dimension of audit quality management. Comparative analysis is conducted between Big 4 and Non-Big 4 firms to identify significant differences in performance across the assessed standards.

Ethical considerations include ensuring participant confidentiality, voluntary participation, and informed consent. All survey responses are anonymized to protect participant identities, and the study complies with ethical guidelines for research involving human subjects.

RESULT AND DISCUSSION

Table 2.1, 2.2, and 2.3 provides a detailed analysis of mean scores reflecting the extent to which affiliated audit firms in Indonesia meet global quality benchmarks across key domains outlined in ISQM 1, ISQM 2, and ISA 220 (Revised). These domains encompass critical aspects of quality management systems, ranging from risk assessment and governance to ethical adherence, engagement performance, resource management, and monitoring. The findings indicate a generally positive perception among respondents regarding their firms' adherence to international quality standards. Mean scores across different criteria predominantly range between 4.14 and 4.46 on a scale of 1 to 5, suggesting a strong overall alignment with expected benchmarks.

Specifically, areas such as adherence to ethical requirements (average score of 4.32), comprehensive risk assessment processes (average score of 4.32), and effective engagement performance (average score of 4.33) are notable strengths. These results reflect a robust commitment to ethical conduct, thorough risk evaluation, and efficient execution of audit engagements. However, the analysis also reveals areas warranting attention. For instance, scores related to resource management (average score of 4.14) and monitoring and remediation (average score of 4.14) indicate potential challenges. These findings suggest a need for improved resource allocation strategies and more effective monitoring mechanisms to enhance overall quality management practices. Furthermore, the variability in scores, as indicated by standard deviations across different criteria, suggests varying levels of consistency in implementing and understanding quality management systems among the surveyed firms. This variability underscores the importance of standardizing practices and ensuring uniform adherence to global quality standards across all engagements. In summary, while affiliated audit firms in Indonesia demonstrate strong adherence to many aspects of global quality benchmarks, there exists room for improvement in resource management and monitoring processes. Addressing these areas could further strengthen the firms' ability to consistently meet and exceed international expectations for quality management in auditing practices.

Table 2.1

Descriptive Implementation of ISQM 1

ISQM 1		Mean	SD
1. Risk Assessment Process			
1.1	The firm routinely evaluates risks for every engagement.	4.32	0,734
1.2	Client characteristics and external conditions affecting auditor performance are considered during risk assessments.	4.33	0,737
1.3	Mechanisms are in place to adjust risk assessments based on business environment changes.	4.34	0,722
1.4	Risk evaluation identifies areas needing special attention in each engagement.	4.46	0,738
1.5	The firm regularly updates and improves its risk assessment process.	4.17	0,855
Average		**4.32**	**0.757**
2. Governance and Leadership			
2.1	Firm leadership directs and supports the quality management system.	4.22	0,759
2.2	Roles and responsibilities in the quality management system are clearly defined and understood by all personnel.	4.11	0,776
2.3	Firm leaders actively monitor the quality management system's performance.	4.26	0,755
2.4	Mechanisms address nonconformities with quality management policies.	4.17	0,700
2.5	The firm's leadership culture encourages innovation and continuous improvement in quality management.	4.22	0,685
Average		**4.20**	**0.735**
3. Relevant Ethical Requirements			
3.1	The firm adheres to relevant ethics in every engagement.	4.49	0,739
3.2	The quality management system ensures team members understand and follow ethical principles.	4.26	0,822
3.3	Mechanisms address conflicts of interest in engagements.	4.26	0,772
3.4	Routine training on ethical requirements is provided to all personnel.	4.28	0,759
3.5	Applying ethical principles enhances public confidence in the firm's services.	4.32	0,734

ISQM 1		Mean	SD
Average		**4.32**	**0.765**
4. Acceptance and Continuance			
4.1	Procedures for new clients consider risks and quality standards.	4.42	0,659
4.2	Clear criteria assess continued client relationships.	4.26	0,700
4.3	Client relationships are evaluated based on performance and compliance.	4.25	0,785
4.4	Client satisfaction is regularly evaluated.	4.20	0,766
4.5	Criteria for continuing client relationships focus on long-term value and growth potential.	4.20	0,712
Average		**4.27**	**0.724**
5. Engagement Performance			
5.1	The engagement process has clear, documented steps.	4.29	0,745
5.2	Each team member understands their role and responsibilities.	4.33	0,641
5.3	Mechanisms address issues promptly during engagements.	4.29	0,649
5.4	Quality evaluations are periodic during and after engagements.	4.28	0,645
5.5	Experience from past engagements informs future improvements.	4.47	0,577
Average		**4.33**	**0.651**
6. Resources			
6.1	The firm has sufficient resources for quality standards.	4.07	0,914
6.2	Engagement planning considers resource availability.	4.21	0,869
6.3	Human resources have necessary skills and knowledge.	4.24	0,764
6.4	Technology and infrastructure support engagement completion.	4.03	0,864
6.5	Efforts continue to identify and address resource deficiencies.	4.16	0,880
Average		**4.14**	**0.858**
7. Information and Communication			
7.1	Internal systems deliver timely information.	4.24	0,690
7.2	Team members have adequate access to necessary information.	4.33	0,719
7.3	Communication with clients is clear and effective.	4.36	0,725
7.4	Systems ensure confidentiality of sensitive information.	4.38	0,748
7.5	Mechanisms allow open feedback and input.	4.25	0,751

ISQM 1		Mean	SD
Average		**4.31**	**0.727**
8. Monitoring and Remediation			
8.1	The firm monitors the quality management system regularly.	4.13	0,806
8.2	Results from monitoring identify improvement opportunities.	4.21	0,805
8.3	A team manages identified system improvements.	4.11	0,873
8.4	Implemented improvements are measured for effectiveness.	4.12	0,799
8.5	Performance evaluation informs decision-making.	4.14	0,795
Average		**4.14**	**0.816**

Table 2.2
Descriptive Implementation of ISQM 2

ISQM 2		Mean	SD
1. EQR Designation and Eligibility			
1.1	EQR designation follows clear criteria.	4.24	0,690
1.2	EQR is competent in independent reviews.	4.24	0,671
1.3	EQR maintains independence in inspections.	4.26	0,719
Average		**4.25**	**0.693**
2. Implementation of EQR Work			
2.1	EQR provides constructive input to audit teams.	4.26	0,619
2.2	Thorough examinations are conducted on audit work.	4.30	0,611
2.3	Actions on engagement quality findings are well documented.	4.30	0,542
Average		**4.29**	**0.591**
3. EQR Responsibilities			
3.1	Reviewers have adequate competence.	4.39	0,591
3.2	Reviewers work independently.	4.38	0,653
3.3	Review work is routine and scheduled.	4.25	0,676
Average		**4.34**	**0.640**
4. EQR Job Documentation			
4.1	Review results are fully documented.	4.37	0,650

ISQM 2		Mean	SD
4.2	Actions taken on findings are well documented.	4.34	0,623
Average		**4.36**	**0.637**
5. Effectiveness of EQR Work Results			
5.1	Review results significantly improve audit quality.	4.29	0,629
5.2	The review process is perceived as efficient and effective.	4.24	0,651
5.3	Adequate resources support review implementation.	4.24	0,746
Average		**4.26**	**0.675**

Table 2.3
Descriptive Implementation of ISA 220 (Revised)

ISA 220 (Revised)		Mean	SD
1. Engagement Partner Responsibilities			
1.1	Engagement partners ensure timely resource availability.	4.30	0,800
1.2	Firm policies support quality management responsibilities.	4.34	0,664
1.3	Engagement partners actively ensure audit quality.	4.33	0,619
Average		**4.32**	**0.694**
2. Engagement Partner Activeness			
2.1	Engagement partners commit to high engagement standards.	4.41	0,636
2.2	Regular evaluation improves engagement quality.	4.34	0,664
Average		**4.38**	**0.650**
3. Latest Approach			
3.1	Firm policies support new quality management approaches.	4.32	0,697
3.2	Engagement partners understand new quality management approaches.	4.29	0,689
Average		**4.31**	**0.693**

The study continued to evaluate the implementation of the ISQM 1 based on audit firms affiliated with Non-Big 4 and Big 4 firms. The analysis reveals distinct differences in how these standards are implemented across those different types of firms.

The results indicate that Big 4 firms demonstrate a higher level of adherence to risk assessment processes compared to Non-Big 4 firms. For instance, the mean score for the routine evaluation of risks in every engagement is 4.92 for Big 4 firms, significantly higher than the 4.19 score for Non-Big 4 firms. Similarly, Big 4 firms scored 4.77 for considering client characteristics and external conditions during risk assessments, compared to 4.24 for

Non-Big 4 firms. This pattern suggests that Big 4 firms have more robust mechanisms in place to adjust risk assessments based on changes in the business environment.

Big 4 firms also outperform Non-Big 4 firms in the Governance and Leadership component of ISQM 1. The mean score for firm leadership directing and supporting the quality management system is 4.77 for Big 4 firms, while Non-Big 4 firms score 4.11. This trend continues across other variables within this component, such as roles and responsibilities being clearly defined and understood by personnel (4.62 for Big 4 vs. 4.00 for Non-Big 4) and firm leaders actively monitoring the quality management system's performance (4.77 for Big 4 vs. 4.16 for Non-Big 4).

The adherence to ethical requirements also shows a marked difference. Big 4 firms scored 4.77 for adhering to relevant ethics in every engagement, while Non-Big 4 firms scored 4.43. Routine training on ethical requirements is provided more effectively in Big 4 firms (4.92) compared to Non-Big 4 firms (4.14). This disparity highlights the stronger emphasis on ethics and compliance within larger firms.

In terms of acceptance and continuance procedures, Big 4 firms again report higher scores across the board. The procedures for new clients considering risks and quality standards received a score of 4.85 from Big 4 firms compared to 4.33 from Non-Big 4 firms. This indicates that Big 4 firms have more stringent and effective procedures in place for evaluating and continuing client relationships based on performance and compliance metrics.

When examining engagement performance, Big 4 firms demonstrate superior implementation of documented steps and understanding of roles and responsibilities. The mean score for the engagement process having clear, documented steps is 4.69 for Big 4 firms and 4.21 for Non-Big 4 firms. The understanding of roles and responsibilities among team members is higher in Big 4 firms (4.62) compared to Non-Big 4 firms (4.27).

Resource allocation is another area where Big 4 firms excel. The mean score for having sufficient resources for quality standards is 4.77 for Big 4 firms, significantly higher than the 3.92 for Non-Big 4 firms. Engagement planning considering resource availability is also better implemented in Big 4 firms (4.77) compared to Non-Big 4 firms (4.10).

Big 4 firms provide better access to necessary information and have more effective communication mechanisms. The mean score for internal systems delivering timely information is 4.62 for Big 4 firms, while Non-Big 4 firms scored 4.16. The clarity and effectiveness of communication with clients are rated higher in Big 4 firms (4.77) compared to Non-Big 4 firms (4.27).

Lastly, in monitoring and remediation, Big 4 firms score higher across all variables. The firm's regular monitoring of the quality management system received a score of 4.69 from Big 4 firms, compared to 4.02 from Non-Big 4 firms. Additionally, the identification of improvement opportunities and the management of identified system improvements are more effectively handled by Big 4 firms.

Table 3.1
ISQM 1 Implementation Score Classified by Firms

ISQM 1		**Non-Big 4 Firms (A)**	**Big 4 Firms (B)**
1. Risk Assessment Process			
1.1	The firm routinely evaluates risks for every engagement.	4.19	4.92
1.2	Client characteristics and external conditions affecting auditor performance are considered during risk assessments.	4.24	4.77
1.3	Mechanisms are in place to adjust risk assessments based on business environment changes.	4.25	4.77
1.4	Risk evaluation identifies areas needing special attention in each engagement.	4.40	4.77
1.5	The firm regularly updates and improves its risk assessment process.	4.03	4.85
2. Governance and Leadership			
2.1	Firm leadership directs and supports the quality management system.	4.11	4.77
2.2	Roles and responsibilities in the quality management system are clearly defined and understood by all personnel.	4.00	4.62
2.3	Firm leaders actively monitor the quality management system's performance.	4.16	4.77
2.4	Mechanisms address nonconformities with quality management policies.	4.05	4.77
2.5	The firm's leadership culture encourages innovation and continuous improvement in quality management.	4.11	4.77
3. Relevant Ethical Requirements			
3.1	The firm adheres to relevant ethics in every engagement.	4.43	4.77
3.2	The quality management system ensures team members understand and follow ethical principles.	4.17	4.69
3.3	Mechanisms address conflicts of interest in engagements.	4.16	4.77
3.4	Routine training on ethical requirements is provided to all personnel.	4.14	4.92
3.5	Applying ethical principles enhances public confidence in the firm's	4.22	4.77

ISQM 1		Non-Big 4 Firms (A)	Big 4 Firms (B)
	services.		
4. Acceptance and Continuance			
4.1	Procedures for new clients consider risks and quality standards.	4.33	4.85
4.2	Clear criteria assess continued client relationships.	4.19	4.62
4.3	Client relationships are evaluated based on performance and compliance.	4.14	4.77
4.4	Client satisfaction is regularly evaluated.	4.08	4.77
4.5	Criteria for continuing client relationships focus on long-term value and growth potential.	4.10	4.69
5. Engagement Performance			
5.1	The engagement process has clear, documented steps.	4.21	4.69
5.2	Each team member understands their role and responsibilities.	4.27	4.62
5.3	Mechanisms address issues promptly during engagements.	4.24	4.54
5.4	Quality evaluations are periodic during and after engagements.	4.22	4.54
5.5	Experience from past engagements informs future improvements.	4.41	4.77
6. Resources			
6.1	The firm has sufficient resources for quality standards.	3.92	4.77
6.2	Engagement planning considers resource availability.	4.10	4.77
6.3	Human resources have necessary skills and knowledge.	4.17	4.54
6.4	Technology and infrastructure support engagement completion.	3.90	4.62
6.5	Efforts continue to identify and address resource deficiencies.	4.03	4.77
7. Information and Communication			
7.1	Internal systems deliver timely information.	4.16	4.62

ISQM 1		Non-Big 4 Firms (A)	Big 4 Firms (B)
7.2	Team members have adequate access to necessary information.	4.25	4.69
7.3	Communication with clients is clear and effective.	4.27	4.77
7.4	Systems ensure confidentiality of sensitive information.	4.29	4.85
7.5	Mechanisms allow open feedback and input.	4.17	4.62
8. Monitoring and Remediation			
8.1	The firm monitors the quality management system regularly.	4.02	4.69
8.2	Results from monitoring identify improvement opportunities.	4.11	4.69
8.3	A team manages identified system improvements.	3.97	4.77
8.4	Implemented improvements are measured for effectiveness.	4.02	4.62
8.5	Performance evaluation informs decision-making.	4.05	4.62

The study further examines the implementation of ISQM 2. As with ISQM 1, the results shown in table 3.2 indicate notable differences between Non-Big 4 and Big 4 firms in their adherence to these standards.

Big 4 firms exhibit a stronger implementation of EQR designation and eligibility criteria. The mean scores for EQR designation following clear criteria, EQR competence in independent reviews, and EQR maintaining independence in inspections are all 4.85 for Big 4 firms, compared to 4.11 and 4.14 for Non-Big 4 firms. This suggests that Big 4 firms have more rigorous and well-defined processes for selecting and maintaining eligible EQRs.

The implementation of EQR work is also more robust in Big 4 firms. Big 4 firms score 4.85 for EQR providing constructive input to audit teams, while Non-Big 4 firms score 4.14. Thorough examinations conducted on audit work receive a mean score of 4.69 from Big 4 firms, compared to 4.22 from Non-Big 4 firms. Additionally, the documentation of actions on engagement quality findings is more comprehensive in Big 4 firms (4.85) than in Non-Big 4 firms (4.19).

Big 4 firms again lead in ensuring that reviewers have adequate competence and work independently. The mean scores for reviewer competence and independence are 4.77 for Big 4 firms, compared to 4.32 and 4.30 for Non-Big 4 firms. The scheduling and routine nature of review work are also better implemented in Big 4 firms, scoring 4.77 compared to 4.14 for Non-Big 4 firms.

In terms of documentation, Big 4 firms score significantly higher. The mean score for the full documentation of review results is 4.92 for Big 4 firms, while Non-Big 4 firms score 4.25. The documentation of actions taken on findings is also better in Big 4 firms (4.77) compared to Non-Big 4 firms (4.25).

Lastly, the effectiveness of EQR work results shows higher mean scores for Big 4 firms. Review results improving audit quality score 4.77 for Big 4 firms, compared to 4.19 for Non-Big 4 firms. The review process's perceived efficiency and effectiveness score 4.62 for Big 4 firms, while Non-Big 4 firms score 4.16. The adequacy of resources supporting review implementation also scores higher in Big 4 firms (4.85) than in Non-Big 4 firms (4.11).

Table 3.2
ISQM 2 Implementation Score Classified by Firms

ISQM 2	Non-Big 4 Firms (A)	Big 4 Firms (B)
1. EQR Designation and Eligibility		
1.1 EQR designation follows clear criteria.	4.11	4.85
1.2 EQR is competent in independent reviews.	4.11	4.85
1.3 EQR maintains independence in inspections.	4.14	4.85
2. Implementation of EQR Work		
2.1 EQR provides constructive input to audit teams.	4.14	4.85
2.2 Thorough examinations are conducted on audit work.	4.22	4.69
2.3 Actions on engagement quality findings are well documented.	4.19	4.85
3. EQR Responsibilities		
3.1 Reviewers have adequate competence.	4.32	4.77
3.2 Reviewers work independently.	4.30	4.77
3.3 Review work is routine and scheduled.	4.14	4.77
4. EQR Work Documentation		
4.1 Review results are fully documented.	4.25	4.92
4.2 Actions taken on findings are well documented.	4.25	4.77
5. Effectiveness of EQR Work Results		
5.1 Review results significantly improve audit quality.	4.19	4.77
5.2 The review process is perceived as efficient and effective.	4.16	4.62
5.3 Adequate resources support review implementation.	4.11	4.85

The analysis of responses from Non-Big 4 and Big 4 firms reveals significant differences in the adherence to ISA 220 (Revised), which shown in table 3.3. Big 4 firms demonstrate a higher level of implementation of engagement partner responsibilities. For ensuring timely resource availability, Big 4 firms score a mean of 4.85 compared to 4.19 for Non-Big 4 firms. The support of firm policies for quality management responsibilities also scores 4.85 for Big 4 firms and 4.24 for Non-Big 4 firms. Engagement partners' active role in ensuring audit quality has a mean score of 4.69 in Big 4 firms, slightly higher than 4.25 in Non-Big 4 firms. These results indicate that Big 4 firms have more robust systems and policies in place to support the responsibilities of engagement partners. The activeness of engagement partners is also significantly higher in Big 4 firms. Commitment to high engagement standards scores 4.92 in Big 4 firms, compared to 4.30 in Non-Big 4 firms. Regular evaluation to improve engagement quality has a mean score of 4.77 for Big 4 firms, while Non-Big 4 firms score 4.25. This suggests that Big 4 firms have more proactive engagement partners who are committed to maintaining and improving the quality of engagements. In terms of adopting the latest quality management approaches, Big 4 firms again lead. Firm policies supporting new quality management approaches score 4.69 in Big 4 firms, compared to 4.24 in Non-Big 4 firms. Engagement partners' understanding of new quality management approaches has a mean score of 4.62 in Big 4 firms, while Non-Big 4 firms score 4.22. This indicates that Big 4 firms are more adept at incorporating and understanding new approaches to quality management.

Table 3.3

ISA 220 (Revised) Implementation Score Classified by Firms

ISA 220 (Revised)	**Non-Big 4 Firms (A)**	**Big 4 Firms (B)**
1. Engagement Partner Responsibilities		
1.1 Engagement partners ensure timely resource availability.	4.19	4.85
1.2 Firm policies support quality management responsibilities.	4.24	4.85
1.3 Engagement partners actively ensure audit quality.	4.25	4.69
2. Engagement Partner Activeness		
2.1 Engagement partners commit to high engagement standards.	4.30	4.92
2.2 Regular evaluation improves engagement quality.	4.25	4.77
3. Latest Approach		
3.1 Firm policies support new quality management approaches.	4.24	4.69
3.2 Engagement partners understand new quality management approaches.	4.22	4.62

CONCLUSION

The study examined affiliated audit firms in Indonesia, distinguishing between those affiliated with Big 4 and Non-Big 4 firms, across ISQM 1, ISQM 2, and ISA 220 (Revised) standards. Big 4 firms consistently demonstrated superior performance, achieving higher mean scores in critical areas such as risk assessment, engagement quality reviews, and engagement partner responsibilities. This highlights their adeptness in leveraging extensive resources, structured methodologies, and robust organizational frameworks to uphold stringent audit quality standards. These findings underscore the pivotal role of institutional support and established processes in meeting and surpassing global management quality benchmarks within the audit profession.

Despite the comprehensive analysis, the study identified several limitations that may influence the interpretation of results. Foremost among these is the impact of the busy season on audit practices and participant availability. During peak periods, both Big 4 and Non-Big 4 firms face heightened workload pressures, potentially affecting the thoroughness and consistency of audit procedures and participant availability for research activities. This limitation may introduce variability in data quality and restrict the study's ability to capture the full spectrum of operational practices and challenges within audit firms during busy seasons.

Moreover, the study's scope is delimited by its focus on affiliated audit firms in Indonesia, limiting generalizability to other regions or audit contexts with different regulatory environments or market dynamics. Variations in firm-specific practices, client demographics, and regulatory frameworks could influence how audit standards are implemented and assessed, warranting caution in extrapolating findings beyond the study context.

Additionally, while the research provides quantitative insights into audit quality management, qualitative dimensions such as organizational culture, leadership dynamics, and client-specific challenges may require deeper exploration to provide a holistic understanding. The busy season's impact underscores the need for future research to adopt adaptive methodologies and longitudinal approaches to mitigate seasonal variations and enhance the robustness of findings in diverse audit environments.

In conclusion, while the study affirms the effectiveness of Big 4 affiliated audit firms in Indonesia in meeting global management quality benchmarks, the limitations related to the busy season and contextual specificity emphasize the necessity for ongoing research and industry dialogue. Addressing these limitations can strengthen audit practices, uphold integrity, and foster stakeholder confidence in audit services globally.

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