Eduvest – Journal of Universal Studies
Volume 5 Number 8, August, 2025
p- ISSN 2775-3735- e-ISSN 2775-3727

The Influence of Auditor Competence and Moral Reasoning on Inspectorate Audit Quality with Organizational Commitment as A Moderating Variable

Dyna Febri Purwanti, Nur Handayani
Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA) Surabaya, Indonesia
Email: dynafebrip@gmail.com, nurhandayani@stiesia.ac.id

ABSTRACT

This study aims to examine the influence of auditors' competence and moral reasoning on the quality of inspectorate audits, with organizational commitment as a moderating variable. The population in this study consists of all auditors from the Trenggalek Regency Government Inspectorate. This research employs a quantitative approach. The research sample includes all auditors of the Trenggalek Regency Government Inspectorate. According to the data obtained, there are 35 internal auditors in the inspectorate. The sampling method used is the saturated sample method. The saturated sample method is a sampling technique where all members of the population are used as samples. The data analysis technique in this study uses Moderated Regression Analysis (MRA). The results show that competence and moral reasoning have a significant positive effect on the quality of inspectorate audits. However, organizational commitment does not moderate the influence of competence on audit quality, nor does it moderate the influence of moral reasoning on audit quality.

KEYWORDS competence, moral reasoning, organizational commitment, and audit quality.

INTRODUCTION

An auditor is considered professional based on the performance they demonstrate in carrying out orders from superiors in line with the organization's objectives and in accordance with the auditor's code of ethics. Public demand for financial transparency in government has become the responsibility of government auditors. The public, as an evaluator of government performance, expects the existence of an effective internal control system and government oversight function to ensure that activities are well-directed and in line with the established plans.

Users of financial statements place trust in auditors to provide information in the form of reports and opinions on the audit conducted. The available information can be used in decision-making processes by the parties that require it. The significant trust placed by financial statement users requires public accountants to maintain the quality of the audits they produce.

The *Public Accountant Professional Standards* (2011) states that audits conducted by public accountants can be of high quality if they comply with auditing standards. Auditing standards are general guidelines to help public accountants fulfill their professional responsibilities regarding the audited financial statements. The quality of the audit is crucial because a high-quality audit will result in financial statements that can be trusted as a basis for decision-making. The quality of the audit is maintained if the auditor possesses sufficient competence and adheres to the established auditing procedures.

This research focuses on the quality of audits conducted by one of the units responsible for auditing local governments, namely the regional inspectorate. According to the Ministry of

Home Affairs Regulation No. 8 of 2009, the inspectorate is responsible for determining the reliability of the information generated by various units/work units as part of the local government organization. As a vital function in local governance, the inspectorate carries out general government oversight activities and other tasks assigned by the head of the region, thus functioning similarly to internal auditors (Widiani et al., 2017). Through the inspectorate's oversight of local governments, it is expected that local government budget management will achieve its objectives without any budget deviations.

Internal oversight itself is a process involving auditing, reviews, monitoring, evaluation, and other supervisory activities such as assistance, socialization, and consultation on the implementation of organizational tasks and functions to provide sufficient assurance that activities have been carried out according to the established benchmarks, effectively and efficiently, for the benefit of leadership in achieving good governance. The outcome of a quality audit is a goal that must be achieved by the Government Internal Supervisory Apparatus (*Aparat Pengawas Intern Pemerintah*—APIP).

The researcher conducted this study at the Inspectorate of Trenggalek City, one of the APIP units. The tasks of the Inspectorate of the City/Regency are to implement the local government's activities in the field of oversight based on policies set by the Regent/Mayor. In addition, the Inspectorate has several functions: (1) Development of technical policies in the field of government administration oversight, development, and management of local finance and assets. (2) Implementation and technical coaching in the field of government administration oversight, development, and management of local finance and assets. (3) Testing and assessing the validity of periodic or occasional reports from each work unit. (4) Investigating the validity of reports or complaints regarding obstacles, deviations, or abuse of tasks by work units. (5) Coaching functional supervisory personnel within the Inspectorate. (6) Evaluation and reporting of task implementation. (7) Implementation of administrative and housekeeping tasks. (8) Implementation of other tasks assigned by the Regent.

The government of Trenggalek launched the *"Seratus Desa Wisata"* (*Sadewa*) program, with a target of having 157 villages and urban areas become tourist destinations by 2026. The Ministry of Agriculture chose Trenggalek as a national agricultural technology park for coffee and dairy cows. It also has the largest cocoa plantation, already exporting to Japan. This sector will be assessed for its compatibility with tourism. Additionally, Trenggalek has been selected by the Director General of the Ministry of Research and Technology and Brawijaya University Malang to develop an essential oil science technopark. Forests, once considered a hindrance, will be transformed into assets, such as clove plantations. The derivative product is essential oil, which correlates with tourism. Trenggalek will become a paradise for crafts and nature enthusiasts. However, to realize this, there are challenges to changing the local community. This includes building new infrastructure such as buildings, roads, markets, and other public facilities using substantial regional budgets. Internal auditors at the inspectorate play a crucial role in the success of local government development. As independent parties conducting oversight in a region/city, the quality of audits produced by the internal auditor at the inspectorate becomes important because the information available can be used in decision-making processes by the relevant parties. In practice, these activities must be directed and in line with the established plans.

Additionally, the quality of the audit becomes a benchmark for the success of development in a region/city, determining whether it progresses effectively. The quality of audits conducted by the Inspectorate of Trenggalek City is still under scrutiny because many audit findings go undetected by the inspectorate as internal auditors. These findings include non-compliance with regulations, fraud, and discrepancies in financial reporting. According to Government Regulation No. 60 of 2008, as an institution responsible for auditing local government activities related to budget management, the opinions given must be based on criteria for evaluation. These include: (1) Financial reports must comply with established standards; (2) Adequate supporting evidence must be provided; (3) Internal controls must be effective; and (4) Preparations must comply with relevant laws.

Previous studies have examined the quality of audits conducted by government internal supervisory apparatus. Widiani, Hartini, and Sari (2017) investigated the role of regional inspectorates in local government oversight and found that the effectiveness of audit results was significantly influenced by the auditor's competence and adherence to standard procedures. Similarly, Haryanto and Sulistyowati (2019) analyzed the relationship between auditor professionalism and audit quality, concluding that auditors with high ethical awareness and technical skills produced more reliable audit findings. While these studies provide valuable insights, they largely focus on general auditor competence and procedural compliance, with limited attention to how local development programs—such as Trenggalek's *Sadewa* tourism initiative, agricultural technoparks, and essential oil science technoparks—pose unique challenges to audit quality and oversight effectiveness.

Addressing this gap, the present study aims to evaluate the quality of audits conducted by the Inspectorate of Trenggalek City, considering both auditor professionalism and the complexity of local government development programs. By doing so, this research seeks to provide practical recommendations for improving audit quality, ensuring that financial reports are reliable, internal controls are effective, and regional development initiatives are implemented efficiently and transparently, thereby enhancing governance and public trust.

METHOD

This study used quantitative data, which is data expressed in numbers representing the magnitude of relevant variables (Sugiyono, 2018). It examined the effect of competence and moral reasoning on audit quality, with organizational commitment as a moderating variable. The research was explanatory, aimed at clarifying the relationships between variables through hypothesis testing (Nugroho & Mahendra, 2020). Primary data were collected using questionnaires distributed at the Inspectorate Office of Trenggalek Regency. The unit of analysis was individual internal auditors working at this office.

The population consisted of all internal auditors at the Inspectorate Office of Trenggalek Regency, totaling 35 auditors according to official data. The study employed saturated sampling, which involves including the entire population as the sample (Sugiyono, 2016).

The primary data were obtained directly from internal auditors via questionnaires. A questionnaire is a data collection tool presenting statements to respondents expected to provide answers (Sekaran and Bougie, 2013). The questionnaire used in this study was adapted from Selly (2022). The research included one dependent variable—audit quality of the Inspectorate

(KAI); two independent variables—competence (K) and moral reasoning (MR); and one moderating variable—organizational commitment (KO).

Dependent Variable

Audit quality is a systematic and independent examination to determine whether the quality of activities and results achieved are in accordance with the plans designed and can be effectively executed in achieving objectives (Bastian, 2014:270). According to the Professional Public Accountant Standards (2011), audits performed by public accountants can be of high quality if they meet auditing standards. These auditing standards serve as general guidelines to assist public accountants in fulfilling their professional responsibilities regarding audited financial statements. The quality of the audit is measured with indicators adopted from Efendy's research (2010), which include: 1) Accuracy of audit findings, 2) Skeptical attitude, 3) Assignment planning, 4) Clarity of reports, 5) Audit benefits, and 6) Value of recommendations, and 7) Audit follow-up.

Independent Variables

There are three independent variables in this study: competence (K), and moral reasoning (MR). Independent variables influence the dependent variable either positively or negatively. The explanation and measurement of these variables are as follows:

1. Competence (K)
   Sutrisno (2010) states that competence is the ability to carry out or perform a job or task based on skills, knowledge, and supported by work attitudes required for the job. Furthermore, competence can show a person's ability to demonstrate characteristics of knowledge and skills to perform tasks and responsibilities effectively, thus improving the standard of professional quality in the work. Competence is measured with indicators adapted from Efendy's research (2010), which include: 1) Mastery of accounting and auditing standards, 2) Knowledge of governance, 3) Skills improvement.
2. Moral Reasoning (MR)
   Moral reasoning is a justification for someone's actions or the reasoning used to criticize or justify actions. Gaffikin & Lindawati (2012) concluded that moral reasoning involves three main aspects: 1) Thinking about what should be done and why, 2) Forming ideas to describe and evaluate actions, 3) Evaluating a specific action using general rules. This variable is measured with indicators adopted from Noviardy Arif Pratama's research (2014), which include: 1) Justice or moral equity, 2) Relativism, 3) Egoism, 4) Utilitarianism, 5) Deontology or contractual.

Moderating Variables

Moderating variables are those that have a contingent effect on the relationship between the dependent and independent variables, meaning that the presence of a third variable changes the initial relationship between independent and dependent variables (Sekaran & Bougie, 2013). In this study, the moderating variable is organizational commitment. Organizational commitment refers to "the level of a person's desire to exert effort for the organization and their desire to remain a part of it." It is related to job satisfaction and how employees view their roles within the organization. Organizational commitment is not only related to tasks and responsibilities but also to the values and culture accepted by employees (Robinson, 2024).

Research Instrument

A research instrument is a tool used by researchers to systematically collect data (Arikunto, 2013:203). The research instrument plays a critical role in determining how and what needs to be done to obtain data in the field. The instrument used in this study is a questionnaire or survey. A questionnaire is a list of questions regarding a problem or field to be researched (Cholid, et al., 2010:76). In this study, the researcher developed written questions to be answered by respondents or the sample. The questionnaire is used to assess the influence of competence and moral reasoning on audit quality with audit time as a moderating variable for internal auditors at the Trenggalek City Inspectorate. The questionnaire design developed by the researcher aims to show the relationship between the variables being studied and the data sources taken. The study includes both positive and negative statements about the independent and dependent variables using a modified Likert scale, where respondents express their agreement or disagreement with statements related to the object under study.

This research builds on four hypotheses that will be tested. Hypotheses 1 to 4 were tested using the t-test. Testing through t-test was carried out to determine the magnitude of the influence of each independent variable on the dependent variable, and the role of the moderation variable on the influence of independent variables and dependent variables. In this study, it is used to see the influence of competence and moral reasoning on the quality of inspectorate audits and the role of moderation of organizational commitment on the influence of competence and moral reasoning on the quality of inspectorate audits. Conclusions were drawn from the test results using a 95% confidence value (Hartono, 2017:201). The null hypothesis is accepted if the significance value is more than 0.05 or 5%. An alternative hypothesis is supported if the significance value is less than 0.05 or 5%

RESULT AND DISCUSSION

Descriptive statistics are used to show the amount of data (N) used in this study and can show the mean value, maximum value, minimum value and standard deviation of each variable Ghozali (2011:19).

Based on the summary of the results of the descriptive statistical test, it is concluded that:

1) Competency has a mean value of 3.38 with a standard deviation of 0.35. This value shows that the level of competence of respondents is in the medium to high category, with relatively low variation between respondents.
2) Moral Reasoning has an average of 3.35 and a standard deviation of 0.32. This suggests that moral reasoning ability is also at a moderate level, with small variations in the data, indicating consistency in respondents' answers.
3) The quality of the Inspectorate Audit showed a higher average value, which was 4.15 with a standard deviation of 0.39. This indicates that the perception of audit quality is quite high, although there is little variation between respondents.
4) Organizational Commitment has the highest average value of 4.74, with a standard deviation of 0.43. This indicates that the respondents have a very high level of

organizational commitment, although there is little variation in the level of respondents' commitment.

Testing of Research Instruments

The questionnaire that will be used as a data collection tool is first tested by research instruments. The tests carried out are validity and reliability tests. This test is intended to measure the level of accuracy and reliability of the questionnaire as a data collection tool. The results of the validity and reliability test of the research questionnaire can be explained as below:

Validity Test

Testing the validity of the instrument is carried out by correlating each item score with the total score using the Pearson Correlation (Product Moment) technique, the test criteria using the Pearson Correlation technique states that if the correlation coefficient (riT) ≥ the correlation table (rtable) means that the questionnaire item is declared valid or able to measure the variables it is measuring, so that it can be used as a data collection tool. Based on the summary of the results of the validity test of the research variables, it is known that all items have a value of the item correlation coefficient with the total score (riT) > the correlation value of the table (0.297). Thus, the questionnaire items on each variable that measure the variables of competence, moral reasoning, audit quality of the inspectorate and organizational commitment are declared valid or able to measure these variables, so that they can be used as a data collection tool in this study.

Reliability Test

Testing the reliability of competency variables, moral reasoning, organizational commitment and audit quality is intended to determine the reliability and consistency of research instruments as a tool to measure the variables they measure. Reliability testing using Cronbach's Alpha technique. The test criteria state that if Cronbach's Alpha coefficient ≥ 0.6 means that the questionnaire item is declared reliable or consistent in measuring the variables it is measuring.

Based on the summary of the results of the reliability testing of the research instruments, it is known that in each of the variables of competence, moral reasoning, organizational commitment and audit quality, Cronbach's Alpha > value of 0.6 is produced. Thus, the questionnaire items on each variable that measure the variables of competence, moral reasoning, organizational commitment and audit quality are declared reliable or consistent in measuring these variables, so that they can be used as a data collection tool in this study.

Descriptive Statistical Analysis Test

Respondent Perception

1) Respondents' perception of competency variables
   The average score of the competency variable is classified as good, which is 3.228. The results of this score show that the internal auditor of the Trenggalek Regency Government inspectorate on average stated that he agreed with each question presented.
2) Respondents' perception of moral reasoning variables

The average score of the competency variable is classified as good, which is 3.12. The results of this score show that the internal auditor of the Trenggalek Regency Government inspectorate on average stated that he agreed with each question presented.

3) Respondents' perception of organizational commitment variables
   The average score of the competency variable is classified as good, which is 3.13. The results of this score show that the internal auditor of the Trenggalek Regency Government inspectorate on average stated that he agreed with each question presented.
4) Respondents' perception of the Inspectorate's audit quality variables
   The average score of the competency variable is classified as good, which is 3.15. The results of this score show that the internal auditor of the Trenggalek Regency Government inspectorate on average stated that he agreed with each question presented.

Table 1. Heteroscedasticity Test Results

Variable	Equation 1	Equation 2	Equation 3
Competence	0.556	0.150	0.229
Moral Reasoning	0.724	0.173	0.753
Organizational Commitment		0.468	0.231
Competence* Organizational Commitment			0.232
Moral Reasoning * Organizational Commitment			0.727

Source : SPSS (Processed)

The results of the test of the assumption of heteroscedasticity using the Glacier test can be found that the probability value of all variables > alpha (5%) for all equations, thus it can be concluded that the residual has a homogeneous variety. So that the assumption of heteroscedasticity is stated to be fulfilled.

Hypothesis testing

Statistical Test (t-test)

Statistical testing is used to determine whether there is an influence of competence on audit quality and the influence of moral reasoning on audit quality.

Table 2. Statistical Test Results

	t statistics	Probabilitas
Equality 1	7,768	,000
Equality 2	,866	,002

Source : SPSS (Processed)

Based on the table above, it is known that equation 1 produces a calculated t value = 7.768 with a probability of 0.000. The results of the test showed that the sign value (X1) = 0.000 < 0.05 and t count (X1) = 7.768 > 2.037. This shows that the accepted hypothesis has a significant influence of competence on audit quality.

Then equation 2 produces a calculated t value = 0.866 with a probability of 0.002. The test results showed that the sign value (X2) = 0.002 < 0.05 and t count (X2) = 0.866 > 2.037. This shows that the accepted hypothesis has a significant influence on the quality of audits.

Model Feasibility Test (F Test)

Model feasibility testing is used to determine whether the influence of auditors' competence and moral reasoning on the quality of audits at the Trenggalek Regency Government Inspectorate office is moderated by organizational commitment. The test criteria state that if the probability is <level of significance (□), there is a simultaneous significant influence of the auditor's competence and moral reasoning on the quality of the audit at the Trenggalek Regency Government Inspectorate office which is moderated by organizational commitment.

Table 3. Model Feasibility Test Results

	F statistics	Probabilitas
Equality 1	226.752	0.000
Equality 2	175.883	0.000
Equality 3	242.638	0.000

Source : SPSS (Processed)

Based on the table above, it is known that equation 1 produces a value of Fcal = 226.752 with a probability of 0.000. The test results showed a probability of >level of significance (α=5%). This means that there is a significant influence simultaneously (together) of the auditor's competence and moral reasoning on the quality of the audit.

Then equation 2 yields the value Fcal = 175.883 with a probability of 0.000. The results of the test showed a probability of > level of significance (α =5%). This means that there is a significant simultaneous influence (together) on the competence, moral reasoning of the auditor and the organization's commitment to audit quality.

Furthermore, equation 3 yields a value of Fcal = 242.638 with a probability of 0.000. The results of the test showed a probability of > level of significance (α =5%).
This means that there is a significant influence simultaneously (together) on competence, auditor moral reasoning, organizational commitment, competency interaction with organizational commitment and auditor moral reasoning with organizational commitment to audit quality.

Determination Coefficient Test (R Square)

The amount of contribution of the auditor's competence and moral reasoning to the quality of audits at the Trenggalek Regency Government Inspectorate office moderated by organizational commitment can be determined by the determination coefficient (R2) shown in the following table:

Table 4. Determination Coefficient Test Results

	Equality 1	Equality 2	Equality 3
R square	0.902	0.915	0.961

Source : SPSS (Processed)

Based on the table above, it is known that R2 in equation 1 is 0.902 or 90.2%. This means that the contribution of auditors' competence and moral reasoning to the quality of inspectorate audits is 90.2%, while the remaining 9.8% is the contribution of other variables that are not discussed in this study. Then R2 in equation 2 is 0.915 or 91.5%. This means that the contribution of competence, auditor moral reasoning and organizational commitment to audit quality is 91.5%, while the remaining 8.5% is the contribution of other variables that are not discussed in this study. Furthermore, R2 in equation 3 is 0.961 or 96.1%. This means the contribution of competence, auditor moral reasoning, organizational commitment, competency interaction with organizational commitment and auditor moral reasoning with the organization's commitment to the quality of inspectorate audits of 96.1%, while the remaining 3.9% is the contribution of other variables that are not discussed in this study.

MRA (Moderated Regression Analysis)

Hypothesis testing was carried out to determine the influence of competence and moral reasoning on the quality of inspectorate audits as well as the role of moderation of organizational commitment on the influence of competence and moral reasoning on the quality of inspectorate audits. Hypothesis testing was carried out using the Moderated Regression Analysis (MRA) approach.

Table 5. Hypothesis Testing Results

Model	Coef.	T	Sig.
(Constant)	15.905	6.764	0.000
K	0.555	0.469	0.642
MR	-5.252	-4.323	0.000
K* KO	-0.123	-0.333	0.741
MR* KO	1.852	4.727	0.000
F-Value	242.638		0.000
R^2	0.961		

Information:
KAI =Inspectorate Audit Quality, K = Competence, MR = Moral Reasoning, KO = Organizational Commitment, K*KO = interaction of competency variables with Organizational Commitment, MR*KO = interaction of Moral reasoning variables with Organizational Commitment

Based on the results of the regression test in table 12, the regression model was obtained as follows: KAI = 15.905 +0.555K -5.252MR - 0.123K*KO + 1.852MR*KO + εt

The results of the first hypothesis test (H1) were carried out to see the direct influence of competence on audit quality. The results of hypothesis testing 1 are presented in table 12. Model 1 shows a coefficient value of the competency variable of 0.076 with a probability of 0.000 which is smaller than the significance level of 0.05. This means that competency variables have a positive effect on audit quality. This means that the higher the audit competence, the better it can improve the quality of the audit. In model 2, it is done by entering the moderation variable. The competency variable in model 2 showed a positive coefficient of 0.310 with a probability of 0.000 which was higher than the significance level of 0.05. However, hypothesis 1 wants to see directly the effect of competence on the quality of the inspectorate audit before including the moderation variable, so H1 which states that competence has an effect on the quality of the inspectorate audit is accepted.

The results of hypothesis 2 testing are presented in table 12. Model 1 variable moral reasoning coefficient of 0.648 with a probability of 0.000 is smaller than the significance level of 0.05. This means that moral reasoning has a positive effect on the quality of inspectorate audits. This shows that the higher the moral reasoning, the better the quality of the inspectorate audit. In model 2, the moral reasoning coefficient variable is 0.358 with a probability of 0.015 less than the significance level of 0.05. However, hypothesis 2 wants to see directly the influence of moral reasoning on the quality of inspectorate audits before including the moderation variable, so H2 which states that moral reasoning affects the quality of inspectorate audits is accepted.

Hypothesis 3 examines the role of moderation of organizational commitment on the influence of competence on the quality of inspectorate audits. The results are presented in table 12. Model 3 obtained a negative coefficient value of -0.123 with a probability of 0.741 greater than the significance value of 0.05. This means that the organizational commitment variable cannot strengthen the influence of competence on audit quality. Therefore, H3 which states that the organization's commitment to strengthen the influence of competence on audit quality is rejected.

Hypothesis 4 examines the role of moderation of organizational commitment on the influence of moral reasoning on the quality of inspectorate audits. The results of hypothesis testing 4 are presented in table 12. Model 3 shows a positive coefficient value of 1.852 with a probability of 0.000 less than 0.05. This means that the interaction between moral reasoning and organizational commitment has a positive and significant effect on the quality of inspectorate audits. This shows that organizational commitment can moderate the influence of moral reasoning on the quality of inspectorate audits. Therefore, H4 which states that the organization's commitment to strengthen the influence of moral reasoning on the quality of inspectorate audits is accepted.

Table 6. Summary of Hypothesis Testing Results

	Hypothesis Statement	**Result**
H1	Competencies Have a Positive Effect on the Quality of Inspectorate Audits	Accepted
H2	*Moral Reasoning* Has a Positive Effect on the Quality of Inspectorate Audits	Accepted
H3	The Organization's commitment to moderation of positive influence competence in the audit quality of the Inspectorate	Rejected
H4	The Organization's commitment to positively moderate moral influence *reasoning* on the quality of the Inspectorate's audit	Accepted

Source : SPSS (Processed)

The Influence of Competency on the Quality of Inspectorate Audits

The first hypothesis states that competence has a positive effect on audit quality, accepted. This research shows that the inspectorate of the Trenggalek Regency Government has good competence in efforts to improve the quality of audits. Auditors who continue to expand their knowledge and gain experience will produce good and reliable audit quality.

In this case, the auditor's knowledge and experience can be enhanced through his or her professional education and training process. The auditor's experience will continue to improve along with the increasing number of audits carried out and the complexity of audited financial transactions so that they will add and expand their knowledge in the field of accounting and auditing. In government audits, internal auditors are required to have and improve their abilities or expertise not only in audit techniques, but all matters related to government such as organizations, functions, programs, and other government activities.

The results of this study support agency theory, where independent auditors act as intermediaries between the two parties, namely agents and principals with different interests. The auditor is responsible for providing an assessment of the fairness of the financial statements presented. During their duties, auditors must be independent in order to maintain audit quality. The probability of finding violations depends on the auditor's technical ability, in carrying out the audit, the auditor must act as a competent person in the field of accounting and auditing. So that the better the competence that the auditor has, the better and the quality of the audit produced will also improve. The results of this study are in line with research conducted by Elfarini (2012), Widiyani (2015), Falatah (2018), Rosyada (2019), and Pusparani (2020) the results of their research show that competence has a positive effect on the quality of inspectorate audits. This shows that with the knowledge and experience possessed by an auditor, the quality of the audit produced will be better and improved.

The Influence of Moral Reasoning on the Quality of Inspectorate Audits

The second hypothesis states that moral reasoning has a positive effect on audit quality, accepted. This study shows that the moral reasoning of auditors can improve the quality of audits, meaning that the better the moral reasoning of auditors in carrying out their duties will allow auditors to make ethical decisions in accordance with the applicable rules without deviating from the established code of ethics. In this case, moral reasoning can be obtained from the learning process and scientific reasoning carried out by an auditor. Forms of moral reasoning can be seen from the behavior of auditors in carrying out their work such as honesty, working in accordance with conscience and oath of office. When moral reasoning considerations have been carried out, the quality of the work produced will be better, in this case the quality of the audit produced by the internal auditor of the Trenggalek Regency Government inspectorate.

The results of this study support agency theory, where the auditor is responsible for providing an assessment of the fairness of the financial statements presented. However, this does not negate the difference in interests that always arise between principals and agents. The inspectorate as a third party is able to convince the principal that what is reported by the agent is true. Both the principal and the agent have different interests, so this is where a conflict of interest arises. The agent will always try to influence an independent party to declare that the agent's actions are correct.

Therefore, to improve the quality of audits, it is necessary to have support from the moral control of an auditor, where moral reasoning is the basis for a person to take action or as a basis for someone to criticize or justify an act. Syarhayuti (2016) stated that an auditor who has high moral reasoning, will be more appropriate in conducting audit judgments, so as to be able to improve the quality of audits.

This research is in line with research conducted by Syarhayuti (2016), Falatah (2018), Syamsuriana et.al (2019), and Widhiyani et.al (2019) the results of their research show that moral reasoning has a positive effect on audit quality. Thus, the higher the moral reasoning of the auditor, the higher the quality of the audit produced.

The Influence of Competency on the Quality of Inspectorate Audits Moderated by Organizational Commitment

The third hypothesis states that organizational commitment strengthens the influence of competence on the quality of inspectorate audits. The test results showed that the interaction of organizational commitment with competence had no effect on the quality of the inspectorate's audit, so the third hypothesis was rejected. This means that the organizational commitment variable cannot strengthen the influence of competence on audit quality. This shows that the competence of auditors in producing audit quality does not always increase with the organization's commitment to the audit implementation process.

The results of this study do not support the attribution theory that the existence of organizational commitment can affect a person's performance. This is because in the implementation process, the internal auditor of the Trenggalek Regency Government inspectorate does not emphasize the existence of organizational commitments, so that the implementation of organizational commitments does not have much impact on improving the quality of inspectorate audits.

In addition, the inspectorate's internal auditor also has pre-set objectives, so that organizational commitment cannot affect the internal auditor's factors (competence). The results of this study are in line with the research conducted by Arrizqy (2016), Utami (2020), Siahaan (2010), Alfianto (2015), Andika (2017) the results show that organizational commitment cannot strengthen the influence of competence on the quality of inspectorate audits.

The Influence of Moral Reasoning on the Quality of Inspectorate Audits Moderated by Organizational Commitment

The fourth hypothesis states that organizational commitment strengthens the influence of moral reasoning on audit quality, accepted. The test results showed that moral reasoning was able to strengthen the influence of moral reasoning on audit quality.

This is because auditors are required to carry out the organization's commitments that have been ratified. Therefore, auditors who hold full moral reasoning will continue to carry out the audit procedures that have been set to improve audit quality.

The results of this study are in line with attribution theory which states that the behavior of other people or individuals is influenced by internal and external factors. Where internal factors can be seen from nature, character, attitudes, and others. While external factors are in the form of pressure on certain situations or circumstances that will affect individual behavior, in this study organizational commitment. The implementation of organizational commitments requires auditors to produce quality audits. Therefore, auditors maintain their ethical behavior when faced with strict organizational commitments. The results of this study are in line with research conducted by Hutabarat (2012), Taborosi et.al (2020), Supriadi et.al (2021), Kiryanto (2015) which stated that moral reasoning can improve the quality of audits with strict organizational commitments. Therefore, despite the strict organizational commitment, auditors still maintain moral reasoning in carrying out audit procedures.

CONCLUSION

The study found that moral reasoning positively influences the quality of inspectorate audits, as auditors with stronger moral reasoning are better able to make ethical decisions aligned with established codes of ethics. Organizational commitment did not strengthen the relationship between competence and audit quality, likely because internal auditors at the Trenggalek Regency Inspectorate did not emphasize organizational commitment in their work. However, organizational commitment did enhance the effect of moral reasoning on audit quality, as auditors committed to their organization are more likely to follow audit procedures, thereby improving audit outcomes. Future research could explore interventions to foster organizational commitment among auditors and examine how this, along with moral reasoning, impacts audit quality across different government inspectorates.

REFERENCES

Bastian, I. 2014. Audit Sektor Publik. Edisi Ke-3. Jakarta: Salemba Empat.

Boynton, J. dan Kell. 2015. Modern Auditing. Edisi Ketujuh. Jilid 1. Erlangga. Jakarta. Christiawan,

Dewan Standar Profesional Akuntan Publik Ikatan Akuntan Indonesia. 2011. Standar Profesional Akuntan Publik. Jakarta: Salemba.

Efendy. 2010. Pengaruh Kompetensi, Independensi, dan Motivasi Terhadap Kualitas Audit Aparat Inspektorat dalam Pengawasan Keuangan Daerah. Tesis. Universitas Diponegoro. Semarang. Seminar. Universitas Negeri Semarang. 20-23 September: 1-23.

Eveline. 2014. Pengaruh Indepedensi Kompetensi Moral Reasoning dan Skeptisisme Profesional Auditor Pemerintah terhadap Kualitas Audit laporan keuangan Pemerintah Daerah. Jurnal Fakultas Ekonomi 1(2): 123-178.

Falatah. 2018. Pengaruh Kompetensi, Independensi, dan Moral Reasoning Auditor Terhadap Kualitas Audit. Jurnal Nominal 7(1): 134-157.

Fitria.2016. Pengaruh Time Budget Pressure, Due Professional Care Dan Etika Auditor Terhadap Kualitas Audit Dengan Perilaku Disfungsional Auditor Sebagai Moderator (Studi Empiris Pada Kantor Akuntan Publik Di Pekanbaru Dan Medan). JOM Fekon 3(1): 134-167.

Gaffikin dan Lindawati. 2012 . The Moral Reasoning of Public Accountants in the Development of a Code of Ethics: the Case of Indonesia. Australian Accounting Business and Finance 6(10): 137-145.

Wiyono, G. 2011. Merancang Penelitian Bisnis dengan Alat Analisis SPSS & Smart PLS. Yogyakarta: UPP STIM YKPN.

Ghozali, I. 2014. Structural Equation Modeling, Metode Alternatif dengan Partial Least Square (PLS). Edisi 4. Semarang : Badan Penerbit Universitas Diponegoro.

Halim, A. 2014. Effect of Competence and Auditor Independence on Audit Quality with Audit Time Budget and Professional Commitment as a Moderation Variable. International Journal of Business and Management Invention 3 : 64-74.

Institut Akuntan Publik Indonesia (IAPI). 2011. Standar Profesional Akuntan Publik. Jakarta: Salemba Empat.

Imansari. 2015. Pengaruh Kompetensi, Independensi, Pengalaman dan Etika Aditor Terhadap Kualitas Audit. Jurnal Riset Mahasiswa Akuntansi (JRMA) 3(3): 56-67.

Gasperz, J. 2014. Pengaruh Tekanan Komitmen organisasi Sebagai Variabel Moderasi Terhadap Hubungan Antara Faktor Individu dan Kualitas Audit. Jurnal Dinamika Akuntansi, Keuangan, dan Perbankan. ISSN: 1979-4878.

Jusup, H. 2014. Auditing. Yogyakarta: Bagian Penerbitan Sekolah Tinggi Ilmu Ekonomi YKPN.

Kurnia. 2014. Pengaruh Kompetensi, Independensi, Tekanan Waktu, dan Etika Auditor Terhadap Kualitas Audit. E-journal Akuntansi Fakultas Ekonomi. Universitas Trisakti 1 (2) : 49- 67.

Lautania. 2011. Pengaruh Time Budget Pressure, Locus Of Control dan Perilaku Disfungsional Audit Terhadap Kinerja Auditor. Jurnal Telaah & Riset Akuntansi 4(1): 132-145

Lubis. 2011. Akuntansi Keperilakuan. Edisi Kedua .Jakarta: Salemba Empat.

Messier, W. Glover dan D. F. Prawitt. 2014. Jasa Audit dan Assurance. Edisi 8. Cetakan Pertama. Salemba Empat. Jakarta.

Mukino, Purnomo dan Suntoro, I. 2016. Penerapan Model Moral Reasoning untuk Membentuk Moralitas Dan Karakter Siswa Pada PKn. Jurnal Studi Sosial 4(1): 134-154

Widiani, N. 2017. Pengaruh Tekanan Komitmen organisasi, Tanggungjawab Profesi, Integritas, dan Objektivitas Terhadap Kualitas Audit. Jurnal Akuntansi 8(2): 145-176.

Pamudji dan Ayuningtyas. 2012. Pengaruh Pengalaman Kerja, Independensi, Obyektifitas, Integritas dan Kompetensi Terhadap Kualitas Audit. Jurnal Akuntansi 1(2): 167-176

Pesireron, 2016. Pengaruh Keterampilan, Job Stress dan Disiplin Kerja Terhadap Kinerja Auditor Inspektorat. Jurnal Akuntansi 5(1):156-176

Pusparani, et.al. 2020. Pengaruh Kompetensi dan Independensi Auditor pada Kualitas Audit. Jurnal Akuntansi 30(3): 156-165

Rosyada Dinni, et.al. 2019. Pengaruh Kompetensi dan Independensi Terhadap Kualitas Audit pada Kantor Akuntan Publik di Makasar. Jurnal Akuntansi 2(1): 143-154.

Syarhayuti. 2016. Pengaruh Moral Reasoning, Skeptisme Profesional dan Kecerdasan Spiritual terhadap Kualitas Audit dengan Pengalaman Kerja Auditor sebagai variabel moderating di Inspektorat Provinsi Sulawesi Selatan. Jurnal Akuntansi Peradaban 3(2): 135-167

Sekaran, Uma & Roger, Bougie. 2013. Research Methods for Business: A Skill Building Approach. Sixth Edition. United Kingdom : John Wiey & Sons Ltd.

Soeratin, H. 2010. Kantor Akuntan Publik dibekukan.http//:www.depkeu.go.id. 25 Februari 2024 (11.30).

Tandiontong Mathius. 2016. Kualitas Audit dan Pengukurannya. Cetakan Kesatu. CV. Alfabeta: Bandung.

Widiani, et.al. 2017. Pengaruh Tekanan Anggaran Waktu, Tanggung Jawab Profesi, Integritas, dan Objektivitas Terhadap Kualitas Audit. Jurnal Akuntansi 8 (2): 145-176

Widhiyani et.al. 2019. Moral Reasoning dan Skeptisisme Profesional Memoderasi Pengaruh Independensi Terhadap Kualitas Audit. Jurnal Akuntansi 29 (3): 123-154_

Wulandari, E.R. 2010. Strengthening the integrity of indonesia capital market. Makalah seminar. Hotel Borobudur. 8 April. Jakarta.

Widjaja, L. 2010. Bapepam-LK Perketat Akuntan Publik. Jakarta Post. 09 April. Halaman 1 dan 4. Jakarta .