

Audit judgment through time budget pressure, quality of sleep, and ego depletion

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ABSTRACT

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This study aims to identify the influence of time budget pressure, quality of sleep, and ego depletion on the quality of audit judgment. A quantitative approach was chosen to collect data from 100 auditors at Big Four and non-Big Four accounting firms. Hypothesis analysis was carried out using the Partial Least Squares-Sequential Equation Model (PLS-SEM) technique. The findings show that time budget pressure and quality of sleep do not significantly influence audit judgment, whereas ego depletion has a negative impact. These findings make two important contributions. First, this study signals to human resources departments or partners in public accounting firms about important issues facing auditors. Second, it offers insights for other researchers interested in exploring the factors that influence audit judgment, especially during busy periods.

Introduction

Based on the case between KAP BDO and PT Garuda Indonesia, the Ministry of Finance found that the auditors from KAP had violated several Auditing Standards (SA) and Public Accountant Professional Standards (SPAP), namely SA 315 regarding risk assessment, SA 500 regarding audit evidence, and SA 560 related to events after the balance sheet data (Hidayati, 2019). This violation indicates the auditor's lack of understanding of the entity and the client's business environment, resulting in an inability to use professional judgment appropriately in determining materiality. Materiality, in this context, is the quantity or value of accounting information that, if not reported properly, could influence the decisions of users of financial statements. The result of these errors or omissions is a loss of confidence in the information presented. Errors in audit judgment risk reducing audit quality and have the potential to cause audit failure. On the other hand, the audit profession is considered very challenging because of the pressure to carry out various tasks at once in achieving audit objectives, which can affect the auditor's emotional stability (Mullis & Hatfield, 2018).

Auditing is a profession that is often faced with the phenomenon of ego depletion, due to the high cognitive load required of auditors. This profession requires good multitasking skills to carry out tasks efficiently (Mullis & Hatfield, 2018). The auditor profession tends to drain mental energy, with Hurley (2017) finding that during peak periods, auditors often start the day with a depleted mental state, which results in a decrease in the quality of judgment and decision making (JDM). During these busy times, working hours are longer, workloads increase, and stress due to deadlines becomes more intense (Salama et al., 2022; Sweeney & Summers, 2002). The responsibility for self-control in completing audit tasks adds to this workload, especially during busy seasons, ultimately leading to ego depletion and a decline in JDM quality in audit practice (Hurley, 2017).

Ego depletion is a temporary condition that occurs when initial self-control efforts, such as organizing the environment, making decisions, and acting, weaken the capacity for self-control for subsequent actions (Baumeister, 2002; Wei & Yu, 2022). In the world of auditing, Hurley (2019) identified a negative relationship between ego depletion and the quality of auditors' judgment and decision making (JDM). Baumeister (2002) and Wei and Yu (2022) show that interpersonal conflict, busy work periods (Hurley, 2017), and quality of sleep (Baumeister et al., 2019) influence ego depletion. This, in turn, had a negative impact on JDM quality (Hurley, 2019).

Another element that can influence the quality of audit judgments is stress or pressure. In auditing, stress, or pressure, becomes a concern. Furthermore, tensions in the audit process, such as time budget pressure, might have serious ramifications (Rustiarini, 2021; Soobaroyen & Chengabroyan, 2006). In auditing, time budgeting becomes a performance measurement, putting pressure on the auditor to maintain a high-quality audit that takes a long time to complete and fulfill the audit deadline (Salama et al., 2022; Sweeney & Pierce, 2006). With a limited time given for the auditor to finish all the audit procedures, there will be pressure, which can lead to ego depletion. After leading to ego depletion, it can lead to a bad quality of audit judgment.

Although less researched than food intake, there is a general understanding that sleep allows the brain to replenish glycogen stores, which supports improved performance (Bellesi et al., 2018). Lack of sleep has similarities to the phenomenon of ego depletion. For example, the “morning morality effect” discovered by Kouchaki and Smith (2014) revealed that the tendency to behave immorally increases in the later part of the day, similar to how ego depletion is associated with increased immoral behavior (Gino et al., 2011). This phenomenon highlights that fatigue tends to increase from morning to evening, and this condition is most commonly reported by those who experience sleep deprivation. Low quality sleep wastes energy essential for self-regulation, or in other words, causes ego depletion (Bellesi et al., 2018). As a result, the less ego depletion, the better the quality of sleep experienced by the auditor. On the other hand, poor quality of sleep among auditors has the potential to increase the risk of ego depletion. A depleted ego has a negative impact on the quality of judgment in an audit.

Auditing is a profession that is often faced with the phenomenon of ego depletion, due to the high cognitive load that auditors must bear. This is mainly due to the demands of multitasking in carrying out work efficiently, which is an important characteristic of this profession (Mullis & Hatfield, 2018). According to Hurley (2017), during peak periods, auditors often start the day with a depleted mental state, which results in a decrease in the quality of judgment and decision making (JDM). The main causes of this condition are increased working hours, heavier workloads, and stress due to approaching deadlines during the busy season (Salama et al., 2022; Sweeney & Summers, 2002). This study aims to explore the elements that influence JDM quality.

Literature Review

Ego Depletion

The strength model of self-regulation is the foundation of ego depletion theory. At work, self-regulation is necessary for inducing psychological and behavioral changes in individuals. The strength model of self-regulation is a theory that uses a muscular comparison to explain ego depletion, willpower, and performance (Baumeister et al., 2019). Self-regulation utilizes a finite quantity of energy resources, similar to muscle, and results in ego depletion when the energy reaches its lowest level (Baumeister & Vohs, 2007). Controlling thoughts and emotions, overcoming undesirable pressures, focusing attention, guiding behaviors, and making decisions are all examples of self-regulation activities. For this reason, using self-control to maintain vigilance leads to greater levels of depletion than engaging in cognitive processing in an audit planning task or inhibiting impulses in a task from the psychology literature. Depleting tasks reduces auditors' confidence in task performance when compared to a non-depleted control group (Hurley, 2019). In addition, for the auditing environment, ego depletion probably has a pervasive impact and can impair the quality of auditors' judgment and decision-making (Hurley, 2015).

Maintaining emotional stability, including patience and focus, is an important aspect of self-regulation in the workplace, requiring significant effort. The strength model suggests that excessive physical and mental exertion in the past can reduce self-control abilities (Muraven et al., 1998). Based on various studies, Baumeister and Vohs (2007) and Wei and Yu (2022) suggest that ego depletion can be triggered by physical conditions, including low blood sugar levels as one of the causes. However, in the context of this project which focuses on auditors, testing variables through physical examination is considered impractical and not in accordance with the research objectives. Considering that quality of sleep and interpersonal conflict are closely related to auditors' daily activities, these two aspects were identified as relevant variables to study in the context of auditor ego depletion. Therefore, research on these two antecedents of ego depletion (Baumeister et al., 2019) was not conducted within the scope of the audit.

Time Budget Pressure

Audit quality can decrease due to limited time and funds (Lee, 2012). Broberg et al. (2017) show that audit quality is compromised by unrealistic and very limited time allocation. Auditors in carrying out their routine duties set a time budget based on the estimated time required for each stage in the audit program. In line with the findings of Broberg et al. (2017), when facing budget time constraints, auditors can react functionally or dysfunctionally. Kelly et al. (2011) stated that the higher the time and budget pressure on auditors, the lower the quality of the audit produced.

Quality of Sleep

Self-control can be renewed through rest and sleep between days, consistent with existing psychology literature (Baumeister et al., 2019; Wei & Yu, 2022), with indirect evidence supporting this concept. Sleep and relaxation play a role in recharging self-control resources, thereby preventing ongoing states of depletion. However, workload overload can reduce self-control abilities more than what can be restored through sleep and relaxation, resulting in individuals starting a new day with lower self-control resources. In addition, dealing with stress and trauma can cause significant fatigue that cannot be completely overcome by rest alone (Baumeister et al., 2019; Wei & Yu, 2022). For auditors, in particular, finding adequate relaxation and recovery time during busy seasons may be more difficult than in off-season periods.

Audit Judgment

Independent auditors' professional judgments in their auditing job are referred to as audit judgments (Gibbins, 1984; Rahmansyah et al., 2022). Professional judgments represent collective judgments made at all stages of audit work, including audit planning, audit evidence collection and review, and audit opinion generation. The establishment of material cut-off points, the identification of audit objectives, the assessment of the sources and types of risks, and the development of appropriate audit views are all examples of audit judgments. In auditing, audit judgments are extremely important (Hogarth, 1991; Rahmansyah et al., 2022).

Auditors can employ a systematic and rigorous audit process to make decisions, which consists of two main activities: evidence search and evidence evaluation (Riyadi & Nur, 2023; Yustina & Gonadi, 2019). These activities assist auditors in determining the audit methods to follow and the standards to apply. Auditors exercise their judgment when analyzing audit evidence to determine whether financial information contains serious misstatements or significant inaccuracies. An audit opinion on the client's financial statements is based on these audit judgments. As a result, the auditors' judgments on the accuracy and fairness of the facts given in the client's financial statements are reflected in the audit report's opinion.

Audit judgment is subjective, giving auditors the freedom to determine the type, scope and timing of audit procedures. This flexibility has the potential to cause inaccuracies or inconsistencies in taking audit judgment, and can result in a lack of agreement or trust in audit judgment among auditors (Riyadi & Nur, 2023; Tan et al., 2002). Therefore, audit judgment does not always reflect high quality (Yustina & Gonadi, 2019). Inaccuracies, inconsistencies, or lack of consensus that emerge during the audit process, such as in setting materiality thresholds or in providing an audit opinion, are an indication of low quality audit judgment. To provide quality audit services, auditors must be able to maintain the quality of their audit judgment (Davis et al., 2000). Low quality judgments can lead to audit failure in serious situations (Cullinan, 2004).

The effect of time budget pressure on audit judgment

Budget and audit time constraints are challenges that auditors often face. This pressure can affect their performance. Typically, auditors work with tight time limits which can reduce their ability to produce quality audit results. Yustina and Gonadi (2019) found that time budget constraints reduce the effectiveness and efficiency of audit activities. When the allocated audit time is inadequate, this adds pressure and limits the auditor's ability to carry out the audit process well. This situation can lead to inappropriate decision making. According to Broberg et al. (2017), time budget pressure has a negative impact on audit quality. In contrast, Munidewi et al. (2021) argue that time budget pressure does not have a significant influence on audit judgment, while Lee (2012) states that this pressure has a positive and significant influence. From the review above, the first hypothesis is formulated as follows:

H₁: Time budget pressure has a negative effect on audit judgment.

The effect of quality of sleep on audit judgment

Previous studies have shown that poor quality of sleep can increase the risk of deviance and maladaptive behavior at work. In addition, excessive workload can reduce self-control, which cannot be fully restored just by sleep and relaxation. This results in a decrease in the self-control resources available to face the next day. In the audit context, where self-control is needed, especially during peak work periods, the results of research by Hayati et al. (2022) shows that quality of sleep does not have a significant influence on the quality of audit judgment. However, poor quality of sleep can lead to maladaptive behavior that negatively impacts the quality of audit judgment. Based on this description, the second hypothesis that can be taken is as follows:

H₂: Quality of sleep has a positive effect on audit judgment.

The effect of ego depletion on audit judgment

Excessive workload can reduce audit quality (López & Peters, 2012). Hurley (2019) emphasizes that the level of careful review before accepting the initial hypothesis and caution in accepting explanations from clients are important indicators of the quality of management decision making (JDM) that determine audit quality. Baumeister et al. (2019) and Wei and Yu (2022) state that ego depletion, which is a theory based on the strength model, can inhibit auditors' cognitive abilities in forming logical alternative hypotheses for decision making. Mullis and Hatfield (2018) added that auditors who have carried out many tasks often have difficulty recognizing errors, especially conceptual errors compared to technical errors. From this, it can be concluded that the lower the quality of management decision making (JDM) of an auditor, the higher the level of ego depletion experienced, and vice versa. Previous studies by Hurley (2019), Mullis and Hatfield (2018) and Mursita et al. (2019) have put forward similar predictions.

H₃: Ego depletion has a negative effect on audit judgment quality.

Research Method

This study adopts a quantitative approach using a Likert scale from 1 to 5 through a questionnaire survey to collect primary data from external auditors working in public accounting firms in Indonesia, including the Big Four and non-Big Four. Data was collected through an online survey, and samples were taken through convenience sampling considering the ease of access and wide population of internet users. To ensure respondents have an adequate understanding of auditing, the selected auditors must have a minimum of six months of work experience, ensuring they have received relevant audit training and experience both in theory and practice.

A Likert scale-based questionnaire was used for data collection. Based on the criteria of Hair et al. (2019), the sample size is determined by the rule that there must be five respondents for each question item. With 19 questions covering two independent variables, one dependent variable, and one moderating variable, this study requires a minimum of 95 respondents to meet the requirements for an adequate sample size according to these standards.

Variables and Measurement

These findings emphasize the importance of self-control resources, which can be depleted if not restored through adequate sleep and relaxation. Furthermore, excessive workload can deplete self-control resources more than can be recovered through rest, causing a significant decrease in self-control resources the following day (Mursita et al., 2019). In this study, quality of sleep was used as an independent variable which was measured using a questionnaire based on the study of Buysse et al. (1989). Quality of sleep is measured using a Likert scale, allowing respondents to choose a value between 1 and 5, where 1 means strongly disagree and 5 means strongly agree.

Time and budget constraints contribute to reduced audit quality (Lee, 2012). Broberg et al. (2017) added that inadequate time allocation and tight time budgets are the main factors that influence the decline in audit quality. In practice, each auditor who receives a routine audit assignment sets a time budget based on the estimated time needed to complete each stage in the audit program. To measure time budget pressure as an independent variable, this research uses a questionnaire developed by McNair (1987). Time budget pressure was measured using a Likert scale, where respondents were asked to choose a value from 1 to 5. This scale starts from 1, which indicates strongly disagree, to 5, which indicates strongly agree.

Self-regulatory activities include control over thoughts and emotions, dealing with negative stress, focusing attention, directing behavior, and decision-making processes. In the work environment, self-regulation can be considered a manifestation of emotional stability, including the ability to maintain composure and concentration. This process requires significant effort because, according to strength theory, excessive physical and mental activity can weaken self-regulatory abilities. In this study, ego depletion was measured as a moderating variable, using a questionnaire that had been developed in a previous study by (Lee, 2012). To measure ego depletion, the researcher applied a Likert scale that allows respondents to choose a value between 1 and 5, where 1 means strongly disagree and 5 indicates strongly agree.

Audit judgment is a professional judgment taken by an independent auditor during the audit process (Gibbins, 1984; Rahmansyah et al., 2022). This judgment includes a series of assessments made in various stages of the audit, from planning, collecting, and evaluating audit evidence, to forming a final audit opinion. In this study, the researcher measured audit judgment as the dependent variable using a questionnaire developed in a previous study by Hurley (2019). A Likert scale is used to assess the audit assessment, where respondents are asked to choose a value from 1 to 5. A value of 1 indicates a strong level of disagreement, while a value of 5 indicates a high level of agreement.

Statistical Tools

The Structural Equation Model (SEM) tool with Partial Least Squares (PLS) was used in this research as a statistical technique. One of the advantages of using PLS-SEM is its ability to test complex research models simultaneously and evaluate variables that cannot be tested directly while considering measurement error (Hair et al., 2010). Therefore, we chose to use PLS-SEM in this study.

Results and Discussion

Data for this study was collected from external auditors from both Big Four and non-Big Four public accounting firms in Indonesia. Respondents were asked to provide demographic information such as gender, latest education, auditor position, type of public accounting firm they work for, and salary amount. The questionnaires were distributed to the respondents, and we managed to get 100 complete questionnaire results.

Table 1 displays the demographic statistics of the respondents in percentage form. Of the total 100 respondents, 52% were male and 48% were female. Regarding the level of education, 84% of the respondents have a Bachelor's degree (S1). A total of 75% of the respondents served as junior auditors, while 15% were senior auditors. Most respondents come from non-Big Four companies. Furthermore, most respondents have an income of more than Rp5,000,000.

Table 1. Demographic Data

Description	Respondent	Percentage (%)
Gender		
Male	48	48%
Female	52	52%
Education Level		
S1 (Bachelor's Degree)	86	86%
S2 (Master's Degree)	13	13%
S3 (Doctorate Degree)	1	1%
Auditor's Position		
Junior Auditor	75	75%
Senior Auditor	15	15%
Manager Audit	7	7%
Partner	3	3%
Public Accounting Firm		
Non-Big Four	75	75%
Big Four	25	25%
Salary		
12,000,000	1	1%
25,000,000	1	1%
< Rp5,000,000	24	24%
> Rp5,000,000	73	73%
Based on the contract value with the client	1	1%

Source: processed data

Measurement Model Analysis

Identifying item loadings is a fundamental step in evaluating measurement models (Hair et al., 2019). Acceptance of item loading is considered good if the value is greater than 0.70, and if the significant p-value is less than 0.05. However, when the item loading values are in the 0.40-0.70 range, the average variance extracted may fall below 0.50, signaling a problem. In this context, no invalid indicators were found in Figure 1.

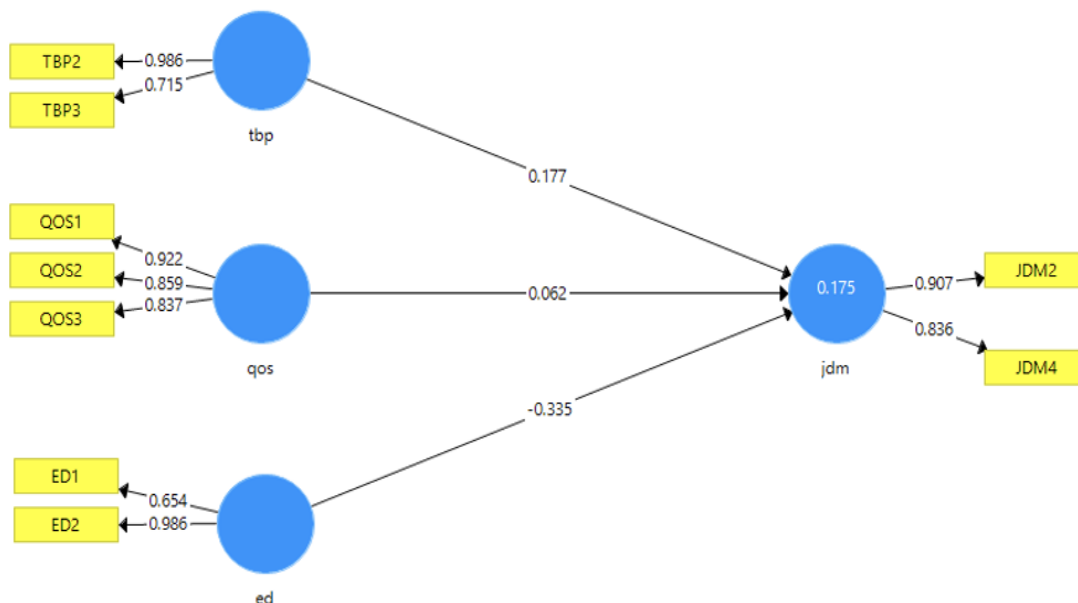


Figure 1. Model Analysis

Validity and Reliability Test

We conducted tests to assess whether the questionnaire, when used as a measuring tool, was able to provide the expected results. The validity test, as explained by Hair et al. (2019), consists of two types of tests, namely convergent validity test and discriminant validity test. In the convergent validity test, the factor loading value must be at least 0.70, and the p-value must be less than or equal to 0.05 to be considered significant (see Table 2).

Table 2. Convergent Reliability Test

Variables	Cronbach Alpha	Rho A	Composite Reliability	AVE
Audit Judgment	0.691	0.724	0.864	0.761
Ego Depletion	0.682	2.000	0.817	0.700
Quality of Sleep	0.853	0.954	0.906	0.763
Time Budget Pressure	0.739	2.023	0.848	0.741

Source: processed data

Each variable shows a Composite Reliability value greater than 0.70 and an Average Variance Extraction (AVE) value greater than 0.50, indicating that all variables have passed the convergent validity test.

The two instruments used to test dependability are composite reliability and Cronbach's alpha. By analyzing the level of dependability of each variable, this reliability test aims to assess whether respondents are consistent in answering the questionnaire. Both instruments are considered reliable if their values exceed 0.70, in accordance with the provisions listed in the previous table.

Table 3. Discriminant Validity Test

	ED	JDM	QOS	TBP
ED	0.837			
JDM	-0.359	0.873		
QOS	-0.138	0.200	0.874	
TBP	-0.092	0.240	0.518	0.861

Source: processed data

The correlations between components in the same column are less than the square roots of AVE, as seen in Table 2. The brackets show the square roots of the AVE, formed diagonally. For example, the square roots of AVE for quality of sleep (QOS) in this study are 0.874.

Structural Model Analysis

The researcher evaluates the structural model while considering the measurement model. At this stage, the researcher checks for collinearity and the coefficient of determination (R^2). To test for collinearity, the inner variance inflation factor (VIF) is used. It is important to test the inner VIF to ensure the consistency of the internal model with the regression results (Hair et al., 2019). According to Hair et al. (2014), most VIF values close to or less than 5 are considered acceptable. In this study, no significant effect of collinearity on the VIF value was found, as shown in Table 4.

Table 4. Inner VIF Value

	VIF Value
Ego Depletion (ED)	1.020
Quality of Sleep (QOS)	1.383
Time Budget Pressure (TBP)	1.368

Source: processed data

Table 5. R Square

	R-Square
Audit Judgment	0.175

Source: processed data

The R^2 is 0.175, which is equivalent to 17.5%. This indicates that 17.5% of the variation in the audit judgment variable can be explained by the independent variables examined in this study. Meanwhile, the remaining 82.5% is influenced by other factors not examined in this study.

Hypothesis Testing

The researcher used the path coefficient to test the hypothesis and determine the significance of the relationship between variables (Hair et al., 2014). In the context of using the PLS-SEM program for moderation testing, researchers state that the independent variable and the dependent variable must have a direct influence on each other. The relationship between the two variables is considered positive and significant in this test if the direct

effect between the independent and dependent variables has a positive initial sample value, T-Statistics > 1.96, and P-Values < 0.05.

Table 6. Hypothesis Result

	Original Sample	T-Statistics	P-Values
Time Budget → Pressure Audit Judgment	0.177	1.403	0.161
Quality of Sleep → Audit Judgment	0.062	0.469	0.639
Ego Depletion → Audit Judgment	-0.335	2.420	0.016

Source: processed data

Table 6 shows that the original sample for the effect of time budget pressure on audit judgment has a value of 0.177, with a T-statistic of 1.40303, and a P-value of 0.11. The T-statistic and P-value do not meet the criteria, indicating that time budget pressure has no significant effect on audit judgment. Therefore, the hypothesis stating that time budget pressure has a negative and significant effect on audit judgment is rejected.

For the effect of quality of sleep on audit judgment, the original sample showed a value of 0.062, with a T-statistic of 0.469 and a P-value of 0.639. The T-statistic and P-value do not meet the criteria, which indicates that quality of sleep has no significant effect on audit judgment. Thus, the hypothesis that quality of sleep has a positive and significant effect on audit judgment is rejected. The original sample for the effect of ego depletion on audit judgment has a value of -0.335, with a T-statistic of 2.420 and a P-value of 0.016. Ego depletion has a negative and significant effect on audit judgment, because the T-statistic and P-value meet the criteria. Thus, the hypothesis is accepted.

The first hypothesis (H1) suggests that time budget pressure has a negative impact on audit decisions. According to Hidayati (2019) and McDaniel (1990), time budget pressure can reduce the effectiveness and efficiency of audit activities. This situation occurs when the audit work unit gives auditors limited time to complete certain audit processes, creating time budget pressure. With limited time compared to the volume of activities that must be carried out, auditors may face the risk of making inaccurate judgments. Broberg et al. (2017) confirmed that time budget pressure negatively affects audit quality. However, the findings of this study indicate that time budget pressure has no significant effect on audit decisions. This condition can be explained by the fact that auditors routinely face time and budget pressures in carrying out their duties. Despite being faced with intense pressure, audit decisions do not show a decrease in quality or a negative influence. This finding is consistent with research conducted by Lee (2012) and Munidewi et al. (2021), which found that despite being under pressure, auditors still maintain audit quality. This is because they realize the importance of managing time and budget pressures and their commitment to audit quality, so they do not feel burdened.

The author conducted interviews with five people working in public accounting firms, consisting of three senior auditors and two partners. As a result, most respondents, namely four people, stated that time budget pressure does not significantly affect audit judgment. The reason is because they are used to high time pressure in the auditor's job but can still provide accurate judgment in the audit. One other respondent revealed that deadlines do not affect them because they see the importance of being responsible in making the right audit judgment.

The second hypothesis (H2) predicts that quality of sleep has a positive and significant effect on audit judgment, indicating that an increase in quality of sleep should go hand in hand with an increase in audit judgment, or vice versa. However, the results of the study did not support H2, showing that quality of sleep has no significant effect on audit judgment. This is reinforced by Zhang's (2018) findings, which state that factors external to the auditor have more potential to cause good or bad audit judgment compared to internal factors such as quality of sleep. Each individual is responsible for their own quality of sleep. There are situations where poor quality of sleep does not necessarily reflect a lack of cognitive resources, which can lead to poor audit judgment. Thus, this study found that there is no significant influence between quality of sleep and audit judgment.

In the interviews conducted, all respondents stated that quality of sleep has no effect on audit judgment. The most frequently expressed reason is that they realize that auditors' quality of sleep is usually not good, a condition that they already understood before starting their career as auditors. Therefore, they argue that poor quality of sleep is not a reason to produce an inappropriate audit judgment.

The third hypothesis (H3) proposed that ego depletion has a negative and significant impact on audit judgment. The research findings support this hypothesis, showing that ego depletion does have a negative and significant impact on audit judgment. This is because after performing many tasks, it becomes more difficult for auditors to identify initial errors, especially conceptual errors compared to technical errors (Mullis & Hatfield, 2018). The quality of auditors' judgment decision making (JDM) decreases as their level of ego depletion increases, and vice versa. Similar opinions have been conveyed by Hurley (2019), Mullis and Hatfield (2018), and Mursita et al. (2019). These five respondents mostly agreed that ego depletion can affect their audit judgment. They admitted

that when they feel stressed and experience ego depletion, it becomes more difficult for them to identify errors, which in turn can affect audit judgment.

The findings of this study reveal two important implications. First, this information is useful to practitioners by demonstrating that employees who are overworked and under pressure do not necessarily result in poor audit judgment, potentially leading to unethical behavior and harm to the organization and client. Second, these results provide insight to partners in public accounting firms or human resources departments on the importance of recognizing early warning phenomena facing auditors today, particularly with regard to time, budget pressure, and quality of sleep in audit judgment making. In addition, by using a survey, this study seeks to provide conclusions that reflect the real situation of the auditor's world, specifically to examine the effect of time budget pressure, quality of sleep, and ego depletion on audit judgment. Based on a survey conducted on external auditors from big four and non-big four KAP (Public Accounting Firm) in Indonesia, evidence was found that ego depletion has a negative influence on audit judgment. After handling multiple tasks, auditors encounter difficulties in recognizing initial errors, especially conceptual errors compared to technical errors, in line with the findings of Mullis and Hatfield (2018). However, time budget pressure and quality of sleep did not show a significant influence on audit judgment. This is because auditors constantly face time and budget pressures in their work. Despite facing great pressure, audit judgment is not negatively affected, and quality of sleep is an individual responsibility. There are situations where poor quality of sleep does not directly indicate a lack of cognitive resources that can negatively affect audit judgment.

Conclusion

The main objective of this study is to understand the effect of time budget pressure, quality of sleep, and ego depletion on audit judgment during the high season. In this study, four hypotheses have been tested involving 100 respondents who are auditors in public accounting firms, both big four and non-big four. The data were analyzed using SmartPLS software. The results of the analysis showed that all hypotheses were rejected, except for the hypothesis relating to the negative and significant effect of ego depletion on audit judgment. The main conclusions of this study are as follows: First, time budget pressure has no significant effect on audit judgment, mostly because auditors are used to time pressure and it does not affect their judgment. Second, quality of sleep does not have a significant influence on audit judgment, because quality of sleep is something that is determined by each individual. Finally, ego depletion has a negative and significant effect on audit judgment. The implications of this study include two main things: first, providing insight to partners in the Public Accounting Firm or the human resources department about the current phenomenon among auditors, which can be used as an early warning. Second, this study can provide benefits for academics and other researchers who are interested in further exploring the factors that influence audit judgment during the peak or high season.

The questionnaire used in this study faces several weaknesses and limitations. First, there is a risk that respondents may not take filling out the questionnaire seriously, which results in inaccurate results or does not reflect the actual situation. Second, the scope of this study is limited, involving only 100 respondents, so it does not represent the entire population of auditors in Indonesia. In addition, this study only focuses on three variables: time budget pressure, quality of sleep, and ego depletion, without considering other variables that may be influential. This study also failed to prove any significant effect of time budget pressure and quality of sleep on audit judgment.

Based on the results and findings of this study, the researcher recommends that future studies ensure that each respondent answers the questionnaire honestly and seriously. It is also recommended to expand the scope of research by involving more respondents from various regions, so that the results can be more representative. Future research can consider other variables that may affect audit judgment, such as auditor competence and independence. In addition, it is important for future research to test and prove whether time budget pressure and quality of sleep really have an influence on audit judgment.

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