Government Auditors' Capabilities to Detect Fraud and The Factors that Influence Them

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ARTICLE INFO :

ABSTRACT

Fraud is behavior that is contrary to the law carried out by individuals, both from within and outside the organization, with the intention of gaining personal or group benefit while harming other people. This research aims to determine the influence of professional skepticism, competence, independence and ethics on the auditor's ability to detect fraud. The variables of this research are professional skepticism, competence, independence and ethics as variable This research used census techniques, so the number of samples in this study was 56 people. Data analysis in this study used statistical analysis with Statistical Product and Service for Windows version 26.00 (SPSS version 26). The results of this research show that Professional Skepticism has a significant effect on the auditor's ability to detect fraud, Competence has a significant effect on the auditor's ability to detect fraud, Independence has a significant effect on the auditor's ability to detect fraud, Ethics has a significant effect on the auditor's ability to detect fraud.

INTRODUCTION

The growth of the economy and technology during globalization not only has positive consequences for financial management in a country, but can also be a stumbling block for some parties to commit fraud for individual gain. The fraud that occurs not only in industries, organizations, but also enters government institutions. Meanwhile, the government holds the mandate of the people by using the country's energy sources, such as taxes to carry out the wheels of government

According to Mardiasmo (2018) there are 3 Supervision, control, and checking are the main components that support good governance. Supervision is an action taken by the public and the Regional People's Representative Council (DPRD) outside the executive to oversee government performance. The executive uses control mechanisms to ensure that management systems and policies are used properly so that organizational goals can be achieved.

In relation to checking the management and financial responsibility of the state, Article 9 paragraph (1) of Law No. 15/2004 states that:" In organizing the audit of public financial management and responsibility, the BPK may use the results of the audit of the government's internal control apparatus." As mentioned above, the position and use of internal audit is a significant factor in an adequate organizational control system. To be able to support the effectiveness of the implementation of audits by internal auditors in accordance with the mandate of article 9 paragraph (1) above, the position and use of internal audits need to be emphasized and clarified.

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The following are the achievements of the Kuansing Inspectorate as an internal auditor in recent years in revealing corruption cases in Kuantan Singi where the amount of state losses is quite large.

Table 1. Corruption Cases in Kuantan Singingi District

No	Case	Year Revealed	Amount
1.	Corruption cases of former regent of Kuansing Adi Putra	2022	Rp. 1.500.000.000,00
2.	Corruption cases of former regent of Kuansing Mursini	2021	Rp. 7.400.000.000,00
3.	SPPD corruption case of former head of Kuansing BPKAD	2023	Rp. 500.000.000,00
4.	Corruption cases former Kuansing DPRD member	2021	Rp. 1.600.000.000,00

Source : Kuansing inspectorate, 2024

Table 2. Corruption Cases in 2023

No	Case	Planning year	Amount
1.	Kuansing Hotel	2013-2014	Rp. 22.637.294.608,00
2.	Kuansing Sport Center Main Stadium Athletic Track Project	2020	Rp. 1.041.946.877,73

Source : Kuansing inspectorate, 2024

The Kuantan Singingi (Kuansing) District Attorney's Office (Kejari), Riau, has named two suspects in the corruption case of the Kuansing Hotel construction. This was conveyed by the Section Head (Kasi) of Legal Information (Penkum) of the Riau High Prosecutor's Office (Kejati), Bambang Heripurwanto. the two suspects are former officials in the Kuasing Regency Government (Pemkab). They are HY as the former Head of the Regional Development Planning Agency (Bappeda) in 2011-2013, and S as Head of the Land Section (Kabag) in 2009-2016. The two suspects allegedly committed corruption in the construction of the Kuansing hotel in the 2013-2014 fiscal year. the actions of the two suspects cost the state Rp22,637,294,608.00.

In addition, the Kuantan Singingi State Attorney's Office (Kejari) also named three suspects for alleged corruption in the athletic track construction project of the Sport Center Main Stadium at the local Education, Youth and Sports Office for the 2020 budget year, with the initials M, YZ and IC. Suspect YZ is the Acting Commitment Maker (PPK) as well as the Budget User Authority (KPA), M is the President Director of PT Ramawijaya, and IC is the Manager of PT Ramawija. The determination of the suspect was made after the investigating team pocketed two sufficient evidence based on Article 184 paragraph (1) of the Criminal Procedure Code. The activity was carried out by PT Ramawijaya with a contract value of IDR 8,579,579,000 where the source of funds was the Kuansing Regional Budget for the 2020 Fiscal Year (FY).

From the above problems, we can conclude that the level of fraud in the government environment is very significant. This issue highlights the importance for auditors to have good competence in detecting fraud when they audit financial statements. If auditors fail to identify fraud, this can reduce the credibility of auditors in terms of reporting and can also reduce public trust in the public accounting profession.

How did this happen? Ineffectiveness and waste of local government budgets are caused by weak internal controls. In addition, the lack of internal control in local government administration has led to a number of officials at lower levels of government who are not or not ready to implement regional autonomy, especially with regard to moral and ethical issues.

In their roles and functions, regional inspectorates are similar to internal auditors. They are in charge of carrying out general supervision of local governments and also carry out other tasks assigned by the head of the region. Internal auditors use the internal audit function, an independent assessment, to test and evaluate an organization's operations. Internal auditors are expected to play a more active role in improving the effectiveness and efficiency of organizational operations.

The ability of professional skepticism, namely the behavior of auditors by always questioning and critically assessing existing audit evidence (SA section 230), can affect auditors in detecting fraud. In

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accordance with research conducted by Trinanda Hanum Hartan (2016), it shows that professional skepticism has a positive effect on the auditor's ability to detect fraud.

Auditors are not only required to exercise professional skepticism, but are also required to have a high level of independence and remain honest professionals. The auditor must be independent in everything he does, especially if he wants to find violations of provisions in the financial statements. Despite pressure from other parties, the auditor must be able to report the actions that occur. (Monalisah et al., 2020)

Good auditor competence allows them to conduct audits more efficiently and effectively, and they can also increase sensitivity or sensitivity in analyzing the financial statements they audit. Although auditors have different levels of competence, all of them bear identical responsibilities and obligations in the process of auditing financial statements.

Djamil (2023) Internal Control Apparatus (APIP) in government agencies run internal auditors. APIP is responsible for overseeing local government affairs in accordance with their functions and authorities. In accordance with PP No. 79/2004 paragraph 2, the responsibility for carrying out the function of the internal control system in Indonesia is given to the Inspectorate General of the Department, Provincial Inspectorate, District/City Inspectorate, and Supervisory Unit of Non-Departmental Government Institutions.

Aviani Sanjaya (2017) states that auditors who have an independent attitude will not experience difficulties or pressure to reveal something that is not in accordance with reality because they will always think objectively, honestly, and act fairly. They must also always maintain independence in conducting audits to build client trust and maintain a professional attitude as auditors. Therefore, the more independent auditors are, the more objectively they will act in every audit process.

Auditors' ethics are essential in maintaining integrity and professionalism in their work. They must adhere to strict ethical standards, including independence, integrity and discretion in carrying out their duties. Ethics violations can result in serious sanctions and reputational damage for an auditor.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Fraud Triangle Theory

The fraud triangle theory also known as the "Fraud Triangle" is a model used to explain the factors that can cause a person to engage in acts of fraud or fraud. This theory was first proposed by Donald Cressey in 1953 and is often used in criminology and forensic audit studies (Arifin & Kunarto, 2020). The Fraud Triangle Theory identifies three main factors necessary for an act of fraud to occur:

1. Pressure
2. Opportunity
3. Rationalization

The combination of these three factors, namely pressure, opportunity, and rationalization, can encourage a person to engage in fraud. Therefore, to prevent fraud, organizations often seek to reduce opportunities and promote a strong ethical culture among their employees.

B. Auditor's Ability to Detect Fraud

Ability is the capacity of an individual to perform various tasks in a job, ability is a current assessment of what a person can do (Prasetya et al., 2023). Within a certain period of time recorded in the financial statements, the management and financial condition of the company are expected to be in accordance with applicable auditing standards.

ACFE divides fraud into three main groups:

1. Corruption
2. Asset Misappropriation:
3. Fraudulent Financial Statement.

C. Professional Skepticism

Auditor professional skepticism refers to the attitude in which auditors always question and critically assess audit evidence (Panggabean, 2022). Skepticism comes from the word "skeptical," which indicates a sense of doubt or distrust. Financial statements must be audited with professional skepticism based on the auditing standards of the Indonesian Institute of Accountants. (Arifin & Kunarto, 2020).

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Fullerton (2017) has developed a model used as an indicator to measure professional skepticism, which was later adopted by Octavia (2019). There are three main characteristics that a person has when they apply professional skepticism, namely:

1. Characteristics related to testing audit evidence
   a. Questioning mind (a mindset that always asks questions)
   b. Suspension of judgment (delay in decision making)
   c. Search for knowledge
2. Characteristics related to understanding audit evidence or Interpersonal understanding (interpersonal understanding.
3. Characteristics related to a person's initiative to be skeptical based on the audit evidence obtained
   a. Self confidence
   b. Self determination

According to the definition of the words skepticism and professional, professional skepticism is the attitude of auditors who always question and question everything, critically assess audit evidence, and make audit decisions based on their audit expertise (Ningtyas, 2018).

Djamil (2023) An audit opinion is a professional opinion given by an independent auditor after examining an entity's financial statements. This opinion reflects the results of the auditor's evaluation of the fairness of the presentation of the financial statements, as well as conformity with applicable accounting standards. Audit opinions generally consist of several types, including unqualified opinion, qualified opinion, adverse opinion and refusal to give an opinion (disclaimer of opinion). Audit opinions provide important information to users of financial statements about the extent to which they can rely on the information contained in the financial statements.

Audit opinions have an important impact on the perceptions of users of financial statements, such as investors, creditors and other stakeholders. A clean opinion increases confidence in the financial statements, while an opinion provided with exceptions, disclaimers, or disclaimers indicates the existence of issues that need attention.

D. Competence

Competence is the ability to determine or decide something. Adequate education and experience of auditors are part of competence (Kamus Besar Bahasa Indonesia). Competence, according to Wibowo (2016), is defined as the ability to carry out a task or job that depends on skills and knowledge, and is supported by work attitudes relevant to the job. Competent auditors are auditors who have sufficient knowledge, training, skills and experience to successfully complete their audit tasks (Ningtyas, 2018).

In accordance with Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning the Government Internal Control System, internal audits are carried out by officials in charge of supervision who have met the competency requirements to become auditors. Participation and graduation in the certification program shows the competence of the auditor's expertise. According to the State Financial Audit Standards released by the Supreme Audit Agency of the Republic of Indonesia in 2017, competence refers to the education, knowledge, experience, or skills possessed by a person in the field of examination and specific fields. Said in (Yusnelly et al., 2023).

Djamil (2023) Financial statement disclosure refers to the additional information and details provided in a company's financial statements beyond the basic financial numbers. These disclosures are an integral part of financial reporting and are intended to provide users of financial statements with a more comprehensive understanding of the company's financial position, performance, and cash flows.

Financial statement disclosures include notes, explanations, and supplementary information accompanying the main financial statements (balance sheet, income statement, and cash flow statement). The purpose of these disclosures is to (Roussy, M., 2013):

1) *Clarify Accounting Policies*: Disclose the accounting policies and methods used by the company in preparing its financial statements. This helps users understand how specific transactions are accounted for.
2) *Provide Additional Details*: Offer additional information about specific line items in the financial statements. For example, the notes may provide details about the composition of certain assets or liabilities.

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3) *Explain Contingencies and Risks*: Disclose any contingencies, uncertainties, or risks that could impact the company's financial health. This may include legal proceedings, potential liabilities, or market risks.

4) *Detail Long-Term Obligations*: Provide information about long-term obligations, such as debt terms, repayment schedules, and interest rates.

5) *Segment Reporting*: If applicable, disclose financial information about different business segments. This is common for companies with diverse operations in various industries.

6) *Related Party Transactions*: Disclose transactions with related parties, such as key executives, significant shareholders, or affiliated companies. This ensures transparency and helps identify potential conflicts of interest.

7) *Fair Value Measurements*: If the fair value measurement is used for certain assets or liabilities, disclose the methods and assumptions applied in determining fair values.

8) *Changes in Accounting Standards*: Disclose any changes in accounting standards or policies and their impact on the financial statements.

9) *Subsequent Events*: Provide information about events occurring after the end of the reporting period but before the financial statements are issued.

10) *Earnings per Share (EPS)*: Disclose the computation of earnings per share, which is required for publicly traded companies.

Financial statement disclosure enhances transparency, accountability, and the overall usefulness of financial reporting. Users, including investors, analysts, and regulators, rely on these disclosures to make informed decisions about an organization's financial health and future prospects

E. Independence

According to the Oxford Advanced Learner's Dictionary of Current English, the word "independence" means "in a state of independence" and "not dependent or controlled by others, not dependent on others acting, or thinking according to their own wishes, free from the control of others (Rahmi et al., 2024). According to the Regulation of the Supreme Audit Agency of the Republic of Indonesia Number 1 of 2017 concerning State Financial Audit Standards (SPKN), independence is an attitude and action in carrying out an examination that is impartial and not influenced by anyone. In carrying out their professional responsibilities, auditors must be objective and free from conflicts of interest to obtain objective and accountable results, this perspective is needed when auditors perform their duties (Abigael, 2022)..

According to the Regulation of the Supreme Audit Agency of the Republic of Indonesia Number 1 of 2017 concerning State Financial Audit Standards (SPKN), independence is an attitude and action in carrying out an examination that is impartial and not influenced by anyone. In carrying out their professional responsibilities, auditors must be objective and free from conflicts of interest to obtain objective and accountable results, this perspective is needed when auditors perform their duties (Abigael, 2022).

According to (Khoiri, 2022) to determine the independence of an auditor can be seen from the following indicators:

1. Independence in fact (independence in fact).
2. Independence in appearance (independence in appearance).
3. Independence in competence (independence from the point of expertise).

According to some of the above definitions, independence is an attitude that is not easily influenced when making decisions or taking actions. During the audit, the auditor maintains a high degree of independence when assessing, analyzing, and reflecting on all data. Auditors make an unbiased and balanced assessment of all relevant conditions without being influenced by personal interests or others.

Djamil (2023) Audit findings refer to the results or conclusions drawn by auditors based on their examination of an organization's financial statements, internal controls, and accounting practices. These findings may include identified issues, discrepancies, or areas of concern that deviate from established standards, policies, or regulations. Audit findings are crucial in providing insights into the accuracy, reliability, and compliance of an entity's financial reporting and internal control systems. They are typically communicated to management in the form of an audit report, detailing the specific findings, their implications, and recommendations for corrective actions if necessary. The purpose of audit findings is to assist

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stakeholders, such as management, board of directors, and regulatory authorities, in understanding the overall quality and integrity of the financial information presented by the audited entity (Djamil, 2023).

F. Ethics

The term ethics comes from the Greek Ethos which means; residence, pasture, habit, custom, character, attitude, way of thinking (Ihsan Karo Karo, 2018). Ethics comes from the word "habit", which means "the science of what is usually done" or "the science of good and bad human habits." Ethics are moral principles that govern the way people behave in their lives, including in their work, such as public accountants (Abigael, 2022).

By holding this principle, they will not be tempted to commit fraudulent or manipulative acts that can lead to fraudulent behavior manipulative actions that can lead to dysfunctional behavior (Djamil, 2023).

Below are the basic 5 basic ethical principles including:
1. Integrity
2. Objectivity
3. Competence and professional prudence
4. Confidentiality and
5. Professional behavior.

G. Conceptual Framework

Figure 1. Conceptual Framework
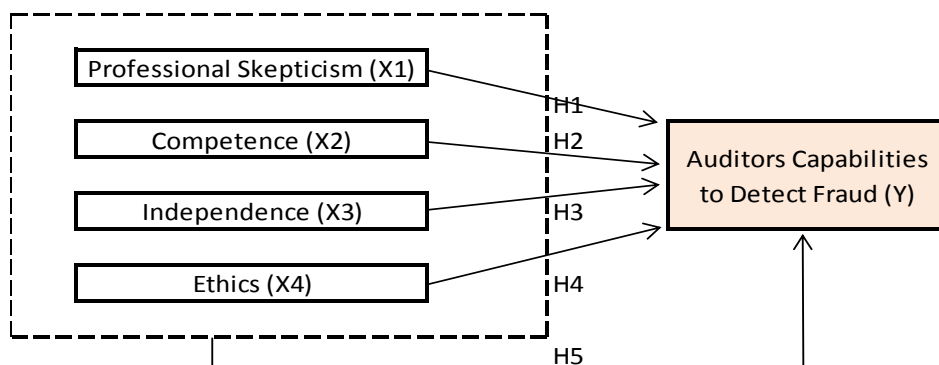
Source : Collection of Research (2024)

Statistical Equations :

$$Y_{it} = a + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + e_{it}$$

Variable Description:

Y	: Auditors Capabilities to Detect Fraud
X1	: Professional Skepticism
X2	: Competence
X3	: Independence
X4	: Ethics
a	: Constanta
β1 β2 β3 β4	: Regression Coeffisients
e_{it}	: error

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METHODS

Causal research focuses on causal relationships, so the influencing variable is the independent variable, and the influenced variable is the dependent variable. This study was conducted through direct observation and distributing questionnaires at the research location, the Kuantan Singingi Regency Inspectorate Office. This research was conducted at the Kuantan Singingi Regency Inspectorate Office which is located in the local government office complex. While the research time is September 2023. The population in this study were all staff of the Inspectorate of Kuantan Singingi Regency. The sample was taken from members of the inspection apparatus of the Inspectorate of Kuantan Singingi Regency, totaling 56 people. In the context of this study, all members of the population were sampled through a census. the type of data used is quantitative data, primary data obtained through the use of questionnaires distributed directly to respondents and secondary data obtained by accessing journals, books, and previous studies as references to support this research. This research variable, the dependent variable (Y) used is the auditor's ability to detect fraud and the independent variable consists of professional skepticism (X1), competence (X2), independence (X3) and ethics (X4)

1. Descriptive Statistical Test

Descriptive statistics aim to provide an overview of the distribution of data in the study as well as the quality of corporate disclosure, media coverage, environmental, social, and governance (ESG) disclosure, and corporate investment efficiency. The Statistical Product and Service for Windows version 26.00 (SPSS version 26) program assists with these tests.

2. Data Quality Test (Instrument)

a. Test of Validity

The validity test is used as a means to evaluate the validity and legality of the questionnaire. The correlation coefficient value between the score of each item and the total score is calculated through the item-total correction correlation analysis. The research instrument is considered valid if it meets the following criteria:

1) If r count> r table, it can be declared valid.

2) If r count < r table, it means that it can be declared invalid. At a significance level of 5%

b. Test of Reliability (Test of Reliability)

Reliability testing using Cronbach alpha (α). The Cronbach alpha coefficient which if more than 0.60 means that it shows the reliability (reliability) of the instrument.

3. Classical Assumption Test

a. Data Normality Test

The normality test is carried out to test whether the confounding or residual variables have a normal distribution. The normality test in this study was carried out through the Kolmogorov Smirnov method. Kolmogorof-Smirnof (K-S) at an alpha of 5%. If the significance value of the K-S test is greater than 0.05, the data is normal.

b. Multicollinearity Test

The purpose of the multicollinearity test is to determine whether the regression model finds a correlation between independent variables. A regression model that is free from multicollinearity has a VIF value of less than 10 and a torelence value greater than 0.1 (Firsti et.al, 2022).

c. Heteroscedasticity Test

The purpose of the heteroscedasticity test is to determine whether there is inequality in the variance and residuals between observations in the regression model. regression of the absolute value of the residuals against the independent variables, with the regression equation: $| Ut | = α + ßXt + vt$. If the significance value between the independent variable and the absolute residual is more than 0.05, there is no heteroscedasticity problem.

4. Hypothesis Test

In this study, hypothesis testing using multiple regression, multiple regression analysis is a technique used in this study to see the effect of independent variables on the dependent variable. Multiple regression

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analysis is a statistical technique used to evaluate the relationship between various independent variables and one dependent variable.

a. *The t test*

The test was carried out using the t test to determine whether the hypothesis used in this study was accurate. The decision making is:

1) Ho: $\beta = 0$, meaning that each of H1 and H3 will be rejected.
2) Ho : $\beta \neq 0$, meaning each of H1 and H2 will be accepted.

To find the t table with df = n-2, the real level of 5% can use the statistical table. The t table value can be seen using the t table. The decision making is:

1) When t count> t table, it means Ha is accepted and Ho is rejected
2) When t count < t table, it means that it is rejected and Ho is accepted

There are two bases for decision making:

1) If the probability > significant level (0.05), it means Ha is accepted and Ho is rejected
2) If the probability < the significant level (0.05), it means Ha is rejected and Ho is accepted.

b. *F test*

The F test is used to see if the regression model used is correct. Using SPSS, the significance value of F in the regression result output is checked before making a decision. If the significance level is 0.05 (α = 5%), Ho is rejected and Ha is accepted, which means that the independent variable has a significant effect on the dependent variable. In addition, it can also be seen from the probability value, if it is smaller than 0.05 (with a significance of 5%), then the independent variable has the same effect on the dependent variable. Meanwhile, if the probability value is greater than 0.05, the independent variables do not affect the dependent variable simultaneously.

c. *Test Coefficient of Determination (R^2)*

The coefficient of determination (R^2) is a measure of how well the model can explain the variation in the dependent variable. The R2 value ranges between zero and one, and a low R2 value indicates that the independent variables have a very limited ability to explain the dependent variable. On the other hand, an R2 value of almost one indicates that the independent variables provide almost all the information needed to predict the variation in the dependent variable.

RESULTS AND DISCUSSION

1. Descriptive statistics

Descriptive statistics provide a basic understanding of the structure and characteristics of a data set. The following are the results of descriptive statistics:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Professional Skepticism	56	14	70	57,48	13,532
Competence	56	10	50	38,48	11,453
Independence	56	33	55	41,45	6,027
Ethics	56	35	60	47,48	5,846
Auditors Capabilities to Detect Fraud	56	33	55	47,04	6,373
Valid N (listwise)	56				

Source : Processed Data, 2024

Descriptive Statistics test, the Professional Skepticism Variable has a minumum value of 14 maximum value of 70 mean / average value of 57.48, with a Std.Deviation of 13.532. The Competence variable has a minumum value of 10, a maximum value of 50, a mean / average value of 38.48, with a Std.Deviation of 11.453. The Independence variable has a minumum value of 33, a maximum value of 55, a mean / average value of 41.45, with a Std.Deviation of 6.027. The Ethics variable has a minumum value of 35, a maximum

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value of 60, a mean / average value of 47.48, with a Std.Deviation of 5.846. The Auditor Ability variable has a minumum value of 33, a maximum value of 55, a mean / average value of 47.04, with a Std.Deviation of 6.373.

2. Data Quality Test
a. Validity Test

Table 4. Auditor Capabilities to Detect Fraud Validity Test

	Item-Total Statistics		
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
P1	42.68	35.822	.540
P2	42.70	32.688	.899
P3	42.73	35.472	.547
P4	42.70	33.415	.836
P5	42.86	33.034	.895
P6	42.70	32.361	.908
P7	42.86	33.106	.786
P8	42.77	32.291	.945
P9	42.73	34.236	.737
P10	42.75	35.573	.593
P11	42.89	33.043	.882

Source : Processed Data, 2024

The Person Correlation value (r Count) for each question item is greater than r table. This means that all question items on the questionnaire that measure the Auditor Ability Variable are Valid.

Table 5. Professional Skepticism Validity Test

	Item-Total Statistics		
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
P1	53.38	158.820	.904
P2	53.43	156.649	.964
P3	53.38	158.675	.928
P4	53.16	160.028	.880
P5	53.32	158.768	.922
P6	53.46	156.653	.946
P7	53.54	157.162	.960
P8	53.36	158.925	.947
P9	53.36	158.888	.912
P10	53.39	157.661	.942
P11	53.39	157.661	.942
P12	53.30	157.997	.931
P13	53.36	157.870	.937
P14	53.45	156.470	.962

Source : Processed Data, 2024

Based on the table above, it shows that the Person Correlation value (r Count) for each question item is greater than r table. This means that all question items on the questionnaire that measure the Professional Skepticism Variable are Valid.

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Table 6. Competence Validity Test

Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
P1	34.73	105.363	.941
P2	34.46	104.508	.951
P3	34.68	106.586	.864
P4	34.57	106.722	.906
P5	34.61	105.479	.938
P6	34.61	106.497	.919
P7	34.54	107.817	.908
P8	34.70	107.197	.932
P9	34.77	106.654	.943
P10	34.68	107.422	.926

Source : Processed Data, 2024

The Person Correlation value (r Count) for each question item is greater than r table. This means that all question items on the questionnaire that measure the Competence Variable are Valid.

Table 7. Independence Validity Test

Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
P1	41.36	29.797	.791
P2	41.11	30.861	.723
P3	41.27	29.618	.753
P4	41.36	29.543	.794
P5	41.45	29.706	.755
P6	41.36	29.252	.803
P7	41.18	30.113	.796
P8	41.36	30.452	.642
P9	41.25	30.227	.828
P10	41.23	31.454	.661
P11	41.20	31.033	.745

Source : Processed Data, 2024

The Person Correlation value (r Count) for each question item is greater than r table. This means that all question items on the questionnaire that measure the Independence Variable are Valid.

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Table 8. Ethics Validity Test

Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation
P1	43.82	29.822	.589
P2	43.89	29.734	.605
P3	43.98	29.327	.710
P4	43.89	29.443	.651
P5	43.79	28.608	.711
P6	43.89	27.661	.728
P7	43.77	29.781	.657
P8	43.91	28.301	.743
P9	43.84	27.956	.726
P10	43.75	29.573	.572
P11	43.80	28.415	.691
P12	43.89	28.388	.745

Source : Processed Data, 2024

Based on the table above, it shows that the Person Correlation (r Count) value for each question item is greater than r table. This means that all question items on the questionnaire that measure the Ethics Variable are Valid.

b. Reliability Test

The reliability test is used to measure a questionnaire which is an indicator of the variable. The questionnaire is said to be reliable if the answers to the statements are constant or stable over time. The data reliability test is used with the Cronbach Alpha method where an instrument is said to be reliable if it has a reliability reliability coefficient greater than 0.60 (Ghozali, 2018).

Table 9. Reliability Test

Variabel	Cronbach Alpha	Bobot	Keterangan
Professional Skepticism(X_1)	0.990	0.300	Reliable
Competence (X_2)	0.985	0.300	Reliable
Independence (X_3)	0.943	0.300	Reliable
Etichs (X_4)	0.923	0.300	Reliable
Auditor Capabilities to Detect Fraud(Y)	0.951	0.300	Reliable

Source : Processed Data, 2024

The reliability test results presented show that Cronbach Alpha for all variables is above 0.300 so that it is declared reliable.

3. Classical assumption test
a . Normality Test

The normality test is carried out to test whether the confounding or residual variables have a normal distribution. The normality test in this study was carried out through the Kolmogorov Smirnov method. The results of the normality test of this study can be seen in the figure below:

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Table 10. Normality Test

One-Sample Kolmogorov-Smirnov Test						
		Professional Skepticism (X₁)	Competence (X₂)	Independence (X₃)	Etichs (X₄)	Auditor's Capabilities to Detect Fraud (Y)
N		56	56	56	56	56
Normal Parameters[a,,b]	Mean	57.48	38.48	45.41	47.84	47.04
	Std. Deviation	13.532	11.453	6.027	5.846	6.373
Most Extreme Differences	Absolute	.177	.171	.122	.108	.160
	Positive	.177	.157	.080	.064	.106
	Negative	-.171	-.171	-.122	-.108	-.160
Kolmogorov-Smirnov Z		1.328	1.281	.911	.812	1.200
Asymp. Sig. (2-tailed)		.059	.075	.378	.525	.112
a. Test distribution is Normal.						
b. Calculated from data.						

Source : Processed Data, 2024

The KS and alpha values of the expertise, independence, ethical orientation, work experience and audit quality variables are greater than 0.05. This proves that the residual values in this study are normal.

b. Multicollinearity Test

The multicollinearity test can be seen from the tolerance value and its opposite, the variance inflaction factor (VIF). These two measures show whether each independent variable is explained by other independent variables. The cutoff value that is commonly used to indicate the presence of multicolonearity is a Tolrance value ≤ 0.10 or the same as a VIF value ≥ 10. From the research data tested, the multicolonearity test results are as follows:

Table 11, Multicoloniearity Test

Model	Collinearity Stastitics	
	Tolerance	VIF
Professional Skepticism	.747	1.339
Competence	.841	1.189
Independence	.889	1.125
Ethics	.815	1.227

Source: Processed Data, 2024

Based on table 11, it can be seen that the Tolerance value of Professional Skepticism is 0.747 with a VIF value of 1,339. Competence has a Tolerance value of 0.841 with a VIF value of 1.189. Independence has a Tolerance value of 0.889 with a VIF value of 1.125. Ethics has a Tolerance value of 0.815 with a VIF value of 1.227. With the above results, it shows that all variables have a Tolerance value ≤ 0.10 or the same as the VIF value ≥ 10, so on that basis there is no multicollinearity.

c. Heteroscedasticity Test

Heteroscedasticity testing in this study uses a scatterplot graph where if there is a clear pattern, such as the dots forming a regular pattern, then heteroscedasticity has occurred. Conversely, there is no clear pattern, and the points are scattered above and below zero on the Y axis, then heteroscedasticity does not occur.

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Table 12. Heteroscedasticity Test

Variabel	Sig.
Professional Skepticism	0.398
Competence	0.088
Independence	0.210
Ethics	0.206

Source: Processed Data, 2024

The test results displayed in the table above show that all variables have a significant value. For the Professional Skepticism variable of 0.398, Competence of 0.088, Independence of 0.210 and Ethics of 0.206. Thus it can be concluded that the regression model in this study does not occur heteroscedasticity.

4. Hypothesis Test
a. Multiple Linear Regression Test

Table 13. Multiple Linear Regression Test

Coefficients[a]				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constans)	3.357	5.776	
	Profesional Skepticism	.120	.048	.256
	Competence	.122	.054	.219
	Independence	.226	.100	.214
	Ethics	.456	.107	.418
a. Dependent Variable : Auditors Capabilities to Detect Fraud				

Source: Processed Data, 2024

The results of the multiple regression analysis above obtained the following regression equation:

Auditors Capabilities to Detect Fraud = 3.357 + 0.120 Professional Skepticism + 0.122 Competence + 0.226 Independence + 0.456 Ethics

b. Determination Coefficient Test

The coefficient of determination essentially measures how far the model's ability to explain variations in the dependent variable. The magnitude of the coefficient of determination is indicated by the Adjusted R Square (R^2) value. The coefficient of determination is between 0 and 1. A small R^2 value means that the ability of the independent variables to explain the variation in the dependent variable is very limited. A value close to 1 (one) means that the independent variables provide almost all the information needed to predict the variation in the dependent variable.

Table 14. Test Coefficient of Determination (R^2)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774[a]	.599	.567	4.193
a. Predictors: (Constant), Ethics, Independence, Competence, Profesional Skepticism				
b. Dependent Variable : Auditor's Capabilities to Detect Fraud				

Source: Processed Data, 2024

Based on the results of the coefficient of determination test in table 4.14 above, the R square value in the regression model is obtained at 0.599. This shows that the independent variables used in this study can explain the variation in Fraud Detection by 59.0%, while the remaining 41.0% is influenced by other factors not included in this regression model.

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c. F Test

Simultaneous significant test / statitic F test basically shows whether all independent or independent variables included in the model have a joint influence on the dependent or bound variable. Based on the results of statistical calculations can be seen as follows:

Table 15. Statistical Test F

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1337.401	4	334.350	19.020	.000[a]
	Residual	896.528	51	17.579		
	Total	2233.929	55			
A. Predictors: (Constant), Ethics, Independence, Competence, Profesional Skepticism						
B. Dependent Variable: Auditor's Ability to Detect Fraud						

Source: Processed Data, 2024

Based on table 15 above, it can be seen that the calculated F value is 19,020 with a sig of .000 <0.05, which means that the effect of Professional Skepticism, Competence, Independence, and Ethics simultaneously or together has a significant effect on the Auditor's Capabilities to Detect Fraud. Thus the hypothesis in this study is accepted.

c) T Test

Table 14. Statistical Test of T

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.357	5.776		.581	.564
	PROFESIONAL SKEPTICISM	.120	.048	.256	2.492	.016
	COMPETENCE	.122	.054	.219	2.262	.028
	INDEPENDENCE	.226	.100	.214	2.269	.028
	ETHICS	.456	.107	.418	4.257	.000
a. Dependent Variable: AUDITOR'S CAPABILITIES TO DETECT FRAUD						

Source: Processed Data, 2024

Based on Table 14, it can be explained the partial test results (t test) for each dependent variable as follows:

1. The test results for the Professional Skepticism variable have a t count of 2.492 while the t table is 2.008 so that tcount> ttable with a significance for the Professional Skepticism variable (X1) of 0.016 <0.05, it is stated that variable X1 has a contribution to variable Y. So it can be concluded that H1 is accepted, namely a significant effect on the auditor's ability to detect fraud.

2. The test results for the Competency variable have a t count of 2262 while the t table is 2.008 so that the tcount> ttable with a significance for the Competency variable (X2) of 0.028 <0.05, it is stated that the X2 variable has a contribution to variable Y. So it can be concluded that H2 is accepted, namely a significant effect on the auditor's ability to detect fraud.

3. The test results for the Independence variable have a t count of 2269 while the t table is 2.008 so that the tcount> ttable with a significance for the Independence variable (X3) of 0.028 <0.05, it is stated that the X3 variable has a contribution to variable Y. So it can be concluded that H3 is accepted, namely a significant effect on the auditor's ability to detect fraud.

4. The test results for the Ethics variable have a t count of 4257 while the t table is 2.008 so that tcount> ttable with a significance for the Ethics variable (X4) of 0.000 <0.05, it is stated that the X4 variable has a contribution to variable Y. So it can be concluded that H4 is accepted, namely a significant effect on the auditor's ability to detect fraud.

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Based on the analysis results above:

1. **The Effect of Professional Skepticism on the Auditor's Capabilities to Detect Fraud**

Based on the results of the hypothesis in this study, Professional Skepticism has a significant effect on the auditor's ability to detect fraud. In line with research (Nur Hidayah et al., n.d.) (Surtikanti et al., 2023) they stated that Professional Skepticism has a significant effect on the auditor's ability to detect fraud.

This shows that professional skepticism has a significant impact on an auditor's ability to detect fraud. In the context of the grand Fraud Triangle theory, professional skepticism can be related to the three main factors in the Fraud Triangle, namely financial pressure, opportunity, and rationalization. Auditors who practice professional skepticism can be more effective in identifying signs of financial pressure that might encourage someone to commit fraud.

2. **The Effect of Competence on the Auditor's Capabilities to Detect Fraud**

Based on the results of the hypothesis in this study, competence has a significant effect on the auditor's ability to detect fraud. In line with research (Sanjaya, 2017) (Peuranda et al., 2019) which states that competence has a significant effect on the auditor's ability to detect fraud.

The importance of auditor competence is also reflected in their ability to design and perform effective audit procedures. Auditors who have an in-depth understanding of an entity's business processes and internal systems will be more efficient in evaluating fraud risks and designing appropriate tests. Overall competence is a critical element in enhancing auditors' ability to detect fraud. By ensuring auditors have good knowledge, analytical skills, communication skills and the ability to design audit procedures, entities can more effectively manage fraud risks and improve the reliability of their financial statements.

3. **The Effect of Independence on the Auditor's Capabilities to Detect Fraud**

Based on the results of the hypothesis in this study, independence has a significant effect on the auditor's ability to detect fraud. In line with research (Indrawati et al., 2019) (Arifin & Kunarto, 2020) states that independence has a significant effect on the auditor's ability to detect fraud.

By integrating the grand Fraud Triangle theory, research can show that independence is a critical factor that can mitigate the risk of fraud. Independent auditors tend to have a sharper view of potential fraud threats and can contribute positively to their ability to detect fraud significantly. Public trust in audit results is also closely related to independence. Auditors who are considered independent give stakeholders confidence that the audit results are not influenced by external factors that can harm the integrity of the financial statements.

4. **The Effect of Ethics on the Auditor's Capabilities to Detect Fraud**

Based on the results of the hypothesis in this study, Ethics has a significant effect on the auditor's ability to detect fraud. In line with research (Arwinda Sari et al., 2018) (Payapo et al., 2021) states that Ethics has a significant effect on the auditor's ability to detect fraud.

The integration of the grand Fraud Triangle theory in the analysis can show that ethics is an important factor that can mitigate the risk of fraud. Auditors who apply high ethics tend to have greater sensitivity to fraud indicators and can contribute positively to their ability to detect fraud which has a significant effect.

CONCLUSION

This study aims to determine the effect of professional skepticism, competence, independence and ethics on the auditor's ability to detect fraud. Based on the research results that have been described in the previous chapter, the conclusions are:

Professional skepticism is a key element in improving the auditor's ability to detect fraud by embracing the Fraud Triangle concept in the research framework. competence can be considered a critical aspect in increasing the effectiveness of auditors in detecting fraud. independence is a critical foundation in improving the auditor's ability to detect fraud. Independent auditors have the freedom to conduct an objective and thorough examination, which ultimately provides confidence that the audited financial statements are reliable and free from manipulation or fraud. Auditors who apply high ethics tend to have greater sensitivity to fraud indicators and can contribute positively to their ability to detect fraud which has a significant effect.

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Suggestions from this researcher, For further researchers, they can further develop and use other variables that can influence the detection of fraud. Then to further expand the existing population and sample. The number of existing samples greatly affects the results of a study because every year the number of audiors can change in number. And it is good to add to the existing research methods with the interview method so that the results are more convincing. For an auditor, and prospective auditors, to always be able to improve and develop knowledge, and self-ability so that there is no more fraudulent fraud that harms others.

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