

Auditor's Professional Skepticism and Experience on Fraud Detection: The Moderating Role of Professional Ethical Commitment

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Abstract

Purposes: This study aims to examine the effect of professional skepticism and experience on auditor's ability to detect fraud, as well as investigate whether professional ethical commitment can moderate the two independent variables.

Methods: This study utilized a sample comprising 163 government internal auditors who were employed at 13 Regency/City Inspectorates within the province of South Kalimantan and had completed a questionnaire. Testing was conducted using the PLS regression method.

Findings: This study found that professional skepticism and experience had a positive effect on the auditor's ability to detect fraud, but professional ethical commitment did not moderate the two independent variables on the dependent variable. This research is expected to be taken into consideration in terms of auditor accountability in detecting fraud in local government agencies.

Novelty: This research contributes to the theory related to auditor behavior in decision-making, specifically the attribution theory, as it involves a combination of internal and external factors in an individual's behavior, in this case, internal auditors. The originality of this research lies in the use of professional ethical commitment as a moderating variable to strengthen the influence of professional skepticism and auditor experience on the auditor's ability to detect fraud.

Keywords: *Professional Skepticism, Auditor Experience, Ethics, Fraud.*

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INTRODUCTION

Fraud is one of the crimes that is rife in developed and developing countries. Indonesia is one of the places where acts of fraud, especially corruption, develop, as evidenced by the increasing number of reports relating to the sting operation by Corruption Eradication Commission. Transparency International released an annual index of the most corrupt countries, in which the 2018 Corruption Perception Index (CPI) Indonesia is a country where the level of corruption is still high, ranking 89th out of 180 countries in the world, which scores 38 out of a scale of 0 -100, the lower the score obtained indicates that the country is in the corrupt category and a score of 100 indicates the cleanest country (Habibi, 2019).

Based on monitoring by Indonesia Corruption Watch (ICW), from 1 January 2018 to 31 December 2018, losses suffered by the state due to acts of fraud in 2018 amounted to IDR 9.29 trillion with 1,053 cases with 1,162 defendants consisting of corruption cases, mark up, bribes,

extortion, embezzlement, fictitious reports, and abuse of authority (Wedhaswary, 2019). When compared to previous years, corruption cases in Indonesia continue to increase every year (Chairunnisa, 2018).

The government continues to strive to minimize existing fraud, in addition to forming a special commission to eradicate corruption, the government also continues to maximize the role of the auditor. One of the effective efforts to prevent and detect fraud is by maximizing the role of the internal auditor. Internal auditors should be the first line of defense to prevent, detect and act on fraud, because internal auditors have more organizational knowledge and internal control structures than external auditors (Hillison et al., 1999; Indriyani & Hakim, 2021; Perry & Bryan, 1997; Rezaee, 2005; Siregar & Tenoyo, 2015). Internal auditors are more likely to detect fraud if they develop their ability to recognize and question changes that occur within an organization (Vanasco, 1998).

The inability of the auditor to detect fraud can be caused by many factors. In line with the attribution theory by Heider (1980) which says that individual behavior is determined by a combination of internal forces and external forces. Internal factors are factors that are influenced by the control of an individual person, while external factors are considered as a result or cause by certain situations. The auditor's ability to detect fraud is determined more than internal attribution, that is, the factors that determine the original ability are more than the auditor himself.

Professional skepticism and experience are internal factors within the auditor, these factors can improve the auditor's ability to detect fraud in an entity. Auditors who have an attitude of professional skepticism and have experience in auditing entities can increase their ability to detect fraud that occurs (Hussin et al., 2017; Idawati & Gunawan, 2015; Indriyani & Hakim, 2021; Sihombing et al., 2019). The SEC (Securities and Exchange Commission) conducted a study in which the results stated that the low level of professional skepticism was one of the reasons for auditor failure when detecting fraud (Kusumawati & Syamsuddin, 2014).

The principle of professional skepticism is widely ingrained in auditing standards, and inspectors worldwide frequently pinpoint a deficiency in skepticism as a fundamental cause of audit shortcomings (Nolder & Kadous, 2018; Santoso et al., 2020). According to professional standards, skepticism is defined as an auditor's attitude towards the critical evaluation of audit evidence (Utaminingsih et al., 2022). Low skepticism can cause the auditor to be less able to detect fraud. This is because the auditor will easily believe the assertions that management provides without having evidence to support these assertions. However, if the auditor has high professional skepticism, then the fraud that may occur and go undetected will be smaller (Hurt, 2010). Therefore, in conducting an audit the auditor must maintain an attitude of professional skepticism, namely by carrying out additional examinations and gathering more evidence when auditing (Idawati & Gunawan, 2015; Indriyani & Hakim, 2021; Sihombing et al., 2019).

Another internal factor that also determines the auditor's understanding of how to identify fraud symptoms that arise is the experience of the auditor. Government internal auditors must have knowledge and experience related to audit techniques and disciplines relevant to the auditor's duties (AAIPI, 2014). A person's knowledge changes with increasing experience (Knapp & Knapp, 2001), so that the ability to detect fraud can be influenced by the experience that the auditor has. The more diverse the auditor's experience, the higher the level of trust and competence. Auditors who have more experience have better performance than auditors who are less experienced (Indriyani & Hakim, 2021; Primasatya et al., 2022). In carrying out the assessment, auditors with more experience will be more thorough, and decisions made regarding fraud will be more accurate than auditors with little experience. Therefore, the auditor's ability to detect fraud can increase with experience (Halimatusyadiah et al., 2022; Hussin et al., 2017; Knapp & Knapp, 2001; Primasatya et al., 2022).

The auditor's professional skepticism and experience are subject to the imperative of behaving in a professional and ethical manner. Every established profession has devised a professional code of ethics to steer the conduct of its members and showcase a commitment to

serving the public interest (Vanasco, 1994). Codes of ethics play a crucial role as they inherently establish boundaries for unethical conduct and are designed to offer guidance in situations that are unclear or ambiguous (St Ramlah et al., 2018). The professional code of ethics reflects standards that can be acted upon by professional accountants and auditors (Vanasco, 1994). To maintain the credibility of internal auditors from high-risk threats, the role of a code of ethics is needed. This risk occurs due to the nature of work as an examiner which has a great opportunity to face dilemmatic situations such as conflicts between interests, threats or intervention from the party being examined, as well as offers of cooperation by cheating or collusion.

Professional ethics related to the duties or services provided, which concern the interests of the wider community, must be complied with by auditors. Adherence to professional ethics can lead to an increase in professional skepticism among auditors and, consequently, an increase in the ability to detect fraud. The auditor's ability to detect fraud is affected by their experience, as it is related to their expertise and knowledge in handling cases. When combined with strong professional ethics, experience can contribute to the improvement of the auditor's ability to detect fraud (Halimatusyadiah et al., 2022).

The research Digdowiseiso et al. (2022), Lambe et al. (2022), & Susilawati et al. (2022) found that auditor's professional skepticism significantly influences the auditor's ability to detect fraud. Different results were found in the study by Elfia & Erinos (2022) at the Indonesian Supreme Audit Agency Representative Office in West Sumatra, where professional skepticism was found to have no effect on the auditor's ability to detect fraud. The research findings of (Agustina et al., 2021), indicate that auditor experience has a positive impact on fraud detection. Different results were presented by Fitria & Ratnaningsih (2022) & Sofyan et al. (2015), who found that experience does not affect the ability to detect fraud. With inconsistent findings from previous research and the presence of a research gap, this study aims to examine the influence of professional skepticism and auditor experience on the auditor's ability to detect fraud, with professional ethical commitment as a moderating variable.

The rampant cases of corruption occurring within the Regional Performance Unit of South Kalimantan Province, one of which involves a corruption case in the Housing and Settlement Agency of Banjar Regency, estimated to have caused state losses amounting to Rp 4.2 billion. In this case, two former civil servants of the Banjar Regency government and three contractors have been identified as suspects, with allegations of budget mark-ups and the execution of partially fictitious implementations (Bie, 2019). Based on the widespread occurrence of these corruption cases, 13 Inspectorates of Regencies/Cities in South Kalimantan were selected as the research subjects. This is because internal government auditors, particularly Inspectorates, are tasked with conducting general government oversight activities and serve as the primary line of defense in detecting financial reporting misstatements.

This research contributes to the theory related to auditor behavior in decision-making, specifically the attribution theory, as it involves a combination of internal and external factors in an individual's behavior, in this case, internal auditors. The originality of this research lies in the use of professional ethical commitment as a moderating variable to strengthen the influence of professional skepticism and auditor experience on the auditor's ability to detect fraud.

Heider (1980) was the first person to put forward the theory of attribution, in which the theory states that in a person's behavior there is a combination of internal and external forces. Factors that originate within a person are called internal forces, while factors that come from outside are external forces. In this theory it is explained how the individual processes to determine and explain the motives or causes for the behavior of a person or the individual itself. Is it due to internal factors, namely character, traits and attitudes or external factors, for example situations or pressure, as well as certain circumstances that can have an impact on the individual's behavior.

The attribution theory states that within an individual's behavior, there is a combination of internal and external forces. Internal forces are those that originate from within the person, while external forces are influenced by external factors. In this research, attribution theory explains that

an individual's performance and abilities are influenced by both internal and external factors for auditors. Professional skepticism itself is an internal factor that comes from within the auditor. This factor can enhance the auditor's ability to detect fraud within an entity. Auditors who possess a professional skepticism attitude while auditing an entity can improve their ability to detect fraud.

Professional skepticism is an attitude of consistent cynicism and a habit of delaying judgment until sufficient evidence is obtained (Hurt, 2010). Skepticism arises when the auditor questions the reliability of the information received. In instances where the auditor doubts the reliability of the information furnished, a highly professionally skeptical auditor demands a greater amount of convincing evidence (in terms of quality and/or quantity) to be persuaded that the statement is accurate (Nelson, 2009). After the auditor obtains results from their additional examinations, they must determine whether fraud has indeed occurred (Hussin et al., 2017).

Auditors with low levels of professional skepticism can hinder their ability to detect fraud. This makes auditors more likely to trust management's assertions without supporting evidence. However, if auditors have a high level of professional skepticism, the likelihood of not detecting fraud decreases (Hurt, 2010). Auditors who apply professional skepticism are more capable of detecting fraudulent activities compared to those with low professional skepticism (Digdowiseiso et al., 2022; Idawati & Gunawan, 2015; Indriyani & Hakim, 2021; Sihombing et al., 2019). Based on the development of the hypothesis described, the first hypothesis is:

H₁: Professional skepticism has a positive effect on the auditor's ability to detect fraud.

The attribution theory is used as a basis for studying the factors influencing an auditor's ability to detect fraud. According to the attribution theory, an individual's performance and abilities can be influenced by both internal and external factors for auditors. An auditor's experience is an internal factor originating from within the auditor, which can enhance their ability to detect fraud within an entity. Auditors with experience in auditing entities can improve their ability to detect fraud.

Experienced auditors can be defined as auditors who have gained knowledge after auditing a specific entity some time before (Bahtiar et al., 2017). Auditors with more experience tend to have better performance compared to those with less experience (Hussin et al., 2017). Experienced auditors have knowledge of critical points in the auditing process (Sihombing et al., 2019) and conduct assessments with greater attention to detail. The more experience an auditor has, the better their performance is, as experience has a positive effect on increasing the accuracy of knowledge to prevent errors (Bahtiar et al., 2017).

An individual's knowledge evolves with increasing experience (Knapp & Knapp, 2001). Therefore, an auditor's ability to detect fraud is also influenced by experience. The more experienced an auditor, the higher their level of confidence and competence. Experienced auditors tend to perform better than less experienced auditors because their assessments are more meticulous, leading to more accurate decisions regarding fraud-related matters, thus enhancing their ability to detect fraud (Arnanda et al., 2022; Hussin et al., 2017; Knapp & Knapp, 2001). Based on the development of the hypothesis above, the second hypothesis in this study is:

H₂: Auditor experience has a positive effect on the auditor's ability to detect fraud.

Ethics is fundamentally important for auditors in carrying out their profession as overseers of financial statements and providers of opinions on financial (Herawati & Atmini, 2010). Ethical commitment is required to assure the public that auditors adhere to high-quality standards in performing their duties. With high ethical standards, it is expected that the quality of audit results will also be higher (Hardiningsih et al., 2019).

Low professional skepticism can be a reason why auditors may be less capable of detecting fraud. Consequently, auditors may easily trust management's assertions without having supporting evidence. However, when auditor skepticism is high, the likelihood of undetected fraud decreases (Hurt, 2010).

Ethics facilitate auditors in detecting fraud, and public accountants must realize the need for ethics as a responsibility to the public. If auditors have high professional skepticism and are supported by good professional ethical behavior, where auditors uphold and execute values of truth, morality, professional responsibility, and professional conduct, their ability to detect fraud will improve. The more auditors commit to professional ethics in the auditing process, the better the interaction between professional skepticism and the auditor's ability to detect fraud. Based on the development of the hypothesis above, the third hypothesis in this study is:

H₃: Commitment to professional ethics strengthens the influence of professional skepticism on the auditor's ability to detect fraud.

Professional ethical commitment is defined as a set of moral principles or values (Arens et al., 2014). Ethics encompass values and norms that govern human behavior in a societal context, including within a profession. Ethics are fundamentally important for auditors when performing their role as overseers of financial statements and providers of opinions on financial reports. Professional ethical commitment serves to regulate the behavior of its members, and ethics are a characteristic of a profession that sets it apart from other professions (Herawati & Atmini, 2010).

Auditor experience is the learning that auditors gain from their experiences during assignments and formal education (Sihombing et al., 2019). Auditors with more experience conduct assessments more diligently, providing more accurate decisions regarding fraud-related matters than auditors without experience (Hussin et al., 2017). Knapp & Knapp (2001) identified significant differences in knowledge based on auditor experience levels, suggesting that this difference in knowledge likely affects auditors' understanding and interpretation of information during analytical procedures, making their ability to assess the risk of financial statement fraud more effective.

Auditor experience can enhance an auditor's ability to detect fraud (Knapp & Knapp, 2001; Reheul et al., 2017). The longer an auditor's audit experience and the greater the complexity of financial matters, the more knowledge an auditor gains, making it easier for them to identify signs of irregularities. Ningrum & Budiarta (2017) state that ethics can moderate the influence of experience on audit quality, as auditors with more extensive experience tend to behave more ethically. This suggests that auditors with high experience can improve the quality of audit results when supported by positive ethical behavior, and if auditors exhibit negative behavior, it can lower the quality of the examination. Dwirandra et al (2017) state that professional ethical commitment can enhance the influence of auditor experience, considering the materiality level. Based on the development of the hypothesis above, the fourth hypothesis in this study is:

H₄: Commitment to professional ethics strengthens the influence of the auditor's experience on the auditor's ability to detect fraud.

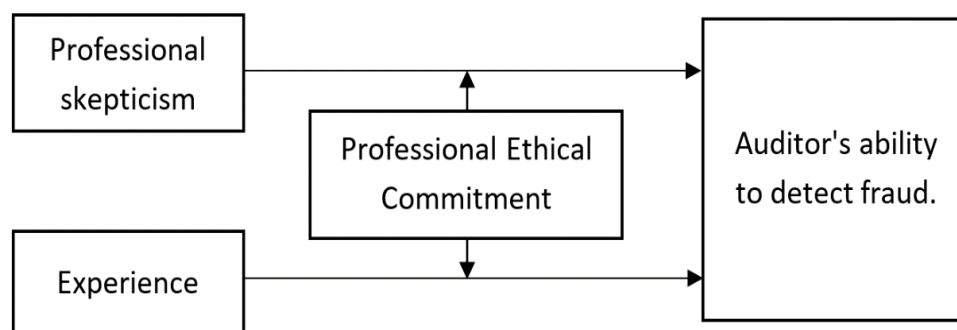


Figure 1. Conceptual Framework
Source: Data Processed, 2023

Table 1. Measurement for Research Variables

Variable	Indicator/Measurements
Professional Skepticism	<ol style="list-style-type: none"> 1. Questioning Mind 2. Suspension of Judgment 3. Search for Knowledge 4. Interpersonal Understanding 5. Autonomy 6. Self-Esteem <p>(Hurttt, 2010)</p>
Auditor's Ability to Detect Fraud	<ol style="list-style-type: none"> 1. Ability to understand internal control systems. 2. Ability to understand fraud characteristics. 3. Ability to understand auditing standards related to fraud detection. 4. Ability to understand the use of effective audit methods and procedures in fraud detection. 5. Ability to understand fraud factors and forms. 6. Ability to conduct documentation and personnel testing. <p>(Idawati & Gunawan, 2015; Koroy, 2008)</p>
Experience	<ol style="list-style-type: none"> 1. The duration to become an auditor. 2. Measurement using an ordinal scale, where a score of 1 = < 3 year, a score of 2 = 3-5 years, 3 = 5-10 years, a score of 4 = 10-15 years, and a score of 5 = > 15 years. <p>(Suyono & Farooque, 2019)</p>
Professional Ethical Commitment	<ol style="list-style-type: none"> 1. Personality 2. Professional competence 3. Responsibility 4. Adherence to the code of ethics 5. Interpretation and refinement of the code of ethics <p>(Herawaty & Susanto, 2009)</p>

Source: Data Processed, 2023

METHODS

The methodology employed in this study is quantitative research, which empirically examines the role of commitment to professional ethics in moderating the impact of professional skepticism and auditor experience on the detection of fraud among internal auditors. This was achieved using a survey method, specifically by distributing questionnaires to individual respondents. The target population comprised all internal auditors employed at Regency/City Inspectorates in South Kalimantan, totaling 163 individuals. Purposive sampling was utilized as the sampling technique, where participants were selected based on specific criteria aligned with the research objectives or issues under investigation. Out of the 163 questionnaires distributed, 105 were returned and subsequently processed for analysis.

The selection of South Kalimantan Province as the object of research is based on the rampant cases of corruption that have occurred in SKPD of South Kalimantan Province. One of them is the corruption case at the Banjar Regency Housing and Settlement Service which is estimated to have cost the state Rp. 4.2 billion, which named 2 former ASN officials of the Banjar Regency Government and 3 partners as suspects, with the mode of marking up partly fictitious budgets and executors (Bie, 2019).

Samples were taken directly to all Regency/City Inspectorates. The sample selection criteria in this study were all government internal auditors consisting of: Skilled Auditors (Executing Auditors, Advanced Implementing Auditors, Supervisory Auditors) and Expert Auditors (First Auditors, Junior Auditors, Middle Auditors, and Main Auditors) from each Regency/City Inspectorate in South Kalimantan Province.

Variables Measurement

The professional skepticism variable is measured using an instrument developed by Hurtt (2010). The experience variable is measured using an instrument by Suyono & Farooque (2019), namely the length of service as an auditor. The variable of the auditor's ability to detect fraud in this study was adopted from the research of Idawati & Gunawan (2015) and Koroy (2008) which was modified by the researcher. Commitment to professional ethics using instruments from Herawaty & Susanto (2009). These indicators will be measured using a Likert scale in five levels.

Data Analysis Technique

This study uses partial least squares regression analysis to see the influence relationship between variables. Data analysis in this study used path analysis techniques with the bootstrap method. The main advantage of the bootstrap method is that it does not depend on normality assumptions and is suitable for smaller sample sizes. Data analysis used the Smart-PLS software application.

The outer model, also referred to as the outer relation or measurement model, is employed for assessing reflective and formative indicators. Convergent validity of the measurement model can be ascertained through the correlation between indicator scores and variable scores. An indicator is deemed valid if its Average Variance Extracted (AVE) value exceeds 0.5 or if it exhibits outer loading on all variable dimensions of more than 0.5. Thus, it can be inferred whether the measurements conducted fulfill the criteria of convergent validity.

The inner model, or structural model, serves as a tool to predict the causal relationship for each latent variable. Analysis of the inner model for the dependent variable can be conducted by examining the R square value, the Stone-Geisser Q-square test for predictive relevance, and the t-test and significance of the structural path parameter coefficients. In assessing the inner model with Partial Least Squares (PLS), the initial step is to examine the R² value of each dependent variable.

Hypothesis testing is measured by looking at the t value on statistical testing. The criteria for testing the hypothesis in this study were seen from the t statistical value and probability value with a significance level of 5% where the t statistic used was 1.660, while the hypothesis was declared accepted or rejected if the p value was less than 0.05.

Table 2. Outer Model: Validity and Reliability

Variables	Average Variance Extracted (AVE)	Result	Cronbach's Alpha	Composite Reliability	Results
Professional Skepticism	0,502	Valid	0,934	0,941	Reliable
Auditor's Ability to Detect Fraud	0,523	Valid	0,934	0,943	Reliable
Commitment to Professional Ethics	0,579	Valid	0,926	0,934	Reliable

Source: Data Processed, 2023

RESULTS AND DISCUSSION

Outer Model

Outer model measurements are carried out by looking at the reflection of indicators where the research is based on the correlation between the item score/component score which is estimated using the value of the outer loading factor. The minimum value limit for the outer loading factor is 0.5. The results of data processing using Smart-PLS version 3.3.2 value of the outer loading factor are as follows:

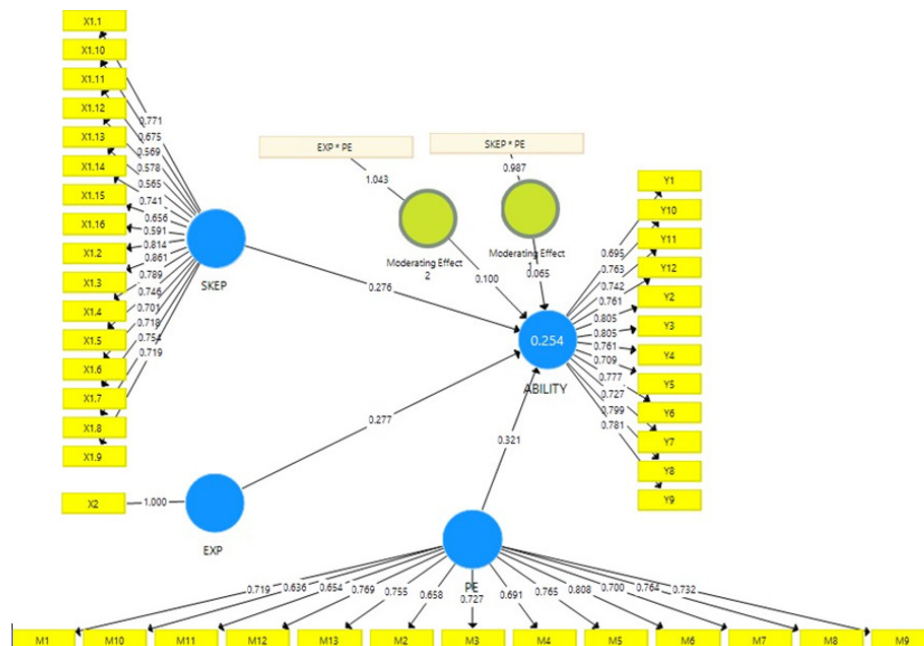


Figure 2 - Outer Model: Outer Loadings

Source: Smart-PLS Output

The results of the outer model indicate that the indicator values are above 0.70, confirming the validity of the constructs for all variables. Figure 2 illustrates the results of the structural model in the outer model. This study assesses validity using outer loading values and average variance extracted (AVE), along with reliability testing using Cronbach's Alpha and composite reliability. Table 1 presents the results of the validity and reliability tests in the outer model. Outer loading values, or loading factors, are utilized to examine convergent validity. An indicator is considered to meet convergent validity with a satisfactory rating if its outer loading value is > 0.7 . The outer loading factor values for each indicator in this study demonstrate that all proxies have outer loading factor values greater than 0.5, indicating their suitability for reflecting each variable. Discriminant validity is evaluated by examining the AVE value, with each indicator expected to exceed 0.5. As the AVE values for all variables exceed 0.5, it can be inferred that all variables exhibit good discriminant validity.

Structural Model Testing (Inner Model)

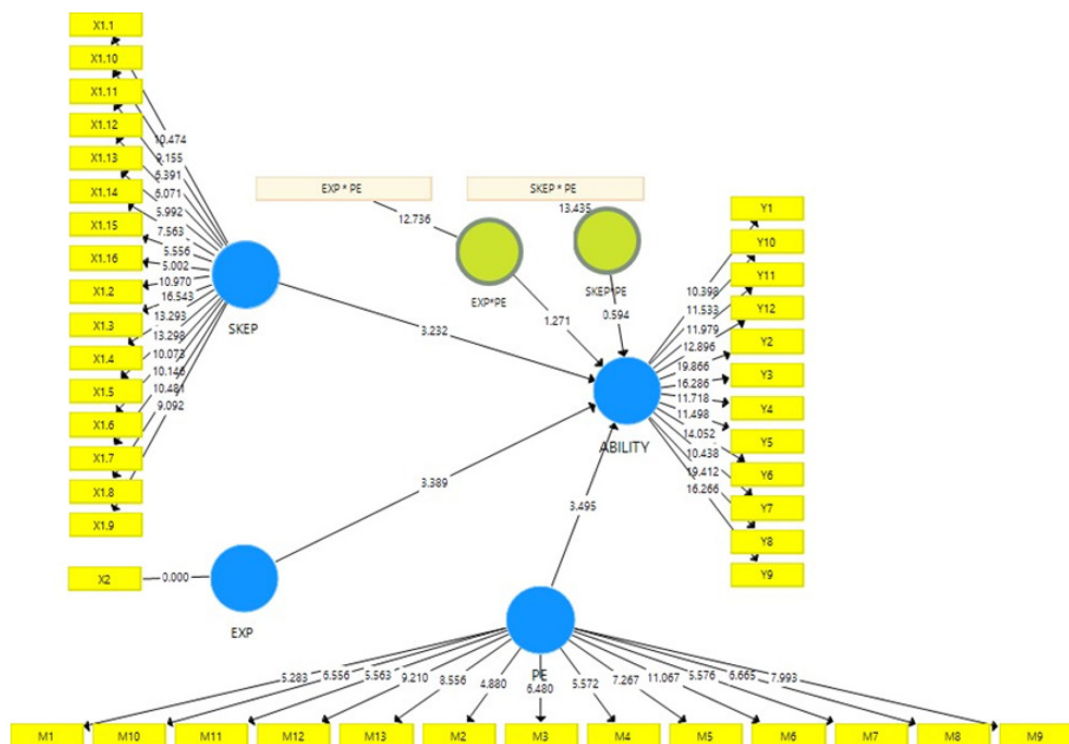


Figure 3 provides an overview of the inner model results. In the hypothesis testing, path coefficients are employed to determine the significance level and directionality between variables. Path coefficient values display the original sample values, along with t-statistics and p-values derived from bootstrapping results of Smart-PLS. Table 2 further elaborates on these path coefficients. The structural model is assessed using R² for the dependent variable, while the significance of the independent variable is gauged based on the path coefficient value and the associated t-statistic value for each path. The R-square value is calculated as 0.254, indicating that 25.4% of the auditor's ability to detect fraud can be elucidated by the variables of professional skepticism, auditor experience, and commitment to professional ethics. The remaining 74.6% is attributed to other variables beyond the scope of this study. In testing the structural model, to assess the significance level of the predictive model can be known from the value t-statistic from the independent variable to the dependent variable in the table Path Coefficient below this:

Table 3. Path Coefficient

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CREATE -> ABILITY	0,276	0,283	0,085	3,232	0,001
EXP -> ABILITY	0,277	0,290	0,082	3,389	0,001
CREATE*PE -> ABILITY	0,065	0,107	0,110	0,594	0,553
EXP*ON -> ABILITY	0,100	0,110	0,079	1,271	0,204
PE -> ABILITY	0,321	0,382	0,092	3,495	0,001

Source: Data Processed, 2023

Table 4. Result of Hypotheses Test

Variable	Significance	Hypotheses	Description
CREATE -> ABILITY	0,001	H1	Accepted
EXP -> ABILITY	0,001	H2	Accepted
CREATE*PE -> ABILITY	0,553	H3	Rejected
EXP*ON -> ABILITY	0,204	H4	Rejected

*) Level of significance 0,05

Source: Data Processed, 2023

The examination findings indicate that the beta coefficient of professional skepticism concerning the auditor's ability to detect fraud is 0.276, with a corresponding t-statistic of 3.232. These outcomes affirm the acceptance of the first hypothesis, supported by a t-statistic surpassing the critical t-value of 1.660, with a p-value <0.05. Similarly, the examination reveals that the beta coefficient value of auditor experience regarding the auditor's ability to detect fraud is 0.277, with a t-statistic of 3.389, leading to the acceptance of the second hypothesis, as indicated by a t-statistic exceeding the critical t-value of 1.660, with a p-value <0.05. Moreover, the analysis demonstrates that the significance value of the moderating effect of the t-statistic is 0.594, which is below 1.660, and the p-value is 0.553, exceeding 0.05. This suggests that commitment to professional ethics moderates professional skepticism without significantly impacting the auditor's ability to detect fraud. Similarly, the significant value of the moderating effect of the t-statistic is 1.271, lower than 1.660, and the p-value is 0.204, above 0.05. This indicates that commitment to professional ethics moderate's auditor experience without having a significant negative effect on the auditor's ability to detect fraud.

DISCUSSIONS

The Effect of Professional Skepticism on Auditor's Ability to Detect Fraud

Professional skepticism significantly and positively influences the auditor's ability to detect fraud. Consistent with attribution theory, which explains that an individual's performance or capability is influenced by both internal and external factors of the auditor, wherein professional skepticism is an internal factor within the auditor, these factors can enhance the auditor's ability to detect fraud within an entity. An auditor who demonstrates a professional skeptical attitude while auditing entities can enhance their ability to detect occurring fraud.

The research findings support Hurtt (2010) study, which states that low professional skepticism among auditors can lead to their reduced ability to detect fraud. This is because auditors may easily believe management assertions without having supporting evidence for those assertions. However, if auditors possess a high level of professional skepticism, the likelihood of undetected fraud decreases. These research findings are also consistent with the studies conducted by Idawati & Gunawan (2015) and Sihombing et al., (2019), which suggest that auditors with professional skepticism are more capable of detecting fraud compared to those with low levels of professional skepticism.

The Effect of Auditor Experience on Auditor's Ability to Detect Fraud

The auditor's experience is significantly and positively influenced by the auditor's ability to detect fraudulent activities. In line with attribution theory, which explains that an individual's performance or capability is influenced by both internal and external factors of the auditor, auditor experience is an internal factor within the auditor, and this factor can be enhanced by the auditor's ability to detect fraud within an entity. Experience in auditing entities can enhance detection capabilities when it comes to fraud.

These research findings are aligned with studies conducted by Bahtiar et al. (2017), Hadija et al. (2023); Hussin et al. (2017); Knapp & Knapp (2001), which suggest that auditors with more experience perform better than less experienced auditors. The more experience an auditor has, the more varied suspicions can be generated to explain audit findings (Libby & Frederick, 1990). Auditors with greater experience tend to conduct more thorough assessments and make more accurate decisions regarding matters related to fraud compared to less experienced auditors, thereby enhancing their ability to assess fraud-related risks (Hussin et al., 2017).

Professional Skepticism on Auditor's Ability to Detect Fraud with Professional Ethics Commitment as a Moderating Variable

The test results indicate that the interaction between professional skepticism and professional ethics commitment does not affect the auditor's ability to detect fraud. In other words, the third hypothesis (H_3) is rejected. This research cannot demonstrate the influence

of the interaction between professional skepticism and professional ethics commitment on the auditor's ability to detect fraud. Professional ethics commitment does not enhance the influence of professional skepticism on the auditor's ability to detect fraud. A skeptical auditor will carry out their tasks according to established procedures and will not be influenced by external parties. When an auditor lacks professional skepticism in conducting an audit, it suggests that the auditor has not applied their professional ethics commitment. The auditor's ability to withstand pressure from superiors or clients depends on their professional ethical behavior, economic agreements, and specific environments.

This aligns with attribution theory, which explains that an individual's performance or abilities are influenced by both internal and external factors. External factors, such as pressure from superiors, good relationships, or the duration of the working relationship with the auditee, can make it more challenging for auditors to maintain their professional skepticism, thus affecting their ability to detect fraud. These results can be justified by the fact that ethics and professional skepticism cannot be used when there is intervention from superiors regarding audit results, where the audit results can affect the positions of superiors or those related to regional authorities. The research results do not align with Ningrum & Budiarta (2017), which states that auditors who perform their tasks carefully and adhere to professional ethics will achieve high audit quality. Auditors with high professional skepticism when examining financial statements, combined with professional ethics commitment, will obtain sufficient evidence and confidence in material misstatement or fraud.

The research results are in line with Turangan et al (2016), which states that professional skepticism moderated by compliance with the code of ethics does not affect examination quality. Superior intervention in audit results can take the form of agreements or negotiations on findings with the audit subject, so auditors cannot apply their ethics related to professional skepticism in conducting the audit. This causes professional ethics commitment to be unable to moderate the influence of professional skepticism on the auditor's ability to detect fraud because the auditor's professional ethics commitment cannot be used if there is still control over audit results by superiors, leading auditors to feel unrewarded for their work and tend to decrease the quality of examination results.

Auditor Experience on Auditor's Ability to Detect Fraud with Professional Ethics Commitment as a Moderating Variable

The results indicate that the interaction between auditor experience and professional ethics commitment does not affect the auditor's ability to detect fraud, which means that the fourth hypothesis (H_4) is rejected. This research cannot prove the influence of the interaction between auditor experience and professional ethics commitment on the auditor's ability to detect fraud. This suggests that professional ethics commitment cannot enhance the influence of auditor experience on the auditor's ability to detect fraud. The length of time an auditor works does not guarantee that the auditor applies their professional ethics commitment, and negative ethical behavior can reduce the quality of examination results. Negative ethical behavior refers to behavior that contradicts applicable moral principles and standards. This is in line with attribution theory, which explains that an individual's performance or abilities are influenced by both internal and external factors. External factors, such as pressure from superiors or the quality and duration of the working relationship with the auditee, can make it more challenging for auditors to maintain an independent attitude, thus affecting their ability to detect fraud.

The research results do not align with studies conducted by Dwirandra et al (2017) and Ningrum & Budiarta (2017), which suggest that ethics can moderate the impact of experience on audit quality, and auditors with more experience tend to behave more ethically. Mutual agreements and pressure from superiors tend to decrease the auditor's ability to detect fraud. Conversely, if supported by positive ethical behavior, the experience that an auditor possesses can enhance the auditor's ability to detect fraud. The experience an auditor has can deepen and broaden their

knowledge of the audit subject, and thus, auditors tend to have unethical behavior in performing their tasks if there is a possibility that no recognition will be given for the examination results achieved. This indicates that changes in the auditor's ethical behavior can either strengthen or weaken the relationship between auditor experience and the auditor's ability to detect fraud.

CONCLUSIONS

Professional skepticism has a significant positive effect on the auditor's ability to detect fraud. The auditor's experience has a significant positive effect on the auditor's ability to detect fraud. Professional ethical commitment does not moderate the effect of professional skepticism on the auditor's ability to detect fraud. Commitment to professional ethics does not moderate the effect of the auditor's experience on the auditor's ability to detect fraud. By maximizing the role of government internal auditors, undetected fraud can be minimized.

The limitations in this study were only conducting research on internal auditors who worked at one of the government agencies spread across South Kalimantan Province, namely the Regency/City Inspectorate, which totaled 13 Regencies/Cities so that the research could not be generalized to other auditors such as external auditors, BPKP, auditors internal ministry or inspectorate general, and non-government agency auditors due to the limited time that researchers have. Subsequent research can expand the reach of the research area and sample (number of auditors) not only internal auditors in one institution, to obtain a higher level of generalization of results, which is limited access that researchers have, causing researchers to be unable to reach all government internal auditors in Indonesia.

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