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The Effect of Experience, Workload and Professional Skepticism of Internal Auditors in Recognizing Fraud: A Research at the Inspectorate General of the Ministry of Social Affairs of the Republic of Indonesia

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Abstract:

This research tries to evaluate how experience, workload, and professional skepticism influence the capability of an internal auditor to recognize fraud. This research employs a quantitative technique using a survey design. The population of this research consisted of 66 internal auditors from the Inspectorate General of the Ministry of Social Affairs. This research's data analysis method utilized Partial Least Square (PLS) with the SmartPLS 3.3.3 data analysis software. The research's findings indicate that experience and professional skepticism have a considerable impact on an internal auditor's capability to recognize fraud, but workload got no meaningful impact. This research is anticipated to contribute to the advancement of accounting knowledge, particularly in the field of auditing, serve as a reference for future research, and aid government internal auditors and regulators in carrying out their responsibilities and formulating regulators in making policies.

Keywords: *Experience, workload, professional skepticism, and internal auditor expertise*

1. Introduction

The large allocation of state spending in the 2022 APBN, which is Rp. 2,714.2 trillion, is significant for economic development, so people's demands for accountable, clean, fair, and transparent government administration and management of state spending must be taken seriously and systematically. One of them is by increasing the role and function of the government's internal audit, where the role includes recognizing, preventing, investigating, and monitoring fraud and its risks. Internal audit is one of the main activities used to control the implementation of government policies and programs (Sumito & Setiyawati, 2019). Now, fraud is still a phenomenal issue that occurs in both developing and developed countries. Fraudulent acts can hinder the achievement of organizational goals, so it must be an essential concern for the organization. The Inspectorate General, as the internal audit unit in ministries/agencies, got an important role in controlling government policies and programs.

Based on the 2017-2021 BPK audit report, there are still problems correlated to compliance with laws and regulations, which have an impact on state losses, potential state losses, and a shortage of state revenue. The high amount of findings that resulted in state losses is a reflection of state financial management, which is vulnerable to corrupt practices in Indonesia. The incapability of internal auditors to recognize fraud could be seen from the 2019 ACFE survey, where out of 239 cases of fraud that occurred, only 23.4% were revealed through internal audit (ACFE Indonesia Chapter, 2019).

The role of internal audit refers to recognizing, preventing, and monitoring the risk of fraud (The Institute of Internal Auditors (IIA), 2017). Internal audit is an objective and impartial assurance and consulting activity aimed to bring amount and enhance organizational performance. SAIPI Paragraph 2010 stipulates that internal auditors must have the education, knowledge, expertise, abilities, and experience necessary to carry out their tasks and responsibilities (AAIPI, 2021). Internal and external variables can contribute to the auditor's incapacity to recognize fraud under particular circumstances.

One important indicator of the professional qualifications of an auditor is experience. Auditor experience is a learning process passed by an auditor to improve his quality (Knapp & Knapp, 2001). Auditors who are more experienced can have a stronger influence on investigative abilities on fraud recognition (Surya Narayana & Ariyanto, 2020). In addition, the excessive workload will result in auditor fatigue, thereby reducing their capability to recognize fraud (López & Peters, 2012). Another factor that can also affect the internal auditor's fraud recognition skills is professional skepticism.

Auditor expertise is formed from innate knowledge and abilities obtained from experience and training (E. Bonner & L. Lewis, 1990). Professional skepticism is the auditor's critical approach to gathering and assessing evidence during the auditing process (Hurt, 2010). Auditors with high skepticism will improve their capacity to recognize fraud by generating and seeking extra information when presented with fraud symptoms (Fullerton & Durtschi, 2004).

Expertise in auditing is derived from intrinsic knowledge and skills acquired through experience and instruction (E. Bonner & L. Lewis, 1990). Expert auditors possess the education, knowledge, expertise, skills, experience, and other abilities necessary to perform their tasks and obligations (AAIPI, 2021). Recognizing fraud is facilitated by a combination of critical variables, including the application of specialized skills and the use of instinct to spot potential fraud's main indicators (Dewi & Fadjaranie, 2020).

This research refers to investigating the effect of independent factors that have been examined in prior research. This research utilizes experience, workload, and professional skepticism as independent variables, whereas the dependent variable is the internal auditor's capability to identify fraud. This research's population consists of internal auditors at the Inspectorate General of the Indonesian Ministry of Social Affairs.

2. Literature Review

2.1. Stewardship Theory

In stewardship theory, management acts as a steward (servant) for the organization. Stewardship theory illustrates that the motivation of management is not for individual goals but for the benefit of the organization (Davis et al., 1997).

2.2. Attribution Theory

Attribution theory explains how the motives and causes of a person's behavior will be determined by internal factors such as nature, character, attitudes, and so on or by external factors such as certain circumstances experienced by a person or situational pressure (Heider, 1958).

2.3. Auditors' Expertise

Expertise is defined as having knowledge of a certain environment, understanding of existing problems, and skills to solve these problems (Hayes-Roth et al., 1983). Bonner defines auditor expertise as a combination of knowledge and the innate capability of an auditor to perform certain tasks, which is created from experience and special training passed by an auditor (E. Bonner & L. Lewis, 1990). SAIPI Paragraph 2010 states that internal auditors must have the education, knowledge, expertise, skills, experience, and other competencies needed to carry out their duties and responsibilities (AAIPI, 2021). In other words, the auditor must have adequate expertise to work as a professional.

According to Bonner (1990) auditor's knowledge consists of general knowledge such as basic accounting knowledge and auditing knowledge, sub-specialty knowledge which can come from experience with certain audit clients, company training in specific areas, as well as general business knowledge such as understanding of management incentives, while the capability problem solving, in general, includes the capability to recognize relationships, the capability to interpret data, and the capability to reason analytically (E. Bonner & L. Lewis, 1990).

2.4. Experience

Auditor experience is a learning process undergone by an auditor to improve his quality (Knapp & Knapp, 2001). In contrast, Ashton defines auditor experience as the capability of an auditor, which is formed from learning from past events correlated to auditing (A. H. Ashton, 1991). Experience will affect an auditor's sensitivity to cues of fraud. Auditors who have much experience will not only be able to recognize fraud but will also provide more accurate explanations compared to auditors who still have little experience (Libby, 1995).

- H1: Experience got a positive effect on the internal auditor's expertise in recognizing fraud

2.5. Workload

Permenpan RB Amount 26 of 2011 defines workload as the number of work targets or target results that must be achieved in a certain time unit (Menpan dan RB, 2011). Meanwhile, the auditor's workload is the workload faced by an auditor in a certain period of time (Supriyanto, 2014). The workload of an auditor is often correlated to the audit season, which usually occurs at the beginning of the year (López & Peters, 2011). According to Persellin et al. (2018), the workload faced by auditors can be seen in:

- A large number of clients,
- Lack of audit resources,
- Dysfunctional audit behavior
- Excessive working hours,
- Demands on time to complete work, and
- The decreased capability of auditors to recognize errors

A heavy workload can be the root cause of deficiencies in auditing, so an increase in workload will reduce the auditor's capability to recognize fraud (Persellin et al., 2018). An increase in workload will reduce the auditor's capability to recognize errors or fraud (Yessie, 2020).

- H2: Workload got a negative effect on the internal auditor's expertise in recognizing fraud

2.6. Professional Skepticism

Skepticism comes from the word skeptic in the Big Indonesian Dictionary, which means doubt, suspicion, and disbelief in the truth of a thing, theory, or statement (BPPB, 2016). Meanwhile, according to the Big Indonesian Dictionary, professional means something correlated to a profession that requires special expertise in applying it (BPPB, 2016). Professional skepticism is an attitude that includes critical thinking and testing evidence (AAIPI, 2021).

Skepticism is an individual trait that can be innate, namely a stable and long-lasting aspect within a person, or situational, namely a temporary condition that is only influenced by certain situations (Hurt, 2010). Hurt also classifies professional skepticism into six indicators (Hurt, 2010):

- Questioning thoughts,
- Suspension of assessment,
- Disbursement of knowledge,
- Interpersonal understanding,
- Confident, and
- Self-determination

Auditors with professional skepticism have a high probability of recognizing fraud. If the auditor is more skeptical, the risk of fraud will be predictable from the audit planning stage, thus directing the auditor to improve fraud recognition at the next audit stage (Fitriany, 2012).

- H3: Professional skepticism got a positive effect on the internal auditor's expertise in recognizing fraud. Furthermore, it can be concluded that the framework of thought is presented in figure 1.

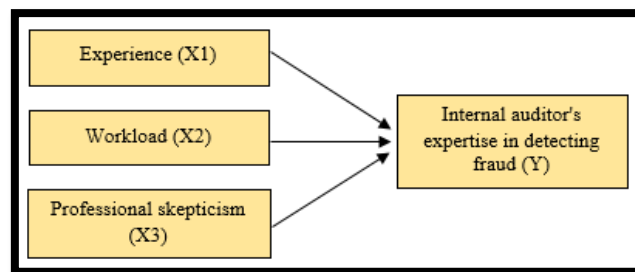


Figure 1: Research Framework

3. Research Methods

This research is a quantitative investigation employing a causal method, i.e., one that seeks to establish the causal relationship between each variable examined (Sugiyono, 2019). Research focuses on the internal auditor's expertise in recognizing fraud in terms of experience, workload, and professional cynicism.

A sample of 66 internal auditors from the Ministry of Social Affairs' Inspectorate General constitutes the research's population. Because the population under research is smaller than 100, the sampling approach employed is a census (Sugiyono, 2019).

The data included in the research are primary data collected directly from the object of research via a questionnaire. 66 internal auditors at the Inspectorate General of the Ministry of Social Affairs were given questionnaires, and the findings were analyzed using Partial Least Square (PLS) statistical analysis with the Smart PLS 3.3.3 software. Before conducting the PLS analysis, the researcher conducted a descriptive statistical test.

3.1. Descriptive Statistics Test

The descriptive statistical test aims to determine the tendency of respondents to answer questions from each variable (Sugiyono, 2019). The mean amount of respondents' answers are the result of calculations from descriptive statistics. The formula used to recognize internals is as follows:

$$I = \frac{\text{Skor Max} - \text{Skor Min}}{\text{Class}}$$

Information

I: Intervals

Max Score: Maximum score from the respondent's answer (5)

Min Score: The minimum score from the respondent's answer (1)

The range of respondents' tendencies towards the questionnaire according to the Sturges formula is presented in table 1.

No	Value Range	Category
1	1,00 – 1,80	Very Low
2	1,81 – 2,60	Low
3	2,61 – 3,40	Medium
4	3,41 – 4,20	High
5	4,21 – 5,00	Very High

Table 1: Sturges Amount Range
Source: Sturges Formulas

3.2. Measurement Model Test (Outer Model Test)

The measurement model test for the PLS technique comprises a validity test and a reliability test. Validity was assessed using convergent validity, average variance extracted (AVE), and discriminant validity. The convergent validity amount is the loading factor amount on latent variables and associated indicators; for confirmatory research, a loading factor amount ranging from 0.5 to 0.6 is still acceptable (Ghozali & Latan, 2015). The average variance extracted (AVE) parameter is used to measure the amount of variance captured by the construct relative to measurement error variance. The predicted AVE amount must exceed 0.50, suggesting that at least fifty percent of the indicator's variance can be explained. Measurements of discriminant validity are used to validate that each notion of each latent variable is unique from other variables. In this research, the discriminant validity is measured by comparing the square root of the extracted average variance (AVE) to the correlation between constructs and other model components. To pass the test of discriminant validity with reflecting indicators, each variable's cross-loading amount must exceed 0.70. (Ghozali & Latan, 2015).

3.3. Structural Model Test (Inner Model Test)

The PLS method's structural model test consists of assessing R-square and F-square. R-square, or the coefficient of determination test, is utilized to determine how well a model can explain dependent variance. The low R Square amount suggests that the independent factors cannot adequately explain the dependent variable (Ghozali & Latan, 2015). Then, an effect size or F-square test is conducted to determine the degree of the impact of exogenous latent factors on endogenous latent variables. F-square amounts of 0.02, 0.15, and 0.35 can indicate that the influence is small, moderate, or significant, respectively (Ghozali & Latan, 2015).

3.4. Hypothesis Testing

Hypothesis testing is done to see the effect of a construct on another construct, namely by looking at the parameter coefficients and statistical t amounts. The results of the proposed hypothesis could be seen from the magnitude of the t statistic where the test results must be probability (P-Amount) > 0.05 in order to show that there is an influence between variables (Ghozali & Latan, 2015).

4. Results and Discussion

4.1. Results

4.1.1. Descriptive Statistical Analysis

The experience variable got two dimensions, namely learning and process, with a mean amount of 2.841 (moderate), where the process dimension got the highest score with an amount of 3.591 (high) and the learning dimension got the lowest score with an amount of 2.091 (low). This refers to the experience possessed by the auditor obtained more from the process of carrying out audit assignments.

No	Dimensions	Mean	Category
1	Study	2.091	Low
2	Process	3.591	High
	Average value	2.841	Moderate

Table 2: Descriptive Dimensions of Auditor Experience Variables
Source: SmartPLS Outputs (2022)

The workload variable got two dimensions, namely the amount of clients faced by the auditor and the auditor's working hours, with a mean amount of 2,266 (low), where the dimension of the number of clients faced by the auditor is the dimension of the number of clients faced by the auditor got the highest score with an amount of 2,447 (low) and the dimension of working hours the auditor got the lowest score with an amount of 2.086 (low), meaning that the respondent's response to the workload variable is still low.

No	Dimensions	Mean	Category
1	The number of clients the auditor is facing	2.447	Low
2	Auditors working hours	2.086	Low
	Average value	2.266	Low

Table 3: Descriptive Dimensions of Auditor Workload Variables
Source: SmartPLS Outputs (2022)

There are two dimensions of the professional skepticism variable, namely critical and knowledge seeking, with a mean of 3.854 (high). The knowledge-seeking dimension got the highest score with an amount of 3.924 (high), and the critical dimension got the lowest score with an amount of 3.783 (high), meaning that the auditor got a level of professional skepticism tall one.

No	Dimensions	Mean	Category
1	Critical	3.783	High
2	Search for Knowledge	3.924	High
	Average value	3.854	High

Table 4: Descriptive Variable Dimensions of Professional Skepticism
Source: SmartPLS Outputs (2022)

There are two dimensions of the internal auditor's skill variable in recognizing fraud, namely knowledge and problem-solving skills, with a mean amount of 3.833 (high), the dimension of problem-solving capability got the highest score with an amount of 3.909 (high), and

The knowledge dimension got the lowest score, with an amount of 3.758 (high), meaning that the internal auditor got adequate expertise in recognizing fraud.

No	Dimension	Mean	Category
1	Knowledge	3.758	High
2	Problem solving skill	3.909	High
	Average value	3.833	High

Table 5: Descriptive Variable Dimensions of Internal Auditor Expertise in Recognizing Fraud
Source: SmartPLS Outputs (2022)

4.1.2. Outer Model Test

The initial test performed on the outer model was a validity test consisting of convergent validity, average variance extracted (AVE), and discriminant validity. The amount of convergent validity is the factor loading on the latent variable with its corresponding indications. According to the PLS method test results, the outer loading amount for all indicators is greater than 0.5. This indicates that the indication is either valid or convergently valid.

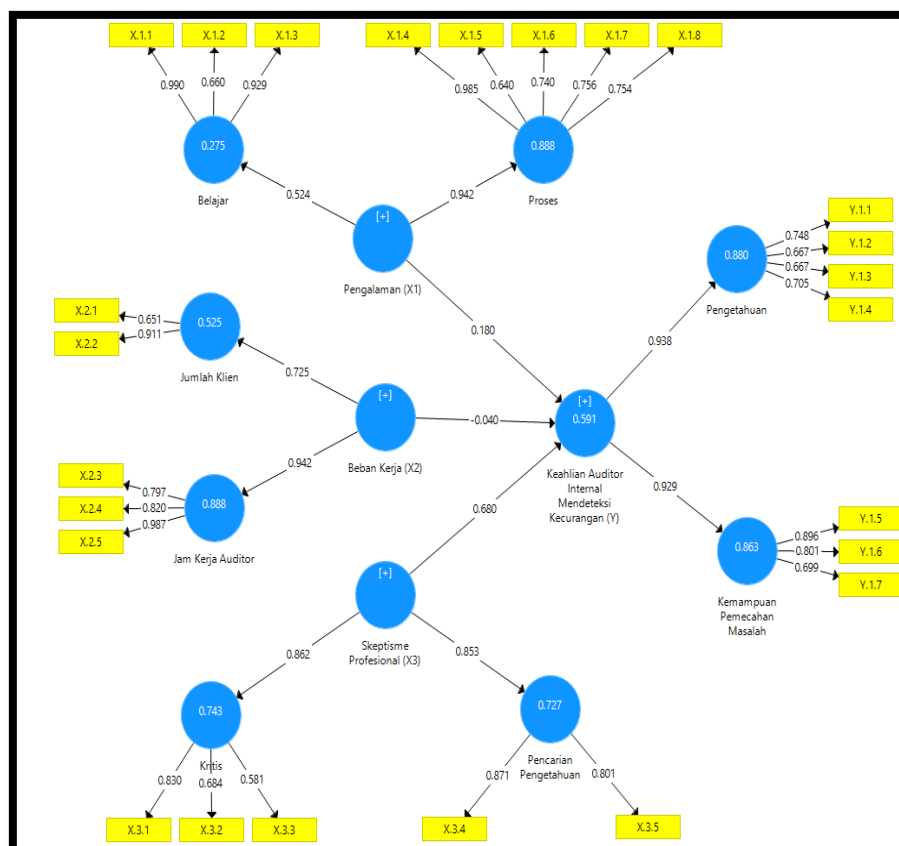


Figure 2: Outer Loading

The average parameter variance extracted (AVE) is used to measure the amount of variance that may be captured by the construct relative to the variance generated by measurement errors. The predicted AVE amount in this research is more than 0.5 (> 0.5). This indicates that the minimum criteria for convergent validity have been met.

Variables and Dimensions	Average Variance Extracted (AVE)
Experience	0.517
Study	0.759
Process	0.614
Workload	0.535
The number of clients the auditor is facing	0.626
Auditors working hours	0.761
Professional Skepticism	0.524
Critical	0.518
Search for Knowledge	0.700
Internal Auditor Expertise in Detecting Fraud	0.582
Knowledge	0.587
Problem solving skill	0.644

Table 6: Average Variance Extracted (AVE)

Source: SmartPLS Outputs (2022)

Discriminant validity measures are used to check that each latent variable's idea can be reliably distinguished from others. In this analysis, we compare the square root of the AVE to the correlation between constructs and other model components to establish discriminant validity. According to the Fornell-Larcker Criterium table, the discriminant validity requirements are met because the square root of the average variance extracted (AVE) of the latent variable is larger than the correlation between the other latent variables.

	Experience (X1)	Workload (X2)	Professional Skepticism (X3)	Internal Auditor Expertise in Detecting Fraud (Y)
Experience (X1)	0,719			
Workload (X2)	0,321	0,731		
Professional Skepticism (X3)	0,448	0,176	0,724	
Internal Auditor Expertise in Detecting Fraud (Y)	0,472	0,138	0,653	0,763

Table 7: Fornell-Larcker Criterium

Source: SmartPLS Outputs (2022)

The dependability of the outer model is then evaluated using Cronbach's alpha and the composite reliability. The purpose of the reliability analysis refers to establishing the probative amount of a questionnaire representing the variable. Cronbach's alpha is higher than 0.7, indicating that the questionnaire got a high level of reliability as a whole. (Ghozali & Latan, 2015). Each construct in this research had a reliability amount of over 0.7, suggesting high dependability. Cronbach's alpha suggests an amount greater than 0.7, which is consistent with this.

Variables and Dimensions	Cronbach's Alpha	Composite Reliability
Experience (X1)	0.784	0.840
Study	0.839	0.902
Process	0.834	0.886
Workload (X2)	0.760	0.844
The number of clients the auditor is facing	0.736	0.765
Auditors working hours	0.837	0.904
Professional Skepticism (X3)	0.747	0.779
Critical	0.800	0.745
Search for Knowledge	0.775	0.823
Internal Auditor Expertise in Detecting Fraud (Y)	0.817	0.865
Knowledge	0.747	0.791
Problem solving skill	0.720	0.843

Table 8: Cronbach's Alpha and Composite Reliability

Source: SmartPLS Outputs (2022)

4.1.3. Inner Model Test

In this research, R Square and F Square were also utilized to measure the inner model. R-Square, or the coefficient of determination test, is utilized to determine how well a model can explain dependent variance. The R Square amount ranges from 0.75 (significant) to 0.50 (moderate) to 0.25 (weak) (Ghozali & Latan, 2015). In this research, the R Square amount for the dependent variable is 0.591, or 59.1%. This indicates that the three independent variables explain 59.1% of the dependent variable, while the remaining 40.9% is explained by factors beyond the scope of the model.

	R Square
Internal Auditor Expertise in Detecting Fraud	0,591

Table 9: R-square
Source: SmartPLS Outputs (2022)

F-square or effect size is used to determine the extent of each exogenous latent variable's influence on endogenous latent variables (Ghozali & Latan, 2015). In this research, the F-square amount of the professional skepticism variable got the largest amount of 0.902, the experience variable was 0.59, and the workload variable was 0.003. This indicates that professional skepticism got a substantial influence on the internal auditor's expertise in identifying fraud, while experience and workload have a medium and a modest influence, respectively.

No	Variables	Internal Auditor Expertise in Detecting Fraud
1	Experience	0,059
2	Workload	0,003
3	Professional Skepticism	0,902

Table 10: F-square
Source: SmartPLS Outputs (2022)

4.1.4. Hypothesis Testing

By examining the parameter coefficients and statistical t amounts, hypotheses are tested to determine the influence of one construct on another. In this research, the hypothesis test was conducted by comparing the t statistic amount to the t table. Each predicted relationship is statistically checked by PLS using a simulation; in this example, the bootstrap approach is applied to the sample. The importance of the calculated parameters provides extremely helpful information regarding the link between the research's variables. The amount provided in the path coefficient's output result is the basis for testing the hypothesis.

	Original Sample (O)	T Statistics	P Values	Description
Experience → Internal Auditor Expertise in Detecting Fraud	0,180	1,813	0,035	Significant
Workload → Internal Auditor Expertise in Detecting Fraud	-0,040	0,447	0,328	Not Significant
Professional Skepticism → Internal Auditor Expertise in Detecting Fraud	0,680	7,707	0,000	Significant

Table 11: Hypothesis Test Results
Source: SmartPLS Outputs (2022)

The effect of variable X1 on variable Y got a path coefficient of 0.180, a T Statistics amount of 1.813 > 1.65 (T table), and a P amount of 0.035 < 0.05. These results imply that the independent variable X1 got a considerable effect on the dependent variable Y. Therefore, it can be argued that experience got a substantial impact on the internal auditor's capability to recognize fraud. Thus, H1 is acceptable in this investigation.

The influence of variable X2 on variable Y got a path coefficient of -1.040, T Statistics of 0.447 < 1.67 (t table), and a P amount of 0.328 greater than 0.05. These results imply that the independent variable X2 got no meaningful effect on the dependent variable Y. Therefore, it can be argued that the internal auditor's expertise in recognizing fraud is unaffected by workload. Thus, H2 was excluded from this research.

The influence of variable X3 on variable Y is characterized by a path coefficient of 0.68, a T Statistics amount of 7.707 > 1.65 (t table), and a P amount of 0.000 < 0.05. These results imply that the independent variable X3 got a considerable effect on the dependent variable Y. Therefore, it may be inferred that professional skepticism got a substantial impact on the internal auditor's capability to recognize fraud. Thus, H3 is approved in this investigation.

4.2. Discussion

4.2.1. The Influence of Experience on the Internal Auditor's Expertise in Recognizing Fraud

The findings of this research demonstrate that experience got a substantial impact on the capability of an internal auditor to recognize fraud. This figure suggests that an increase in audit experience can enhance the identification of fraud. This refers to the greater the auditor's experience, the greater his or her capability in spotting fraud. These results validate the attribution theory utilized in this research, which can explain how experience is one of the most influential elements in an auditor's capability to recognize fraud. According to attribution theory, the causes and motivations of a person's conduct are determined by internal elements such as nature, character, etc. (Heider, 1958).

Experience is a significant determinant of an auditor's professional qualifications. To be able to recognize fraud, an auditor must have expertise in the field of auditing. An experienced auditor will have conducted numerous audits. So he got to have the quality to identify fraud situations and possess the necessary skills and knowledge to resolve them. (Adi Putra & Bagus Dwirandra, 2019). This shows that an experienced auditor must have the knowledge and capability to carry out an audit. Auditor experience is created from the learning process and the audit implementation process. The learning process is obtained from education, training, sharing knowledge, and reading books correlated to an audit conducted by an auditor, while the process of carrying out an audit could be seen from how an auditor understands and carries out an audit in accordance with applicable auditing standards and accounting standards.

This research found that an experienced person is an auditor who got received training correlated to auditing, carries out knowledge sharing, and reads credible literature. Besides that, experienced auditors will also understand and carry out audits in accordance with applicable auditing standards and accounting standards. However, this research also found that there was still a lack of training and discussion and sharing by auditors. From the test results of the respondents, it is known that this is because the development of auditor competence was not supported by an adequate budget allocation.

This research corroborates the findings of Nuraisya and Chariri (2016), Adi Putra and Bagus Dwirandra (2019), and Narayana (2020) that auditor experience improves their capacity to recognize fraud. This research, however, contradicts the findings of Indrasti and Sari (2019), who found that experience got no substantial impact on an auditor's capability to recognize fraud.

4.2.2. The Effect of Workload on the Internal Auditor's Expertise in Recognizing Fraud

The findings of this research demonstrate that internal auditor expertise in recognizing fraud is unaffected by workload. This indicates that workload fluctuations during the audit season have no effect on the internal auditor's capability to recognize fraud. These results imply that workload cannot be considered a measure of an auditor's expertise; attribution theory cannot explain this.

Auditor workload is the workload faced by an auditor in a certain period of time (Supriyanto, 2014). The workload of an auditor is often correlated to the audit season, which usually occurs at the beginning of the year (López & Peters, 2011). The workload faced by auditors could be seen from a large number of clients, lack of audit resources, dysfunctional audit behavior, excessive working hours, demands on time to complete work and decreases the capability of auditors to recognize errors (Persellin et al., 2018).

This research found that there is an imbalance in the workload of auditors at the Ministry of Social Affairs. From the test results of the respondents, this is due to differences in performance targets for each Field Inspectorate, which have an impact on the individual targets of each auditor. Besides that, the lack of audit resources also affects the workload of auditors where the number of auditees is 157 work units with a total Ministry of Social 2022 budget of IDR 78.3 trillion, while the budget allocation for supervision at the Inspectorate General is only IDR 38 billion or 0.049% of the total budget.

Workload affects the auditor's skill in recognizing fraud (López & Peters, 2011), but it cannot be said to be a measure of an auditor's skill in recognizing fraud. Since expertise is a combination of knowledge and innate abilities of an auditor (E. Bonner & L. Lewis, 1990), workload is an external factor that does not affect a person's expertise.

This research corroborates the findings of Ranu & Merawati (2017), Nyoman Ayu Suryandari et al. (2017), and Lasodi (2018), which suggest that the auditor's workload got no substantial impact on his or her capacity to recognize fraud. This research, however, contradicts the findings of Sihombing et al. (2019), Persellin et al. (2018), and Yessie (2020), which indicate that auditor workload got a substantial impact on their capacity to recognize fraud.

4.2.3. The Effect of Professional Skepticism on the Internal Auditor's Expertise in Recognizing Fraud

This research demonstrates that professional skepticism got a substantial impact on an internal auditor's capability to recognize fraud. This indicates that the greater an auditor's professional skepticism, the greater his or her capability to spot fraud. These findings validate the attribution theory used in this research, asserting that professional skepticism is a significant element influencing an auditor's ability to recognize fraud. According to attribution theory, the causes and motivations of a person's conduct are determined by internal elements such as nature, character, etc. (Heider, 1958).

It is very important for an auditor to use an attitude of professional skepticism in carrying out audit assignments. In carrying out the collection and evaluation regarding the competence, adequacy, and relevance of evidence, the auditor is required to use the knowledge, expertise, and experience he got. Professional skepticism must be used to collect and evaluate evidence in examinations (Arens et al., 2014). The attitude of professional skepticism possessed by an auditor will make the auditor not easily believe and always be critical of the information he gets. Therefore, the higher the attitude of professional skepticism possessed by an auditor, the greater his expertise in recognizing fraud.

This research found that auditors have good professional skepticism. This could be seen from the results of the respondent's test that auditors have a critical attitude, demand evidence and evaluate the evidence to make decisions, and have a watchful attitude towards the auditee's behavior so that they can see motivation and perceptions auditee and the possibilities that can occur in the implementation of the audit.

This research corroborates the findings of Carpenter & Reimers (2013), Saida & Munandar (2018), Fadhilah (2018), and Indrasti & Sari (2019) that professional skepticism got a substantial impact on the auditor's capacity to recognize fraud. This, however, contradicts the findings of Ranu and Merawati (2017), who found that professional skepticism got no substantial impact on an auditor's capacity to recognize fraud.

5. Conclusion

Experience has a considerable and beneficial effect on the capability of an internal auditor to recognize fraud. This indicates that an auditor with sufficient experience and education will boost his capability to recognize fraud. The internal auditor's expertise in recognizing fraud is unaffected by the auditor's workload. This indicates that workload is not a reliable indicator of an auditor's capability to recognize fraud. Professional skepticism got a strong and favorable influence on the capability of an internal auditor to discover fraud. This implies that auditors with a healthy amount of professional skepticism will critically evaluate audit data, which will enhance their capability to recognize fraud.

It is required to conduct additional research on factors other than experience, workload, and professional skepticism regarding the expertise of internal auditors to recognize fraud due to the insignificance of the results of this research. This is because it was only able to explain 59.1% of the elements that influence the internal auditor's expertise in recognizing fraud in this research. This research did not include variables on other aspects that could have influenced and enhanced its conclusions.

From this research, it is recommended to the Government of the Republic of Indonesia, specifically the Ministry of Social Affairs, that auditors receive training in auditor standards and ethical codes, applicable government accounting standards, and fraud recognition and that auditors have a forum for discussion with their peers and auditor leaders, in order to instill and increase a critical attitude among auditors through discussions of the most recent issues and developments.

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