


The Role of Auditor Experience in Moderating the Influence of Internal Audit, Auditor Competence, and Auditor Integrity on Abuse of Authority


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Abstract

This study aims to analyze the role of auditor experience in moderating the influence of internal audit, auditor competence, and auditor integrity on abuse of authority. This research employs a quantitative approach using the Structural Equation Modeling - Partial Least Squares (SEM-PLS) method with SmartPLS version 3.2.9. The research sample consists of 303 auditors in Indonesia, selected using a purposive sampling technique with a ratio of 10 respondents for each research indicator. The results show that internal audit has a negative and significant effect on abuse of authority, indicating that the better the implementation of internal audit, the lower the level of abuse of authority. In contrast, auditor competence and auditor integrity do not have a significant direct effect on abuse of authority, suggesting that technical ability and individual integrity alone are not sufficient to directly reduce the occurrence of abuse of authority. Furthermore, auditor experience does not moderate the effect of internal audit, auditor competence, or auditor integrity on abuse of authority. This indicates that the effectiveness of these variables is more influenced by organizational procedures, control systems, and governance mechanisms rather than individual auditor experience. These findings highlight that internal audit plays a primary role in reducing abuse of authority, while auditor competence, integrity, and experience are more effective when optimized through strong organizational systems and governance practices.

Keywords: internal audit, auditor competence, auditor integrity, auditor experience, abuse of authority, SEM-PLS.

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INTRODUCTION

Abuse of authority within organizations is a serious issue because it can cause both financial losses and damage to an organization's reputation, particularly in the government sector in Indonesia. Various internal control systems have been implemented to minimize these risks, one of which is through the internal audit function. Theoretically, internal audit is viewed as an effective control mechanism in identifying and preventing practices of abuse of authority. However, in practice, the implementation of internal audits still faces various challenges that affect its effectiveness in detecting irregularities.

Empirical reality shows conditions that are not entirely in line with these theoretical assumptions. Data from the Association of Certified Fraud Examiners (ACFE) in 2025 shows that the majority of occupational fraud cases are actually detected through complaint mechanisms (tips), while the contribution of internal audit in detecting fraud is still

relatively limited compared to other informal mechanisms. This condition indicates a gap between the ideal role of internal audit as explained in theory and the supervisory practices that occur in the field.

This gap becomes increasingly visible in the fact that fraud most frequently occurs in the procurement, operational, and financial sectors and involves perpetrators ranging from managerial to executive levels. Theoretically, these sectors are high-risk areas that should become the main focus of internal audits. However, the dominance of fraud cases in these areas shows that the existence of internal audits has not been fully able to suppress the practice of abuse of authority, especially when the perpetrators have extensive authority and access to organizational resources.

In the auditing literature, the effectiveness of internal supervision is also influenced by the characteristics of the auditors themselves, such as auditor competence, integrity, and auditor experience. Auditors who have high competence and strong integrity are theoretically more capable of identifying indications of irregularities within an organization. However, empirical data from ACFE shows that more than 60% of fraud cases are committed by more than one perpetrator, indicating the existence of patterns of collusion and the systematization of fraud. This condition raises questions regarding whether the individual attributes of auditors that have long been considered important in theory are truly sufficient to deal with the complexity of fraud that is collective and structured in nature.

Several studies also show that in practice internal supervisory units do not yet fully have structured fraud detection procedures. This causes auditor competence to not be utilized optimally and auditors often rely on personal experience and observation in the process of detecting irregularities (Hidayati, 2020). These findings indicate that the role of auditor competence in practice does not always operate in accordance with the existing theoretical assumptions.

In addition to competence, auditor integrity and auditor experience are also factors that influence the effectiveness of internal audits. Previous research shows that auditor competence and integrity have a positive and significant influence on the ability to detect fraud, while auditor experience does not always have a direct influence. However, the implementation of risk-based auditing can moderate the influence of auditor experience on the ability to detect fraud (Nurhani & Riyadi, 2024). These findings indicate that the relationship between auditor characteristics and the effectiveness of internal audits is complex and influenced by various factors.

Based on these conditions, this study focuses on auditor experience as a moderating variable that is suspected to influence the relationship between internal audit, auditor competence, and auditor integrity with abuse of authority within organizations. Auditor experience theoretically can improve professional ability in recognizing fraud patterns and making more appropriate audit decisions. However, previous empirical research results show findings that are not yet consistent regarding the role of auditor experience in the audit process.

This research becomes increasingly relevant in the context of public sector organizations in Indonesia. Data from ACFE in 2025 shows that the government sector and public organizations are among the industries most affected by occupational fraud with significant loss values. Although the public sector normatively already has a layered supervisory system, including government internal audits, the high level of fraud shows that the supervisory system has not yet fully functioned in accordance with theoretical expectations.

Based on the inconsistency between theoretical assumptions and these empirical findings, deeper studies are needed to understand the factors that influence the effectiveness of internal audits in preventing abuse of authority. This study departs from the premise that

auditor attributes such as competence and integrity, which have so far been considered the main determinants, may not be sufficient without considering other factors that are contingent in nature, such as auditor experience.

Thus, this study aims to analyze the influence of internal audit, auditor competence, and auditor integrity on abuse of authority within organizations and to examine the role of auditor experience as a moderating variable in the relationship. The results of this study are expected to provide a more comprehensive understanding of the role of internal auditors in preventing abuse of authority and to provide practical input for organizations in improving the effectiveness of internal control systems.

LITERATURE REVIEW

Internal Audit

Internal audit is an independent function aimed at improving the effectiveness of risk management, internal control, and organizational governance. From the perspective of Agency Theory, the relationship between principals and agents may create conflicts of interest due to differences in objectives and information asymmetry. Therefore, a monitoring mechanism is required to ensure that agents act in accordance with the interests of the organization (Jensen & Meckling, 1976).

Internal audit serves as one of the control mechanisms that can minimize agency costs and reduce the potential for abuse of authority. Through the process of evaluating internal control systems, conducting compliance testing, and providing improvement recommendations, internal audit assists organizations in detecting and preventing various forms of irregularities (Wulandari & Arsyadana, 2025). In addition, high-quality audit practices can also increase transparency and strengthen good organizational governance (Shidqi & Arfiansyah, 2025).

However, the existence of an internal audit unit does not always guarantee that abuse of authority can be completely prevented. This indicates that the effectiveness of internal audit does not only depend on the existence of the unit, but also on the quality of audit implementation and organizational support for the supervisory function.

Auditor Competence

Auditor competence is a combination of knowledge, skills, and professional abilities required to conduct audits effectively. Auditors with high competence are able to understand audit procedures, conduct risk analysis, and apply relevant auditing standards in the examination process (Dengah et al., 2022).

Previous studies show that auditors with higher levels of competence have a better ability to detect indications of fraud compared to auditors with lower competence (Hidayati, 2020). In addition, auditors' understanding of organizational policies as well as the implementation of risk-based auditing can also improve effectiveness in identifying potential irregularities (Nurhani & Riyadi, 2024).

Thus, auditor competence becomes an important factor that supports the effectiveness of internal audit implementation and enhances the organization's ability to detect irregularities.

Auditor Integrity

Auditor integrity reflects moral values that include honesty, objectivity, and responsibility in carrying out professional duties. Integrity is a fundamental principle in auditing ethics because it determines the credibility of the resulting audit report (Anggara & Suprasto, 2020).

Auditors who possess high integrity tend to produce audit reports that are more objective and comprehensive. However, the effectiveness of auditor integrity in audit practice is also influenced by organizational support, such as institutional protection and leadership support for the audit function (Dengah et al., 2022). Without such support, auditors may face pressures that potentially affect independence and objectivity in the implementation of audits.

Auditor Experience

Auditor experience is an important factor influencing the quality of decision-making in the audit process. Through work experience, auditors can develop professional intuition in recognizing risk patterns and understanding the characteristics of audit tasks more deeply (Sirajuddin & Ravember, 2020).

Experienced auditors are also able to adjust audit procedures to organizational conditions and the complexity of the issues faced. In addition, experience helps auditors interpret audit evidence more accurately and identify indications of irregularities that are not easily visible (Hidayati, 2020).

Thus, auditor experience not only enhances technical abilities but also strengthens the effectiveness of audit implementation within organizations.

Hypothesis Development

The Effect of Internal Audit on Abuse of Authority

Internal audit functions as an independent monitoring mechanism designed to improve the effectiveness of internal control and minimize the potential for abuse of authority within organizations (Wulandari & Arsyadona, 2025). Through systematic audit processes, organizations can detect various irregularities early and improve accountability in the management of resources.

Based on this argument, the effective implementation of internal audit is expected to reduce the level of abuse of authority within organizations.

H1: Internal audit has a negative effect on abuse of authority.

The Effect of Auditor Competence on Abuse of Authority

Auditor competence reflects the professional capabilities required to conduct audits effectively. Auditors with high competence are able to understand audit procedures, analyze risks accurately, and recognize indications of fraud more quickly compared to auditors with lower competence (Hidayati, 2020).

In addition, the implementation of risk-based auditing and an understanding of organizational policies can strengthen the auditor's ability to identify potential irregularities (Nurhani & Riyadi, 2024).

H2: Auditor competence has a negative effect on abuse of authority.

The Effect of Auditor Integrity on Abuse of Authority

Auditor integrity is an important factor in ensuring the objectivity and credibility of audit reports. Auditors with high integrity tend to act honestly and have the courage to report audit findings objectively even when facing pressure from the organizational environment (Dengah et al., 2022).

Thus, auditor integrity is expected to improve the effectiveness of supervision and reduce the practice of abuse of authority within organizations.

H3: Auditor integrity has a negative effect on abuse of authority.

The Role of Auditor Experience as a Moderating Variable

Auditor experience can strengthen professional ability in recognizing risk patterns and adjusting audit procedures to organizational conditions. Auditors who have more work experience tend to be able to utilize their competence and integrity more effectively in the audit process (Sirajuddin & Ravember, 2020).

In this study, auditor experience is viewed as a factor that can strengthen or weaken the relationship between internal audit, auditor competence, and auditor integrity on abuse of authority.

H4: Auditor experience moderates the effect of internal audit on abuse of authority.

H5: Auditor experience moderates the effect of auditor competence on abuse of authority.

H6: Auditor experience moderates the effect of auditor integrity on abuse of authority.

METHODOLOGY

Research Design

This study uses an explanatory quantitative approach aimed at examining the causal relationship between internal audit, auditor competence, auditor integrity, and abuse of authority, as well as analyzing the role of auditor experience as a moderating variable. The quantitative approach was chosen because it allows hypotheses to be tested systematically using numerical data analyzed statistically (Hermawan & Hariyanto, 2022).

This research uses a cross-sectional survey design, in which data collection is conducted within a single period of time. The data were obtained from auditors working in Indonesia through the distribution of questionnaires designed to measure respondents' perceptions of the research variables.

Population and Sample

The population of this study consists of auditors working in Indonesia, including both internal auditors and auditors who have experience in audit activities. The total number of auditors in the population cannot be determined with certainty; therefore, the sampling technique used in this study is purposive sampling, which involves selecting respondents based on specific criteria.

The criteria for respondents in this study are auditors who have at least one year of work experience in the auditing field. The determination of the sample size follows the recommendation of Hair et al. (2021), which suggests a minimum of 10 respondents for each research indicator. With a total of 30 indicators, the minimum sample size required is 300 respondents. Therefore, this study uses 303 auditors as respondents.

Instrument and Variable Measurement

The research instrument used in this study is a questionnaire developed based on theoretical foundations and previous research. The questionnaire was designed to measure five main variables, namely:

1. Internal Audit (X1)
2. Auditor Competence (X2)
3. Auditor Integrity (X3)
4. Auditor Experience (M)
5. Abuse of Authority (Y)

Each indicator was measured using a five-point Likert scale, which represents the level of respondents' agreement with each statement. Before being used in the main research, the instrument was first tested for validity and reliability to ensure that each indicator consistently and accurately measures the intended construct.

Validity testing was conducted by examining the loading factor and Average Variance Extracted (AVE), while reliability testing was measured using Cronbach's Alpha and

Composite Reliability. A construct is considered valid if the AVE value is greater than 0.50, and reliable if the Cronbach's Alpha and Composite Reliability values are greater than 0.70.

Data Analysis Technique

Data analysis in this study was conducted using the Structural Equation Modeling method based on Partial Least Squares (PLS-SEM) with the assistance of SmartPLS software version 3.2.9. The PLS-SEM method was chosen because it is capable of analyzing complex relationships among latent variables and does not require strict assumptions of data normality (Black & Babin, 2019).

Data analysis was conducted through several stages. The first stage was descriptive analysis to describe the characteristics of respondents and the distribution of data for each research variable. The next stage was the evaluation of the measurement model (outer model), which aims to assess the validity and reliability of indicators through testing convergent validity, discriminant validity, and construct reliability.

The following stage was the evaluation of the structural model (inner model) to examine the relationships among variables in the research model. This evaluation was conducted by examining the values of R-square (R^2), effect size (f^2), and predictive relevance (Q^2) to assess the strength of the model in explaining endogenous variables.

Hypothesis testing was conducted using the bootstrapping technique, which produces t-statistic and p-value values to determine the significance of relationships among variables. The relationship between variables is considered significant if the t-statistic value is greater than 1.96 at a significance level of 5%.

In addition, this study also examines the moderating effect of auditor experience on the relationship between internal audit, auditor competence, and auditor integrity with abuse of authority. Moderation analysis was conducted using the interaction term approach in PLS-SEM to determine whether auditor experience strengthens or weakens the relationships among variables in the research model.

RESULTS AND DISCUSSION

Research Results

Description of Research Objects

This study uses primary data obtained through the distribution of questionnaires to 303 auditors working in Indonesia. The analysis of respondent characteristics was conducted to provide an overview of the profile of auditors who became the object of the research. This information is important because respondent characteristics may influence the interpretation of research results, particularly related to auditor competence, integrity, auditor experience, and the potential for abuse of authority within organizations.

The characteristics of respondents in this study were analyzed based on age, level of education, length of service, job position, and professional certification ownership. A summary of respondent characteristics is presented in Table 1 below.

Table 1. Characteristics of Research Respondents

Characteristics	Category	Frequency	Percentage
Age	20-25 years	48	15.8%
	26-30 years	46	15.2%
	31-35 years	93	30.7%
	>35 years	116	38.3%
Education	High School/Equivalent	14	4.6%
	Diploma (D3)	61	20.1%
	Bachelor's Degree (S1)	201	66.3%
	Master's Degree (S2)	22	7.3%

	Professional	5	1.7%
Work Experience	1-5 years	91	30.0%
	6-10 years	82	27.1%
	11-15 years	70	23.1%
	>15 years	60	19.8%
Position	Junior Auditor	120	39.6%
	Intermediate Auditor	56	18.5%
	Senior Auditor	67	22.1%
	Supervisor	34	11.2%
	Audit Manager	26	8.6%
Professional Certification	CIA	29	9.6%
	CISA	16	5.3%
	CPA	16	5.3%
	QIA	10	3.3%
	None	232	76.6%

Source: Processed Primary Data (2025)

Based on Table 1, most respondents are in the age group above 35 years (38.3%), followed by the 31–35 year age group (30.7%). This condition indicates that the majority of auditors are at a relatively mature professional age, which theoretically relates to increased maturity in ethical decision-making.

In terms of education level, respondents are dominated by auditors with a Bachelor's degree (S1) at 66.3%, followed by Diploma graduates (20.1%). However, the proportion of auditors with professional education remains relatively small at 1.7%, indicating that the development of specific expertise in auditing is still limited.

From the perspective of work experience, the majority of respondents have work experience of 1–5 years (30%), followed by 6–10 years (27.1%). This indicates that most auditors in this study are still in the early to middle stages of their professional career development.

Based on job position, respondents are dominated by junior auditors at 39.6%, while the position of audit manager accounts for only 8.6%. This condition indicates that most respondents are at the operational level with relatively limited authority in strategic decision-making.

In addition, from the perspective of professional certification, the majority of respondents do not yet have professional certification (76.6%). Meanwhile, ownership of certifications such as CIA, CISA, CPA, and QIA is still relatively low. This indicates that the recognition of auditors' professional competence in the research sample is still in the development stage.

Overall, the characteristics of respondents in this study show that most auditors are at the junior level with relatively short work experience and do not yet possess professional certification. This condition indicates that the levels of auditor competence, integrity, and experience in the research sample are relatively close to each other, resulting in limited variation among respondents. Therefore, these respondent characteristics should be considered an important context in interpreting the results of hypothesis testing in this study.

Results

In this study, the results of data analysis were obtained from the processing of questionnaires using a five-point Likert scale, namely:

1 = Strongly Disagree (SD)

2 = Disagree (D)

- 3 = Neutral (N)
 4 = Agree (A)
 5 = Strongly Agree (SA)

Descriptive analysis was conducted to describe the tendency of respondents' answers to the variables studied, namely internal audit, auditor competence, auditor integrity, auditor experience, and abuse of authority. A summary of the distribution of respondents' answers to all research indicators is presented in the following table.

Table 2. Distribution of Respondents' Answers to Research Variables

Variable	STS	TS	N	S	SS
Internal Audit	56 (3.08%)	178 (9.79%)	168 (9.24%)	669 (36.80%)	747 (41.09%)
Auditor Competence	69 (3.79%)	191 (10.50%)	186 (10.23%)	636 (34.97%)	736 (40.48%)
Auditor Integrity	63 (3.46%)	202 (11.11%)	146 (8.03%)	633 (34.82%)	774 (42.58%)
Auditor Experience	64 (3.52%)	205 (11.27%)	168 (9.24%)	633 (34.82%)	748 (41.14%)
Abuse of Authority	102 (5.61%)	221 (12.16%)	194 (10.67%)	572 (31.46%)	729 (40.09%)

Source: Processed Primary Data (2025)

Based on the table above, most respondents gave agree and strongly agree responses to the indicators measuring the research variables.

For the internal audit variable, respondents generally assessed that the implementation of internal audits had been carried out according to risk-based planning and contributed to strengthening organizational internal control. This is reflected in the high percentage of agree and strongly agree responses, which reached more than 70%.

For the auditor competence variable, the majority of respondents also assessed that auditors possess adequate professional capabilities in understanding auditing standards, preparing audit programs, and applying auditing techniques in the audit process. However, the dominance of junior auditors and the relatively short tenure of respondents indicate that auditor competence in the research sample is still in the development stage.

Meanwhile, for the auditor integrity variable, respondents generally assessed that auditors are able to maintain objectivity, comply with the professional code of ethics, and avoid conflicts of interest in the audit process. The high level of agreement regarding integrity indicators indicates that auditors are perceived to have a strong ethical commitment in performing their professional duties.

For the auditor experience variable, respondents assessed that work experience plays an important role in improving auditors' ability to detect irregularities, handle complex audits, and increase confidence in making audit decisions. However, auditor experience in this study is still relatively limited because most respondents have relatively short work tenures.

Regarding the abuse of authority variable, the results show that respondents assess organizational control mechanisms such as sanction implementation, whistleblowing systems, and internal supervision as functioning relatively effectively. Nevertheless, some respondents still believe that the risk of abuse of authority remains present within organizations.

Overall, the descriptive analysis results indicate that respondents tend to give positive assessments of the implementation of internal audit, auditor competence, auditor integrity, and auditor experience. However, these positive perceptions do not directly reflect actual

effectiveness in preventing abuse of authority. Therefore, further analysis through structural model testing is required to empirically examine the relationships among variables.

Data Analysis

This study uses the Partial Least Squares (PLS) method with the assistance of SmartPLS 3.2.9 software. The analysis was conducted through two main stages: evaluation of the measurement model (outer model) and evaluation of the structural model (inner model).

The outer model evaluation aims to assess the validity and reliability of indicators for latent constructs, while the inner model is used to test the relationships among variables in the research model.

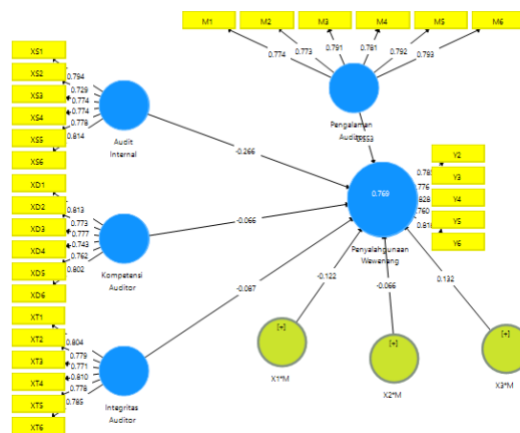


Figure 1. Outer Model After Elimination of Y1

Source: Processed Primary Data (2025)

The elimination of indicator Y1 was carried out because its loading factor did not meet the convergent validity criteria. After elimination, all indicators met the required loading values.

Outer Model Evaluation

Outer Loading

Table 3. Outer Loading After the Elimination of Y1

	Internal Audit	Auditor Integrity	Auditor Competence	Auditor Experience	Abuse of Authority	X1* M	X2* M	X3* M
Internal Audit *						1.489		
Auditor Integrity *								1.527
Auditor Competence *							1.511	
Auditor Experience								
M1				0.774				
M2				0.773				

M3		0.791
M4		0.781
M5		0.792
M6		0.793
XD1	0.813	
XD2	0.773	
XD3	0.777	
XD4	0.743	
XD5	0.762	
XD6	0.802	
XS1	0.794	
XS2	0.729	
XS3	0.774	
XS4	0.774	
XS5	0.778	
XS6	0.814	
XT1	0.804	
XT2	0.779	
XT3	0.771	
XT4	0.810	
XT5	0.778	
XT6	0.783	
Y2		0.780
Y3		0.776
Y4		0.828
Y5		0.760
Y6		0.818

Source: Processed Primary Data (2025)

The evaluation results indicate that all indicators have loading factors above 0.70, thus meeting the criteria for convergent validity. Therefore, all indicators are considered valid and suitable to be used in the structural model analysis.

Discriminant Validity (Cross Loading)

Table 4. Cross Loading

	Internal Audit	Auditor Integrity	Auditor Competence	Auditor Experience	Abuse of Authority	X1* M	X2* M	X3* M
Internal Audit * Auditor Experience	-0.702	-0.685	-0.680	-0.676	0.578	1.000	0.937	0.934
Auditor Integrity * Auditor Experience	-0.668	-0.720	-0.655	-0.690	0.606	0.934	0.911	1.000
Auditor Competence * Auditor Experience	-0.671	-0.662	-0.702	-0.673	0.568	0.937	1.000	0.911

M1	0.662	0.670	0.652	0.774	-0.648	-	-	-
						0.546	0.561	0.558
M2	0.636	0.693	0.675	0.773	-0.670	-	-	-
						0.523	0.519	0.528
M3	0.690	0.709	0.673	0.791	-0.691	-	-	-
						0.514	0.500	0.530
M4	0.641	0.679	0.663	0.781	-0.658	-	-	-
						0.543	0.547	0.580
M5	0.665	0.694	0.660	0.792	-0.673	-	-	-
						0.527	0.519	0.536
M6	0.660	0.674	0.654	0.793	-0.690	-	-	-
						0.527	0.524	0.518
XD1	0.709	0.688	0.813	0.717	-0.628	-	-	-
						0.590	0.631	0.581
XD2	0.698	0.701	0.773	0.658	-0.620	-	-	-
						0.592	0.582	0.578
XD3	0.699	0.665	0.777	0.673	-0.624	-	-	-
						0.511	0.509	0.486
XD4	0.644	0.603	0.743	0.586	-0.549	-	-	-
						0.521	0.552	0.480
XD5	0.644	0.648	0.762	0.655	-0.602	-	-	-
						0.478	0.473	0.457
XD6	0.672	0.709	0.802	0.653	-0.604	-	-	-
						0.485	0.532	0.473
XS1	0.794	0.650	0.652	0.655	-0.611	-	-	-
						0.630	0.579	0.595
XS2	0.729	0.647	0.669	0.600	-0.601	-	-	-
						0.489	0.507	0.486
XS3	0.774	0.664	0.669	0.643	-0.638	-	-	-
						0.551	0.507	0.533
XS4	0.774	0.673	0.673	0.673	-0.629	-	-	-
						0.543	0.516	0.507
XS5	0.778	0.685	0.713	0.668	-0.648	-	-	-
						0.500	0.496	0.476
XS6	0.814	0.699	0.682	0.679	-0.614	-	-	-
						0.563	0.524	0.522
XT1	0.692	0.804	0.669	0.729	-0.636	-	-	-
						0.556	0.549	0.584
XT2	0.703	0.779	0.705	0.721	-0.661	-	-	-
						0.592	0.585	0.599
XT3	0.695	0.771	0.681	0.668	-0.605	-	-	-
						0.556	0.548	0.589
XT4	0.687	0.810	0.709	0.689	-0.677	-	-	-
						0.511	0.501	0.553
XT5	0.635	0.778	0.632	0.675	-0.644	-	-	-
						0.461	0.433	0.497
XT6	0.663	0.785	0.670	0.654	-0.606	-	-	-
						0.566	0.515	0.587
Y2	-0.692	-0.695	-0.661	-0.708	0.785	0.479	0.450	0.502

Y3	-0.631	-0.637	-0.583	-0.670	0.776	0.506	0.498	0.542
Y4	-0.634	-0.617	-0.638	-0.705	0.828	0.459	0.459	0.447
Y5	-0.566	-0.624	-0.587	-0.637	0.760	0.424	0.406	0.472
Y6	-0.656	-0.642	-0.612	-0.675	0.818	0.423	0.439	0.443

Source: Processed Primary Data (2025)

The cross-loading results show that each indicator has the highest loading value on the construct it measures compared to other constructs. This indicates that each indicator is able to represent the intended variable appropriately.

There are several negative values in the relationships with the moderating variables; however, this condition is considered normal because the moderation constructs are formed from the interaction of variables. Overall, the discriminant validity of the research model is considered satisfactory.

Heterotrait-Monotrait Ratio (HTMT)

Table 5. Heterotrait-Monotrait Ratio (HTMT)

	Internal Audit	Auditor Integrity	Auditor Competence	Auditor Experience	Abuse of Authority	X1* M	X2* M	X3* M
Internal Audit								
Auditor Integrity	0.987							
Auditor Competence	1.001	0.983						
Auditor Experience	0.964	0.999	0.968					
Abuse of Authority	0.930	0.936	0.901	0.991				
X1*M	0.754	0.732	0.729	0.723	0.625			
X2*M	0.720	0.707	0.753	0.721	0.615	0.937		
X3*M	0.718	0.770	0.702	0.739	0.657	0.934	0.911	

Source: Processed Primary Data (2025)

The HTMT test is used to strengthen discriminant validity. Most HTMT values fall within the range of 0.90–1.00, indicating strong conceptual relationships among the constructs. In social science research where constructs are closely related, values approaching 1 are still considered acceptable (Hair et al., 2021). Therefore, the research model can still be considered to meet discriminant validity requirements.

Reliability Test

Table 6. Reliability Test

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Extracted (AVE)	Variance
Internal Audit	0.869	0.869	0.901	0.604	
Auditor Integrity	0.878	0.879	0.908	0.621	
Auditor Competence	0.870	0.871	0.902	0.606	
Auditor Experience	0.875	0.875	0.905	0.615	
Abuse of	0.853	0.854	0.895	0.630	

Authority				
X1 -> M	1.000	1.000	1.000	1.000
X2 -> M	1.000	1.000	1.000	1.000
X3 -> M	1.000	1.000	1.000	1.000

Source: Processed Primary Data (2025)

The values of Cronbach’s Alpha and Composite Reliability for all constructs are above 0.70, while the values of Average Variance Extracted (AVE) are above 0.50. This indicates that all constructs in this study meet the criteria for reliability and convergent validity, meaning that the measurement model is considered appropriate.

Inner Model Evaluation

The inner model evaluation was conducted to determine the relationships among variables in the research model and to test the moderating role of auditor experience.

Table 7. Inner Model Analysis Results

	Internal Audit	Auditor Integrity	Auditor Competence	Auditor Experience	Abuse of Authority	X1 -> M	X2 -> M	X3 -> M
Internal Audit					1.000			
Auditor Integrity					1.000			
Auditor Competence					1.000			
Auditor Experience					1.000			
Abuse of Authority								
X1 -> M						1.000		
X2 -> M						1.000		
X3 -> M						1.000		

Source: Processed Primary Data (2025)

The evaluation results indicate that the structural model does not experience multicollinearity issues, and the relationships among constructs have been properly established. Therefore, the model can proceed to the hypothesis testing stage.

Coefficient of Determination (R²)

Table 8. R² Results

Variable	R Square	R Square Adjusted
Abuse of Authority	0.769	0.764

Source: Processed Primary Data (2025)

The R² value of 0.769 indicates that 76.9% of the variation in abuse of authority can be explained by internal audit, auditor competence, auditor integrity, and auditor experience as a moderating variable. This value falls into the strong category (Hair et al., 2021).

Effect Size (f²)

Table 9. f² Analysis Results

	Internal Audit	Auditor Integrity	Auditor Competence	Auditor Experience	Abuse of Authority	X1 -> M	X2 -> M	X3 -> M
Internal					0.051			

Audit	
Auditor Integrity	0.004
Auditor Competence	0.003
Auditor Experience	0.248
Abuse of Authority	
X1 -> M	0.011
X2 -> M	0.004
X3 -> M	0.016

Source: Processed Primary Data (2025)

The f^2 values indicate that most variables have a small effect, except for auditor experience, which shows a moderate effect (0.248) on abuse of authority. The moderation effects formed are also relatively small.

Hypothesis Testing

Table 10. Hypothesis Testing Results

Relationship	Original Sample (O)	T Statistic	P Value
Internal Audit → Abuse of Authority	-0.266	3.402	0.001
Auditor Integrity → Abuse of Authority	-0.087	0.985	0.325
Auditor Competence → Abuse of Authority	-0.066	0.767	0.444
Auditor Experience → Abuse of Authority	-0.553	6.387	0.000
X1*M → Abuse of Authority	-0.122	1.693	0.091
X2*M → Abuse of Authority	-0.066	1.112	0.267
X3*M → Abuse of Authority	0.132	1.863	0.063

Source: Processed Primary Data (2025)

The results show that internal audit has a negative and significant effect on abuse of authority ($\beta = -0.266$; $p = 0.001$), so H1 is accepted.

Conversely, auditor competence ($p = 0.444$) and auditor integrity ($p = 0.325$) do not have significant effects, so H2 and H3 are rejected.

Auditor experience has a significant direct effect on abuse of authority ($\beta = -0.553$; $p < 0.001$). However, the moderation results indicate that auditor experience does not moderate the relationship between internal audit, auditor competence, or auditor integrity and abuse of authority (H4, H5, and H6 are rejected).

Although the R^2 value is relatively high, not all relationships in the model are statistically significant. This may occur due to high shared variance among constructs and the relatively homogeneous characteristics of respondents. Most respondents are junior auditors with limited experience and without professional certification, resulting in relatively small variations in competence, integrity, and experience.

Therefore, the research model still has good predictive capability, even though some relationships among variables do not show statistically significant effects when examined partially.

Discussion

The Effect of Internal Audit on Abuse of Authority

The results of the study indicate that internal audit has a significant effect in reducing the risk of abuse of authority. An effective internal audit function is able to strengthen internal control and enhance the organization's ability to detect and prevent abuse of authority. Although the majority of auditors in this study are still at the junior level, have

limited authority, and most do not yet possess professional certifications, a structured internal audit mechanism is still able to reduce the potential for abuse of authority.

Theoretically, this finding is consistent with Agency Theory proposed by Jensen and Meckling (1976), which explains that the delegation of authority from principals to agents has the potential to create conflicts of interest and agency costs (Shidqi & Arfiansyah, 2025). To minimize these risks, effective monitoring and internal control mechanisms are required, in which internal audit functions as the main instrument in suppressing opportunistic behavior by agents. Thus, internal audit not only acts as a supervisory mechanism but also as an organizational mechanism that strengthens governance and risk control.

Empirical findings also support this result. Government internal auditors play an important role in fraud risk mitigation through the evaluation of control weaknesses, the utilization of monitoring mechanisms such as whistleblowing systems, and the provision of systemic improvement recommendations. The success of internal audit in reducing abuse of authority does not solely depend on the competence of individual auditors but rather on structured, consistent, and systematic audit implementation (Wulandari & Arsyadona, 2025). Auditor characteristics such as competence and experience remain supporting factors, but a strong internal audit mechanism remains the primary determining factor (Endaya & Hanefah, 2016).

In addition, irregularities may still occur even when organizations have internal audit units. This indicates that the existence of internal audit alone is not sufficient without high-quality and continuous implementation. Therefore, internal audit is proven to be effective in reducing abuse of authority when it is implemented as part of an integrated organizational control system rather than relying solely on the abilities of individual auditors (Shidqi & Arfiansyah, 2025).

The Effect of Auditor Competence on Abuse of Authority

The results of the study indicate that auditor competence does not have a significant effect on abuse of authority. Theoretically, internal auditor competence is considered important in audit implementation because it can improve auditors' ability to detect irregularities (Hidayati, 2020). Auditors who possess adequate knowledge, skills, and technical capabilities should be better able to recognize indications of abuse of authority.

However, the findings of this study indicate that auditor competence does not have a significant direct effect on abuse of authority. The majority of auditors in this study are still at the junior level, 76.6% do not have professional certification, and they possess limited authority. These conditions cause the technical capabilities possessed by auditors to not be fully applied in reducing abuse of authority. Therefore, theoretical claims that place competence as a primary factor are not entirely consistent with the empirical conditions found in this study.

Theoretically, auditors with high competence are believed to be more effective in preventing abuse of authority because they understand audit procedures, risk analysis, and relevant auditing standards (Dengah et al., 2022). However, this study finds that control effectiveness depends more on systematic and structured internal audit mechanisms rather than on individual auditor competence. This indicates that the technical competence of auditors functions more as a minimum prerequisite in audit implementation rather than as a primary differentiating factor in preventing abuse of authority.

In addition, mastery of risk-based auditing methods is believed to improve auditors' ability to identify hidden irregularities (Nurhani & Riyadi, 2024). However, in the context of this study, such technical capabilities are not always effective when auditors do not have the authority to follow up on findings or when organizational mechanisms do not support the audit follow-up process. Therefore, the effectiveness of controlling abuse of authority

depends more on structured internal audit mechanisms rather than on the technical abilities of individual auditors.

The Effect of Auditor Integrity on Abuse of Authority

The results of the study indicate that auditor integrity does not have a significant effect on abuse of authority. Theoretically, auditor integrity is viewed as a moral foundation in performing professional duties, where auditors are expected to act honestly, objectively, and without bias even when facing pressure from the organizational environment (Anggara & Suprasto, 2020). This theory assumes that individual integrity is sufficient to encourage compliance with procedures and control organizational behavior.

However, the results of the study indicate that the majority of auditors in the research sample are still at the junior level, have limited experience, and most do not yet possess professional certification. In addition, the authority of auditors is relatively limited, so individual integrity cannot always be translated into concrete actions to reduce abuse of authority. This shows that the effectiveness of control does not solely depend on the moral quality of auditors.

Theoretically, auditors with high integrity are believed to produce more comprehensive audit reports and encourage corrective actions from management (Dengah et al., 2022). However, the findings of this study indicate that good audit reports are not always followed by corrective actions from organizations. This occurs because auditors who are still at the junior level have limited authority in organizational decision-making processes.

Theory also states that auditor integrity is an important requirement for strengthening internal control and organizational governance (Shidqi & Arfiansyah, 2025). The findings of this study support this statement in the context of auditors' ethical values. However, effective control can only be achieved when auditor integrity is supported by adequate organizational structures, clear authority, and consistent control mechanisms.

Therefore, auditor integrity remains important as an ethical foundation in the implementation of audits. However, strong internal audit mechanisms and organizational support are more decisive factors in reducing abuse of authority.

The Effect of Auditor Experience on Abuse of Authority

The results of the study indicate that auditor experience has a significant direct effect on abuse of authority. Auditor experience is viewed as an important factor in forming professional intuition, which refers to the ability of auditors to recognize risk patterns and make appropriate audit decisions based on an understanding of organizational processes and culture (Nurhani & Riyadi, 2024).

Theoretically, auditor experience is believed to improve supervisory effectiveness and the ability to detect irregularities. However, in this study, most auditors are still at the junior level with relatively limited work experience and not very extensive authority. These conditions cause auditor experience to not fully enhance supervisory effectiveness in preventing abuse of authority.

In addition, experienced auditors should be able to adjust audit procedures to organizational conditions and operational dynamics (Setiawan, Fernaldi, & Ratnawati, 2023). However, in this study, junior auditors tend to follow standardized audit procedures without flexibility in adjusting audit approaches to organizational conditions. This reduces the ability of auditors to optimally prevent abuse of authority.

Thus, auditor experience still plays an important role in developing professional intuition and improving the quality of audit implementation. However, experience alone is not sufficient to guarantee auditor effectiveness in reducing abuse of authority if it is not supported by adequate authority and organizational systems.

The Role of Auditor Experience as a Moderating Variable

The results of the study indicate that auditor experience does not act as a moderating variable in the relationship between internal audit, auditor competence, and auditor integrity with abuse of authority. Theoretically, auditor experience is believed to strengthen auditors' ability to recognize risk patterns and adjust audit procedures more effectively (Sirajuddin & Ravember, 2020).

However, the findings of this study show that most auditors are still in the early stages of professional development, with limited practical experience and relatively small authority. These conditions cause auditor experience to be unable to strengthen the relationship between internal audit, competence, and integrity with abuse of authority.

In addition, theory states that auditor experience can improve auditors' ability to apply more diverse audit procedures and optimize technical competence (Hidayati, 2020). However, in practice, auditors remain bound to audit procedures that have been determined by the organization. These limitations of authority cause auditor experience to not be utilized optimally in controlling abuse of authority.

Therefore, although auditor experience remains important in developing professional intuition and adaptive decision-making, its role as a moderating variable in this study is not empirically supported. This indicates that the effectiveness of organizational supervision is more influenced by internal audit systems and organizational structures than by the individual experience of auditors.

CONCLUSION

Based on the results of the data analysis, this study concludes that internal audit has a significant effect in reducing abuse of authority, while auditor competence and auditor integrity do not show a significant direct effect. This finding provides a theoretical contribution by reinforcing the Fraud Triangle framework and the Theory of Planned Behavior, which indicate that the effectiveness of organizational monitoring mechanisms is more dominant than individual technical capacity in preventing misconduct. In addition, the results of this study show that auditor experience does not act as a moderating variable in the relationship between internal audit, auditor competence, and auditor integrity and abuse of authority. This finding indicates a gap between the individual experience of auditors and the effectiveness of the organizational audit system. In other words, the effectiveness of supervision is more influenced by the quality of the internal audit system and organizational culture than by the length of auditor experience. This condition is also influenced by the characteristics of respondents in this study, where most auditors are still at the junior level, 76.6% do not yet have professional certification, and they have relatively limited authority in audit decision-making. As a result, auditor experience has not been able to function optimally as a factor that strengthens supervisory effectiveness. Thus, this study emphasizes that preventing abuse of authority cannot rely solely on improving the individual capacity of auditors, but must also be supported by strengthening organizational structural mechanisms and implementing consistent and systematic audit procedures. Strengthening internal audit must be carried out in an integrated manner in order to improve the effectiveness of organizational control sustainably.

Based on the research findings, several recommendations can be proposed. First, organizations need to strengthen internal audit systems in a more operational and measurable manner. Improving the quality of internal audits can be achieved through the implementation of data-based auditing (data analytics) and more systematic audit procedures, such as developing risk checklists for abuse of authority, applying more comprehensive sampling techniques, and conducting surprise audits in areas with high risk. Second, follow-up on audit recommendations must be ensured through clear monitoring

and tracking mechanisms. Organizations should also implement administrative sanctions if audit recommendations are not implemented within the specified timeframe. In addition, implementing job rotation in positions with high risk can be a strategy to reduce opportunities for abuse of authority. Third, for internal auditors, improving professional quality should not only be conducted through general training but also directed toward strengthening data-based auditing capabilities, forensic auditing skills, and the implementation of independence principles in audit practices. Strong documentation of audit findings should also be reinforced to ensure that audit recommendations can be effectively followed up. Fourth, for regulators and internal supervisory units such as SPI or APIP, there is a need to improve internal audit standards to become more operational, as well as to implement periodic mechanisms for evaluating audit quality. In addition, protection and incentives should be provided for auditors who report abuse of authority, so that professional courage is not hindered by internal or external pressure. Fifth, future research is recommended to develop research models by incorporating organizational variables that may have stronger influence, such as organizational culture, work pressure, organizational ethics, and management commitment.

Furthermore, future research may use mixed methods or qualitative approaches to explore more deeply the mechanisms that explain why auditor experience did not function as a moderating variable in this study. Finally, the research object can be expanded to various public institutions and private sector organizations with more diverse samples in order to improve the external validity of the research. Future studies may also examine the effectiveness of technology-based auditing, such as data analytics, in detecting and preventing abuse of authority within organizations.

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