

ABSTRACT

The materiality consideration is a professional consideration influence by an auditor perception on the need of people who have a sufficient knowledge and put a trust on the financial report. The research aimed to know the relationship between an external auditor and professional ethics as an independent variable and dependent variable that is a consideration of the materiality level in auditing process of the financial report. The research's respondents are some professionals working either as a junior auditor, senior auditor, supervisor auditor, supervisor, manager or partner in Public Accountant Firm located in South Jakarta. Using the no probability sampling method, the research tries to collect some important information given by respondents. Questionnaire is a tool used to measure the variables. The hypotheses were tested with Kendall's Tau nonparametric statistic method in order to know if there is a relationship between an external auditor and professional ethic with the consideration of materiality level in auditing process of the financial report.

An external auditor professionalism variable is indicated from five dimensions, that is: dedication, social obligation, independence, profession trustworthy and relation with same profession. Another variable is a professional ethics is indicated base on accountants code of conduct by IAI, there are: responsibility, public interest, integrity, indecencies, competence, secrecy, professional conduct and technical standards. The result of this research shows all the variables have significant relation. It means high professionalism of external auditor and professional ethics makes the consideration of materiality level better.

Keywords: auditor, profesionalism, professional ethic, materiality