

The Effect of Internal Auditor's Competence and the Effectiveness of Internal Control on the Quality of Financial Statements with Professional Skepticism as a Moderating Variable

Agus Slamet Haryanto¹, Nurul Hidayah²

^{1,2}Departement of Accounting, Universitas Mercubuana Jakarta Indonesia
ashary.1945@gmail.com,

Abstract

This study aims to analyze the effect of the influence of internal auditor competence and the effectiveness of internal control on the quality of financial statements with professional skepticism as a moderating variable. The population in this study were 35 respondents at the Inspectorate of the Ministry of Youth and Sports. The sampling technique in this study is a saturated sample technique. The sample in this study was 35 respondents based on the Functional Position of Auditor and/or Supervision for the Implementation of Government Affairs (JFT) at the Inspectorate Office of the Ministry of Youth and Sports. The results in this study indicate that the competence of internal auditors and the effectiveness of internal control have a positive and significant effect on the quality of financial reports. This study proves that professional skepticism moderates the effect of internal auditor competence and the effectiveness of internal control on the quality of financial reports. Therefore, for further researchers to be able to conduct an ethnographic study.

Keywords

internal auditor competence;
effectiveness of internal control;
quality of financial reports



I. Introduction

The Ministry of Youth and Sports is required to adapt to good governance and public sector management reforms through new public management with three main principles, namely professionalism, transparency and accountability. This is interpreted by reforming financial management through planning and budgeting, treasury (budget implementation and reporting, and accountability).

Accountability in the 2021 Government Accounting Standards is to account for the management of resources and the implementation of policies entrusted to reporting entities in achieving the goals that have been set periodically. The Ministry's Financial Reports are reviewed by internal and external parties. Internal inspections are routine inspections by the Government Internal Supervisory Apparatus (APIP) in work units, which are conducted quarterly. And from external parties, the Ministry's Financial Statements are routinely checked by the Supreme Audit Agency (BPK). Examination by BPK results in follow-up reviews and reports that result in Audit Opinions. The financial report is a transparent form of accountability from the government that carries the trust to the people who give the mandate.

In the Conceptual Framework of Government Accounting Standards in 2021, it aims as the basic concept of standard preparation and development of accounting standards in the Government, both Central Government and Regional Governments. The standard

contains a Governmental Accounting Conceptual Framework which is a reference for the Government Accounting Standards Committee, financial report preparers, auditors and users of financial statements in seeking solutions to problems that have not been regulated in SAP. Whether or not the financial management carried out by the government can be seen from the quality of its financial reports, the better the government's financial management, the quality of financial reports will increase.

Alexander Marwata (2017) "KPK sees that the APIP control system is almost not functioning. Because it is appointed and responsible to regional heads. It is not independent,". Criticizing the structure of the inspectorate's responsibility as a factor causing corruption. The structure of the inspectorate's accountability to the head of the local area is considered to make the supervisory agency of the regional government a dwarf and not independent. In Perka BPKP No. 8 of 2021 concerning the implementation of the Internal Control System, there is a concept of internal control that includes audit, review, evaluation, monitoring, and other supervisory activities on the implementation of organizational tasks and functions which generally aim to realize good governance. In the organizational structure of the public sector in Indonesia, the internal control activities are carried out by the Government Internal Supervisory Apparatus (APIP). Therefore, APIP should carry out an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with legislation. With the Internal Control implemented by APIP, it is expected to improve the quality of the financial reports of Ministries/Agencies. In Internal Control, it is necessary to have comprehensive supervision over the duties and functions of each section, both in the central government and in local governments.

BPK Regulation No. 1 of 2017 Law Number 15 of 2004 concerning Audit of State Finance Management and Responsibility states that during the audit process, BPK has the authority to obtain the data needed for inspection and the results of the examination must be followed up by the Government. In this regard, BPK needs to monitor and inform the results of the follow-up monitoring. When conducting an examination of the Central Government Financial Statements (LKPP) and Regional Government Financial Reports (LKPD), the Supreme Audit Agency always provides opinions to classify.

Table 1. LKKL and LKBUN Opinion Developments in 2016 – 2020

Opinion	Years				
	2016	2017	2018	2019	2020
Unqualified Opinion (UO)	74	80	82	85	85
Qualified Opinion (QO)	8	6	4	2	2
Disclaimer Opinion (DO)	6	2	1	1	-
Unreasonable Opinion (UO)	-	-	-	-	-
Number of Reporting Entities	88	88	87	88	87

Based on the data above, it is known that in 2016 out of 88 reporting entities there were 74 reports that received Unqualified Opinion, 8 obtained Qualified Opinion and 6 obtained Disclaimer Opinion. In 2020, out of 87 reporting entities, there were 85 reports that received Unqualified Opinion, 2 obtained Qualified Opinion and 0 obtained Disclaimer Opinion.

BPK's findings on the Internal Control System of organizational units will influence the opinion that will be generated. State ministries/agencies must implement effective and better internal controls to improve the quality of financial reports. Therefore, to improve the quality of government financial reports, it is necessary to implement a Government Internal Control System. PP No. 60 of 2008 concerning the Government's Internal Control System explains that, in order to achieve efficient, effective, transparent and accountable management of state finances, the ministers/heads of institutions, governors and regents/mayors are obliged to exercise control over the implementation of government activities. Compliance with laws and regulations is an important element that is directly related to the performance accountability of government agencies. With this in mind, it is hoped that the accountability reports produced will be precise and appropriate in the context of fulfilling obligations to the central government and public information needs. However, local governments tend not to implement the legislation in question.

The Financial Statements of the Ministry of Youth and Sports received a Disclaimer Opinion opinion twice in a row in 2015 and 2016 then received a Qualified Opinion opinion in 2017 and 2018. This is because the administration and reporting of fixed assets is still inadequate, namely there are assets that are reported in the financial statements with details of assets that cannot be explained, fixed assets that cannot be detailed and whose status is not yet clear, fixed assets that cannot be traced, and fixed assets that have no value and have not been presented in the financial statements. The Ministry of Youth and Sports received an Unqualified Opinion in 2019 because it has managed to account for transparency and accountability well.

Asset ownership issues that were found by the Supreme Audit Agency (BPK) such as "Findings on fixed assets whose whereabouts are unknown" are presented in the Report on the Examination Results of the Internal Control System at the Ministry of Youth and Sports in 2015 to 2019 presented in the following table:

To be able to provide precise and accurate information, the required component is a system that can be used in the context of providing information. To obtain the quality of regional financial reports in accordance with Government Accounting Standards (SAP) must go through the implementation of a good regional financial accounting system. The results of the study (Komarasari, 2017) where the internal control system and human resource capacity are components that affect the quality of financial reports.

This research is based on previous studies, such as Kintaatmaja (2015) and other research conducted by Suaryana & Karsana (2017). The results of this study state that the influence of the internal control system, understanding of the regional financial accounting system, human resource competence and the application of SAP have an effect on significantly positive on the quality of local government financial reports.

The difference between this study and previous research is the dimensions and time of the study. Previous research was conducted at the DPPKAD Sukaharjo Regency and the Bangli Regency Government. In this study, the authors add Professional Skepticism as a moderating variable and conduct research at the Ministry of Youth and Sports.

II. Research Method

In this study, the researcher uses quantitative research where the process of extracting information is realized in the form of numbers as a tool to find information about what is known. Quantitative research method is a research method based on the philosophy of positivism which is used to examine certain populations or samples.

III. Result and Discussion

3.1 Validity and Reliability Test (Outer Model)

a. Validity Test

The results of the output factor loading of the application of an accrual-based government accounting system, the application of an internal control system, a regional financial accounting system on the quality of financial reports and their impact on performance accountability can be seen in the following figure:

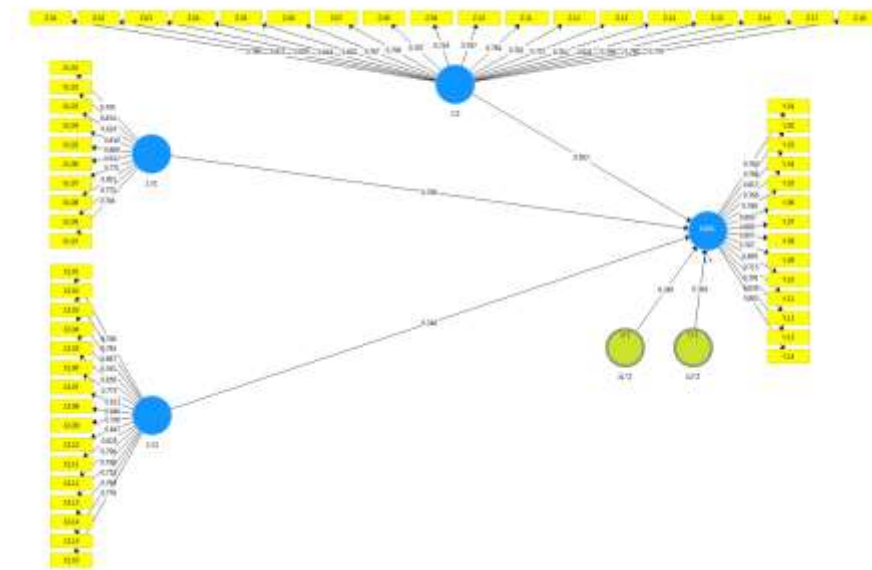


Figure 1. Outer Loading Research

The results of the loading factor above, it can be concluded that it has a high convergent validity value, then the indicator that has a loading factor is above 0.5 so that the indicators are valid.

Table 1. Convergent Validity Test Results

Variable	Dimension	Indicator	Loading Factor	Information
Auditor Competence (X1)	knowledge	X.1.1	0,795	Valid
		X.1.2	0,834	Valid
		X.1.3	0,924	Valid
	Skill	X.1.4	0,810	Valid
		X.1.5	0,869	Valid
		X.1.6	0,812	Valid
	Attitude	X.1.7	0,771	Valid
		X.1.8	0,901	Valid
		X.1.9	0,775	Valid
		X.1.10	0,794	Valid
Effectiveness of Government Internal	Control Environment	X.2.1	0,305	Valid
		X.2.2	0,353	Valid
		X.2.3	0,340	Valid
		X.2.4	0,239	Valid

Control (X2)		X.2.5	0,318	Valid
		X.2.6	0,288	Valid
	Risk Assessment	X.2.7	0,361	Valid
		X.2.8	0,393	Valid
	Control Activities	X.2.9	0,444	Valid
		X.2.10	0,491	Valid
		X.2.11	0,618	Valid
		X.2.12	0,500	Valid
		X.2.13	0,583	Valid
		X.2.14	0,397	Valid
	Information and Communication	X.2.15	0,536	Valid
		X.2.16	0,528	Valid
Skeptisme (Z)	Questioning Mind	Z.1	0,629	Valid
		Z.2	0,574	Valid
		Z.3	0,637	Valid
	Suspension of Judgment	Z.4	0,639	Valid
		Z.5	0,627	Valid
		Z.6	0,499	Valid
	Search For Knowledge	Z.7	0,535	Valid
		Z.8	0,564	Valid
		Z.9	0,507	Valid
	Interpersonal Understanding	Z.10	0,507	Valid
		Z.11	0,548	Valid
		Z.12	0,610	Valid
		Z.13	0,648	Valid
		Z.14	0,728	Valid
		Z.15	0,595	Valid
	Self Determination	Z.16	0,478	Valid
		Z.17	0,694	Valid
		Z.18	0,527	Valid
Report Quality (Y)	Relevant	Y.1	0,744	Valid
		Y.2	0,464	Valid
		Y.3	0,677	Valid
		Y.4	0,671	Valid
		Y.5	0,574	Valid
	reliable	Y.6	0,659	Valid
		Y.7	0,704	Valid
		Y.8	0,519	Valid
		Y.9	0,819	Valid
		Y.10	0,622	Valid
	Comparable	Y.11	0,527	Valid
		Y.12	0,475	Valid
	understandable	Y.13	0,670	Valid
		Y.14	0,684	Valid

b. Reliability Test

The following is a table of the results of testing composite reliability and Cronbach's alpha from Smart PLS on each research variable:

Table 2. Reliability Test Results

Variabel	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	AVE	Keterangan
1.X1	0,949	0,957	0,689	Reliabel
2.X2	0,963	0,966	0,643	Reliabel
3.Z	0,963	0,967	0,617	Reliabel
4.Y	0,957	0,962	0,645	Reliabel
X1*Z	1,000	1,000	1,000	Reliabel
X2*Z	1,000	1,000	1,000	Reliabel

A variable is declared reliable if it has a composite reliability value above 0.70 and Cronbach's alpha above 0.60. From the results of the data above, all variables have a composite reliability value above 0.70 and Cronbach's alpha above 0.60. So, it can be concluded that the indicators used in each variable have good reliability or are able to measure the construct.

3.2 Evaluation of Goodness of Fit Structural Model (Inner Model)

The structural model in PLS is evaluated by the value of R-Square (R²) using the predictive-relevance (Q²) value. The predictive-relevance (Q²) value is calculated using the following formula :

$$Q^2 = 1 - (1 - R^2_1)(1 - R^2_2) \dots n$$

$$Q^2 = 1 - (0.831)$$

$$Q^2 = 0.169$$

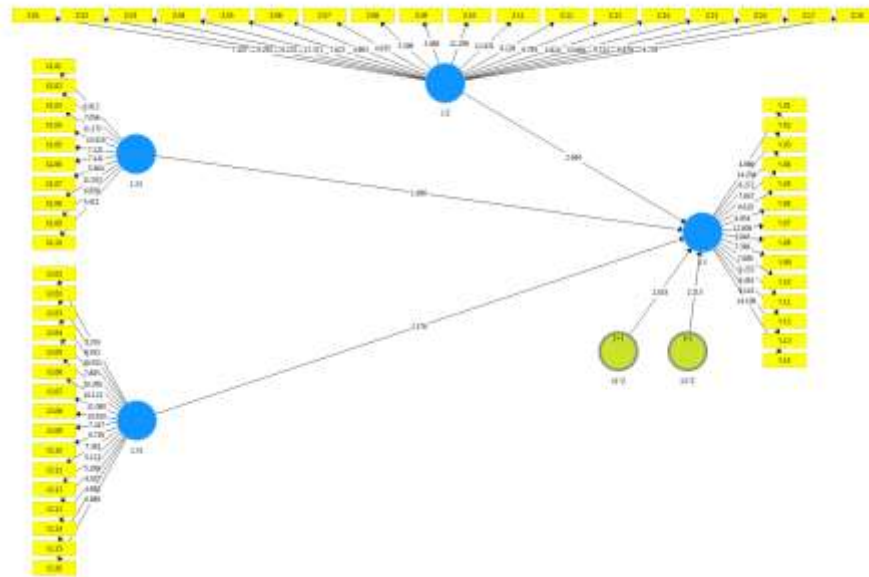
Table 3. R-Square Hasil Results

Variable	<i>R-Square</i>
Financial Report Quality	0.831
<i>Predictive-Relevance (Q²)</i>	0.169

The process of testing the structural model using the R-square (R²) value is a goodness of fit model test. The coefficient of determination for the financial statement quality variable gives an R-square value of 0.831 which means that the variability of the construct of financial report quality which can be explained by the construct variable of accrual-based government accounting standards application, internal control system implementation, regional financial accounting system is 83.1% while 16.9 % is explained by other variables not included in this research model.

3.3 Evaluation of Goodnees

The following is an image explaining the path diagram for testing the hypothesis:

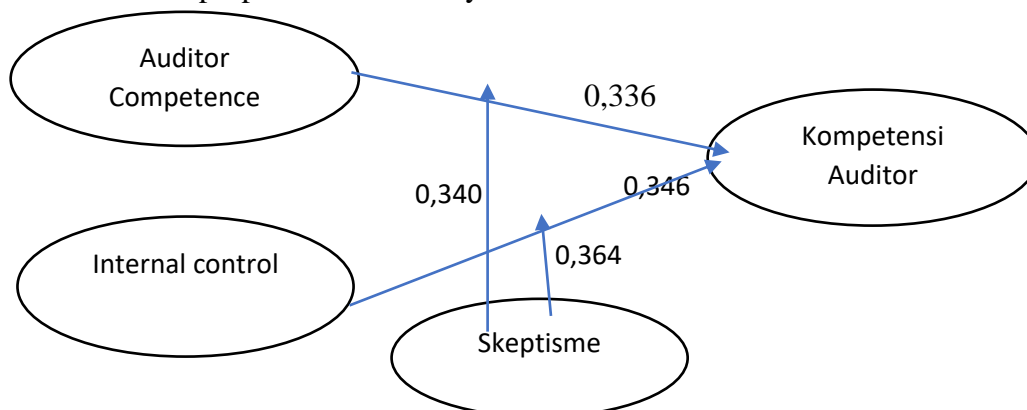


The complete hypothesis testing can be explained as follows;

Table 4. Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
1.X1 -> 4.Y	0,336	0,280	0,169	1,986	0,048
2.X2 -> 4.Y	0,346	0,255	0,192	2,176	0,018
X1*Z -> 4.Y	0,340	0,044	0,298	2,033	0,031
X2*Z -> 4.Y	0,364	0,001	0,284	2,213	0,012

Based on table 4, the research equation model formed can be explained in the figure like the model proposed in this study.



The effect of the relationship of exogenous latn variables on endogenous latent variables in the table above can be explained as follows;

a. The Influence of Internal Auditor Competence on the Quality of Ministry's Financial Reports

The path parameter coefficient obtained from the influence of the Internal Auditor Competence variable on the Quality of Financial Statements is 0.336 with a t-statistical value of $1.986 > 1.689$ with a significance level of $= 0.05$ (5%) then the t-statistical value is greater than t-table. This means that Internal Auditor Competence has a significant and positive effect on Professional Skepticism. The value of 0.307 in the parameter coefficient means that the higher the Internal Auditor Competence, the better the quality of financial reports. The results of this study support the first hypothesis (H1) that there is a significant and positive effect of Internal Auditor Competence on the Quality of Financial Statements.

b. The Effect of Internal Control on the Quality of Ministry Financial Reports

The path parameter coefficient obtained from the influence of the Internal Control variable on the Quality of Financial Statements is 0.346 with a t-statistical value of $2.176 > 1.689$ with a significance level of $= 0.05$ (5%) then the t-statistical value is greater than t-table. This means that Internal Control has a significant and positive effect on the Quality of Financial Statements. The value of 0.346 on the coefficient parameter means that the higher the Internal Control, the better the quality of financial reports. The results of this study support the second hypothesis (H2) that there is a significant and positive effect of Internal Control on the Quality of Financial Statements.

c. Professional Skepticism Strengthens the Influence of Internal Auditor Competence on the Quality of Ministry Financial Reports

The path parameter coefficient obtained from Professional Skepticism Strengthens the Effect of Internal Auditor Competence on the Quality of Financial Statements is 0.340 with a t-statistical value of $2.033 > 1.689$ with a significance level of $= 0.05$ (5%) then the t-statistical value is greater than t-table. This means that Professional Skepticism Strengthens the Effect of Internal Auditor Competence on the Quality of Financial Statements. The results of this study support the third hypothesis (H3) that Professional Skepticism is able to moderate the relationship of internal auditor competence to the quality of the Ministry's financial statements. This means that the influence of the competence of the Internal Auditor will be higher on the Quality of Financial Statements if there is also the influence of Professional Skepticism.

d. The Effect of Professional Skepticism Strengthens the Effect of the Effectiveness of Internal Control on the Quality of Financial Reports

The coefficient of the path parameter obtained from the Effect of Professional Skepticism Strengthens the Effect of the effectiveness of internal control on the Quality of Financial Statements is 0.364 with a t-statistical value of $2.213 > 1.689$ with a significance level of $= 0.05$ (5%) then the t-statistical value is greater than t-table. This means that the influence of professional skepticism strengthens the effect of the effectiveness of internal control on the quality of financial statements. The value of 0.364 on the coefficient of the parameter means the Effect of Professional Skepticism Strengthens the Effect of the effectiveness of internal control on the Quality of Financial Statements. The results of this study support the fourth hypothesis (H4) that Professional Skepticism is able to moderate the relationship between the effectiveness of internal control and the quality of the Ministry's financial statements.

3.4 Discussion

a. The Influence of Internal Auditor Competence on the Quality of Financial Statements

Internal Auditor Competence has a significant and positive effect on the Quality of Financial Statements. This means that the higher the Internal Auditor Competence of an agency, the better the Quality of Financial Reports will be. Human resource capacity can help to generate information. So that in the financial reporting process, human resources play an important role in improving the quality of financial reports in the presentation of financial statements. Therefore, the quality of financial reports will automatically increase.

According to Husna (2013) in Pramudiarta & Juliarto (2015), states that: Human resources who are supported by an accounting education background, often attend education and training, and have experience in finance in implementing accounting systems, competent human resources will be Able to understand accounting logic well. The competence of human resources itself is very instrumental in producing quality (reliable) information. If the human resources who carry out the accounting system are not competent and have the required capacity, it will cause obstacles and the implementation of the accounting function, and finally accounting information as a product of the accounting system, the quality will be poor. The resulting information becomes information that lacks or has no value, one of which is reliability.

The results of this study strengthen the results of previous research conducted by Usman, Sudarma, Habbe, & Said (2017) whose research results conclude that auditor competence has a positive and significant effect on audit quality.

Research conducted by Kintaatmaja (2015) shows that the influence of internal control, understanding of the accounting system and human resource capacity have a significant simultaneous effect on the quality of financial statement information. Ramlah, Syah, & Dara (2018) suggest that audit quality can be achieved if the auditor has good competence. Another study conducted by Nandari & LatriniFerdinand, Syaifuddin, Dali, & Masud (2019) stated that competence has positive effects on audit quality but is insignificant. Different research results are stated by Sagara (2015) which states that competencies of human resources do not have significant effects on the quality of the financial reporting.

b. The Influence of Internal Auditor Competence on the Quality of Financial Statements

Internal Auditor Competence has a significant and positive effect on the Quality of Financial Statements. This means that the higher the Internal Auditor Competence of an agency, the better the quality of financial reports. The capacity of human resources is a very important thing in the government to achieve the objectives of financial statements. Human resource capacity can help to generate information. So that in the financial reporting process, human resources play an important role in improving the quality of financial reports in the presentation of financial statements.

According to Husna (2013) in Pramudiarta & Juliarto (2015), states that: Human resources who are supported by an accounting education background, often attend education and training, and have experience in finance in implementing accounting systems, competent human resources will be Able to understand accounting logic well. The competence of human resources itself is very instrumental in producing quality (reliable) information. If the human resources who carry out the accounting system are not competent and have the required capacity, it will cause obstacles and the implementation of the accounting function, and finally accounting information as a product of the

accounting system, the quality will be poor. The resulting information becomes information that lacks or has no value, one of which is reliability.

The results of this study are the same as the results of research conducted by Yendrawati, (2013); Kintaatmaja (2015); Ramlah, Shah, & Dara (2018); Ferdinand, Syaifuddin, Dali, & Masud (2019); Iskandar & Setiyawati (2015); Setiyawati, Iskandar, & Basar (2018); Suaryana & Karsana (2017), where the results of their research conclude that there is a positive and significant influence on the competence of internal auditors on the quality of financial reports.

The results of this study are different from the results of research conducted by Sagara (2015) and Kesuma, Anwar, & Darmansyah (2017) where the results of his research found that the competence of internal auditors had no effect on the quality of financial reports.

c. Professional Skepticism is able to moderate the relationship between the competence of internal auditors and the quality of the Ministry's financial reports

Based on the test results before being moderated, the competence of the internal auditor has a significant effect on the quality of the ministry's financial statements and after being moderated with professional skepticism, the competence of the internal auditors has an effect on the quality of the financial statements. So in this case professional skepticism is classified as quasi-moderation which strengthens the influence of internal auditor competence on the quality of ministry financial reports.

Professional Skepticism is able to moderate the relationship between the competence of internal auditors and the quality of the Ministry's financial reports. This means that the effect of auditor competence on the quality of financial statements will be higher if there is a variable of skepticism in an auditor. A previous study said by Baharud-din, Shokiyah, & Ibrahim, (2014), that competence is related to a person's ability to perform a job or task based on the level of education, professional experience, and efforts to develop skills on an ongoing basis. Therefore, continuous competence is needed to improve the quality of audits produced by auditors (Efendy, 2010). Auditors with higher educational backgrounds have more knowledge and understanding of the disciplines studied by auditors.

Skepticism is an individual trait, it can be in the form of innate (trait), which is a stable and long-lasting aspect in an individual and also situational (state), namely a temporary condition that is influenced by the situation of Hurtt, Eining, & Plumlee, (2003). Within the framework of professional skepticism, innate skepticism and situational skepticism will form a skeptical mindset and a skeptical mindset will form skeptical actions.

According to Tuanakotta (2012), the elements of professional skepticism in the IFAC definition: 1) a critical assessment – there is a critical assessment, not taking it for granted; 2) with a question mind – with a way of thinking that keeps asking and questioning; 3) of the validity of audit evidence obtained – the validity of the evidence obtained; 4) alert to audit evidence that contradicts – be alert to contradictory evidence; 5) brings into question the reliability of documents and responses to inquiries and other information; and 6) obtained from management and those charged with governance.

The results of this study are in line with research conducted by Carpenter & Reimers, (2013) whose research results conclude that professional skepticism is a relatively easy and inexpensive way to increase the effectiveness of auditors' fraud assessments.

While the research that does not support the results of this study is from Triono (2021) which states that professional skepticism has no effect on audit quality. Gender differences also have no effect on auditor skepticism because male and female auditors

have the same job, male and female auditors have the same judgment or judgment when assessing audit considerations, individual audit results are not influenced by each other's behavior, role, and emotional level. -each individual gender.

d. Professional Skepticism is able to moderate the relationship of internal control to the quality of the Ministry's financial reports

Based on the test results before being moderated, internal control has a significant effect on the quality of the ministry's financial statements and after being moderated with professional skepticism, internal control has an effect on the quality of financial reports. So in this case professional skepticism is classified as quasi-moderation which strengthens the influence of internal control on the quality of ministry's financial reports.

Professional Skepticism is able to moderate the relationship between the effectiveness of internal control and the quality of the Ministry's financial reports. This means that the influence of internal control on the quality of financial reports will be higher if there is professional skepticism in the auditor. The State Financial Auditing Standard (2007) states that audit quality is the result of an examination containing weaknesses in internal control, fraud, deviations from the provisions of laws and regulations, and inappropriateness, which is accompanied by a response from the leadership or official responsible for the entity being audited. Feedback relates to findings, and recommendations and planned corrective actions. According to DeAngelo (1981) audit quality is reflected in the probability that the auditor can find and then report his findings in the audit report. Therefore, audit quality will be reflected in the findings reported by the auditor. The following factors, namely competence, task complexity and professional skepticism of auditors according to previous studies can affect audit quality.

DeAngelo (1981) states that audit quality is all the possibilities where the auditor when auditing the client's financial statements can find violations that occur in the client's accounting system and report the findings in the audited financial statements.

The results of research conducted by Sawitri, Dewi, Wirakusuma, Rasmini, & Ramantha (2020) found that making audit judgments by auditors was influenced by factors within the auditor, namely professional skepticism, locus of control, and auditor integrity which had a positive effect on audit judgment.

While research that does not support the results of this study is from Muslim, Rahim, Pelu & Pratiwi (2020) stating that auditor professional skepticism as a moderating variable is not able to strengthen the effect of audit fees on audit quality. Furthermore, the auditor's professional skepticism as a moderating variable is also not able to strengthen the effect of audit risk on audit quality.

V. Conclusion

Internal Auditor competence affects the quality of the Ministry's financial reports. This means that the higher the competence of an agency's auditors, the better the quality of financial reports. Internal control has a significant and positive effect on the quality of financial statements. This means that the better the effectiveness of internal control will improve the quality of financial reports. The achievement of the WTP audit opinion is evidence that the implementation of the internal control system has been implemented and implemented properly. Professional Skepticism is able to moderate the relationship between the competence of internal auditors and the quality of the Ministry's financial reports. This means that the influence of the competence of internal auditors on the quality of the Ministry's financial statements will be higher if there is professional skepticism in an

auditor. Professional Skepticism is able to moderate the relationship between the effectiveness of internal control and the quality of the Ministry's financial reports. This means that the effect of the effectiveness of internal control on the quality of the Ministry's financial statements will be higher if there is professional skepticism in the auditors.

References

- Afiah, N. N., & Rahmatika, D. N. (2014). Factors Influencing The Quality of Financial Reporting and Its implications on Good Government Governance (Research on Local Government Indonesia). *Internasional Journal of Business, Economics and Law*, 5(1), 111–121.
- Alzeban, A., & Gwilliam, D. (2014). Factors Affecting the Internal Audit Effectiveness: A survey of the Saudi Public Sector. *Journal of International Accounting, Auditing and Taxation*, 23(2), 74–86. <https://doi.org/10.1016/j.intaccaudtax.2014.06.001>
- Badan Pemeriksa Keuangan. (2012). Laporan Hasil Pemeriksaan Atas Sistem Pengendalian Intern. Retrieved from https://www.bpk.go.id/assets/files/lkpp/2012/lkpp_2012_1386152393.pdf
- Baharud-din, Shokiyah, & Ibrahim. (2014). Factors That Contribute to the Effectiveness of Internal Audit in Public Sector. *International Proceedings of Economics Development and Research*, 70, 126–132.
- Carpenter, T. D., & Reimers, J. L. (2013). Professional Skepticism: The Effects Of A Partner's Influence And The Level Of Fraud Indicators On Auditors' Fraud Judgments And Actions. *American Accounting Association*, 25(2), 45–69.
- Cohen, J., Harp, N., & Dalton, D. W. (2014). The Effect of Professional Skepticism on Job Attitudes and Turnover Intentions within the Audit Profession. *SSRN Electronic Journal*, 01(01). <https://doi.org/10.2139/ssrn.2410547>
- Dashtbayaz, M. L., Salehi, Mahdi, & Safdel, T. (2019). The effect of internal controls on financial reporting quality in Iranian family firms. *Journal of Family Business Management*, 9(3), 254–270. Retrieved from <https://www.proquest.com/docview/2273754006>
- DeAngelo, L. E. (1981). Auditor size and audit quality. *Journal of Accounting and Economics*, 3(3), 183–199. [https://doi.org/https://doi.org/10.1016/0165-4101\(81\)90002-1](https://doi.org/https://doi.org/10.1016/0165-4101(81)90002-1)
- Efendy, M. T. (2010). Pengaruh Kompetensi, Independensi, Dan Motivasi Terhadap Kualitas Audit Aparat Inspektorat Dalam Pengawasan Keuangan Daerah (Studi Empiris pada Pemerintah Kota Gorontalo) (Universitas Diponegoro). Retrieved from http://eprints.undip.ac.id/24634/1/Muh._Taufiq_Efendy.pdf
- Fajri, S. (2013). Kualitas Pelaoran Keuanan: berbagai faktor Penentu dan Konsekuensi Ekonomi (Edisi 5). Jakarta: Salemba Empat.
- Feng, M., Li, C., McVay, S. E., & Skaife, H. (2014). Does Ineffective Internal Control over Financial Reporting affect a Firm's Operations? Evidence from Firms' Inventory Management. *The Accounting Review*, 90(2), 529–557. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2187599
- Ferdinand, Syaifuddin, D. T., Dali, N., & Masud, A. (2019). Effects Of Competence And Independence As Well As Professional Attitude On Audit Quality And Individual Characteristics As Moderating A Study On Internal Auditors In Southeast Sulawesi Province. *International Journal of Civil Engineering and Technology*, 10(7), 184–200. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3451017
- Harrison Jr, W. T., Horngren, C. T., Thomas, W. C., & Suwardy, T. (2012). Akuntansi

- Keuangan ((Edisi 9). Jakarta: Erlangga.
- Herman, E. (2009). pengaruh pengalaman dan skeptisisme profesional auditor terhadap pendekteksian kecurangan. Universitas Islam Negeri Jakarta.
- Hilmi, F. (2011). SKEPTISISME PROFESIONAL AUDITOR TERHADAP PENDETEKSIAN KECURANGAN (Studi Empiris Pada Kantor Akuntan Publik di Wilayah Jakarta). Jurnal Ekonomi Dan Bisnis, 3(5), 11–15.
- Hurtt, K. R., Eining, M. M., & Plumlee, D. (2003). Professional scepticism: A model with implications for research, practice, and education. United States.
- Hurtt, R. K. (2010). Development of a Scale to Measure Professional Skepticism. Auditing: A Journal of Practice & Theory, 29(1), 149–171. <https://doi.org/10.2308/aud.2010.29.1.149>
- Institut Akuntan Publik Indonesia. (2014). Standar Audit 200. Jakarta: Institut Akuntan Publik Indonesia.
- International Auditing and Assurance Standards Board. (2021). Supplement To The Handbook Of International Quality Control, Auditing, Review, Other Assurance, And Related Services Pronouncements Part III. Retrieved from <https://www.iaasb.org/publications/2020-handbook-international-quality-control-auditing-review-other-assurance-and-related-services>
- Iskandar, D., & Setiyawati, H. (2015). The Effect of Internal Accountants ' Competence on the Quality of Financial Reporting and the Impact on the Financial Accountability. International Journal of Managerial Studies and Research (IJMSR), 3(5), 55–64.
- Ji, X. D., Lu, W., & Qu, W. (2017). Voluntary Disclosure of Internal Control Weakness and Earnings Quality: Evidence From China. The International Journal of Accounting, 52(1), 27–44. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0020706317300262>
- Joseph F. Hair, J., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). 148337744X-PLS-SEM.pdf (2nd ed.).
- Kesuma, D. P., Anwar, C., & Darmansyah. (2017). Pengaruh Good Governance, Penerapan Standar Akuntansi Pemerintah, Sistem Pengendalian Internal Pemerintah Dan Kompetensi Aparatur Pemerintah Terhadap Kualitas Laporan Keuangan Pemerintah Pada Satuan Kerja Kementerian Pariwisata. Jurnal Ilmiah Widya Ekonomika, 1(2), 141–146.
- Kintaatmaja, H. (2015). Pengaruh Efektivitas Pengendalian Intern, Pemahaman Sistem Akuntansi Keuangan, dan Kapasitas Sumber Daya Manusia Terhadap Kualitas Informasi Laporan Keuangan. Jurnal Akuntansi Dan Sistem Teknologi Informasi, 11, 160–168.
- Komarasari, W. (2017). Pengaruh Kapasitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi Dan Pengendalian Intern Akuntansi Terhadap Keterandalan Pelaporan Keuangan Daerah (Pada SKPD Kabupaten Bantul Bagian Akuntansi dan Keuangan) (Universitas PGRI Yogyakarta). Retrieved from <http://repository.upy.ac.id/1277/>
- Komite Standar Akuntansi Pemerintahan. (2019). Standar Akuntansi Pemerintahan 2019. Jakarta: KSAP.
- Mahmudi. (2010). Analisis Laporan Keuangan Pemerintah Daerah. Yogyakarta: Sekolah Tinggi Ilmu Manajemen YKPN.
- Mardiana, R., & Fahlevi, H. (2017). Pengaruh Pemahaman Akuntansi, Pengendalian Internal Dan Efektivitas Penerapan SAP Berbasis Akrua Terhadap Kualitas Laporan Keuangan (Studi Pada Satuan Perangkat Kerja Kota Banda Aceh). Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA), 2(2).

- Mardiasmo. (2005). *Akuntansi Sektor Publik : Penentuan Harga Pelayanan Publik*. Yogyakarta: Andi.
- Müller, H., & Berger, M. (2018). *IPSAS Explained: A Summary of International Public Sector Accounting Standards (Second Edi)*. United Kingdom: John Wiley and Sons, Ltd.
- Mulyadi. (2017). *Sistem Akuntansi (Edisi Keem)*. Jakarta: Salemba Empat.
- Mulyana, D. (2010). *Metodologi Penelitian Kualitatif*. Bandung: PT Remaja Rosdakarya.
- Nandari, A. W., & Latrini, M. Y. (2015). Pengaruh Sikap Skeptis, Independensi, Penerapan Kode Etik, dan Akuntabilitas Terhadap Kualitas Audit. *E-Jurnal Akuntansi Universitas Udayana*, 10(1), 164–181.
- Nizarudin, A. (2013). Pengaruh etika, pengalaman audit, dan independensi terhadap Skeptisisme professional Auditor Badan Pemeriksa Keuangan Republik Indonesia Perwakilan Provinsi Kepulauan Bangka Belitung. *Jurnal Akuntansi & Keuangan*, 16(1), 1–13.
- Nurhasanah. (2016). Efektivitas pengendalian internal, audit internal, karakteristik instansi dan kasus korupsi. *Jurnal Tata Kelola & Akuntabilitas Keuangan Negara*, 2(1), 27–48. Retrieved from <https://www.semanticscholar.org/paper/EFEKTIVITAS-PENGENDALIAN-INTERNAL%2C-AUDIT-INTERNAL%2C-Nurhasanah>
- Popova, V. (2013). Exploration of skepticism, client-specific experiences, and audit judgments. *Managerial Auditing Journal*, 28(2), 140–160. <https://doi.org/https://doi.org/10.1108/02686901311284540>
- Pramudiarta, R., & Juliarto, A. (2015). Pengaruh Kompetensi Sumber Daya Manusia, Pemanfaatan Teknologi Informasi, Dan Sistem Pengendalian Intern Terhadap Nilai Informasi Pelaporan Keuangan Entitas Akuntansi Pemerintah Daerah (Studi Persepsi Pegawai SKPD di Kabupaten Batang dan Kabupaten Kendal). *Diponegoro Journal of Accounting*, 4(3), 641–654. Retrieved from <https://ejournal3.undip.ac.id/index.php/accounting/article/view/17058>
- Ramlah, S., Syah, A., & Dara, M. A. (2018). The Effect Of Competence And Independence To Audit Quality With Auditor Ethics As A Modernation Variable. *International Journal of Scientific & Technology Research*, 7(9), 6–10. Retrieved from www.ijstr.org
- Romney, M. B., & Steinbart. (2015). *Sistem Informasi Akuntansi (Edisi 13)*. Jakarta: Salemba Empat.
- Rosalin, F. (2011). Faktor-faktor yang Mempengaruhi Keandalan dan Timeliness Pelaporan Keuangan Badan Layanan Umum, Studi pada BLU di Kota Semarang. Universitas Diponegoro.
- Sagara, Y. (2015). The Effect of Implementation Accounting Information System and Competence of Human Resources on the Quality of Financial Reporting. *Research Journal of Finance and Accounting*, 6(10), 111–116. Retrieved from www.iiste.org
- Sawitri, M., Dewi, K., Wirakusuma, M. G., Rasmini, N. K., & Ramantha, I. W. (2020). The Effect of Professional Skepticism , Locus of Control , and Integrity on Audit Judgment. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 4(1), 157–164.
- Sawyer, L. B., & Dittenhofer. (2012). *Guide For Internal Auditors. Volume 1: Internal Audit Essentials (Edisi 6)*. The Institute of Internal Auditors Research Foundation.
- Sedarmayanti. (2017). *Manajemen Sumber Daya Manusia*. Bandung: Refika Aditama.
- Septidiany, R. (2014). Pengaruh Kompetensi Auditor Terhadap Pelaksanaan Audit Internal dan Implikasinya terhadap Kualitas Laporan Keuangan (Studi Pada Pemerintah Kota Bandung) (Universitas Komputer Indonesia). Retrieved from

<https://repository.unikom.ac.id/28269/>

- Setiyawati, H., Iskandar, D., & Basar, Y. S. (2018). The Quality of Financial Reporting through Increasing the Competence of Internal Accountants and Accrual Basis. *International Journal of Economics, Business and Management Studies*, 5(1), 31–39. <https://doi.org/10.20448/802.51.31.39>
- Setiyawati, H., Mutiah, & Nengzih. (2014). The Effect of the Implementation of Good Corporate Governance Principles and the Effectiveness of Internal Control System Disclosure of Environmental accounting and Its Implications On the Company Performance (Studies in State-Owned and Private Hospitals. *Research Journal of Finance and Accountin*, 5(24), 172–178. Retrieved from www.iiste.org
- Setyaningrum, D., & Kuntadi, C. (2019). The effects of competence , independence , audit work , and communication on the effectiveness of internal audit. *Journal of Economics, Business, and Accountancy Ventura*, 22(June), 39–47. <https://doi.org/10.14414/jebav.v22i1.879>
- Setyowati, L., Isthika, W., Pratiwi, R. D., & Nuswantoro, U. D. (2016). Faktor-Faktor Yang Mempengaruhi Kualitas Laporan Keuangan Pemerintah Daerah Kota Semarang. *Kinerja*, 20(1), 179–192. Retrieved from <https://media.neliti.com/media/publications/144499-ID-faktor-faktor-yang-mempengaruhi-kualitas.pdf>
- Suaryana, I. G. N. A., & Karsana, I. W. (2017). Pengaruh Efektivitas Penerapan SAP, Kompetensi SDM, dan SPI pada Kualitas Laporan Keuangan Pemerintah Kabupaten Bangli. *E-Jurnal Akuntansi Universitas Udayana*, 21(1), 643–670.
- Sukrisno, A. (2012). *Auditing: Petunjuk Praktis Pemeriksaan Akuntan Oleh Akuntan Publik*. Jakarta: Salemba Empat.
- Tambingon, H. N., Yadiati, W., & Kewo, C. L. (2018). Determinant Factors Influencing the Quality of Financial Reporting Local Gov in Indonesia. *International Journal of Economics and Financial Issues*, 8(2), 262–268. Retrieved from <https://www.econjournals.com/index.php/ijefi/article/view/6160/pdf>
- Tuanakotta, T. M. (2012). *Akuntansi Forensik dan Audit Investigatif*. Retrieved from Salemba Empat
- Usman, A., Sudarma, M., Habbe, H., & Said, D. (2017). Effect of Competence Factor , Independence and Attitude against Professional Auditor Audit Quality Improve Performance in Inspectorate (Inspectorate Empirical Study in South Sulawes ... Effect of Competence Factor , Independence and Attitude against Prof. *Journal of Business and Management (IOSR-JBM)*, 16(January), 01–13. <https://doi.org/10.9790/487X-16120113>
- Watts, R. L., & Zimmerman, J. L. (1997). *Positive Accounting Theory*. USA: Prentice-Hall.
- Yendrawati, R. (2013). Pengaruh Sistem Pengendalian Intern dan Kapasitas Sumber Daya Manusia Terhadap Kualitas Informasi Laporan Keuangan Dengan Faktor Eksternal Sebagai Variabel Moderating. *Jurnal AAI*, 17(2), 166–175.
- Zhang, Y., Zhou, J., & Zhou, N. (2007). Audit committee quality , auditor independence , and internal control weaknesses. *Journal of Accounting and Public Policy*, 26, 300–327. <https://doi.org/10.1016/j.jaccpubpol.2007.03.001>