

**Factors Affecting Auditor's Ability to Detect Fraud  
(Study at the Regional Inspectorate Office of the Gorontalo Region)**

Mega Nurannisa Hippy<sup>1</sup>  
<sup>1</sup>Indonesian Islamic University  
<sup>1</sup>Email: mnurannisa22@gmail.com

**Abstract**

The ability to detect fraud is a required skill for auditors. The role of the government's external audit, the highest auditing board, is very important in realizing transparent management of state finances and free from all elements of fraud. Increasing the auditor's ability to detect fraud will reduce the level of fraud that occurs in the government. This study aims to develop a conceptual model of research on the ability of the Gorontalo Region Regional Inspectorate Government auditors. The factors used in this study are workload, experience, professional skepticism, independence, personality type and ethics. This study used a purposive sampling method, namely by using certain considerations that match the desired criteria. This study uses the conceptual framework method, namely by observing and analyzing all information regarding the research topic. The conceptual research framework includes a combination of researchers from previous research and is related to the phenomena that occur. The conceptual model of this research is expected to become a method that can be used by the Regional Inspectorate of the Gorontalo Region as a reference in analyzing the factors that influence the auditor's ability to detect fraud. First, conceptual research is defined as a methodology in which research is conducted by observing and analyzing existing information on a particular topic. Second, collect relevant literature, namely by narrowing the topic and gathering relevant information around. Third, identify certain variables by identifying variables related to the research to be carried out. Fourth, the initial conclusion framework in this conceptual research states that there is a positive influence between experience, professional skepticism, personality type and ethics on the auditor's ability to detect fraud. The negative effect of workload on the auditor's ability to detect fraud. This conceptual model can then be developed into further research in a more practical form so that it can contribute to the auditor's ability to detect fraud at the Regional Inspectorate of the Gorontalo Region. resulted in an initial concluding framework in this conceptual research stating that there is a positive influence between experience, professional skepticism, personality type and ethics on the auditor's ability to detect fraud. The negative effect of workload on the auditor's ability to detect fraud. This conceptual model can then be developed into further research in a more practical form so that it can contribute to the auditor's ability to detect fraud at the Regional Inspectorate of the Gorontalo Region. resulted in an initial concluding framework in this conceptual research stating that there is a positive influence between experience, professional skepticism, personality type and ethics on the auditor's ability to detect fraud. The negative effect of workload on the auditor's ability to detect fraud. This conceptual model can then be developed into further research in a more practical form so that it can contribute to the auditor's ability to detect fraud at the Regional Inspectorate of the Gorontalo Region.

Keywords: Ability to Detect Fraud, Attribution Theory, Agency Theory.

## **INTRODUCTION**

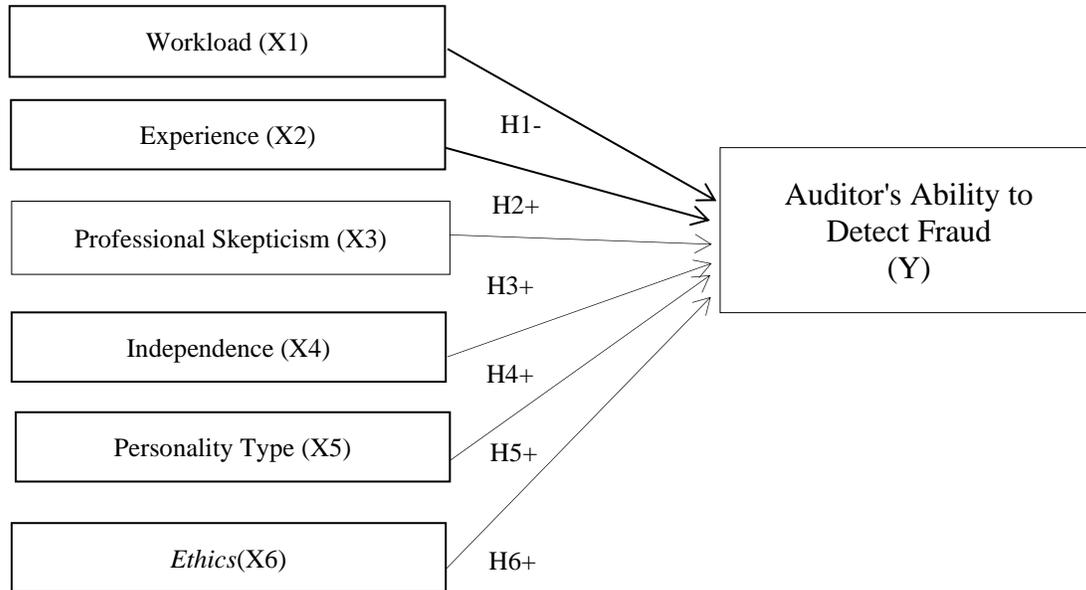
The rise of cases related to fraud which still often occur, especially in Indonesia, has made the public increasingly question the quality of audits produced by auditors where these cases are related to violations committed by auditors. This certainly threatens the credibility of financial reports which can affect public perceptions, especially users of financial reports, on audit quality (Siahaan & Simanjuntak, 2019). Corruption is one example of fraud. Eradicating corruption cases in Indonesia is like a never-ending homework. The potential for state financial losses due to corruption cases has increased. This data is monitored by Indonesia Corruption Watch or ICW in the first semester of 2022. State losses due to corruption involving 252 corruption cases with 612 suspects with a portion of corruption reaching Rp. 33.665 trillion (Saptoyo, 2022). With this data, it is concluded that fraud cases still often occur in central and regional government agencies, so efforts are needed to improve the auditor's ability to detect fraud.

Research on the ability of auditors to detect fraud using workload variables has been carried out by (Primasatya et al. 2022), and (Mariana et al. 2021). The experience variable is carried out by (Arwinda Sari et al., 2018), (Mannan et al., 2020), (Sari & Helmayunita, 2018), and (Hamilah et al., 2019). The variable of professional skepticism has also been carried out by (Mardijuwono & Subianto, 2018), (Rahayu, 2020), and (Said & Munandar, 2018). Realizing that previous studies still have limitations, the researcher tries to develop this research by adding several variables, namely independence, personality type, and ethics. Siahaan & Simanjuntak (2019) said that independent auditors guarantee objectivity and impose trust on users of financial statements. According to (Sari et al., 2018) auditors with Sensing-Thinking (ST) and Intuition-Thinking (NT) personality types increase their level of detection when they encounter indications of fraud. Susilawati (2015) states that auditors who have good ethics can carry out tasks in accordance with the code of ethics so that auditors can easily improve their performance and can gain the trust of the public. This research develops research (Sari & Helmayunita, 2018), with the variables of independence, personality type and ethics that affect the auditor's ability to detect fraud at the Regional Inspectorate of the Gorontalo Region.

## **METHOD**

The method used in this study is a conceptual framework. According to (Mamahit & Urumsah, 2018) the conceptual research method is a methodology by observing and analyzing all information regarding the research topic. The conceptual research framework includes a combination of researchers from previous research and is related to the phenomena that occur. There are four steps in conducting the conceptual research method: First, conceptual research is defined as a methodology in which research is conducted by observing and analyzing existing information on a particular topic. Second, collect relevant literature, namely by narrowing the topic and gathering relevant information around. Third, identify certain variables by identifying variables related to the research to be carried out. Fourth, produce a framework. This step begins building the necessary framework using a mix of variables from scientific articles and other related materials. This research was conducted to reduce knowledge gaps and make information more relevant. The variables used in this study are workload, experience, professional skepticism, independence, personality type and ethics. The population in this study is the Regional Inspectorate of the Gorontalo Region. This research was conducted to reduce knowledge gaps and make information more relevant. The variables used in this study are workload, experience, professional skepticism, independence, personality type and ethics. The population in this study is the Regional Inspectorate of the Gorontalo Region. This research was conducted to reduce knowledge gaps and

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Picture. Research Model

## DISCUSSION

### 1. Effect of Workload on Auditor's Ability to Detect Fraud.

Workload is the amount of work that must be done by someone in a certain period of time, where the workload will affect the attitude and ability of the auditor to detect fraud, when the auditor's workload is high and there are many tasks that must be completed resulting in the auditor not being optimal in carrying out inspections. The more the auditor's workload, the lower the auditor's ability to detect fraud and the lower the resulting audit quality (Primasatya et al., 2022). Research conducted by (Primasatya et al., 2022) in line with research conducted by (Sari & Helmayunita, 2018) which indicates that workload has a significant negative effect on the auditor's ability to detect fraud. This means that the workload relationship is not in line with the auditor's ability to detect fraud. So it can be interpreted that the workload affects the auditor's ability to detect fraud, where the higher the auditor's workload, the lower the auditor's ability to detect fraud.

### 2. The Effect of Work Experience on the Auditor's Ability to Detect Fraud.

Larasati & Puspitasari (2019) stated that the experience of an auditor can be measured from his tenure in which an auditor worked, years of work experience when he became an auditor and the trainings he has attended. One of the important issues related to experience for an auditor is the level of accuracy, an auditor must have a high level of accuracy, so that he can understand his duties and can do them properly and correctly. Research conducted by (Hamilah et al., 2019) and (Sari & Helmayunita, 2018) states that experience has a positive influence on

the auditor's ability to detect fraud. Thus it can be concluded that the initial experience possessed by an auditor is very influential with the level of expertise he has.

3. The Effect of Professional Skepticism on the Auditor's Ability to Detect Fraud.

Auditors who have professional skepticism are assumed to be able to detect fraud well when compared to auditors who do not have professional skepticism. Auditors who have good professional skepticism will not easily believe inadequate or incomplete audit evidence during the audit process (Arwinda Sari et al., 2018). In research conducted by (Rahayu, 2020) it is stated that audit professional skepticism affects audit quality. The influence between audit professional skepticism and audit quality is due to the concept of professional skepticism which is reflected in standards such as a questioning, alert and critical attitude in carrying out the entire audit process. It can also be interpreted that the higher the audit professional skepticism possessed by the auditor, the better the audit quality produced, and vice versa the lower the audit professional skepticism possessed by the auditor, the lower the resulting audit quality. Thus, the initial conclusion is that professional skepticism affects the auditor's ability to detect fraud.

4. The Effect of Independence on the Auditor's Ability to Detect Fraud.

Independence is a free nature without influence, and is not controlled by other parties, and does not depend on other people. Independence means that there is an honest nature of an auditor to consider facts and also the existence of impartial objective considerations within the auditor to formulate and then express his opinion (Susilawati et al., 2022). Research conducted by (Mariyana et al., 2021) and (Kartika & Pramuka, 2019) states that independence is the attitude of being free from influence and not controlled by other parties, and not dependent on other parties. The higher the independent attitude of an auditor, the higher the level of audit quality produced. In the sense that the more independent an auditor is, the greater the auditor's ability to detect fraud. Thus, the initial conclusion that can be drawn is that independence has an effect on the auditor's ability to detect fraud.

5. The Effect of Personality Type on the Auditor's Ability to Detect Fraud.

According to (Kusnurhidayati, 2020) individuals with the Sensing-Thinking (ST) personality type process information and make decisions based on the facts obtained by using logical analysis. Meanwhile, auditors with Intuition-Thinking (NT) personality types process information based on the possibilities that occur and consider them theoretically and scientifically in making decisions. So that auditors who have ST and NT attitudes can perform tasks better and improve the quality of the resulting audits. Therefore, the initial conclusion that can be drawn is that personality type influences the auditor's ability to detect fraud.

6. The Effect of Ethics on the Auditor's Ability to Detect Fraud.

An auditor needs ethical awareness, that the task of auditing financial statements is an important task, because it will have an impact on public trust and decision makers who have placed their trust in auditors to assess the fairness of a company's financial statements and are aware of the importance of the services they provide. Ethical auditors have integrity and objectivity in carrying out their work, so they are able to detect fraud in their client's financial statements, and can produce quality information (Arwinda Sari et al., 2018). Larasati & Puspitasari (2019) said in his research that auditor ethics have a positive effect on the auditor's ability to detect fraud. Krisna et al., (2017) states that the higher the auditor's adherence to auditor ethics, the higher the resulting audit quality, but the lower an auditor adheres to predetermined auditor ethics, the lower the resulting audit quality. Thus the initial conclusion was drawn that ethics influences the auditor's ability to detect fraud.

## CONCLUSION

The number of fraud cases that occurred in the central government and several regions has raised public opinion regarding the auditor's ability to detect fraud. An auditor is needed for a government agency to audit financial statements, where in providing its services an auditor must comply with the applicable Auditing Standards (SA). The higher the auditor's ability to detect fraud, the lower the level of fraud that occurs. This study discusses how the influence of the ability of auditors in detecting fraud that occurs by using Attribution Theory and Agency Theory. The initial conclusion that can be drawn in this study is that there is a positive influence between experience, professional skepticism,

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