



Unveiling the Drivers of Audit Quality in Inspectorates: An Attribution Theory Approach on APIP Competence, Work Experience, and Independence

Prita Masyithah Khairunnisa^{1*}, Fajar Gustiawaty Dewi², Pigo Nauli³

^{1,2,3}Faculty of Economics and Business, Universitas Lampung

Corresponding Author e-mail: prita.masyithah@gmail.com

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Abstract: This study examines internal factors influencing audit quality in Indonesian Inspectorates through the lens of Attribution Theory. Although most Inspectorates have formally achieved an advanced level of institutional capability, recurring major audit findings by the Supreme Audit Agency indicate that internal audits often fail to detect early signs of financial irregularities. Based on a review of empirical studies published between 2021 and 2024, the findings show that auditor competence and work experience consistently enhance audit quality, while auditor independence demonstrates inconsistent effects due to political and structural pressures. These results suggest that audit effectiveness depends not merely on organizational capability, but on the interaction between individual auditor attributes and the surrounding institutional environment. Scientifically, this study contributes by offering an integrative Attribution Theory-based synthesis that explains why similar internal audit capability levels produce divergent audit quality outcomes in the public sector.

Introduction

Despite the growing body of empirical studies examining audit quality within Indonesian Inspectorates, several critical gaps remain unaddressed. First, existing research predominantly adopts a fragmented

approach by testing the effects of auditor competence, work experience, and independence in isolation, often within limited regional or institutional contexts. This has resulted in inconsistent findings, particularly regarding auditor independence, where some studies report significant effects while others find weak or insignificant relationships due to contextual pressures. Second, most prior studies rely heavily on quantitative survey methods without sufficiently integrating a unifying theoretical framework capable of explaining why similar APIP capability levels produce divergent audit outcomes. As a result, the persistent discrepancy between formal APIP capability maturity and actual integrity outcomes—as evidenced by recurring large-scale state losses—remains theoretically underexplained.

Positioned within this gap, the present study advances the literature by systematically synthesizing empirical evidence published between 2021 and 2024 through a comprehensive literature review grounded in Attribution Theory. Unlike prior studies that focus on single-variable causality, this article integrates competence, work experience, and independence as interacting internal auditor attributes while explicitly accounting for external situational pressures inherent in the Indonesian public sector. By doing so, the study reframes audit quality not merely as an outcome of structural capability or compliance mechanisms, but as a behavioral and contextual phenomenon shaped by the interaction between individual auditor attributes and organizational environments. This positioning allows the article to bridge micro-level auditor characteristics with macro-level governance failures identified by BPK and KPK.

Conceptually, this study contributes by offering an integrative framework that explains audit quality variation among Inspectorates despite homogeneous APIP capability levels. The application of Attribution Theory extends its use in public sector auditing by demonstrating how strong internal attributions (competence and experience) may be constrained or neutralized by adverse external attributions (political and

organizational pressures), particularly affecting auditor independence. From a policy perspective, the findings underscore that strengthening APIP effectiveness requires more than procedural reforms or capability assessments. Policy implications include the need for targeted competency development programs, experience-based auditor deployment strategies, and institutional safeguards that enhance auditor independence from political influence. These insights provide evidence-based directions for reforming internal audit governance to ensure APIP can function as an effective early-warning system in preventing financial irregularities and safeguarding public resources.

Research Methods

This study adopts a qualitative literature review approach designed to synthesize and interpret theoretical developments and empirical findings related to the determinants of audit quality within Indonesian Inspectorates. The review focuses on three core auditor attributes they are competence, work experience, and independence, examined through the analytical lens of Attribution Theory. Following the methodological principles outlined by Snyder (2019) for structured literature reviews, the study encompasses a multi-step process involving identification, selection, evaluation, and synthesis of relevant academic sources.

The literature search was conducted across reputable scholarly databases, including Google Scholar, ScienceDirect, SAGE Journals, Emerald Insight, and national indexing platforms such as Garuda and Neliti. The search targeted peer-reviewed journal articles published between 2021 and 2024 to ensure the inclusion of recent developments within the field of public-sector auditing. Keywords used in the search included “audit quality,” “internal audit,” “APIP,” “auditor competence,” “work experience,” “independence,” “Inspectorate,” and “Attribution Theory.” Articles were included based on three primary criteria: (1) the study examined internal audit or public-sector auditing, particularly within

the Indonesian context; (2) the variables of interest included at least one of the three determinants they are competence, experience, or independence; and (3) the article provided empirical evidence, conceptual analysis, or theoretical insight relevant to explaining audit quality.

In total, ten high-quality journal articles meeting the inclusion criteria were selected and reviewed. Each article was examined to identify conceptual frameworks, methodological approaches, and key findings contributing to the understanding of how auditor attributes influence audit quality. The analysis employed thematic synthesis, allowing the researcher to categorize findings into recurring patterns, contrasts, and theoretical linkages. Special attention was given to studies highlighting contextual challenges faced by APIP, such as organizational pressure, political interference, and structural limitations, to enrich the interpretation of results through Attribution Theory. The insights drawn from this synthesis formed the basis for interpreting why audit quality varies across Inspectorates and why internal audit effectiveness remains limited despite improvements in APIP capability.

Result and Discussion

Result

The literature review synthesizes findings from ten peer-reviewed studies published between 2021 and 2024 that examine audit quality within public-sector internal audit environments, particularly Inspectorates in Indonesia. The studies consistently highlight three primary internal determinants of audit quality: auditor competence, work experience, and independence. Using Attribution Theory as the analytical foundation, this section discusses how these internal attributes shape auditors' ability to detect irregularities, maintain professional judgment, and produce credible audit outcomes, also considering how external contextual pressures may moderate these internal dispositions.

Overall, the reviewed literature reveals a shared conclusion: audit quality is strongly and positively associated with the competence and work experience of auditors, whereas independence shows mixed results depending on the extent of political and organizational pressure faced by APIP. The following subsections elaborate on the main themes derived from the analysis.

Table 1. Reviewed Studies on Determinants of Audit Quality

No	Author(s) & Year	Variables Examined	Key Findings
1.	Achmad et al. (2025)	Competence, Experience to Audit Quality	Competence and experience significantly enhance internal audit quality in public-sector organizations.
2.	Septi Handayani & Khairunnisa (2024)	Independence, Competence, Experience to Audit Quality	All three variables positively affect audit quality; competence is the strongest predictor.
3.	Ramadhan et al. (2024)	Independence to Audit Quality	Independence improves audit quality but is often weakened by political and structural pressures.
4.	Nurleni et al. (2024)	Competence, Experience to Audit Quality	Competence and experience contribute significantly to audit quality; training reinforces their impact.
5.	Wibisono (2023)	Competence, Independence to Audit Quality	Competence strongly influences audit quality; independence shows mixed results.
6.	Zulfi et al. (2024)	Competence to Reliability of Audit Results	Auditor competence significantly increases accuracy and reliability of audit findings.
7.	Hermawan et al. (2022)	Experience to Audit Judgment & Quality	Auditor experience enhances judgment accuracy and improves detection of audit risks.
8.	Mahadewi & Dwirandra (2022)	Experience to Professional Judgment	Experience leads to stronger professional judgment and more accurate assessments.
9.	Surbakti & Wijayanti (2022)	Experience to Professional Skepticism	Experience improves professional skepticism, strengthening fraud detection capability.
10.	Nordin (2023)	Independence to Audit Objectivity	Independence is often constrained by hierarchical control, reducing internal audit effectiveness.

Discussions

Auditor Competence as the Strongest and Most Consistent Driver of Audit Quality

Across the reviewed studies, auditor competence emerges as the most consistent and influential determinant of audit quality. Research by Zulfi et al. (2024), Hermawan et al. (2022), and Achmad et al. (2025) shows that competence defined as mastery of audit standards, analytical skills, technical knowledge, and understanding of government regulations directly enhances the auditor's ability to detect irregularities and produce accurate findings. Competent auditors are better equipped to assess risks, evaluate evidence, and design appropriate audit procedures. Studies also indicate that competence contributes to increased vigilance, improved fraud detection, and higher credibility of audit recommendations.

These findings align with Attribution Theory, which argues that internal dispositions such as skills, ability, and knowledge strongly shape performance outcomes. Even when external pressures exist, auditors with higher competence are more capable of maintaining professional rigor. The persistence of major state-loss cases detected by BPK, despite high APIP capability levels, underscores the importance of strengthening competence to ensure internal controls operate effectively.

Work Experience Enhances Professional Judgment and Analytical Accuracy

The literature also demonstrates a strong relationship between work experience and audit quality. Studies by Mahadewi and Dwirandra (2022), Hermawan et al. (2022), and Surbakti & Wijayanti (2022) show that experienced auditors exhibit more refined professional judgment and higher skepticism, enabling them to detect anomalies and assess complex evidence with greater accuracy. Experience allows auditors to develop pattern recognition skills, learn from past audits, and adapt more effectively to diverse audit contexts.

Furthermore, several studies highlight auditors with longer tenure possess better contextual awareness of entity operations, enabling them to identify risks and irregularities earlier in the audit process. This is particularly important in environments where operational complexity and bureaucratic layers may obscure fraud signals.

In the context of Attribution Theory, work experience represents a stable internal attribute that shapes auditor behavior. However, some studies caution that experience alone is insufficient without continuous training and capacity building, particularly in rapidly changing public-sector environments.

Independence Shows Mixed Results Due to Structural and Political Constraints

Independence is widely recognized as a fundamental requirement of audit quality, ensuring objectivity, neutrality, and credibility of findings. However, the reviewed studies present mixed and inconsistent results regarding its effect on audit quality within Inspectorates. Research by Ramadhan et al. (2024), Wibisono (2023), and Nordin (2023) indicates that independence is frequently compromised by political pressure, organizational hierarchy, and role conflict. Because Inspectorates report directly to regional heads or ministers, auditors often face external pressures that limit their autonomy in evaluating evidence and issuing findings.

Several studies confirm that independence positively influences audit quality only when external interference is minimal. In many regional Inspectorates, however, structural subordination and political dynamics weaken auditors' ability to remain objective. These findings suggest that independence is not merely an internal attribute but one that is deeply affected by external situational forces, a core concept in Attribution Theory. When situational pressures dominate internal disposition, independence becomes ineffective in determining audit quality.

The failure of APIP to detect early warning signs in major national corruption cases such as the Rp18.19 trillion loss in the Ministry of Agriculture and the Rp6.9 trillion loss in the Kominfo BTS program, illustrates how weakened independence can render internal supervision unable to function as an early detector of fraud.

Integrated Interpretation Through Attribution Theory

Taken together, the findings reveal that the determinants of audit quality can be understood as the interaction between internal attributes (competence, experience, independence) and external pressures (political interference, organizational culture, bureaucratic hierarchy). Attribution Theory provides a coherent framework for interpreting this dynamic, explaining why structural capability improvements such as achieving APIP Capability Level 3 do not automatically translate into effective audit performance.

Competence and experience function as stable internal attributions that consistently predict audit quality. Independence, however, is vulnerable to external attributions, making its effect contingent on organizational conditions. This explains why some Inspectorates with adequate structural systems still fail to detect or prevent significant public-fund losses, highlighting the need to enhance internal capacities while reducing external pressures that undermine auditor independence.

Conclusion and Recommendation

This literature review concludes that auditor competence, work experience, and independence are the primary internal determinants of audit quality in Indonesian Inspectorates. Competence and experience consistently demonstrate strong positive effects by enhancing analytical capability, professional judgment, and the accuracy of audit findings. Independence, however, shows mixed influence due to political and

organizational pressures that frequently limit APIP auditors' ability to remain objective.

Despite 83.79% of Inspectorates in Indonesia achieving APIP Capability Level 3, significant financial losses such as those uncovered by BPK in the Ministry of Agriculture's Food Estate Program (Rp18.19 trillion) and the Kominfo BTS 4G Project (Rp6.9 trillion), indicate that internal audits failed to detect early warning signals. Using Attribution Theory, these findings show that strong internal attributes must be supported by an environment that allows auditors to exercise professional judgment without interference.

To improve audit quality in Inspectorates, auditor competence should be strengthened through continuous training and certification, while work experience can be enhanced through rotation and exposure to more complex audits. Auditor independence must be reinforced by minimizing political and hierarchical pressure so that audit judgments remain objective. Inspectorates should also apply risk-based auditing to improve early detection of irregularities and cultivate an integrity-based culture that supports professional and unbiased audit practices.

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