

**THE INFLUENCE OF AUDITOR INTEGRITY ON INTERNAL AUDIT EFFECTIVENESS WITH AUDITOR COMPETENCE AS A MODERATING VARIABLE**

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*Researchers believe in two things, namely, first, the Auditor Integrity variable can have a positive relationship and have a significant influence on Internal Audit Effectiveness. Second, researchers determine that the Auditor Competence variable can moderate the influence of the Auditor Integrity variable on Internal Audit Effectiveness. Therefore, this research aims to analyze the influence of the Auditor Integrity variable on the Effectiveness of Internal Auditors with Work Competence as a moderating variable. This research is a quantitative research with an exploratory approach that collects data using a questionnaire method. The data used in this research is primary data. The data was analyzed using the smart PLS 4.0 analysis tool. The research results show that the Auditor Integrity variable has a positive relationship and a significant influence on the Internal Audit Effectiveness variable because the better the Auditor's Integrity, the more independent the auditor, the more likely he is to intervene, and is believed to be able to complete his tasks well. Apart from that, the Audit Competency variable can also moderate the two variable relationships above.*

**Keywords :** Auditor Integrity, Internal Audit Effectiveness, Auditor Comptence

## 1. INTRODUCTION

Effectiveness is a level of success produced by a person or organization in a certain way in accordance with the goals to be achieved. In other words, the more plans are successfully achieved, the more effective an activity is considered to be. And according to the Big Indonesian Dictionary "KBBI", effectiveness is efficiency, activeness and compatibility in an activity between someone carrying out a task and the goals to be achieved (Yulita, 2017).

Effectiveness is a measure of productivity (results) that leads to the achievement of a job related to quality, quantity and time. Effectiveness is a benchmark that refers to the extent to which achievements have been achieved. According to Supardi, effectiveness is a combination that includes human, material, and other equipment. Changing behavior in a positive and better direction according to potential and differences in order to lead to effective learning. Effectiveness means achieving a goal by taking actions to achieve these things (Fiska, 2023).

Based on the explanation above, the author can draw the conclusion that effectiveness is a result that has been obtained from planned efforts. punctuality in accordance with the targeted time and planned achievements.

According to Halim, a very well-known definition of audit is the definition that comes from ASOBAC (A Statement of Basic Auditing Concepts), which defines audit as a systematic process for collecting and evaluating evidence objectively regarding assertions about various economic actions and events to determine the level of conformity between these assertions and predetermined criteria and conveying the results to interested users. In the public sector, audit has relatively the same meaning, the difference lies in the emphasis of the party providing the assertion. This is as stated by Bastian who defines auditing in the public sector as an objective, systematic process for testing the accuracy and completeness of the information presented in a public sector organization's financial report .

Based on the explanation above, audit effectiveness is any systematic process for collecting and evaluating evidence objectively and the results achieved are in accordance with targets, both time targets and audit quality. There are a number of factors that can influence audit effectiveness, including the auditor's integrity. states that integrity is a quality that underlies public trust and is a benchmark for members in testing all decisions taken (Chartier, 1972).

According to the Code of Ethics published by the Association of Internal Auditors of the Indonesian Government (2014), the definition of integrity is the quality, nature or condition of internal auditors which shows complete unity, so that they have the potential and ability to radiate authority and honesty so as to give confidence in their judgment. Indicators of an auditor's integrity attitude are an attitude of being brave, honest, wise and responsible for carrying out audit activities (Betri, 2018). An integrated auditor is an auditor who has the ability to translate what is believed to be true into reality. Integrity requires an auditor to be honest and transparent, brave, wise and responsible in carrying out audits. With high honesty, an auditor can improve the quality of his audit results, honesty can accept unintentional errors and honest differences of opinion, but cannot accept fraud or violating principles (Harahap, 2017).

There are a number of studies (Prihartono et al., 2019); (Baskoro & Badjuri, 2023); (Suci, 2023); (Wulandari & Nuryanto, 2018) & (Fatima et al., 2023) show that Auditor Integrity has a positive relationship and a significant influence on Audit Effectiveness. Different from previous studies, this research adds the Auditor Competence variable as a moderating variable which the researchers believe can strengthen the influence of the Auditor Integrity variable on Audit Effectiveness.

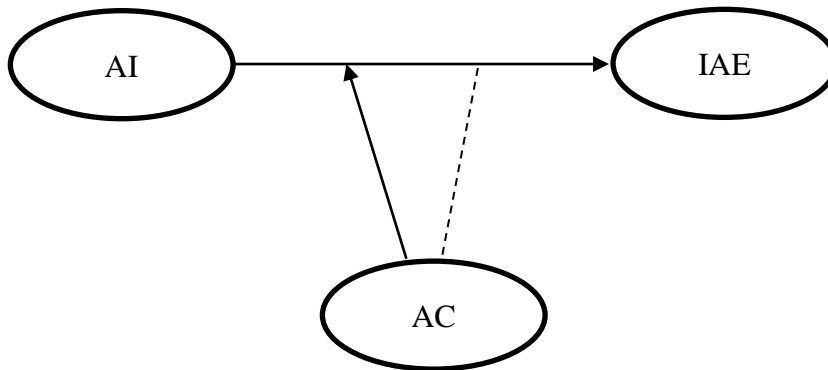
According to (Arens, 2012) competency is a personal quality that an auditor must possess which is obtained through a formal educational background in auditing and accounting, sufficient work training in the profession that he will pursue and always following continuing professional education. Competency is related to expertise, knowledge and experience so that a competent auditor is an auditor who has sufficient knowledge, training, skills and experience to be able to successfully carry out his audit work (Shamsuddin, 2014) There are three types of performance auditor competence, namely personal quality , general knowledge, and special skills (Ramadhaniyati, 2014). Auditor competency is obtained through education at universities in the field of accounting, participating in training and professional development activities for public accountants held at the workplace or taking tests to obtain professional certification as a form of IAPI recognition of auditor competency. Therefore, this research aims to analyze the influence of Auditor Integrity on Internal Audit Effectiveness with the Job Competency variable as a moderating variable. Decision making is an individual activity that is directly involved in obtaining and using the goods offered. (Arianti, 2014; Arimbi, 2020) concludes that a purchasing decision involves a choice between two or more alternative actions or purchasing

decision behavior. (Philip, 2015) that purchasing decisions are several stages carried out by consumers before making a decision to purchase a product.

## **2. RESEARCH METHODS**

Researchers believe that Auditor Integrity has great potential to influence Internal Audit Effectiveness because the more integrity the Auditor has in Internal Audit Effectiveness, the more independent the auditor will be, far from intervention, and able to uphold the fundamental values as a good auditor (Manzilati, 2017). Therefore, this research aims to analyze the influence of auditor integrity on internal audit effectiveness. Different from previous studies, the data used in this research is primary data distributed throughout PTPN spread throughout Indonesia (Sugiyono, 2019). The data in this study was obtained using a questionnaire method containing sentences 1-5 from strongly agree to strongly disagree (Jonathan Sarwono, 2016). The data required is a type of primary data. The questionnaire was distributed to internal auditors at all PTPNs spread throughout Indonesia. These data were analyzed using Smart PLS 4.0 with the following research mode:

**Figure 1**  
Model



**Note:**

AI : Auditor Integrity

IAE: Internal Audit Effectiveness

AC: Auditor Competence

**Hypothesis:**

H1: The Influence of Auditor Integrity on Internal Audit Effectiveness

H2: Auditor Competence Can Moderates The Influence of Auditor Integrity on Internal Audit Effectiveness

## **3. RESULT**

### **Convergent Validity**

The researcher's belief in the Auditor Integrity variable which can have a positive relationship and a significant influence on Internal Audit Effectiveness and the Auditor Competency variable can moderate the influence of the Auditor Integrity variable on Internal Audit Effectiveness must be proven by testing the validity of the 14 question items as follows (Sarstedt et al., 2014):

**Table 1**  
Convergent Validity

<b>Variable</b>	<b>Question Item</b>	<b>Loading Factor</b>
Auditor Integrity (X1)	The better the auditor's integrity, the better his performance	0.805
	Good auditor integrity makes auditor independence strong	0.810
	Good auditor integrity makes it difficult for anyone to intervene	0.807
	Good auditor integrity can make work targets easier to achieve	0.802
	Auditor integrity can improve an auditor's career	0.818
	Auditor integrity can influence the effectiveness of internal audits	0.809
Internal Audit Effectiveness (Y)	The effectiveness of internal audits can be influenced by Auditor Integrity	0.834
	The effectiveness of internal audits can be influenced by the auditor's competency	0.841
	The effectiveness of internal audit can be influenced by the auditor's targets being achieved	0.847
	The effectiveness of internal audits can be influenced by the auditor's competency	0.839
Auditor Competence (Z)	Auditor competency can strengthen auditor integrity	0.875
	Auditor competency can strengthen the effectiveness of internal audit	0.869
	Auditor competence can	0.877

	make it easier to achieve targets	
	Auditor competency can make performance better	0.859

Valid : > 0.70

**Realibility Test**

The researcher's confidence in the Auditor Integrity variable regarding Internal Audit Effectiveness has been tested as valid because the 14 question items consist of 6 question items for the Auditor Integrity variable, 4 question items for the Internal Audit Effectiveness variable, and 4 question items for the Auditor Competency variable because they are above 0.70. The next stage is the reliability test as follows (Ghozali, 2016):

**Table 2**  
Realibility Test

Variable	Cronbach Alfa	Composite Realibility	Noted
Auditor Integrity	0.804	0.844	Acceptable
Internal Audit Effectiveness	0.831	0.871	Acceptable
Auditor Competence	0.854	0.894	Acceptable

Valid : > 0.70

**4. DISCUSSION**

**Path Coefisien**

The researcher's belief in the influence of the Auditor Integrity variable can have a positive relationship and a significant influence on the Internal Audit Effectiveness variable has entered the final stage due to 14 question items consisting of 6 Auditor Integrity variable question items, 4 Internal Audit Effectiveness question items, and variable question items Auditor competencies are all valid and reliable. The final stage is to determine the direction of the relationship and whether the influence is significant or not on the efficiency of the path as follows (Sarstedt et al., 2014):

**Table 3**  
Path Coefisien

	Variable	P-Values	Noted
<b>Direct Influence</b>	AI-> IAE	0.034	Acceptable
<b>Indirect Influence</b>	AC* AI-> IAE	0.000	Acceptable

Significant Level> 0,05

**H1: The Influence of Auditor Integrity on Internal Audit Effectiveness**

Researchers believe that Auditor Integrity can have a positive relationship and significant influence on Internal Audit Effectiveness because the better the integrity of an Auditor, the stronger the auditor's independence, less easily intervened, and able to complete work according to targets and in line with the values. fundamental value of the company. This statement is in line (Prihartono et al., 2019); (Baskoro & Badjuri, 2023); (Suci, 2023); (Wulandari & Nuryanto, 2018) & (Fatima et al., 2023). These results and statements and previous research are in line with the results of the first hypothesis, the coefficients are in line

with the results of the first hypothesis, the third table of path efficiency shows that the Auditor Integrity variable has a positive relationship and a significant influence on Internal Audit Effectiveness because the value is positive and the P-Values are below the level of significance. 0.05 which is 0.036. Thus the first hypothesis in this research can **beaccepted**.

### **H2: Auditor Competence Can Moderates The Influence of Auditor Integrity on Internal Audit Effectiveness**

The first researcher's belief has been proven and correct regarding the influence of the Auditor Integrity variable on Internal Audit Effectiveness because Auditors have strong independent integrity, are difficult to intervene, and are believed to meet targets. The second researcher's belief is that auditor integrity is accompanied by good auditor competence regarding knowledge, experience and good work execution. Of course, it will have a more significant impact on Internal Audit Effectiveness. This is in line with the results of the second hypothesis of this research which shows that Auditor Competence can moderate the influence of the Auditor Integrity variable on Internal Audit Effectiveness because the P-Values value is positive and is below the 0.05 significance level, which is 0.000 more significant than direct testing. Thus the second hypothesis in this research can **beaccepted**.

### **CONCLUSION**

Based on this, it can be concluded that the Auditor Integrity variable has a positive relationship and a significant influence on the Internal Audit Effectiveness variable because the better the Auditor's Integrity, the more independent the auditor, the more likely he is to intervene, and is believed to be able to complete his tasks well. Apart from that, the Audit Competency variable can also moderate the two variable relationships above.

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