

Auditors' Professional Integrity and Skepticism Towards Audit Quality

(A Case Study At The Bandung City Inspectorate)

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ABSTRACT

Purpose: This study aims to analyze and empirically examine the influence of auditor competence, professional integrity, and professional skepticism on audit quality in the public sector, with a specific focus on internal auditors at the Bandung City Regional Inspectorate.

Research Method: The study adopts an associative quantitative research design. Data were collected from all internal auditors at the Bandung City Regional Inspectorate, totaling 30 respondents, using a structured questionnaire. The entire population was included as research subjects through a census approach. Data analysis was conducted using multiple regression techniques to test the individual effects of auditor competence, integrity, and professional skepticism on audit quality.

Results and Discussion: The results indicate that auditor competence has a positive and significant influence on audit quality, suggesting that greater knowledge, skills, and experience contribute to better audit outcomes. Auditor integrity also has a significant positive effect on audit quality, underscoring the importance of ethical commitment and objectivity in audit work. Furthermore, professional skepticism positively influences audit quality, confirming that a critical, questioning mindset enhances the reliability and credibility of audit results. These findings collectively demonstrate that auditors' behavioral and professional attributes play a crucial role in determining audit quality.

Implications: The study offers practical implications for public-sector audit institutions by emphasizing the need to strengthen auditors' competence, integrity, and professional skepticism through continuous training, ethical development, and a supportive organizational culture to improve audit quality and accountability.

Keywords: audit quality; competence; integrity; professional skepticism; auditor.

Introduction

Effective public financial management is a fundamental pillar of good governance, accountability, and public trust in government institutions. High-quality financial reporting enables stakeholders to assess whether public resources are managed transparently, efficiently, and in compliance with applicable regulations. In practice, however, many local governments continue to face persistent challenges in ensuring the reliability and integrity of their financial statements. This condition is evident in the Bandung City Government's 2024 Financial Report, which received a Qualified Opinion. Such an opinion indicates that, while the financial statements generally present the financial position,



operating results, and cash flows fairly in accordance with Indonesian government accounting standards, material items are excluded, undermining the overall reliability of the financial statements. The Supreme Audit Agency (BPK) identified significant weaknesses in internal control and non-compliance with laws and regulations, including overpayments in capital expenditures due to irregularities in goods and services procurement, non-compliant social assistance expenditures, inadequate inventory management, and uncertainty regarding the reasonableness of accumulated depreciation of fixed and other assets (BPK RI, 2024). These findings highlight structural weaknesses in the Bandung City Government's financial management. More critically, the identified deficiencies were not detected by the Government Internal Supervisory Apparatus (APIP), which serves as the internal auditor, but were instead uncovered by the BPK, the external auditor. This situation raises serious concerns regarding the effectiveness and quality of internal audit practices within the Inspectorate (Rosnidah, 2013). Empirically, this problem is not incidental. Since its establishment in 2007, the Bandung City Government has obtained an unqualified opinion only once, namely for the 2019 Financial Report. Setyadi (2021) attributes this condition to an outdated paradigm within APIP that emphasizes fault-finding rather than value-adding assurance and problem-solving. Contemporary internal audit standards, however, position APIP not merely as a supervisory body but as a strategic partner and trusted advisor that supports management in risk anticipation and governance improvement (Setyadi, 2021). These phenomena indicate a critical gap between expected and actual internal audit performance, underscoring the need to examine auditor-related factors, particularly professional integrity and professional skepticism, as foundational determinants of audit quality.

Recent audit research positions professional integrity and professional skepticism as central behavioral determinants of audit quality and reflects the current state of the art in auditing studies. Professional integrity refers to auditors' commitment to honesty, ethical principles, objectivity, and consistency in applying auditing standards. Auditors with strong integrity tend to demonstrate higher independence in judgment and greater resistance to pressure, which directly enhances audit quality. Empirical evidence supports this view, showing that auditor integrity has a positive and significant effect on audit quality by strengthening adherence to professional standards and enhancing the credibility of audit outcomes (Nihestita et al., 2018). Alongside integrity, professional skepticism has received extensive attention as a key cognitive and behavioral attribute that improves audit performance. Professional skepticism reflects a questioning mindset and critical evaluation of audit evidence, particularly when assessing management assertions. Prior studies consistently demonstrate that higher levels of professional skepticism significantly improve audit performance and audit quality (Raihan & Setiyawati, 2025). Research involving samples of approximately 65 to 97 auditors across various accounting firms provides strong empirical support for a statistically significant relationship between professional skepticism and audit quality (Rahayu, 2020). More recent findings reveal a more contextual perspective. Evidence indicates that professional skepticism positively influences audit quality, especially under client time pressure, where increased vigilance becomes essential (Tjan et al., 2024; Wijaya et al., 2023). Conversely, other studies report non-significant effects, suggesting that organizational context may shape how skepticism translates into audit outcomes (Triono, 2021). Further research highlights that personality traits, such as extraversion, can moderate the relationship between professional skepticism and audit quality (Chen et al., 2023), while auditor competence strengthens the dominant role of skepticism in producing high-quality audits (Koswara et al., 2023).

Despite growing empirical evidence confirming the importance of professional integrity and skepticism in enhancing audit quality, several critical research gaps remain at both the empirical and theoretical levels. First, much of the existing literature has focused on external auditing, particularly within public accounting firms. These studies predominantly examine auditors operating in market-driven environments with relatively standardized quality control mechanisms and professional incentives. As a result, their findings may not be fully generalizable to the public-sector internal audit context, where auditors operate within bureaucratic structures, face political and administrative pressures, and often have less independence than external auditors. This contextual distinction suggests that the mechanisms through which integrity and skepticism influence audit quality may differ substantially between sectors. Second, prior research has produced inconsistent empirical findings regarding the role of professional skepticism. While several studies report a strong, positive relationship between skepticism and audit quality, others find no effect, suggesting that skepticism alone may not consistently translate into higher audit quality. These inconsistencies point to unresolved theoretical issues regarding boundary conditions and contextual factors that shape auditor behavior. Although recent studies have begun to explore moderating variables such as time pressure, personality traits, and auditor competence, these insights remain fragmented and have not been sufficiently integrated into a coherent explanatory framework. Third, limited attention has been given to the interaction between professional integrity and professional skepticism as complementary attributes rather than isolated predictors. Most studies treat these variables independently, leaving a gap in understanding how ethical commitment and critical judgment jointly influence audit quality. Moreover, empirical evidence from government internal supervisory institutions remains scarce, particularly at the local government level, where audit quality problems persist.

Based on the identified research gaps, this study offers several key contributions that establish its novelty and clarify its research objectives. First, the study extends the audit quality literature by shifting the empirical focus from external auditors to government internal auditors within a local government setting, specifically the Bandung City Inspectorate. This context is rarely examined, despite persistent audit quality issues in the public sector. Second, the study advances theoretical understanding by examining professional integrity and professional skepticism simultaneously, treating these attributes as complementary behavioral foundations of audit quality rather than isolated predictors. This integrated approach directly addresses prior inconsistencies in the literature and the lack of a coherent framework explaining how ethical commitment and critical judgment jointly shape audit outcomes in bureaucratic environments. Third, by grounding the analysis in the institutional characteristics of public-sector internal auditing, the study contributes context-sensitive empirical evidence that enriches existing audit theory. Accordingly, the primary objective of this research is to empirically examine the influence of auditors' professional integrity and professional skepticism on audit quality at the Bandung City Inspectorate, thereby providing theoretical refinement and practical insights to strengthen the role of government internal auditors as effective assurance providers and strategic partners in public financial governance.

Literature Review and Hypothesis Development

Audit Quality

Audit quality is commonly defined as the extent to which an audit is conducted in accordance with professional standards. It provides reasonable assurance that the financial statements are free from material misstatement. In contemporary auditing literature, audit quality is not viewed merely as the final audit opinion but as a comprehensive construct that reflects the rigor, reliability, and credibility of the entire audit process. Alareeni (2019) conceptualizes audit quality as a multidimensional outcome that encompasses planning adequacy, compliance with auditing standards, professional judgment, and the clarity and usefulness of audit reporting. Through a meta-analysis of audit quality-specific indicators, Alareeni (2019) demonstrates that audit quality is shaped by the consistency and depth with which auditors apply standards and exercise professional judgment throughout the audit engagement. This perspective positions audit quality as an inherent attribute of the audit process rather than a single observable output. In a broader governance context, Akther & Xu (2020) argue that audit quality plays a crucial role in reducing the audit expectation gap and strengthening stakeholder confidence. Their study emphasizes that high-quality audits enhance users' trust in financial reports by aligning audit outcomes more closely with stakeholder expectations regarding transparency, accountability, and reliability. Consequently, audit quality serves not only a technical assurance function but also a legitimizing role within financial reporting systems, reinforcing public confidence in audited information and the institutions that produce it.

Recent empirical studies further refine the concept of audit quality by identifying observable indicators that capture how effectively auditors respond to complex accounting issues and reporting risks. Albersmann & Quick (2020) provide evidence that audit quality is reflected in auditors' timeliness and decisiveness when addressing goodwill impairments, an area characterized by high estimation uncertainty and managerial discretion. Their findings suggest that high-quality audits are characterized by auditors' willingness to challenge management judgments and to ensure the timely recognition of economic losses, thereby enhancing the relevance and reliability of financial statements. Extending this line of inquiry, Dekeyser et al. (2024) show that audit quality is also influenced by auditors' exposure to diverse industry settings, as broader industry experience improves auditors' analytical capabilities and professional judgment. These studies collectively indicate that audit quality is reflected in auditors' behavior in practice, particularly in how they handle judgment-intensive areas and adapt to varying audit contexts. Evidence from emerging economies further enriches this understanding. Rasuli et al. (2024) conceptualize audit quality as the outcome of a robust audit process that integrates critical evaluation of evidence, independence in judgment, and effective use of information technology to support audit procedures. This view highlights audit quality as a dynamic construct that evolves with changes in audit environments and technological advancements. Similarly, Saputra & Firmansyah (2024) frame audit quality as reflecting auditors' accountability in performing their professional responsibilities, emphasizing that high-quality audits produce findings and recommendations that are transparent, relevant, and aligned with auditing standards. Kamil et al. (2023) further reinforce this perspective by defining audit quality as the extent to which audit work provides credible assurance to users of financial statements, thereby supporting informed decision-making.

Auditor Competence

Auditor competence is generally defined as the combination of knowledge, technical skills, professional judgment, and practical experience that enables auditors to perform audit tasks effectively and in accordance with applicable standards. In the contemporary auditing literature, competence is not viewed as a static attribute derived solely from formal education, but rather as a dynamic professional capability that evolves through continuous learning, training, and exposure to complex audit engagements. Khulsum et al. (2025) conceptualize auditor competence as a multidimensional construct encompassing technical accounting knowledge, auditing expertise, analytical ability, and problem-solving capacity, all of which are required for auditors to respond effectively to increasing audit complexity. This perspective highlights that competence plays a central role in shaping auditors' capacity to understand business processes, assess risks, and design appropriate audit procedures. In a similar vein, Syalwa et al. (2024), drawing on the International Auditing and Assurance Standards Board framework, position auditor competence as a key input indicator of audit quality, emphasizing that competent auditors are better equipped to interpret standards, exercise professional judgment, and apply audit methodologies consistently. The emphasis on competence as an input factor underscores its foundational role in the audit process, as the quality of audit outcomes is largely determined by the auditor's ability to transform technical knowledge into sound audit decisions. From this standpoint, auditor competence represents the intellectual and professional capital that underpins the credibility and reliability of audit work in increasingly complex financial reporting environments.

Recent empirical research further deepens the conceptual understanding of auditor competence by highlighting its contextual and relational dimensions. DeFond et al. (2024) distinguish competence from independence and argue that competent auditors possess superior industry knowledge and business understanding that enhance their ability to detect misstatements and evaluate client-specific risks. Their findings suggest that auditor competence is closely linked to auditors' embeddedness within business communities, as such connections may enhance informational advantages and professional insight when appropriately managed. This view aligns with Khulsum et al. (2025), who demonstrate that auditor competence is particularly critical under time budget pressure and audit complexity, where auditors must rely heavily on their expertise and judgment to maintain audit effectiveness. Evidence from emerging market contexts reinforces this argument. Raihan & Setiyawati (2025) describe auditor competence as a central professional attribute that enables auditors to manage workload pressures and maintain performance quality, emphasizing its role in prioritizing audit tasks and allocating effort efficiently. Similarly, Krisnia & Rochayatun (2024) frame auditor competence as an integral professional resource that strengthens auditors' confidence in applying standards and making defensible judgments, thereby reinforcing their professional standing. Extending this line of reasoning, Krisnia & Rochayatun (2024) highlight that auditor competence enhances auditors' ability to adapt audit approaches to varying organizational scales, demonstrating that competence supports flexibility and contextual sensitivity in audit execution.

Integrity

Integrity is commonly defined as a fundamental ethical principle reflecting honesty, moral consistency, and adherence to professional values in judgment and behavior, particularly when individuals are under pressure, facing uncertainty, or dealing with conflicting interests. In the auditing

profession, integrity represents a core moral foundation that guides auditors to act truthfully, objectively, and responsibly in evaluating evidence and forming audit judgments. Gunawan & Ayu Lestari (2025) conceptualize integrity as an ethical disposition that underpins the credibility of financial reporting and the trustworthiness of audit outcomes, emphasizing that auditors' ethical behavior is inseparable from the integrity of the audit process itself. From this perspective, integrity is not merely a personal virtue but a professional obligation that ensures audit work is conducted in alignment with established norms, standards, and societal expectations. Similarly, Zaqiani & Sopian (2025) frame integrity as an essential element of auditor ethics that reinforces reliability and trust in internal audit functions, noting that ethical consistency enables auditors to maintain professional judgment even under organizational or managerial pressure. Integrity, therefore, functions as an internal moral compass that shapes auditors' decisions throughout the audit process, from planning and evidence evaluation to reporting. Andini et al. (2025) further expand this view, noting that integrity supports ethical decision-making and strengthens stakeholder confidence in audit results, suggesting that integrity serves as a bridge between professional conduct and public trust.

Recent empirical and conceptual studies deepen the understanding of integrity by situating it within broader ethical and behavioral frameworks that govern professional judgment. Israa & Al-Tamimib (2025), drawing on the Theory of Planned Behavior, explain that integrity influences auditors' intentions and actions by aligning personal values with professional norms and ethical standards. In this sense, integrity shapes not only what auditors know but also how they choose to act when confronted with ethical dilemmas or ambiguous audit evidence. This interpretation underscores integrity as a stabilizing force that enhances the credibility and reliability of audit judgments. Empirical evidence further supports this role. Prabowo & Suhartini (2020) demonstrate that integrity contributes positively to audit outcomes by reinforcing auditors' commitment to objective assessment and transparent reporting, even in environments characterized by competing interests or institutional pressure. The study suggests that integrity enables auditors to maintain professional boundaries and resist behaviors that could compromise audit credibility. Complementing this argument, Mahmud et al. (2024) identify integrity as a key component of auditor ethics that strengthens internal audit processes, particularly in contexts where accountability and ethical compliance are highly valued. Their findings reinforce the view that integrity is central to sustaining professional legitimacy and ensuring that audit activities fulfill their assurance role effectively. Across these studies, integrity emerges not as an abstract moral ideal but as a practical, observable ethical orientation that shapes auditors' conduct, supports sound judgment, and reinforces confidence in the audit profession.

Professional Skepticism Auditor

Professional skepticism is a questioning mindset and a critical assessment attitude that enables auditors to remain alert to conditions that may indicate possible misstatement due to error or fraud, and to evaluate audit evidence throughout the audit process. This concept emphasizes that auditors should neither assume management honesty nor presume dishonesty, but instead maintain a balanced, evidence-based judgment when forming audit conclusions. Tjan et al. (2024) describe professional skepticism as an essential professional attitude that strengthens auditors' judgment quality by encouraging careful evaluation of information and resistance to persuasive but insufficient evidence. From this perspective, professional skepticism is not a temporary reaction during specific audit stages, but a continuous cognitive orientation that shapes how auditors interpret evidence, assess risks, and

respond to uncertainty. Rahman et al. (2024) further emphasize that professional skepticism reflects auditors' willingness to question management assertions and to seek corroborating evidence before reaching conclusions, highlighting its role in ensuring that audit judgments are grounded in sufficient and appropriate evidence. In a broader conceptual sense, Istianah & Akbar (2024) position professional skepticism as a core behavioral attribute within the audit profession, arguing that it functions as a safeguard against oversight risk by promoting vigilance, analytical rigor, and disciplined judgment.

Recent literature advances the understanding of professional skepticism by exploring its behavioral, situational, and individual determinants. Noegroho et al. (2025) demonstrate that professional skepticism is not solely a function of technical standards but is also shaped by auditors' personality traits, such as conscientiousness, openness, and agreeableness, which influence auditors' propensity to engage in critical inquiry and reflective judgment. This finding suggests that professional skepticism is embedded in auditors' cognitive and behavioral dispositions, affecting how consistently skeptical judgment is exercised in practice. Complementing this behavioral view, Gajewski et al. (2025) introduce a dynamic perspective by showing that professional skepticism can be strengthened through behavioral nudges, such as structured prompts and decision aids, which reinforce auditors' critical thinking during audit engagements. This evidence underscores that professional skepticism is not static, but can be cultivated and reinforced through deliberate organizational and procedural interventions. From a situational standpoint, Xie (2024) highlights that professional skepticism is highly sensitive to contextual cues, including risk signals and ambiguity in audit evidence, and plays a decisive role in shaping auditors' judgment outcomes under uncertainty. This situational analysis reinforces the view that skepticism functions as an adaptive cognitive mechanism, enabling auditors to respond effectively to varying audit risks. Collectively, these studies converge on the understanding that professional skepticism is a multifaceted construct encompassing cognitive vigilance, behavioral discipline, and situational awareness. Rather than being a mere procedural requirement, professional skepticism is a deeply embedded professional attitude that guides auditors' reasoning, enhances judgment quality, and supports reliable audit decision-making across diverse audit contexts.

Research Method

Study Design

This study uses an associative research design to examine the influence and relationships among multiple variables within a specific organizational context. Associative research is appropriate for identifying the degree to which independent variables are related to or influence a dependent variable without manipulating the research setting, thereby allowing the analysis to reflect actual conditions within the organization (Sugiyono, 2019). The research was conducted at the Bandung City Inspectorate, an internal government audit institution, to address the ongoing need to strengthen audit quality within the agency. The dependent variable in this study is audit quality, and the independent variables are auditor competence, integrity, and professional skepticism. This design enables a systematic assessment of how these professional attributes contribute to variations in audit quality.

Population and Research Subjects

The unit of analysis in this study is the individual auditor. The research population comprises all internal auditors employed by the Bandung City Inspectorate, totaling 30. Given the relatively small

population size, this study applies a census technique, in which all members of the population are included as research respondents. Using a census approach eliminates sampling bias and ensures that the data collected accurately reflect the characteristics and perceptions of internal auditors within the institution.

Data Collection Techniques and Instrument Development

Primary data were collected using a structured questionnaire distributed directly to all internal auditors. The questionnaire was designed to measure audit quality, auditor competence, integrity, and professional skepticism based on established theoretical concepts and indicators derived from prior empirical studies. Each construct was operationalized as a set of measurable items using a Likert scale to consistently capture respondents' perceptions. Prior to data analysis, the instrument underwent validity and reliability testing to ensure that all measurement items accurately reflected the intended constructs and yielded consistent results.

Data Analysis Techniques

The collected data were analyzed using quantitative statistical techniques. Descriptive analysis was first employed to provide an overview of respondent characteristics and variable distributions. Subsequently, multiple regression analysis was conducted to test the influence of auditor competence, integrity, and professional skepticism on audit quality. This analytical approach allows for the simultaneous examination of the independent variables' effects on the dependent variable and provides empirical evidence regarding the strength and direction of these relationships.

Results and Discussion

Analysis Result

In this study, the author conducted multiple linear regression analysis to determine the integrity and skepticism of audit professionals towards audit quality, as can be seen in the following table:

Table 1. Multiple Regression Test

| | | Coefficients ^a | | | | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -1.570 | 2.430 | | -.646 | .522 |
| | X1 | .307 | .125 | .269 | 2.466 | .018 |
| | X2 | .306 | .067 | .466 | 4.546 | .000 |
| | X3 | .149 | .067 | .281 | 2.216 | .032 |

a. Dependent Variable: Y

Based on the calculations using SPSS version 25.0, the following multiple regression equation was obtained:

$$Y = -1.570 + 0.307X1 + 0.306X2 + 0.149X3 \dots(1)$$

From the results of the multiple regression equation, each variable can be interpreted as having the following effect on audit quality:

- The negative constant value is -1.570, indicating that if the audit quality variable is not affected by the competence, integrity, and skepticism of audit professionals, audit quality will decrease by 1.570.
- The competence variable has a positive regression coefficient of 0.307. This means that if the value of X1 (competence) increases by 1 unit, assuming other variables remain constant, audit quality will increase by 0.307.
- The integrity variable has a positive regression coefficient of 0.306, meaning that if the value of X2 (integrity) increases by 1 unit, assuming other variables remain constant, it will increase audit quality by 0.306.
- The audit professional skepticism variable has a positive regression coefficient of 0.149, meaning that if the value of X3 (audit professional skepticism) increases by 1 unit, assuming other variables remain constant, it will increase audit quality by 0.149.

Results of the First Hypothesis Test

The first hypothesis test showed a calculated t-value of 2.466, which exceeds the t-table value of 2.017, with a significance level of 0.018, which is less than 0.05. This indicates that the null hypothesis (Ho) is rejected and the alternative hypothesis (H1) is accepted, indicating a positive effect of competence on audit quality. In other words, audit quality will improve if auditors are highly competent. Auditors, as the primary executors of audit tasks, must continuously improve their knowledge to optimize their application in audit practice. This increase in knowledge typically accompanies the auditor's increasing experience. Auditors with high competence tend to produce high-quality audits, thus making audit results more reliable for decision-making. High competence enables auditors to address various issues that arise during the audit process, thus improving audit quality.

Results of the Second Hypothesis Test

In testing the second hypothesis regarding the effect of integrity on audit quality, the calculated t-value of 4.546 exceeds the t-table value of 2.017, so Ho is rejected, and H1 is accepted. This indicates that integrity has a positive influence on audit quality. Auditors with high integrity will find it easier to carry out their duties, while those with low integrity can create difficulties, resulting in low audit quality. Consequently, the resulting audit report cannot be used effectively in decision-making.

Results of the Third Hypothesis Test

The third hypothesis shows a calculated t-value for auditor professional skepticism of 2.216, which exceeds the t-table value of 2.017; therefore, Ho is rejected, and H1 is accepted. This indicates a positive influence of auditor professional skepticism on audit quality. Based on stewardship theory, a steward must prioritize the common good. Auditors with high levels of skepticism tend to produce high-quality audits that can inform decision-making for various parties.

Discussion

The Effect of Professional Competence on Audit Quality

The findings of this study demonstrate that auditor competence positively affects audit quality, indicating that auditors with higher levels of professional competence are better able to deliver high-quality audit outcomes. Auditor competence encompasses a broad set of attributes, including technical knowledge of accounting and auditing standards, analytical skills, professional judgment, and accumulated practical experience. Auditors with strong competence are better able to understand the economic substance of transactions, identify areas of higher audit risk, and design audit procedures that are appropriate to the specific conditions of the engagement. This capability allows auditors to evaluate audit evidence more critically and to draw conclusions that are both accurate and well supported. As a result, audit reports produced by competent auditors tend to be more reliable and credible, thereby enhancing their usefulness for stakeholders' decision-making. From a conceptual standpoint, this finding reinforces the view that audit quality is not determined solely by compliance with formal procedures but is also heavily influenced by the auditor's ability to apply professional knowledge effectively in practice. Competent auditors are more adaptable when facing complex or ambiguous audit situations and better equipped to respond to emerging issues during the audit process, ultimately improving audit quality.

This positive relationship between auditor competence and audit quality can be explained through Human Capital Theory, which emphasizes that individuals' knowledge, skills, and experience constitute valuable resources that enhance organizational performance. In the auditing profession, auditor competence is a form of human capital that directly affects the quality of audit work. Auditors who continually invest in professional development through education, training, and experiential learning can enhance their technical and cognitive capabilities, thereby improving their audit performance. From this theoretical perspective, competence enables auditors to transform complex information into meaningful audit judgments and to apply auditing standards consistently across different audit contexts. This finding implies that audit organizations should prioritize developing auditor competence as a strategic investment rather than treating it as a routine administrative requirement. Programs aimed at strengthening technical expertise, industry knowledge, and problem-solving skills are likely to yield long-term benefits, including higher audit quality. Moreover, competent auditors are more confident in exercising professional judgment, which supports independence and objectivity in the audit process and further reinforces the credibility of audit outcomes.

The results of this study are consistent with prior empirical research that emphasizes the importance of auditor competence in achieving high-quality audits. Koswara et al. (2023) found that auditor competence plays a crucial role in strengthening professional judgment and producing high-quality audit outcomes. Their study highlights that competence enables auditors to apply critical reasoning and professional skepticism more effectively, particularly in complex audit engagements. Similarly, Raihan & Setiyawati (2025) reported that auditor competence contributes positively to audit quality by enhancing auditors' ability to manage professional demands and maintain performance consistency. These findings align closely with the results of the present study, indicating that competence remains a central determinant of audit quality across different research contexts. Importantly, this study is consistent with prior research, which consistently supports the conclusion that higher levels of auditor competence lead to improved audit quality. This consistency strengthens the

empirical foundation for emphasizing auditor competence as a key factor in audit practice and policy development.

The Effect of Professional Integrity on Audit Quality

The findings for the second hypothesis show that professional integrity positively influences audit quality. This result indicates that auditors who uphold high standards of integrity are better able to produce audits that are reliable, credible, and useful for decision-making. Professional integrity reflects auditors' commitment to honesty, ethical principles, objectivity, and consistency in carrying out audit responsibilities. Auditors with strong integrity tend to perform their duties with greater discipline and moral awareness, which allows them to evaluate audit evidence fairly and report findings transparently. In practice, integrity serves as an internal ethical control that guides auditors' behavior in complex situations, ambiguous evidence, or potential pressure from stakeholders. When integrity is firmly embedded, auditors are less likely to compromise audit procedures or overlook irregularities, thereby enhancing the overall quality of the audit process. Conversely, low integrity may make it difficult to maintain objectivity and professional judgment, thereby weakening audit execution and reducing the usefulness of audit reports. From a conceptual standpoint, this finding reinforces the view that audit quality is not solely the outcome of technical competence but also reflects auditors' ethical character and moral consistency throughout the audit engagement.

From a theoretical perspective, the positive relationship between integrity and audit quality can be explained through professional ethics theory. This theory emphasizes that ethical values and moral principles underpin professional behavior and shape the quality of professional outcomes. In the auditing profession, integrity is a core ethical principle that ensures auditors act in the public interest rather than pursuing personal or organizational gain. Auditors who adhere to ethical norms are more likely to maintain independence in judgment, apply auditing standards consistently, and resist inappropriate influence. As a result, audit activities are conducted with greater accountability and transparency. This theoretical linkage implies that integrity strengthens the credibility of the audit function by aligning auditors' actions with societal expectations of fairness and trustworthiness. In practical terms, this suggests that efforts to improve audit quality should incorporate ethical development alongside technical training. Strengthening integrity through ethical education, codes of conduct, and ethical leadership can reinforce auditors' moral commitment and contribute to sustainable improvements in audit quality.

The findings of this study are consistent with prior empirical research that highlights the importance of integrity in enhancing audit quality. Nihestita et al. (2018) found that auditors with higher integrity produce higher-quality audits because they adhere more closely to professional standards and ethical guidelines. Their study emphasizes that integrity enables auditors to maintain consistency between their moral values and professional actions, thereby improving the credibility of audit outcomes. Other empirical studies similarly report that integrity supports auditors' ability to remain objective and independent, particularly in situations involving ethical dilemmas or conflicting interests. The alignment between the present findings and earlier studies indicates a strong empirical consensus on the role of integrity in determining audit quality. Importantly, no prior research contradicts this conclusion. Instead, the literature consistently portrays integrity as a fundamental attribute that enhances the reliability and trustworthiness of audit results. This consistency across studies strengthens

the validity of the current findings and confirms their relevance within the broader audit research domain.

Beyond its empirical and theoretical significance, the positive effect of integrity on audit quality carries important practical implications for audit institutions and regulatory bodies. Auditors with strong integrity are generally more confident and consistent in their duties, as they rely on clear ethical principles when making professional judgments. This ethical clarity not only improves audit quality but also enhances stakeholders' trust in audit reports and the audited institution. Consequently, organizations responsible for audit oversight should prioritize integrity as a strategic element of auditor development. This can be achieved through continuous ethical training, enforcement of professional codes of conduct, and the cultivation of an organizational culture that values honesty and accountability. By embedding integrity into both individual behavior and institutional practices, audit organizations can strengthen the credibility of their audit functions.

The Effect of Professional Skepticism on Audit Quality

The findings for the third hypothesis show that auditor professional skepticism positively influences audit quality. This result indicates that auditors who consistently maintain a questioning mindset and a critical attitude toward audit evidence are more likely to produce high-quality audits. Professional skepticism encourages auditors to avoid unquestioned reliance on management representations and instead evaluate information carefully, objectively, and thoroughly. Auditors with a strong skeptical orientation are more attentive to inconsistencies, unusual patterns, and potential indicators of misstatement, whether arising from error or fraud. As a result, the audit process becomes more rigorous, evidence-based, and reliable. Conceptually, this finding reinforces the fundamental notion in auditing standards that professional skepticism is an essential element of due professional care. Without skepticism, audit procedures risk becoming mechanical and superficial, reducing their ability to detect material issues. Therefore, the positive relationship identified in this study confirms that professional skepticism serves as a critical behavioral mechanism through which auditors enhance the credibility and usefulness of audit outcomes for decision-making.

From a theoretical perspective, the positive effect of professional skepticism on audit quality can be explained through stewardship theory. This theory views auditors as stewards who are entrusted with safeguarding the public interest by ensuring the reliability of financial information. As stewards, auditors are expected to prioritize collective welfare over personal or organizational interests. Professional skepticism aligns closely with this role because it reflects auditors' commitment to acting prudently, responsibly, and in the best interest of information users. Auditors who exercise skepticism demonstrate vigilance in fulfilling their stewardship responsibilities by carefully assessing risks and challenging assertions that may compromise audit reliability. This theoretical linkage implies that skepticism is not merely a technical attitude, but also a manifestation of auditors' ethical responsibility to society. By maintaining skepticism, auditors reinforce accountability and transparency, which are central to the stewardship function. Consequently, strengthening professional skepticism supports not only higher audit quality but also the broader legitimacy of the auditing profession in fulfilling its public accountability role.

The findings of this study are consistent with prior empirical research that highlights professional skepticism as a key determinant of audit quality. Previous studies have shown that auditors with higher levels of skepticism tend to perform more effective audits because they apply greater

scrutiny when evaluating audit evidence and professional judgments. Research by Raihan & Setiyawati (2025) confirms that professional skepticism significantly enhances audit quality by encouraging auditors to critically assess management assertions. Similarly, Rahayu (2020) demonstrates that skeptical auditors are better at identifying audit risks and producing reliable audit conclusions. More recent studies also indicate that skepticism becomes particularly important under challenging conditions, such as time pressure or complex audit environments, where heightened vigilance is required. The consistency between the present findings and earlier research suggests a strong empirical consensus that professional skepticism positively contributes to audit quality. No contradiction is observed, as most audit literature supports this relationship.

Beyond its empirical relevance, the positive influence of professional skepticism on audit quality carries important practical implications. Auditors who maintain a skeptical mindset are better equipped to handle uncertainty, resist undue influence, and uphold professional judgment in complex audit situations. This strengthens stakeholders' confidence in audit reports and enhances the credibility of audited institutions. Accordingly, audit organizations should actively promote professional skepticism through continuous training, mentoring, and organizational cultures that encourage critical thinking rather than unquestioned compliance. Leadership support is also essential to ensure that skeptical behavior is valued and protected, especially when auditors face pressure to compromise.

Conclusion

This study examined how key professional attributes of internal auditors contribute to audit quality within a public-sector oversight institution. Specifically, the research addressed the role of auditor competence, professional integrity, and professional skepticism in shaping the quality of audit outcomes at the Bandung City Regional Inspectorate. By adopting an associative research design and using internal auditors as the unit of analysis, the study provides a structured response to the central research questions concerning whether and how these auditor-related factors are associated with audit quality. Overall, the study offers a comprehensive understanding of audit quality as a multidimensional construct that is closely linked to auditors' professional capacity, ethical orientation, and critical mindset in performing audit duties.

From a scientific and practical perspective, this study contributes original empirical insight to the audit literature, particularly in the context of internal auditing in local government institutions. The findings reinforce the view that audit quality cannot be separated from the human dimension of auditing, emphasizing the importance of developing auditors not only in technical skills but also in ethical character and professional judgment. The originality of this study lies in its integrated examination of competence, integrity, and professional skepticism within a single institutional setting, offering practical relevance to public-sector audit organizations. From a managerial standpoint, the results imply that audit institutions should prioritize continuous professional development, ethics-based governance, and a work culture that supports critical thinking. Strengthening these areas can enhance the credibility of audit results and support better governance and accountability in public sector organizations.

The research was conducted within a single local government inspectorate, which may limit the generalizability of the findings to other institutional or regional contexts. In addition, the study relied on self-reported questionnaire data, which may be subject to response bias. Future research is encouraged to expand the scope of analysis by involving multiple inspectorates or public audit



institutions to allow for comparative analysis. Further studies may also incorporate additional variables, such as organizational culture, leadership style, or audit workload, to provide a more comprehensive explanation of audit quality. Employing mixed methods or qualitative approaches could also enrich understanding by capturing deeper behavioral and contextual factors influencing audit practice.

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