Journal of Madani Society 3 (3) December 2024, pp.132-140

Content lists available at SRN Intellectual Resources

Journal of Madani Society

Journal homepage: https://journal.srnintellectual.com/index.php/jmsc

Original Article

Investigating the Quick Response (QR) Code Application in Internal Audit Report: Unqualified Opinion vs Unqualified Without Inspection

Sudiyono Sudiyono [a,*], Hariman Bone [a] and Fibriyani Nur Khairin [a]

[a] Department of Accounting, Faculty of Economics and Business, Mulawarman University, 75119 Kota Samarinda, Kalimantan Timur, Indonesia, Indonesia; hariman.bone@feb.unmul.ac.id (H.B.), fibriyani.nur.khairin@feb.unmul.ac.id (F.N.K.)

* Correspondence: sudiyono.ak@gmail.com (S.S.)

Citations: Sudiyono, S., Bone, H., & Khairin, F.N., (2024). Investigating the Quick Response (QR) Code Application in Internal Audit Report: Unqualified Opinion vs Unqualified Without Inspection. *Journal of Madani Society*, *3*(3), 132-140.

Received: 8 August 2024 Revised: 9 October 2024 Accepted: 21 November 2024 Published: 29 December 2024

Abstract: This study examines the implementation of Quick Response (QR) codes in Independent Auditor's Reports (IARs) and explores the discrepancy between "Unqualified Opinion" and "Unqualified Without Inspection." Using a qualitative case study approach, semi-structured interviews were conducted with public accountants in Surabaya, Indonesia. The research reveals that QR codes serve as technological safeguards, enabling rapid verification of IAR authenticity and traceability. While the auditing community strongly supports this innovation, viewing it as a significant advancement in combating forgery, the study highlights that QR codes are not an absolute solution. Their effectiveness ultimately depends on individual practitioners' ethical conduct. The persistence of fraudulent activities despite technological advancements underscores the need for a multifaceted approach combining technological solutions with robust ethical training and professional development programs. The research concludes that QR code implementation must be complemented by ongoing efforts to strengthen the auditing profession's ethical foundation. It emphasizes the importance of continuous monitoring and enforcement by regulatory bodies to ensure compliance and maintain public trust in financial reporting. This study contributes to understanding technological innovations in auditing practices and their implications for professional integrity and accountability.

Keywords: Public accountant; Accountant Professional Standards; Internal audit report; Quick Response code.

1. Introduction

An Independent Auditor's report (IAR) is a critical document issued and signed by a certified Public Accountant, presenting an opinion on the fairness of a company's financial statements in accordance with applicable standards (Jamane, 2020; Kumar & Sharma, 2015; Wallman, 1996; Wolnizer, 2006). According to Audit Standards (SA) 700 and 705, these opinions are categorized into two main types: opinions without modification (unqualified) and opinions with modifications (qualified, adverse, or disclaimer), as outlined by the Indonesian Institute of Public Accountants (2016). The opinion issued by a Public Accountant holds significant value for management in decision-making processes and for future company improvements. An unqualified opinion can attract potential investors and enhance a company's reputation (Brammer & Pavelin, 2004; Nahata, 2008; Srivastava et al., 1997). While the process of obtaining an opinion should adhere to Public Accountant Professional Standards (SPAP), real-world practices sometimes deviate from these standards. Instances of fraudulent activities involving both public and nonpublic accountants have been reported. For example, the Ministry of Finance (2022) documented cases in which Public Accountants failed to report audit results to the Center for Financial Professional Development (PPPK). This non-compliance occurs despite PPPK's Circular Letter Number SE-2/PPPK/2019, which mandates the submission of client-audited financial statements by Public Accounting Firms (KAP). This requirement aligns with the previous regulation, PMK Number 17/PMK.01/2008, which obligates KAPs to submit comprehensive annual reports to the Secretary General or Head of the Center. The annual report, as of April of the following year, should include business activity reports, KAP financial statements, and reports on the realization of foreign workers' work programs. Noncompliance with these reporting requirements can result in warnings or even license suspension for the KAP. While the audit planning and execution processes largely conform to the IT Assurance Guide: Using COBIT, the audit scoping process has not been fully implemented for various reasons. A study by Al Ghifari (2021) on the Audit Tools and Linked Archive System (ATLAS) application revealed that content, accuracy, format, and timeliness positively influenced user satisfaction in compiling Audit Working Papers. However, ease of use does not significantly affect auditor satisfaction. Given these circumstances, this study aims to investigate the phenomenon behind the application of QR codes on IAR, particularly focusing on the discrepancy between "Unqualified Opinion" and "Unqualified Without Inspection."

2. Literature Review

2.1. Quick Response Code

QR codes, or Quick Response Codes, were first introduced in 1994 by Denso Wave. Originally designed for use in the manufacturing industry, QR codes are two-dimensional (2D) images that facilitate rapid information access (Rouillard, 2008; Rouillard & Laroussi, 2008). These codes typically consist of square modules arranged in a larger square pattern containing various types of information, as specified by the user. With the advancement of technology, most smartphones now have QR code scanning capabilities, enabling users to easily access the information encoded within them. This technology has been applied in diverse fields, including the auditing profession, as evidenced by its incorporation into the Independent Auditor's Report mandated by PMK 186/PMK.01/2021 concerning the Development and Supervision of Public Accountants. This regulation, which supersedes the previous Minister of Finance Regulation number 154/PMK.01/2017, aims to protect the Public Accountant profession from the potential falsification of Independent Auditor Reports (LAI) and to ensure more accurate and reliable LAI information. The implementation of QR code technology serves as a means of achieving these objectives by authenticating and verifying data integrity.

Article 39, paragraph 1 of PMK 186/PMK.01/2021 mandates the use of QR codes in LAIs. Public Accounting Firms (KAP) are required to upload complete client financial reports to obtain a QR code. The LAI registration process involves assigning an LAI number in accordance with regulations, providing the necessary client information, and uploading client-approved LAI documents. KAPs must then upload the signed LAI document with the QR code upon issuance with a file size limit of 2 megabytes. As with any regulatory change, the implementation of QR codes in auditing is likely to elicit diverse reactions from users and providers. Previous research by Kartika (2020) examined external auditors' perceptions of cloud computing adoption in non-Big Four KAPs in East Java, Indonesia. Their qualitative study, employing an interpretive paradigm, identified key factors influencing cloud computing adoption, including ease of use, system reliability, information-sharing, and data security. These findings were analyzed within the context of various theoretical frameworks, such as the Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), Diffusion of Innovation (DOI) Framework, Technology-Organization-Environment (TOE) model, Resource-Based View (RBV), and Institutional Theory.

2.2. Public Accountants and Their Professional Standards (SPAP)

A Public Accountant is defined as an individual who has obtained legal authorization to provide services (Caralos & Castro, 2024; St. Pierre & Anderson, 1984) as stipulated in Law Number 5 of 2011 concerning Public Accountants. These services are categorized into insurance and non-insurance services. Public accountants are permitted to offer insurance services related to auditing, reviewing and other assurance activities. In addition, they may provide non-insurance services encompassing accounting, finance, and management consultations. PMK Number 186/PMK.01/2021 further elucidates that non-insurance services include bookkeeping, information technology, and management consulting services. Regarding insurance services, specifically audit services, Government Regulation Number 20 of 2015 imposed a limitation on consecutive engagements with an entity, restricting them to a maximum of five years. However, after this five-year period, Public Accountants may resume their services to the same entity following a two-year. The Public Accountant Professional Standard (SPAP) serves as a codification of various technical standards that guide Public Accountants in Indonesia. The Indonesian Institute of Public Accountants' Public Accountant Professional Standards Council (DSPAP IAPI) is responsible for issuing SPAP.

As of 2022, the SPAP encompasses seven standards: Auditing Standards (SA), Review Engagement Standards (SPR), Insurance Engagement Standards (SPA), Related Services Standards (SJT), Investigation Services Standards (SJI), Consulting Services Standards (SJK), and other services standards (SJL). Among these standards, auditing standards are of particular significance among these standards, as they provide guidelines for auditors to fulfill their professional responsibilities (Purnomo, 2011) and offer direction for auditing historical financial statements. The auditing standards comprise ten standards, which are further detailed in the Audit Alliance Standards (SPA) established and ratified by the Indonesian Institute of Public Accountants (IAPI). These standards are categorized into general, fieldwork, and reporting standards, along with their interpretations. The SPA elaborates on each standard listed in the auditing standards, containing essential provisions and guidelines to which Public Accountants must adhere when conducting audit assignments. Compliance with the SPA issued by the IAPI is mandatory for all IAPI members to ensure a consistent and professional approach to auditing practices in Indonesia.

3. Materials and Methods

This study employed a qualitative research methodology using a case study approach. Qualitative research aims to comprehend the phenomena experienced by research subjects, including behavior, perception, motivation, and action, through holistic descriptions using words and language in a natural context (Moleong, 2012). The case study approach is particularly suitable when investigating "how" or "why" questions, when the researcher has limited control over events, and when the focus is on contemporary phenomena in real-life contexts (Yin, 2009). The research was conducted in Surabaya, with public accountants at local accounting firms serving as informants. This study explored the actions and reactions of public accountants to the implementation of QR codes. Data collection involved semi-structured interviews, allowing for flexibility and improvisation based on the informants' responses. Interviews were conducted in comfortable settings, such as meeting rooms, cafes, and restaurants, to facilitate open communication. Data analysis utilized thematic analysis within the framework of the case study. This study presents findings through descriptive reports, including charts, narratives, and tables (Creswell, 2018). This approach enables researchers to develop naturalistic interpretations and derive meanings from the experiences within a case. The case study methodology allows for in-depth description and analysis of cases using various visual and narrative tools (Yin, 2009). Employing this qualitative case study approach, this research aims to uncover themes and concepts that provide a comprehensive understanding of public accountants' perspectives on QR code implementation in their professional practice.

4. Results and Discussion

4.1. Overview of Research Subjects

The informants in this study comprised three Public Accountants employed at a Public Accounting Firm located in Surabaya, Indonesia. To protect the privacy and confidentiality of these individuals, their names were anonymized and represented only by initials throughout this study. The three participants were identified as HR, MZA, and ASJ, each bringing unique qualifications and experience to the study. HR, the first informant, has been officially registered as a Public Accountant since 2016, as evidenced by its license number 801/KM.1/2016. This registration signifies the HR's competence and authorization to practice as a Public Accountant in Indonesia. Beyond this primary qualification, HR has further specialized in banking support professions, holding a Certificate of Registration for STTD Banking Support Professions (AP-04/PB.122/2018). This additional certification demonstrates the HR's expertise in financial matters specific to the banking sector, potentially offering valuable insights into the intersection of public accounting and banking practices.

The second informant, MZA, has also been officially recognized as a Public Accountant. MZA's registration, confirmed by license number 766/KM.1/2017, indicates that they received their certification slightly later than HR. This difference in registration dates may reflect variations in professional experience or career trajectories between the two informants, potentially influencing their perspectives on this study's subject matter. ASJ, the third and final informant, brings a unique and crucial perspective to this research. Unlike HR and MZA, whose contributions are primarily based on their professional standing and experience, ASJ's inclusion in the study was directly related to a specific incident in their career. ASJ was chosen as an informant because of its personal experience as a victim of professional identity theft – specifically, the forgery of its signature on an Independent Auditor Report (LAI). The selection of the ASJ as an informant is particularly important for several reasons. First, as a victim of signature forgery, the ASJ has firsthand experience with vulnerabilities in the current system of authenticating auditor reports. This personal encounter with fraud provides ASJ with a unique vantage point from which to assess the potential benefits and limitations of implementing new security measures such as QR codes in LAIs.

Second, the ASJ's experience likely heightens its awareness of the importance of document security and the potential consequences of fraudulent activities in the auditing profession. This heightened awareness may translate into more nuanced and critical insights into the proposed implementation of QR codes in LAIs. Third, as a Public Accountant who has directly faced the repercussions of document forgery, the ASJ is well positioned to offer practical suggestions and considerations for improving the security and authenticity of auditor reports. Their perspective may be particularly valuable in identifying potential weaknesses or oversights in the proposed QR code system that may not be immediately apparent to those who have not experienced such fraud firsthand. The researcher's decision to include ASJ in the study demonstrates a commitment to gathering diverse and relevant perspectives on the topic at hand. By incorporating the viewpoint of someone who has been directly affected by the issue that the proposed QR code system aims to address, this research has gained a crucial real-world dimension. This inclusion allowed for a more comprehensive evaluation of the potential impact and effectiveness of implementing QR codes in LAIs.

The selection of HR, MZA, and ASJ reflects a thoughtful approach to data collection in this study. Each informant brought a distinct set of qualifications, experiences, and perspectives for the research.

1. HR, with its additional certification in banking support professions, may offer insights into how QR code implementation in LAIs could impact or interact with banking sector practices.
2. MZA, as a more recently certified Public Accountant, may provide a fresh perspective on current practices and the potential for technological innovations in the field.
3. Having personally experienced the consequences of document forgery, ASJ brings a unique and invaluable perspective on the urgent need for enhanced security measures in auditor reports.

This diverse group of informants allowed for a multifaceted exploration of the research topic. Their varied backgrounds and experiences enabled the researcher to gather a range of viewpoints on the potential implementation of QR codes in LAIs, including considerations of practicality, effectiveness, and potential challenges or limitations. The decision to maintain the anonymity of the informants using initials is an important ethical consideration in this research. This approach protects the privacy of participants while still allowing for the dissemination of valuable insights. It also helps ensure that the informants can speak freely about their experiences and opinions without fear of professional repercussions, particularly in the case of ASJ, whose experience with forgery may be a sensitive topic. The focus on Public Accountants in Surabaya provides a geographically specific context for this study. This localization may allow for more targeted insights into the practices and challenges faced by accounting professionals in this urban center. However, it's important to note that while the findings may be particularly relevant to the Surabaya context, they could also have broader implications for the accounting profession in Indonesia and potentially beyond.

The researcher's specific interest in gathering perspectives on the application of QR codes in LAIs indicates a forward-thinking approach to address issues of document authenticity and security in the auditing profession. QR codes, with their ability to store and quickly retrieve large amounts of data, present a potential technological solution for the challenges of document verification and fraud prevention. By seeking the opinions of Public Accountants on this technological innovation, the researcher aims to bridge the gap between theoretical solutions and practical implementation. The insights gathered from these informants will likely provide valuable feedback on the feasibility, potential benefits, and possible drawbacks of incorporating QR codes in LAIs. Thus, the selection of these three informants – HR, MZA, and ASJ – for this study demonstrates a well-considered approach to data collection. By including professionals with varied experiences, including those who have directly faced the consequences of document forgery, this research provides a comprehensive and nuanced exploration of the potential implementation of QR codes in Independent Auditor Reports. This approach not only addresses the immediate question of technological innovation in auditing practices, but also touches on broader issues of professional ethics, document security, and the evolving landscape of the accounting profession in the digital age.

4.2. QR Code Application in Internal Audit Report: Unqualified Opinion vs Unqualified Without Inspection

The field of public accounting is well acquainted with the term WTP or Unqualified Opinion). This designation signifies the most desirable outcome for service users, indicating that a company's performance results are deemed satisfactory. However, some public accountants have humorously reinterpreted WTP as Reasonable Without Examination, a play on words that reflects their frustration with certain colleagues' practices. Concerns have arisen regarding instances where Independent Auditor Reports fail to adhere to Public Accountant Professional Standards (SPAP). In some cases, Unqualified Opinions may be issued without proper scrutiny. A closer examination often reveals that these opinions may not accurately reflect a company's actual conditions. Such practices can lead to erroneous decision making by financial report users and potentially tarnish the reputation of the public accounting profession. Individuals have compromised the integrity of the profession, demonstrating a low level of ethical awareness. Ethics, as defined by Arens et al. (2008), encompasses moral principles and actions that form the foundation of an individual's behavior, enabling society to perceive their conduct as commendable and to enhance their dignity and honor. Furthermore, ethics serves as a primary indicator of an individual's character when interacting with others, creating either positive or negative impressions. The impact of ethical behavior extends beyond individuals to all professions, including public accounting. For public accountants, establishing and maintaining a professional image is paramount for gaining trust and credibility among service users. The significance of ethics in the field was emphasized by the MZA during an interview, underscoring its crucial role in shaping public perception and professional success:

"So, if ethics in Public Accountant is very important, right? " … Because Public Accountant is more of a trust level, yes, how do we maintain our trust in the regulations and clients. "… So, ethics is very important".

The significance of ethics in the accounting profession was emphasized by Mahmudah (2022), who asserted that ethics serves as a fundamental pillar for accountants in their professional activities. As a cornerstone of the profession, ethics must be upheld rigorously. This sentiment was echoed by ASJ in an interview, stating, "Ethics is something that must be upheld, and in my opinion, it is inevitable to uphold that ethics." Ethics also serve as a guiding principle for auditors to account for their activities (Dwi Wijayani & Januarti, 2011). However, adherence to ethical standards can be reinforced or undermined by the corporate culture in which auditors operate. Consequently, a comprehensive understanding of both ethics and organizational culture is crucial for auditors in Public Accounting Firms. Over time, this understanding influences the environment and shapes ethical behavior. Moreover, strong professional ethics enable auditors to demonstrate their independence, integrity, objectivity, and responsibility, thereby enhancing their trustworthiness in fulfilling their professional duties. The professional ethics of an auditor significantly supports the implementation and completion of tasks, minimizing the likelihood of errors. Professional ethics are also considered a critical factor in conducting financial statement audits, as they reinforce behavioral guidelines that must be adhered to in professional practice (Muis, 2018; Sesari et al., 2021).

Like other professions, Public Accountants have a crucial pillar that governs their professional conduct known as the code of ethics. Article 2 of the Decree of the Board of Directors of the Indonesian Institute of Public Accountants, Number 34 of 2021, stipulates that the Public Accountant Professional Code of Ethics is an integral part of the Indonesian Institute of Public Accountants' organizational code of ethics. This code applies to Public Accountants, holders of Certified Public Accountants of Indonesia, and other members of the IAPI in accordance with relevant regulations. The code of ethics is of paramount importance in the Public Accountant profession, as it addresses fundamental behavioral aspects and serves as a reference for Public Accountants in their engagements. HR, in an interview, emphasized this point, stating, "The code of ethics is a matter of behavior ... our attitude. Our attitude is regulated by the association anyway." This underscores the critical role of ethical guidelines in shaping Public Accountants' professional conducts.

"... This code of ethics regulates the behavior, the behavior of the AP, not the technical problem of the work. This means that behavior is very important. This means that the behavior in the code of ethics regulates how we are fellow APs, how we deal with our clients, so that's important. So, it is indeed prioritized for AP, it must be the main code of ethics, not how it works".

Ethical behavior refers to the auditor's capacity to consider ethics and conduct during the audit process, including recognizing ethical issues that arise (Kurniawan, 2013). This implies that the quality of an audit and its outcomes are meaningless if public accountants' ethics do not reflect positively in their profession. This perspective aligns with Ajzen (1985), (2005) and Ajzen & Fishbein (2000) behavioral theory, which posits that behavior results from an individual's experiences and environmental interactions, manifesting as knowledge, attitudes, and actions. Behavior is an individual's response to internal or external stimuli, observable with a specific frequency, duration, and purpose, whether conscious or unconscious. Behavior is the interplay between various factors (Wawan & Dewi, 2010). Ethics, codes of ethics, and behavior are interrelated concepts. The code of ethics is a critical ethical issue for Public Accountants, as it reflects their professional conduct regardless of engagement outcomes. To maintain a positive image, Public Accountants and their firms must prioritize ethical behavior by adhering to the code of ethics.

The importance of codes of ethics is widely recognized. It serves as a tool for instilling confidence in clients, financial statement users, and the public regarding the quality of services provided by accountants (Badjuri, 2010). Karen et al. (2022) emphasized that the professional code of ethics aims to protect and maintain member welfare, enhance professional commitment, and improve the profession's quality. In auditing practice, auditors apply procedures, methods, and techniques appropriate to their circumstances while adhering to audit standards. These standards are based on fundamental concepts derived from experience and observations. According to Miller (1962) and Sharaf & Mautz (1960), audit theory comprises of five basic concepts: independence, due audit care, ethical conduct, evidence, and fair presentation. The first three concepts relate to the auditor's personal attributes, whereas the latter two relate to audit activities.

Similarly, the Code of Ethics for the Public Accountant Profession established by the IAPI outlines five basic ethical principles: integrity, objectivity, competence and professional prudence, confidentiality, and professional behavior. These principles are interconnected and must be applied holistically to create effective synergy. Public Accountants must adhere to these principles in all professional engagements. Despite being equipped with an understanding of the

Accountant Code of Ethics, some professionals commit violations. Badjuri (2010) suggests that these violations often stem from intentional disregard of the established code of ethics. This indicates that the code of ethics designed by regulators such as the Indonesian Institute of Public Accountants (IAPI) has not been fully implemented by some Public Accountants in Indonesia. These deliberate actions against the code of ethics are often driven by the underlying factors. As stated by ASJ as follows:

"... The first is of course high work pressure, high standards as well, and not directly proportional to fees. Because again, because the market is also competitive, there are also more and more Public Accountants, of course, there will be a choice sometimes".

Violation of the Public Accountant Profession Code of Ethics, particularly concerning fees, is a significant concern in the auditing industry. This issue arises because higher audit service costs often correlate with increased auditor effort and improved judgment. Larger accounting firms that charge higher fees tend to deliver superior quality audit services (Francis, 2004). It indicating that audit service costs are intrinsically linked to audit quality (Clatworthy & Peel, 2013). To mitigate the risk of inappropriate or disproportionate fees relative to the work's level and risk, Public Accountants should consider several factors before initiating engagement. These include assessing clients' needs, estimating time requirements, identifying statutory duties, evaluating expertise levels, gauging assignment complexity, determining personnel needs, implementing quality control systems, and establishing clear remuneration bases. By carefully considering these factors, Public Accountants can ensure that remuneration for audit services accurately reflects the work performed by the client. This approach not only helps maintain ethical standards, but also contributes to the overall integrity and quality of the auditing profession, fostering transparency and trust between auditors and their clients. This is as stated by HR in the following interview:

"... Working hours have also increased, for sure, many people are needed. That is, so the fee also increases, it is impossible for the fee of IDR 10,000,000 (ten million) to work 5 (five) days 3 (three) people will not cover it, surely, he will consider it. Surely the fee will go up".

Public accountants who fail to properly implement the code of ethics often lack independence in conducting audit engagements. Independence is characterized by a mental attitude free from influence, not controlled by other parties, and not dependent on others. It also encompasses the auditor's honesty in considering facts and maintaining objectivity and impartiality when formulating and expressing opinions (Mulyadi, 2013). The absence of auditor independence can lead to various threats that undermine this principle. As noted by HR, "...independence and related factors can sometimes interfere with ethics..." Consequently, all members, particularly public accountants, must identify potential threats to compliance with the fundamental ethical principles. These threats may arise under diverse circumstances. Wakil et al. (2019) identified several factors that can compromise independence, including threats to personal interest, self-review, auditor independence, familiarity, and intimidation. These categories of threats to compliance with ethical principles require careful consideration and mitigation strategies. Furthermore, the categories of threats to compliance with the basic principles of ethics are explained in the following categories:

a) Threats of personal interests, namely threats in the form of financial interests or other interests that will affect the Member's consideration or behavior inappropriately;
b) Personal review threat is a threat when the Member is unable to properly evaluate the considerations that he has made, or the activities carried out by the Member or individuals in the office or organization where he works, which the Member relies on when making a consideration as part of the implementation of the activity being given;
c) Advocacy threats are threats that occur when Members support the position of the client or the organization where they work to the point that can reduce their objectivity;
d) The threat of proximity is a threat that occurs due to a long-standing relationship or a close relationship with the client or organization where he works. Members are too sympathetic to the interests of the client or the organization they work for, too easily accept the results of their work; and
e) Threats of intimidation are threats that occur when Members are prevented from acting objectively due to real or perceived pressure, including attempts to influence Members unduly.

In connection with the above, a situation can give rise to more than one threat, and a threat can affect compliance with more than one basic ethical principle. Various threats that can undermine independence can be addressed by the auditor avoiding or rejecting the audit task as much as possible, if the Public Accountant finds that the identified threat to compliance with the basic principles of ethics is at an unacceptable level. If this happens, then the Public Accountant must address the threat by eliminating it or bringing it down to an acceptable level. Here are the things you can do:

- Eliminate circumstances, including interests or relationships, that give rise to threats;
- Implement safeguards, where available and applicable, to bring threats down to acceptable levels; or
- Refuse or terminate certain professional activities.

Depending on the facts and circumstances, a threat can be overcome by eliminating the circumstances that give rise to the threat. However, there are some situations when threats can only be overcome by rejecting or terminating certain professional activities. This happens because the circumstances that give rise to the threat cannot be eliminated, and security cannot be applied to apply the threat to an acceptable level. The act of avoiding this threat can save Public Accountants from violations of the code of ethics. In fact, as a regulation issued by regulators develops and becomes stricter, cases of violations of this code of conduct slowly begin to decrease. This was also agreed by MZA in the following interview:

"I think compared to previous years, Public Accountant's violation of this code of ethics has decreased a lot, right, this is evident from what the name of the AP friends who received the sanction has decreased considerably".

This decline is also the impact of the implementation of the code of ethics that has begun to be implemented and complied with by Public Accountants. Furthermore, MZA stated the following "if I think it has gone well, yes, and it has been implemented by almost all members of the Public Accountant". However, this decrease does not necessarily make the cases of this violation disappear one hundred percent (100%). In fact, all of this still comes back to the behavior of each individual. This is as stated by HR:

"... This code of ethics is a personal problem, so this is a personal problem, it's a character problem. The character of people varies. So, when he is petty, maybe he can violate the code of ethics. But when he understands the code of ethics and must be consistent with his work, yes, no. "… That behavior depends on needs. So, when he feels enough, he is consistent with his code of conduct...".

Cohen et al. (1980), as cited in Wibowo (2015), posit that an individual's self-concept is primarily determined by their needs, which interact with personal experiences and value systems to shape expectations and behavioral goals. This ultimately influences an individual's decision-making process regarding their actions. The code of ethics for the Public Accountant profession serves as a guideline for professional conduct, aiming to maintain ethical standards, behavior, and character. Adherence to this code relies on an individual's understanding, perception, and voluntary compliance (Tyler, 2004). Despite well-crafted regulations, their effectiveness is contingent on individual commitments. Non-compliance with the code of ethics may lead to the issuance of "unqualified opinions without proper examination." Conversely, adherence to established procedures and ethical guidelines can result in legitimate unqualified opinions subject to service users' compliance. When both service providers and users commit to their respective ethical codes, it becomes feasible to achieve an unqualified opinion. However, if a Public Accountant anticipates that an engagement may lead to an "unqualified opinion without proper examination," they should withdraw from engagement to preserve the integrity of the profession.

5. Conclusions

An Independent Auditor's report (IAR) is a formal document issued and signed by a certified Public Accountant, presenting an expert opinion on the financial statements of an organization. In accordance with regulatory requirements, only certified Public Accountants are authorized to issue IARs. Despite these stringent regulations, however, instances of IAR forgery continue to occur at an alarming frequency. Furthermore, some Public Accountants and/or Public Accounting Firms (PAFs) fail to report their issued IARs to the Ministry of Finance as mandated by law. Recent research has shed light on the measures auditors undertake to mitigate the risk of IAR forgery. One of the primary strategies employed is the promotion and education of stakeholders regarding the significance of Quick Response (QR) codes in IARs. These QR codes serve as technological safeguards, enabling rapid verification of the authenticity and traceability of the report to its authorized issuer. The implementation of QR codes in IARs has garnered substantial support from Public Accounting communities. Auditors expressed positive reactions and demonstrated a strong consensus in favor of technological innovation. This widespread acceptance is crucial for the successful integration of QR codes into standard auditing practices and a broader financial reporting ecosystem. The introduction of QR codes represents a significant advancement in the fight against IAR forgeries. QR codes enhance the integrity and credibility of financial reporting processes by providing a quick and reliable means of verification. This technology allows stakeholders, including investors, regulators, and other financial statement users, to confirm the legitimacy of an IAR instantly, thereby reducing the risk of fraud and misrepresentation. Moreover, the implementation of QR codes in IARs aligns with the broader trend of digitalization in the financial sector.

As businesses and regulatory bodies increasingly embrace digital solutions, the incorporation of QR codes in auditing practices demonstrates the profession's commitment to leveraging technology to improve transparency and accountability. However, it is important to acknowledge that while the application of QR codes is expected to significantly reduce instances of IAR forgery, it cannot be considered an absolute solution. The effectiveness of this measure ultimately depends on the ethical conduct of individual practitioners in the auditing profession. The personal integrity and professional ethics of each Public Accountant play crucial roles in determining the prevalence of fraudulent activities. The persistence of IAR forgery despite technological advancements underscores the complex nature of this issue. This highlights the need for a multifaceted approach that combines technological solutions with robust ethical training and professional development programs for auditors. Strengthening the ethical foundation of the auditing profession is essential to complement technological safeguards and to create a more resilient system against fraud. Furthermore, the ongoing challenges of IAR forgery emphasize the importance of continuous monitoring and enforcement by regulatory bodies. The Ministry of Finance and other relevant authorities must maintain vigilance in overseeing the auditing profession, ensuring compliance with reporting requirements, and swiftly addressing instances of misconduct or fraud. In conclusion, although the implementation of QR codes in IARs represents a significant step forward in combating forgery, it is not a panacea. The effectiveness of this measure is intrinsically linked to individual practitioners' ethical standards. Therefore, the auditing profession must continue to prioritize ethical conduct, professional development, and technological innovation to safeguard the integrity of financial reporting and maintain public trust in the auditing process.

Author Contributions: Conceptualization, S.S. and H.B.; methodology, S.S.; software, S.S.; validation, H.B. and F.N.K.; formal analysis, S.S.; investigation, S.S.; resources, S.S.; data curation, H.B. and F.N.K.; writing—original draft preparation, S.S. and H.B.; writing—review and editing, S.S., H.B. and F.N.K.; visualization, S.S.; supervision, H.B. and F.N.K.; project administration, S.S.; funding acquisition, S.S. All authors have read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: Not applicable.

Acknowledgments: The authors would like to thank Universitas Mulawarman, Indonesia for supporting this research and publication. The authors would also like to thank the reviewers for their constructive comments and suggestions.

Conflicts of Interest: The authors declare no conflict of interest.

References

Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In *Action control: From cognition to behavior* (pp. 11–39). Springer.

Ajzen, I. (2005). *Attitudes, personality and behaviour*. McGraw-hill education (UK).

Ajzen, I., & Fishbein, M. (2000). Attitudes and the attitude-behavior relation: Reasoned and automatic processes. *European Review of Social Psychology*, *11*(1), 1–33.

Al Ghifari, C. (2021). Pengukuran Kepuasan Pengguna Aplikasi Audit Tools And Linked Archive System (Atlas) Dalam Penyusunan Kertas Kerja Audit Dengan Model End User Computing Satisfaction (Eucs). *Jurnal Ilmiah Mahasiswa FEB*, *9*(2).

Arens, A. A., Elder, R. J., & Beasley, M. S. (2008). *Auditing dan jasa Assurance*. Erlangga.

Badjuri, A. (2010). Peranan etika akuntan terhadap Pelaksanaan fraud audit. *Fokus Ekonomi*, *9*(3), 24393.

Brammer, S., & Pavelin, S. (2004). Building a good reputation. *European Management Journal*, *22*(6), 704–713.

Caralos, M. A., & Castro, R. (2024). Certified Public Accountants with Multiple Opportunities in Business Landscape: A Multiple Case Study. *Journal of Economy and Enterprise Studies*, *1*(1), 38–63.

Clatworthy, M. A., & Peel, M. J. (2013). The impact of voluntary audit and governance characteristics on accounting errors in private companies. *Journal of Accounting and Public Policy*, *32*(3), 1–25.

Creswell, J. W. (2018). *Qualitative, quantitative, and mixed methods approaches: A crash course in statistics*. Sage publications.

Dwi Wijayani, E., & Januarti, I. (2011). Analisis faktor-faktor yang mempengaruhi perusahaan di Indonesia melakukan auditor switching. *Simposium Nasional Akuntansi XIV*, 1–25.

Francis, J. R. (2004). What do we know about audit quality? *The British Accounting Review*, *36*(4), 345–368.

Jamane, L. (2020). *Implementation of the Auditor-General's Recommendations in South African State-Owned Enterprises*. University of Johannesburg (South Africa).

Karen, K., Yenanda, K., & Evelyn, V. (2022). Analisa pelanggaran kode etik akuntan publik pada PT Garuda Indonesia Tbk. *SIBATIK JOURNAL: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, Dan Pendidikan*, *2*(1), 189–198.

Kartika, R. C. (2020). Persepsi Auditor Eksternal terhadap Penggunaan Cloud Computing di Indonesia: Studi pada KAP Non-Big Four di Jawa Timur. *Jurnal Ilmiah Mahasiswa FEB*, *8*(2), 1–19.

Kumar, R., & Sharma, V. (2015). *Auditing: Principles and practice*. PHI Learning Pvt. Ltd.

Kurniawan, S. (2013). *Pendidikan karakter: konsepsi & implementasinya secara terpadu di lingkungan keluarga, sekolah, perguruan tinggi, & masyarakat* (3rd ed.). Ar Ruzz Media.

Mahmudah, N. (2022). *Pengaruh Akuntabilitas, Profesionalisme, Kompetensi dan Independensi Auditor terhadap Kualitas Audit (Studi Pada Kantor Akuntan Publik di Jawa Tengah)* (p. 114). FEB Universitas Semarang.

Miller, H. E. (1962). Mautz and Sharaf," The Philosophy of Auditing"(Book Review). *The Accounting Review*, *37*(3), 599.

Moleong, L. J. (2012). *Metodologi penelitian kualitatif* (30th ed.). Remaja Rosdakarya.

Muis, M. A. (2018). Analisis Pengaruh Etika Profesi, Komitmen Organisasi, Kecerdasan Emosional, Kecerdasaan Spiritual Dan Pengalaman Auditor Terhadap Peningkatan Profesionalisme Auditor Di Jakarta (Studi Kasus Kantor Pusat Badan Pemeriksa Keuangan RI). *Jurnal Akuntansi Dan Pasar Modal*, *1*(1), 31–52.

Mulyadi, M. (2013). *Auditing* (6th ed.). Salemba Empat.

Nahata, R. (2008). Venture capital reputation and investment performance. *Journal of Financial Economics*, *90*(2), 127–151.

Rouillard, J. (2008). Contextual QR codes. *2008 The Third International Multi-Conference on Computing in the Global Information Technology (Iccgi 2008)*, 50–55.

Rouillard, J., & Laroussi, M. (2008). PerZoovasive: contextual pervasive QR codes as tool to provide an adaptive learning support. *Proceedings of the 5th International Conference on Soft Computing as Transdisciplinary Science and Technology*, 542–548.

Sesari, V. S., Mukoffi, A., Sularsih, H., & Wardhani, F. A. K. (2021). Budaya Organisasi, Komitmen Profesional, Dan Etika Auditor Terhadap Kinerja Auditor. *Jurnal Mutiara Akuntansi*, *6*(2), 201–214.

Sharaf, H. A., & Mautz, R. K. (1960). An operational concept of independence. *Journal of Accountancy*, *109*(4), 49.

Srivastava, R. K., McInish, T. H., Wood, R. A., & Capraro, A. J. (1997). Part IV: How do reputations affect corporate performance?: The value of corporate reputation: Evidence from the equity markets. *Corporate Reputation Review*, *1*, 61–68.

St. Pierre, K., & Anderson, J. A. (1984). An analysis of the factors associated with lawsuits against public accountants. *Accounting Review*, 242–263.

Tyler, T. R. (2004). Promoting employee policy adherence and rule following in work settings-The value of self-regulatory approaches. *Brook. L. Rev.*, *70*, 1287.

Wakil, G. K., Alifiah, M. N., & Tijjani, A. A. (2019). Auditor Independence Threats and Factors Affecting Independence. *International Journal of Recent Technology and Engineering*, *8*, 917–923.

Wallman, S. M. H. (1996). The future of accounting, part III: Reliability and auditor independence. *Accounting Horizons*, *10*(4), 76–97.

Wawan, A., & Dewi, M. (2010). *Teori dan pengukuran pengetahuan, sikap dan perilaku manusia* (12th ed.). Nuha Medika.

Wibowo, A. (2015). Pengaruh Kode Etik Akuntan, Personal Ethical Philosophy, Corporate Ethical Value Terhadap Persepsi Etis Dan Pertimbangan Etis Auditor (Studi Empiris pada Kantor Akuntan Publik di Jakarta). *Serat Acitya*, *3*(2), 30–48. https://doi.org/10.56444/sa.v3i2.130

Wolnizer, P. W. (2006). *Auditing as independent authentication*. Sydney University Press.

Yin, R. K. (2009). *Case study research: Design and methods* (5th ed.). Sage.