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Influence of integrity, independence and competency on audit quality with auditor performance as an intervening variable in inspectorate of the Riau Island

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ABSTRACT

Purpose: This study aims to determine the Effect of Integrity, Independence and Competence on Audit Quality with Auditor Performance as an Intervening Variable in Regional Inspectorates throughout the Riau Islands Province.

Methodology/approach: A quantitative approach was applied, involving 137 auditor respondents. Data were collected via questionnaires and analyzed using SmartPLS 3. The study tested direct and indirect effects through path coefficient analysis, composite reliability, discriminant validity, and R-square evaluation.

Results/findings: Integrity, independence, and competence each have significant positive effects on both auditor performance and audit quality. Auditor performance also significantly influences audit quality. Moreover, performance mediates the relationships between integrity, independence, competence, and audit quality. The model explains 71.4% of the variance in audit quality, indicating substantial predictive power.

Conclusions: Integrity, independence, and competence boost audit quality directly and via performance, requiring strategies to strengthen these factors.

Limitations: The study focuses on one province, limiting generalizability, and does not examine other relevant variables such as objectivity and discipline.

Contribution: Provides empirical evidence on the mediating role of performance in improving public sector audit quality.

Keywords: *Audit Quality, Competence, Independence, Integrity, Performance, PLS*

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1. Introduction

Nowadays, many phenomena indicate the lack of audit quality carried out by the Government Internal Supervisory Apparatus (APIP). As has been widely reported in the mass media, the performance of auditors and APIP in Indonesia is currently highly questionable, which is inseparable from many cases

of corruption and abuse of authority carried out by state officials. For example, in a corruption case published in the Antara Kepri media on March 19, 2023, there was a corruption case of School Operational Assistance Funds at SMK Negeri 1 Batam, where the Principal and Treasurer of School Operational Assistance committed corruption for three (three) years from 2017 to 2019 with state losses reaching 468 million rupiah. Another case that has not happened long ago is the case of grant funds from the Riau Islands Province Youth and Sports Service which resulted in state losses of up to 1.6 billion rupiah (one billion six hundred million rupiah) and was carried out by ASN individuals at the Riau Islands Province Regional Finance and Asset Agency (BKAD).

This happened because of the lack of supervision carried out by APIP, and the existence of rogue APIP figures also had a significant influence on the occurrence of corruption and abuse of authority carried out by the State Apparatus. The electronic mass media Antara, which was released on December 18, 2023, reported that the South Sumatra High Prosecutor's Office had detained an Auditor of the South Sumatra Regional Inspectorate in connection with a gratification case. Other data mention news on the website of the BPK RI Representative Office of Bengkulu Province, which was released on December 13, 2022, reporting that there was a case of bribery against the Auditor of the South Bengkulu Regency Regional Inspectorate in connection with the Official Travel case carried out by 5 (five) former PJS Village Heads.

In addition to integrity, other factors that affect the quality of an auditor's audit are independence. Independence is a condition free from situations that can threaten the ability of the APIP to carry out its responsibilities objectively, or in carrying out an audit means being free from influence, not controlled by other parties, and not dependent on other parties. The phenomenon that occurs is perceived time budget pressure. This time, budget pressure is caused by cases or examinations outside the routine examination schedule. Examinations outside the examination schedule allowed the APIP to cut the examination stages because the time available was insufficient. Thus, it is possible that there will be a disruption of independence in the APIP. Another internal obstacle is the length of the relationship between the APIP and auditee. So far, the examination task has been carried out based on each region, and no rotation has been carried out, so that there is a close relationship between the APIP and the auditee. This close relationship allows for disruption of independence in APIP. Another internal obstacle is pressure from leadership. This pressure comes from the leadership of the Regional Head through the head of the Inspectorate, the regional inspector, when APIP members find from the results of the examination related to the use of the budget used by the Regional Head or related to their supporters or those who are not their supporters at the time of the Regional Head election. The results of the examination that can disturb or shake the position of the Regional Head will be intervened so that changes are made in accordance with the wishes of the leadership. This leadership pressure allows an APIP to feel that its independence is limited.

Therefore, the researcher is interested in conducting an analysis to identify the problems that occur by analyzing the relationship between the variables of Integrity, Independence and Competence on Audit Quality and Performance. The results of the study are expected to identify the shortcomings of the Regional Inspectorate throughout the Riau Islands Province, where the researcher took the research sample to provide the best solution related to the problems that have been previously expressed. The title of the research that the researcher proposes in this thesis is *Influence of Integrity, Independence, and Competency on Audit Quality with Auditor Performance as an Intervening Variable in Inspectorate of the Riau Island*".

2. Literature Review

2.1 Integrity

According to Setyowati et al. (2023), integrity is a commitment to do everything according to the right and ethical principles in accordance with values and norms, and there is consistency in continuing to carry out this commitment in every situation without seeing any opportunities or coercion to deviate from the principles. Becker et al. quoted in Kibtiyah (2016) define integrity as something related to a person's trust and honesty. Integrity is expected to create the common goal of achieving what is aspired to. As with companies, integrity is very important.

Lee in (Sihombing, Napitupulu, & Simangunsong, 2021) Integrity is a state when believing something is true we feel whole and strong. Integrity is complete and non-fatal. Integrity is divided into three parts: (1) can distinguish between right and wrong, (2) acts on what is considered right regardless of the risk to oneself, and (3) teaches others from the actions of integrity.

Umar in Putra (2021:26) states that high integrity will encourage high work performance standards, which are supported by intelligence, education level, and training to obtain performance credit points. In Prameswari and Yustrianthe (2015), integrity is a quality that gives rise to public trust and the highest value system for members of the profession in testing all their decisions. An auditor must be honest, transparent, brave, wise, and responsible for carrying out audits. These four elements are needed to build trust and provide reliable decisions for decision making, so that audit quality will be good and performance will be good (Valencia, Nella, & Haryono, 2025).

From the various definitions above related to integrity, it can be synthesized that integrity is an action in which one acts according to one's heart, holding fast to honesty in any condition when carrying out a job. Integrity is a consistent and unshakable steadfastness in upholding noble values and beliefs. It upholds the positive qualities of a person, namely speaking and acting honestly, being trustworthy, and never breaking promises.

2.2 Independence

Independence means that employees must be honest, not easily influenced, and not biased towards anyone's interests because the employee does his work for the public interest (Rahmadhanty & Firmansyah, 2025). Employees are obliged to be honest not only to management and leaders in the agency but also to the public and other parties who place their trust in the work. Njagi (2023) state that independence is an essential auditing standard to demonstrate the credibility of financial reports that are responsible for management, and emphasize that if the accountant is not independent, the opinion he gives will not add any value.

According to Vanasco in Istiariani (2018:69), Auditor Independence is not based on his judgment of pressure from other parties and avoiding relationships that will arise with other people, which can result in conflicts of interest. According to MULYADI (2016), independence refers to a mental attitude that is free from influence, not controlled by other parties, and not dependent on other people. Independence means not being easily influenced, which means that an auditor carrying out his work is only for the public interest. According to Azis (2021), auditor independence is an attitude that does not take sides from anyone in any situation, both in appearance and fact. Independence in appearance means that the auditor has no relationship with the client to avoid conflicts of interest. Independence refers to the objective attitude of an auditor. From the opinions of several experts above regarding the understanding of independence above, the author concludes that independence is an attitude of mind and mental attitude that is impartial and not influenced by other parties in carrying out testing, evaluating audit results and preparing audit reports in accordance with the rules and principles of his profession.

2.3 Competence

According to Wibowo (2017), competence is the ability to carry out or do a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. Thus, competence shows skills or knowledge that are characterized by professionalism in a particular field as something that is most important to the superiority of the field (Riwukore, 2023). According to Busro (2018), everything is owned by a person in the form of knowledge, skills, and other internal factors to be able to do a job based on their knowledge and skills.

According to Dessler (2017), competence is a personal characteristic that can be demonstrated through knowledge, skills, and personal behavior, such as leadership. According to the study by Edison et al. (2016:142) Competence is an individual's ability to carry out a job correctly and has advantages based on matters related to knowledge. From the descriptions and opinions of several experts above, it can be

concluded that competence is the ability to carry out or do a job or task based on skills and knowledge and supported by the work attitude required by the job.

2.4 Audit Quality

ardianingsih (2019) defines audit quality as an examination carried out systematically by an independent party on financial reports that can reveal violations and provide assessments in accordance with the reality of audited financial reports. Saputra and Firmansyah (2024) states that audit quality is a way of informing an auditor to detect material misstatements in financial reports, which is a reflection of the auditor's competence, while reporting is a reflection of the auditor's integrity, especially independence.

Jusuf (2017) Audit quality is a process to ensure that generally accepted auditing standards are followed in every audit, Audit Quality Supervision (KAP) follows audit quality control procedures that help meet standards consistently for every assignment.

Agustini and Siregar in Sulistiani (2023) Audit quality can be interpreted as the subjectivity of a concept so that its measurement is not accurate and therefore a proxy is needed to assess audit quality. According to Halim (2015), Audit Quality is achieved by the auditor to obtain a level of satisfaction, so that it will cause the auditor's desire to assess an activity.

From the description and opinions of several experts above, it can be concluded that audit quality is a systematic and independent examination to carry out activities, quality, and results in accordance with the planned arrangements, so that it will cause the auditor's desire to assess an activity.

2.5 Performance

Sinaga et al. (2020) stated that performance is the result of a person's job function or activity in an organization that is influenced by various factors to achieve organizational goals within a certain period. According to Siswanto in Sandy (2015:15) performance is achieved by a person carrying out the tasks and work given to him. Wirawan (2015) stated that performance is the output produced by the functions or indicators of a job or profession within a certain time. Employee performance significantly influences the results achieved by organizations or companies. Kasmir (2019) performance is the result of work and work behavior that has been achieved in fulfilling the tasks and responsibilities given during a certain period of time.

Bangun (2018:231) defines "Performance is the result of work achieved by someone based on job requirements." A job has certain requirements to be able to achieve its goals, which are also known as job standards. From the theories known above, the researcher concludes that performance is a process or work result produced by employees through several aspects that must be passed and has stages to achieve it and aims to improve the performance of the employee himself.

2.6 Hypothesis Development

2.6.1 Relationship between Integrity and Audit Quality

According to Zahra in Rani (2018:42), integrity is a commitment to do everything in accordance with the correct and ethical principles, values, and norms, and there is consistency in maintaining this commitment in every situation without seeing any opportunities or coercion to deviate from the principles. ardianingsih (2019) defined audit quality as an examination carried out systematically by an independent party on financial statements that can reveal violations and provide assessments in accordance with the reality of the audited financial statements.

With high integrity, auditors can improve the quality of their audit results (Pusdiklatwas 2015). If an auditor has high integrity, the auditor will reveal everything he finds without fear of conducting the audit. Integrity is a quality that underlies public trust and is a benchmark for members to test their decisions. Integrity requires an auditor to be honest, transparent, brave, wise, and responsible for carrying out the audit. An auditor with integrity will do his job honestly and is not afraid of revealing

findings in his work. Integrity can accept unintentional mistakes and honest differences in opinion, but it cannot accept cheating in principle.

Based on the results of research conducted by Sutio and Mursalim (2024) with the title of the influence of integrity and auditor competence on audit quality (empirical study of public accounting firms in the province of DKI Jakarta and registered with IAPI) from the results of the research conducted it was found that there was a positive and significant influence between integrity and audit quality. This means that the higher the integrity of an auditor, the better is the audit quality.

H1: A positive relationship exists between Audit Quality and integrity.

2.6.2 Relationship between Independence and Audit Quality

Kuntadi et al. (2022:933) stated that independence is an essential auditing standard to demonstrate the credibility of financial reports that are responsible for management and emphasized that if accountants are not independent, then the opinion they provide will not add value. Arens et, (2015:103) stated that audit quality is a way of telling an auditor to detect material misstatements in financial statements, which is a reflection of the auditor's competence, while reporting is a reflection of the auditor's integrity, especially independence.

Based on the results of research conducted by Abduh, et al. in 2022 with the title *The Influence of Auditor Independence and Integrity on Audit Quality with Risk-Based Audit as a Moderating Variable at the Makassar City Public Accounting Firm*. With the results of the study that there is a positive and significant influence between independence and audit quality. However, different results were obtained by Anam, Tenggara, and Sari (2021) regarding the influence of auditor independence, integrity, experience, and objectivity on audit quality. The results of the study contradict those of previous studies, namely that independence and audit quality have no significant influence. From these two studies, it can be observed that there is inconsistency in the relationship between the two variables.

H2: A positive relationship exists between Audit Quality and integrity.

2.6.3 Relationship between Competence and Audit Quality

According to Wibowo (2017), competence is the ability to carry out or perform a job or task that is based on skills and knowledge and is supported by the work attitude required by the job. Thus, competence shows skills or knowledge that are characterized by professionalism in a particular field as something that is most important to the superiority of the field. (Jusuf, 2017) Audit quality is a process to ensure that generally applicable auditing standards are followed in every audit. Audit Quality Supervision (KAP) follows audit quality control procedures that help meet standards consistently for every assignment.

By having knowledge and experience in the field in which they are engaged, a public accountant can produce high-quality work. A public accountant is a person who is trusted by a third party to examine the financial statements of a company, so that the third party does not make the wrong decision. Halim (2015) states that there is an influence between auditor competence and audit quality. Public accountants must be competent in conducting audits. Competence consists of the knowledge and experience of a public accountant.

Based on research conducted by Israwati Arif 2023 entitled *The Influence of Competence on Audit Quality at the Sinjai Regency Inspectorate*, the results of the study showed that there was a positive and significant influence between competence and audit quality. This means that the more competent an auditor, the better the quality of the audit produced.

H₃: A positive relationship exists between Competence and Audit Quality.

2.6.4 Relationship between Integrity and Performance

Becker et al. quoted in Kibtiyah (2016) define integrity as something related to a person's trust and honesty. Integrity is expected to create the common goal of achieving what is aspired to. As with companies, integrity is very important. Sinaga et al. (2020) stated that performance is the result of a

person's job function or activities in an organization that are influenced by various factors to achieve organizational goals within a certain period of time.

An auditor must be honest, transparent, brave, wise, and responsible for carrying out the audit. These four elements are needed to build trust and provide reliable decisions for decision-making, so that performance will be good. Therefore, if an auditor has high integrity, the examination will be carried out honestly, wisely, and responsibly to build trust in order to provide a basis for reliable decision-making. His decision reflected the actual conditions of the collected evidence. Thus, the guarantee of the output can be trusted by all interested parties. An output of good quality reflects good auditor performance.

Based on the results of research conducted by Oktavia (2018) entitled *The Influence of Integrity, Confidentiality, Task Complexity, Motivation, and Role Ambiguity on Auditor Performance at the Central Java Provincial Inspectorate*. The results of the study showed a positive and significant influence between integrity and auditor performance. Thus, it can be concluded that the higher the integrity value of an auditor, the better its performance produced will be.

H₄: Integrity and performance have a positive relationship.

2.6.5 Relationship between Independence and Performance

According to Vanasco in Istiariani (2018), Auditor Independence is not based on their assessment of pressure from other parties and avoiding relationships that will arise with other people, which can result in conflicts of interest. Wirawan (2015) stated that performance is the output produced by the functions or indicators of a job or profession within a certain time. Employee performance significantly influences the results achieved by organizations or companies.

In carrying out their professional responsibilities, auditors may face pressure from the objects being audited, which can affect their independence. To deal with this, auditors must remain consistent and must not take sides. Therefore, independence is needed so that auditors can express opinions, conclusions, and considerations from the results of the audit without siding with any party. In addition, auditors must be independent (not easily influenced) because auditors carry out they work in the public interest. To produce good and satisfactory performance, an auditor must have an honest or independent attitude in reporting the results of the audit that has been carried out.

Based on research conducted by Halimah Nur Hotimah in 2023 with the title *The Influence of Competence Independence and Auditor Ethics on Internal Auditor Performance at the Cirebon Regency Inspectorate*. The results show a positive and significant influence between independence and auditor performance. This means that an auditor with strong independence will produce good performance.

H₅: A positive relationship exists between independence and performance.

2.6.6 Relationship between Competence and Performance

According to Edison et al. (2016:142) Competence is the ability of an individual to carry out a job properly and has advantages based on matters related to knowledge (Arifin, 2021). Abun, Nicolas, Apollo, Magallanes, and Encarnacion (2021) performance is the results of work and work behavior that have been achieved in fulfilling the tasks and responsibilities given during a certain period of time. Competence is the qualification needed by the auditor to carry out the audit process properly, that is, having knowledge in understanding the object being audited. Auditor competence refers to the knowledge, abilities, and various disciplines needed to carry out an audit properly and appropriately. The auditor must also have the qualifications to understand the criteria used and must be competent to know the type and amount of evidence to be collected to reach the right conclusion after examining the evidence.

This is in accordance with research conducted by Budi Mulyadi, Kartini Maharani Abdul, Erlina Kurnia Asih in 2022 entitled *The Influence of Competence on the Performance of Government Internal Supervisory Apparatus (Study at the North Kalimantan Provincial Inspectorate Office)*. The results showed that there was a positive and significant influence between competence and auditor

performance. This means that the higher the competence of an auditor, the higher the performance that will be produced.

H6: A positive relationship exists between competence and performance.

2.6.7 The Relationship between Integrity and Audit Quality Through Performance

In Prameswari and Yustrianthe (2015), integrity is a quality that creates public trust and the highest value system for members of the profession in testing all their decisions. An auditor must be honest, transparent, brave, wise, and responsible for carrying out audits. These four elements are needed to build trust and provide reliable decisions for decision making, so that the audit quality will be good and performance will be good. According to Halim (2015), audit quality is achieved by the auditor to obtain a level of satisfaction, so that it will create the auditor's desire to assess an activity.

An auditor must maintain high integrity to obtain high-quality audit results. Integrity has positive parameters for audit quality, meaning that the higher the level of integrity, the better is the audit quality. Integrity is an honest, brave, wise, and responsible attitude towards carrying out audits. Auditors are required to be honest and obedient to rules, not to add or reduce facts, and not to accept anything in any form. Integrity is also the auditor's responsibility to not harm others, improve the results of their work, be consistent in their work, act according to norms, and adhere to applicable regulations.

The results of research conducted by Anelsya Fatqoemah (2022) titled *The Influence of Integrity and Auditor Competence on Audit Quality in Public Accounting Firms in Makassar*. The results show that integrity has a positive and direct effect on audit quality. This proves that the higher the integrity of an auditor, the higher is the quality and performance produced.

H7: There is a positive relationship between integrity and audit quality in terms of performance.

2.6.8 The Relationship between Independence and Audit Quality Through Performance

According to Azis (2021), auditor independence is an attitude that does not side with anyone in any situation, either in terms of appearance or fact. Independence in appearance means that the auditor has no relationship with the client to avoid any conflicts of interest. Independence refers to the objective attitude of an auditor. Jusuf (2017) Audit quality is a process to ensure that generally applicable auditing standards are followed in every audit, Audit Quality Supervision (KAP) follows audit quality control procedures that help meet standards consistently in each assignment.

Independence is one factor that can affect Audit Quality. Independence in an auditor is very important because it is free from influence, not controlled, and does not depend on other parties that can affect the quality of audit results. Therefore, if an auditor can maintain independence, the resulting performance will be high. An auditor with a highly independent attitude will report all findings of deviations that he gets in the audit process, even though he will get pressure from parties interested in the report. However, if the auditor's independence is low, the auditor will not report all deviations that the auditor finds in the audit process. Thus, the higher the auditor's independence, the higher the quality and accountability of the audit report.

Based on the results of research conducted by Utami (2018) with the title *The Influence of Work Experience, Independence, Integrity, and Due Professional Care of Auditors on Audit Quality (Empirical Study at Public Accounting Firms in DKI Jakarta)*. From the research conducted, it was found that independence and audit quality had positive and significant influences. This finding confirms the previous statement that the higher the auditor's independence, the higher the quality and performance produced.

H8: There is a positive relationship between independence and audit quality based on performance.

2.6.9 Relationship between Competence and Audit Quality Through Performance

According to Busro (2018), competence is everything that a person has in the form of knowledge, skills, and other internal factors to be able to do a job based on the knowledge and skills they have. According to Halim (2015), audit quality is achieved by the auditor to obtain a level of satisfaction, so that it will create a desire for the auditor to assess the activity.

Competence is related to the professional expertise of the auditor as a result of formal education, professional examinations, or participation in training, seminars, and symposiums. Auditor competence is his sufficient and explicit knowledge and experience to conduct audits objectively, carefully, and thoroughly. Audit quality is related to the auditor's ability to find and determine the irregularities that occur and report them in the audit financial report. Based on the relationship between competence and audit quality based on agency theory, high competence influences audit quality and client trust in conducting audits.

Based on the results of research conducted by Yoga, Endiana, and Kumalasari (2024) titled *The Influence of Integrity, Objectivity, Competence, Professional Ethics, and Work Experience on Audit Quality in Public Accounting Firms in Bali*. The results show a significant positive relationship between competence and audit quality. This means that the higher the competence of an auditor, the better the quality of the reported audit results, and the higher the auditor's performance.

H9: A positive relationship exists between competence and Audit Quality Through Performance.

2.6.10 Relationship between Performance and Audit Quality

Agustini and Siregar in Sulistiani (2023) Audit quality can be interpreted as the subjectivity of a concept, so that its measurement is not accurate; therefore, a proxy is needed to assess audit quality. Sinaga et al. (2020) stated that performance is the result of a person's job function or activities in an organization that are influenced by various factors to achieve organizational goals within a certain period of time.

Auditor performance is a manifestation of the work done to produce better work. Auditor performance is the result of work achieved by the auditor in carrying out his duties in accordance with the responsibilities given to him, and is a benchmark used to determine whether the quality of the audit carried out is good. Unfavorable conditions can affect auditor performance, one of which affects auditor performance is human factors including lack of motivation, lack of manpower and environmental factors.

Based on the results of research conducted by (Y, 2018) entitled *The Influence of Employee Performance and Independence on Audit Quality*. The results indicate a positive and significant relationship between performance and audit quality.

H10: A positive relationship exists between performance and Audit Quality.

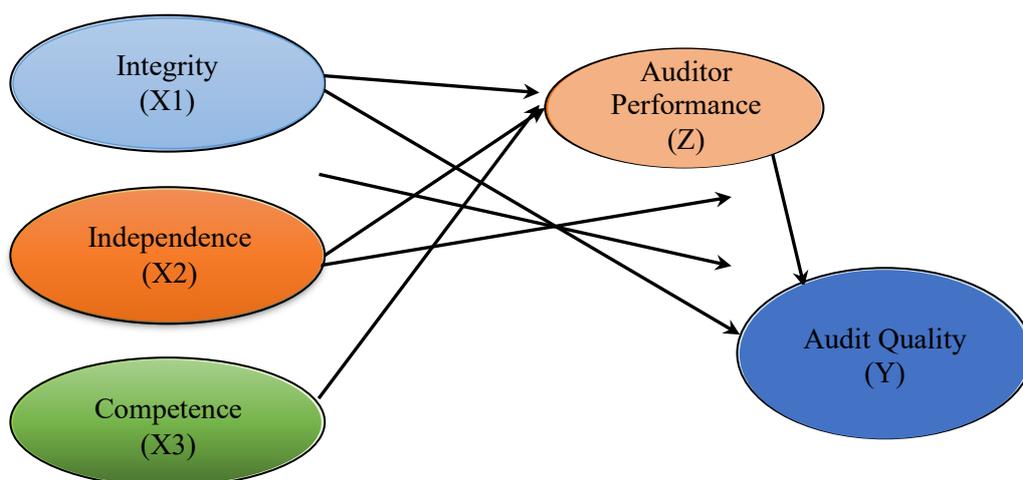


Figure 1. Relationship between variables

3. Research Methods

3.1 Research Methods

This study used a quantitative approach. In this study, the author collected data and determined the location of the research, namely at the Regional Inspectorate throughout the Riau Islands Province and

in this study the author predicted and scheduled the research time needed, namely for 5 months starting from April 2024 - August 2024.

The characteristics of the respondents based on gender in this study can be seen in the table below.

Table 1. Respondent Characteristics

		Total
Gender	Female	30
	Male	107
Age	25-34 years	34
	35-44 years	49
	45-54 years	44
Education	Strata-3	2
	Strata-2	8
	Strata-1	127

3.2 Definition of Variables and Measurement Scales

3.2.1 Operational Definition of Integrity Variable

The operational definition of integrity varies from one employee to another depending on the individual employee. The indicators that determine integrity are length of service, level of knowledge, and mastery of the job.

Table 2. Integrity Variable Instrument Grid

Variable	Indicator	Statement Items	Scale
Integrity	1. Honesty	1,2,3,4	Likert
	2. Courage	5,6,7,8	
	3. Wisdom	9,10,11,12	
	4. Responsibility	13,14,15	
Total		15	
Variable	Indicator	Statement Items	Scale
Independence	1. Free from interests	1,2,3,4	Likert
	2. Impartial	5,6,7,8	
	3. Not influenced	9,10,11,12	
	4. Objective	13,14,15	
Total		15	
Variable	Indicator	Statement Items	Scale
Competence	1. Knowledge	1,2, 3	Likert
	2. Understanding	4,5,6	
	3. Ability	7,8,9	
	4. Attitude	10,11,12	
	5. Interest	13,14,15	
Total		15	
Variable	Indicator	Statement Items	Scale
Audit Quality	1. On Time	1,2,3,	Likert
	2. Complete	4,5,6	
	3. Accurate	7,8,9	
	4. Objective	10,11,12	
	5. Convincing	13,14,15	
Total		15	
Performance	1. Quantity	1,2,3	Likert
	2. Quality	4,5,6	
	3. Initiative.	7,8,9	

	4. Reliability 5. Ability to Work Together	10,11,12 13,14,15	
Total		15	

4. Result and Discussion

4.1 Data Analysis Results

4.1.1 Discriminant Validity

Discriminant validity is the extent to which a construct is truly different from other constructs (i.e., the construct is unique). The most recent measurement criterion is the Heretroit-Monotrait Ratio (HTMT). If the HTMT value is <0.90 , the construct has good discriminant validity (Juliandi, 2018).

Table 3. Discriminant Validity

	Independence	Integrity	Performance	Competence	Quality
Independence	0,842				
Integrity	0,378	0,874			
Performance	0,406	0,473	0,805		
Competence	0,058	0,001	0,405	0,888	
Quality	0,136	0,104	0,772	0,531	0,810

Source: Smart PLS 3, 2024

The conclusion of the Heretroit-Monotrait Ratio (HTMT) test is that table 4.7 shows the HTMT value between each construct does not exceed 0.9. As stated by Chin et al. (2018) and Ramayah et al. (2018), the HTMT value that does not exceed 0.9 between each construct indicates a significant difference between each construct in terms of operational definition.

4.1.2 Composite Reliability

The statistics used in composite reliability or construct reliability are composite reliability values above 0.6, indicating that the construct has high reliability as a measuring tool. The limit value of 0.6 and above means acceptable and above 0.8 and 0.9 means very satisfactory.

Table 4. Composite Reliability Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Independence	0,962	0,969	0,967	0,708
Integrity	0,974	0,987	0,976	0,763
Performance	0,978	0,978	0,980	0,820
Competence	0,975	0,977	0,978	0,789
Quality	0,982	0,984	0,984	0,828

Source: Smartpls 3, 2024

Conclusion all variables are reliable

4.2 Structural Model Analysis (Inner Model)

4.2.1 Path Coefficient

The significance of the influence between the constructs can be seen in the path coefficient. The sign in the path coefficient must be in accordance with the hypothesized theory to assess the significance of the path coefficient, which can be seen from the t-test (critical ratio) obtained from the bootstrapping process (resampling method). This can be seen in the following figure.

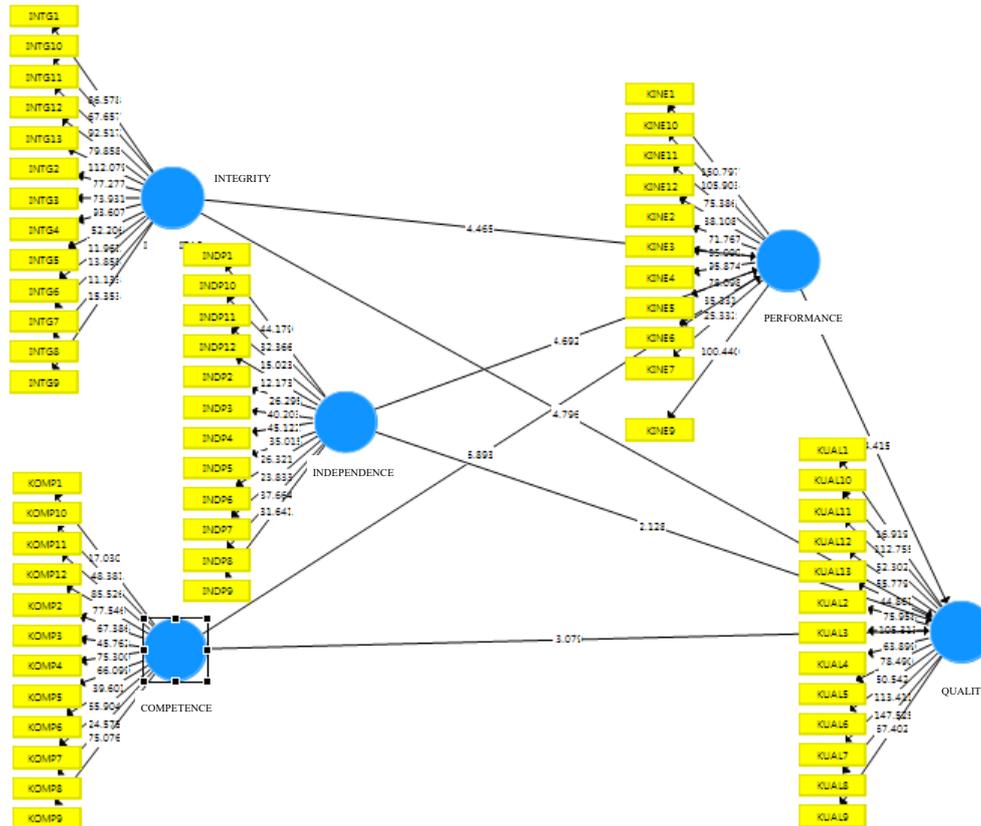


Figure 2. Hypothesis Test Results

1. Direct Effect

The purpose of direct effect analysis is to test the hypothesis of the direct influence of a variable that influences (exogenous) the influenced variable (endogenous) (Juliandi, 2018). Probability/significance value (P-value):

- 1) If the P-value is < 0.05 , it is considered significant.
- 2) If the P-Values were > 0.05 , it was considered not significant.

Table 5. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Independence-> Performance	0,294	0,293	0,063	4,692	0,000
Independence -> Quality	-0,108	-0,112	0,051	2,128	0,034
Integrity -> Performance	0,361	0,364	0,081	4,465	0,000
Integrity -> Quality	-0,269	-0,269	0,056	4,796	0,000
Performance -> Quality	0,874	0,877	0,061	14,415	0,000
Competence -> Performance	0,422	0,423	0,061	6,893	0,000
Competence -> Quality	0,170	0,172	0,055	3,079	0,002

Source: Smart PLS 3, 2024

The conclusion of the direct effect value in the table above is as follows.

1. Integrity on Audit Quality: Path coefficient = 4.796 > T-Table = 1.679 with p-value 0.000 < 0.05, indicating that the effect of Integrity on Audit Quality is significant.
2. Independence on Audit Quality: Path coefficient = 2.128 > T-Table = 1.679 with p-value 0.034 > 0.05, meaning that the effect of Independence on Audit Quality is significant.
3. Competence on Audit Quality: Path coefficient = 3.079 > T-Table = 1.679 with p-value 0.002 < 0.05, indicating that the effect of Competence on Audit Quality is significant.
4. Integrity on Performance: Path coefficient = 4.465 > T-Table = 1.679 with p-value 0.000 < 0.05, indicating that the effect of Integrity on Performance is significant.
5. Independence on Performance: Path coefficient = 4.692 > T-Table = 1.679 with a p-value of 0.034 > 0.05, indicating that the influence of Independence on Performance is significant.
6. Competence on Performance: Path coefficient = 6.893 > T-Table = 1.679 with p-value 0.000 < 0.05, indicating that the influence of Competence on Performance is significant.
7. Performance on Audit Quality: Path coefficient = 14.415 > T-Table = 1.679 with p-value 0.000 > 0.05, indicating that the influence of Performance on Audit Quality is significant.

2. Indirect Effect

The purpose of indirect effect analysis is to test the hypothesis of the direct influence of an influencing variable (exogenous) on the influenced variable (endogenous) (Juliandi, 2018). Probability/significance value (P-value):

Table 6. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Independence -> Performance -> Quality	0,257	0,258	0,060	4,276	0,000
Integrity -> Performance -> Quality	0,315	0,321	0,079	3,973	0,000
Competence -> Performance -> Quality	0,369	0,370	0,049	7,474	0,000

Source: Smart PLS 3, 2024

The conclusion of the indirect effect value in the table above is as follows.

1. Integrity to Audit Quality through Performance: Path coefficient = 3.973 > T-Table = 1.679, meaning that the performance variable mediates the influence of the integrity variable on Audit Quality.
2. Independence on Audit Quality through Performance: Path coefficient = 4.276 > T-Table = 1.679, meaning that the performance variable mediates the influence of the independent variable on Audit Quality.
3. Competence to Audit Quality Through *Performance: Path coefficient = 7.474 > T-Table = 1.679, meaning that the performance variable mediates the influence of the competence variable on Audit Quality.

a. R-Square

R-Square is a measure of the proportion of variation in the value of a variable that is influenced (endogenous) and can be explained by the variables that influence it (exogenous). This is useful for predicting whether a model is good or bad (Juliandi 2018). The criteria for R-Square according to Juliandi (2018) are as follows:

- a) If the value of R² (adjusted) is 0.75, then the model is substantial.
- b) If the value of R² (adjusted) = 0.50, the model is considered moderate.

c) If the value of R2 (adjusted) is 0.25, the model is considered weak.

Table 7. R-Square

	R Square	R Square Adjusted
Performance	0,461	0,449
Quality	0,723	0,714

Source: Smart PLS 3, 2024

The conclusion of the r-square value test on Quality is the Adjusted R-Square for the path model using the moderator variable is 0.714. This means that the ability of Integrity, Independence, Competence variables, and performance moderation in explaining audit quality was 71.4%. Thus, the model was classified as substantial.

5. Conclusion

5.1 Conclusion

The results of the data analysis in the discussion and hypothesis testing can be summarized as follows:

1. The influence of Integrity on Audit Quality is as follows: Path coefficient = 4.796 > T-Table = 1.679 with p value 0.000 < 0.05, indicating that the influence of Integrity on Audit Quality is significant.
2. The influence of Independence on Audit Quality is based on research results: Path coefficient = 2.128 > T-Table = 1.679 with p value 0.034 > 0.05, meaning that the influence of Independence on Audit Quality is significant.
3. The influence of Competence on Audit Quality is as follows: Path coefficient = 3.079 > T-Table = 1.679 with p-value 0.002 < 0.05, meaning that the influence of Competence on Audit Quality is significant.
4. The Influence of Integrity on Performance is as follows: Path coefficient = 4.465 > T-Table = 1.679 with p-value 0.000 < 0.05, indicating that the influence of Integrity on Performance is significant.
5. The Influence of Independence on Performance is as follows: Path coefficient = 4.692 > T-Table = 1.679 with p-value 0.034 > 0.05, meaning that the influence of Independence on Performance is significant.
6. The Influence of Competence on Performance based on research results: Path coefficient = 6.893 > T-Table = 1.679 with p-value 0.000 < 0.05, indicating that the influence of Competence on Performance is significant.
7. The Influence of Performance on Audit Quality is as follows: Path coefficient = 14.415 > T-Table = 1.679 with p-value 0.000 > 0.05, indicating that the influence of Performance on Audit Quality is significant.
8. The Influence of Integrity on Audit Quality through Performance is based on research results path coefficient = 3.973 > T-Table = 1.679, meaning that the performance variable mediates the influence of the integrity variable on the Audit Quality variable.
9. The Influence of Independence on Audit Quality through performance is based on research results path coefficient = 4.276 > T-Table = 1.679, meaning that the performance variable mediates the influence of the independence variable on the Audit Quality variable.
10. The Influence of Competence on Audit Quality on performance is based on research results: Path coefficient = 7.474 > T-Table = 1.679, meaning that the performance variable mediates the influence of the competence variable on the Audit Quality variable.

5.2 Implications

The implications of this study are as follows.

1. Theoretical implications

Theoretically, the Audit Quality result model will involve aspects of Integrity, Independence and Competence in developing the concept of its substance study in improving auditor performance to obtain good audit result quality; in addition, there are a number of other variables that have not been studied that can be developed, including objectivity, teamwork, discipline, and so on, but also support the substance in improving audit quality.

2. Practical implications

Based on the conclusions that have been put forward, there is a relationship between Integrity, Independence and Competence and the quality of audits conducted by auditors. This proves that Integrity, Independence and Competence determine the quality of auditors' audits.

3. Methodological implications

Causality is a principle of cause and effect whose knowledge and knowledge can automatically be known without requiring knowledge and intermediary knowledge; every event obtains certainty and necessity, and the specificities of its existence due to something or various other things that precede it are things that are accepted without hesitation and do not require refutation. It is hoped that other studies with similar models will be able to use more credible causal data.

5.3 Suggestion

Based on the conclusions of the research results above, in accordance with the objectives of this research, it can be suggested to the leaders and managerial sections in the Regional Inspectorates throughout the Riau Islands Province, both at the Regency, City, and Provincial levels, and for the advancement of management economics science, the following are suggested:

1. Based on the research results, integration plays an important role for auditors in improving integrity; therefore, an integrity pact needs to be made for all existing auditors. This is done so that auditors can maintain their integrity when carrying out the audit process.
2. Based on research results related to independence, several improvements must be made, including before the audit process. First, it must be checked whether there are employees at the audit location who have family or business relationships with the auditor. If there are any, the auditor should be replaced, which will affect the auditor's independence.
3. Based on research related to Auditor Competence, several improvements must be made, including. Holding and conducting further study efforts supported by the provision of scholarships, implementing training skills improvement activities, and periodic socialization for auditors to improve.
4. Based on research related to Auditor Performance, several improvements need to be made, including creating an agenda or schedule for the audit that must be carried out by the auditor within 1 year so that the auditor can determine which is the priority so that the audit results are in accordance with the expected performance
5. Based on research related to audit quality reported by auditors, several improvements need to be made, including. It is necessary to create a clear standard or standard operational procedure (SOP) that must be achieved by an auditor when making a quality audit report.
6. Future research should examine other variables that affect performance such as objectivity, work experience, discipline, and different objects that may influence audit quality.

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