PDUAMT Business Review, Volume V, 2023, pp. 1-14

Enhancing Audit Quality of Government Internal Auditors: The Role of Competency as Moderation

Helga Syanetta[1], Rita Anugerah[2], Yesi Mutia Basri[3]

Abstract

Previous studies have highlighted the quality of audits on external auditors of public companies. The audit quality of government internal auditors is also essential. It is due to the many differences in audit results between internal and external auditors. Previous research tested review stages, time pressure, and review budgets on internal auditor audit quality, but the research results still showed different results. This study tries to investigate the effect of auditor competence as a variable that improves audit quality for internal auditors in local governments in Indonesia. This study analyzes the stages of the budget, time pressure, and availability of the budget review of the quality of local government audits. This study also analyzes the competence of auditors in moderation. The data used in this study is primary data in the form of the opinion of the internal auditors as respondents. A total of 181 internal auditors participated in this study. Data collection sending a questionnaire. This study uses statistical tools to analyze research results, namely descriptive statistics and uses a structural equation model with PLS to answer the research hypothesis. This study's findings indicate that the review stages, time pressure and review budget affect audit quality. Auditor competence also plays a moderating role. This research has contributed to the government improving internal auditors' competence through training.

Keywords: *Review Stages, Time Pressure, Review Fund Budget, Competence, audit Quality*

JEL Classification: M41 M42

[1,2,3]Faculty of Business Economics, Riau University, Pekanbaru, Indonesia

Introduction

Government financial reports must be prepared and presented in accordance with one of the qualitative features of financial reports, namely dependability. The presentation of information free of misleading conceptions and material inaccuracies, which portrays every fact honestly and can be confirmed, demonstrates the dependability of financial accounts (Kemenkeu, 2010). The role of internal auditors in examining financial reports is inextricably linked to the presentation of high-quality financial reports. According to Widyarini and Ratnadi (2016), The auditor's ability to find and report abnormalities in the accounting system utilizing their knowledge and skills defines the review's quality. A quality review will improve the quality of the information presented in the financial reports (Roychowdhury, Shroff and Verdi, 2019 ;Vitolla, Raimo and Rubino, 2020). The review's quality reflects the audit quality of the government's internal auditors. The results of audits by qualified internal auditors are indicated by the absence of differences in findings between internal and external auditors (Kaawaase *et al.*, 2021 ; Al-Taee and Flayyih, 2023)

Several cases of audit quality of local government internal auditors in Indonesia show that the quality could be more optimal. For example, the findings of an external auditor's study of the regional administration of Riau Province's financial statements still necessitate the correction of journal entries. In 2019 there were 313 corrections made by external auditors. It shows that the audit quality of the internal auditors in the local government has yet to be maximized. External auditor findings should be minimized if internal auditors offer advice on financial statement review before being reviewed by external auditors.

Previous research has discussed audit quality related to internal auditors. Many studies examine the role of internal auditors in business firms, for example (Al-taee and Flayyih, 2022 anf Tumwebaze *et al.*, 2022). Government research has found that review procedures determine audit quality (Widyarini and Ratnadi, 2016 ; Bekaiang, Sondakh and Kalalo, 2017). Internal auditors must also apply review procedures to obtain competent and sufficient evidence to detect irregularities in preparing financial statements (Jarah *et al.*, 2022; Almasria, 2022). This finding is supported by Widyarini and Ratnadi (2016), Bekaiang, Sondakh and Kalalo (2017). However, the findings differ Deda, Karamoy and Gamaliel (2017) showed different results; namely, the review procedure did not affect the quality of the review.

Time pressure is one of the causes of an auditor taking action to reduce audit quality (Thompson, 2022 ; Astuty *et al.*, 2022). Time pressure can cause the auditor to ignore some of the audit procedures determined to pursue the audit to be completed on time. Jamarang and Kartini (2022) and Novasari (2023) discovered that time budget pressure reduces audit quality. However, conflicting conclusions were reached by Isnanniasa and Prasetyono (2020) who discovered that time pressure had a favorable influence on review quality and Zam and Rahayu, (2015) who discovered that time pressure has no effect on audit quality. Widyarini and Ratnadi, (2016) dan Broberg *et al.* (2017) found that the availability of sufficient review funding budgets also had an effect on audit quality but was different from the findings conducted by Pikirang, Sabijono and Wokas (2017) and Rahmadini and Fauzihardani (2022) budget review funds do not affect audit quality.

The contradiction of these studies' findings provides an opportunity for the advancement of audit quality research in government internal auditors. This study uses auditor competence as a moderating variable that influences this relationship. According to Attribution theory (Heider, 1958), internal and external factors in individuals can affect the results of their work. One of the internal elements influencing audit quality is auditor competency. Competence is considered capable of strengthening the variable stages of the review, time pressure and review fund budget on the quality of the review. It is the opinion Seliamang and Tapatfeto (2022). In contrast, in carrying out financial statement audits, competent auditors are required who have sufficient expertise and technical training and understand the basic concepts of review and understand, in general, the nature of entity transactions, accounting systems and procedures, forms of accounting records and accounting basis used to present financial statements.

Based on the preceding description, the purpose of this study is to examine the budget phases, time constraints, and budget availability, as well as the audit quality of the local government's internal auditors. This study also analyzes the competence of auditors in moderation.

Review of Literature

The Attribution Theory (Heider, 1958) is used in this study to explain the impact of review phases, review money, time pressure, and auditor competency on the quality of government internal auditor reviews. Attribution theory interprets an event, reason, or cause as a combination of internal and external forces. The same stated Kenyon and Tilton (2012) that attribution theory explains how People are judged differently by humans depending on the meaning assigned to a certain behavior. This theory suggests that if someone observes an individual's behaviour, that person tries to determine whether internal or external factors cause the behaviour.

In audit quality, various internal and external auditor factors can determine the auditor's attitude in his work. Stages of review and availability of funds, and time pressure are external factors that determine auditor behaviour. At the same time, competence is an internal factor that can influence the attitude of an auditor. Therefore, this study suspects a relationship exists between internal and external auditors' factors on the quality of their work.

The Effect of Review Stages on Audit Quality

The process of tracking figures in financial reports, queries, and analytics is known as review (Kenyon and Tilton, 2012 ;Murdifin, 2020). The financial report review's goal is to provide limited assurance that the financial statements were prepared under acceptable internal controls and are presented in accordance with accounting standards (Putri, 2022). The review does not provide an opinion or test the truth of the substance of the source document. The stages of the review carried out by the auditor in full impact the review results. The review results will be more accurate if all stages are carried out. It will also determine the quality of the examination performed by the auditor. Research conducted by Xiao, Geng and Yuan (2020), Widyarini and Ratnadi (2016) and Rose *et al.* (2020) found that the procedure as one of the steps in the implementation stage of the review affects audit quality. From this description, the hypothesis in this study is as follows.
H1: The review stage has a positive effect on audit quality

The Effect of Time Pressure on Audit Quality

Time pressure might occur when the auditor is under pressure from his employer to do his work on time (Tetteh, Agyenim-Boateng and Simpson, 2023). This time pressure aims to reduce the burden of audit fees, with this time pressure forcing the auditor to complete the tasks assigned quickly or according to a predetermined time budget(Harber, Duboisée de Ricquebourg and Maroun, 2022). The audit results obtained when there is a set time pressure will differ from those when there is no set time pressure (Singh *et al.*, 2022). When the auditor wants to comply with the predetermined time budget, it is likely that the auditor will ignore the established audit procedures and will tend to reduce audit quality (Safriliana and Boreel, 2019). Research conducted by Amiruddin (2019), Hayati and Amalia (2021) and Amalia, Sutrisno and Baridwan (2019) discovered that time constraints have a negative impact on audit quality. The following is the hypothesis in this study based on this description:
H2: Time pressure has a negative effect on audit quality.

The Influence of the Review Fund Budget on Audit Quality

According to Mardiasmo (2018), a budget is a description of the expected performance to be attained during a given period stated in financial terms. The budget is significant to support the implementation of activities. The quality of the review depends on whether or not the scope of the financial statement review is broad (Thomas *et al.*, 2019). The scope of the inspection depends on the availability of budgeted funds. If sufficient review funds are available, the auditor can carry out a more in-depth review (Sari, Muhyarsyah and Wahyuni, 2020); however, an auditor cannot carry out a more comprehensive review limited by the availability of funds. According to research Widyarini and Ratnadi (2016) and Broberg et al (2017), the review fund budget influences audit quality. Based on the description above, it is hypothesized:
H3: The review fund budget has a positive effect on audit quality.

Effect of Competency Moderation on the relationship between review stages and audit quality

Based on Attribution Theory (Heider, 1958) explains that internal attributions can influence the auditor's behaviour in the form of competencies that can lead to action. The implementation of the audit is influenced by competent personnel with sufficient

expertise and technical training as auditors (Pinto, Rosidi and Baridwan, 2020). Competent auditors understand the basic concepts and stages of reviewCorrectly carried out review stages by a professional auditor will increase the quality of the review and the audit. Research conducted Widyarini and Ratnadi, (2016) found that the review and competency stages affect the review's quality. From this description, the hypothesis in this study is as follows.
H4: Competence is positively significant moderates the effect of the review stage on audit quality.

The Effect of Competency Moderation on the relationship between time pressure and audit quality

The presence of this time constraint forces internal auditors to finish jobs as quickly as possible/in accordance with a time limit. It can only be done by auditors who have high competence. Auditors with high competence and experience can minimize the effects of audit time pressure (Supriyatin, Iqbal and Indradewa, 2019). By attribution theory, internal attributions such as competence can affect auditor behaviour. Individuals who have high competence can overcome their difficulties (Khasanov, 2022). Thus, competence will reduce pressure and affect the auditor's performance. Bestari and Wahyuni (2023) discovered that time constraints and expertise had an impact on the quality of the review. From this description, the hypothesis in this study is as follows.
H5: Competence is positively significant in moderating the effect of time pressure on audit quality.

The Effect of Competency Moderation on the relationship between budget review and audit quality

The review fund budget has functions, including as a planning tool; the budget functions to plan the resources needed by the organization to achieve the goals that have been set (Anggraini *et al.*, 2023). The audit is carried out by the budget provided. The auditor's ability to understand planning and budgeting determines the stages in implementing the review Sumarta and Karyono (2023). Competent auditors can carry out budget planning and execution according to audit objectives. So, the auditor's competence can strengthen the planning and implementation of the review budget, which will ultimately impact audit quality.
H6: Competence positively significant moderates the effect of the review fund budget on audit quality.

Objectives of the Study

This research aims to

i. Test and analyze the influence of the review stage on audit quality
ii. Test and analyze the effect of time pressure on audit quality
iii. Test and analyze the influence of budget review funds on audit quality
iv. Test and analyze the moderating effect of competency on the relationship between the review stage and audit quality
v. Test and analyze the moderating effect of competency on the relationship between time pressure and audit quality
vi. Test and analyze the moderating effect of competency on the relationship between budget review funds and audit quality

Research Model
The research model is depicted in Figure 1

Independent Variable Moderating Variable Dependent Variable

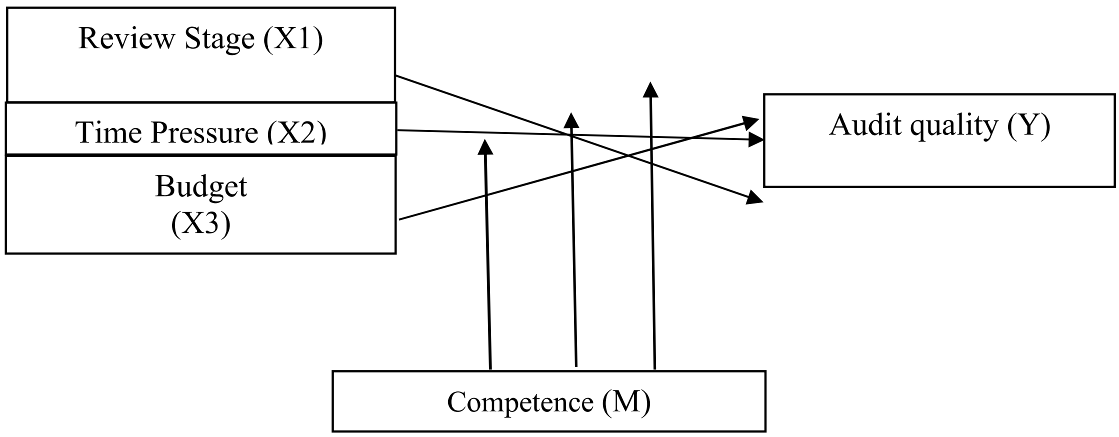

Figure 1: Research Model

Database and Methodology

Population and Sample

This study's population consisted of government internal auditors from all regions of Riau Province. Twelve areas are the object of this study, with a total of 297 internal auditors. Purposive sampling was utilized in this study, a sample taken based on predetermined criteria (Ghozali, 2018). The sample criteria in this study are auditors who have reviewed financial statements. The data collection technique in this study was a questionnaire. Questionnaires will be given to respondents, namely local government internal auditors, through the Google Form.

Operational Definition and Variable Measurement

Table 1: Operational Definitions and Research Variables

Research variable	Indicator	Scale
Review Quality (Y) The probability that the Regency/Municipal Inspectorate as APIP finds and reports and corrects material misstatements contained in the LKPD	1. Timeliness of review implementation 2. The competence of the reviewer 3. Review working paper 4. Review report Source: PMK No8/PMK.09/2015	Ordinal
Stages of Review(X1) A quality review stage if it has been stated fairly if accounting standards have been carried out during the review stages.	1. Preparation 2. Implementation 3. Reporting Source: Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 4 of 2018	Ordinal
Time Pressure()X_2 It is a situation in which APIP is under pressure to perform its tasks within a specific time frame.	1. Assignment time limitations 2. Completion of the review within the specified time	Ordinal

Research variable	Indicator	Scale
	3. Fulfilment of time targets during assignments 4. Focus on review tasks with limited time 5. Communication about time and budget 6. Review process effectiveness 7. Superiors' evaluations of performance Source: Widyarini (2016)	
Budget()X_3 A financial statement expressing the estimated performance to be attained during a given period.	1. Official travel 2. Meetings outside the office 3. Team Honors Source:(Arens, Elder and Beasley, 2012)	Ordinal
Competence()X_4 Some characteristics that underlie a person are related to the effectiveness of individual performance in his work.	1. Mastery of accounting and auditing standards 2. Insights about governance 3. Skills upgrade Source:(Efendy, 2010)	Ordinal

Data Analysis Techniques

To evaluate the association between variables, the data analysis technique employed in this study is SEM (Structural Equation Modeling) or SEM using the PLS (Partial Least Square) program. In this work, researchers performed Structural Equation Modeling (SEM) analysis with the WarpPLS technique. The Warp PLS SEM is used because of this multivariate technique that combines aspects of multiple regression (examining dependency relationships) and factor analysis to estimate a series of interrelated dependency relationships simultaneously (Hair *et al.*, 2014)

Result and Discussion

Descriptive Analysis

This research has distributed 297 questionnaires via Google Forms to government internal auditors in Riau Province, Indonesia. The sample was then drawn using a purposive sampling technique among the first, junior, middle, and primary examiners who had reviewed the financial statements. Of these, 181 (85.18%) collected and processed data. The descriptive analysis is presented in Table 2.

Table 2: Descriptive statistics

	Number of Respondents	Min Value	Maximum Value	Means	Standard Deviation
Audit quality	181	1.00	5.00	3.8586	.76752
Review Stages	181	1.89	5.00	3.7962	.70907
Time Pressure	181	1.29	5.00	2.7820	.82784
Review Fund Budget	181	1.67	4.83	3.3951	.71945
Competence	181	1.00	5.00	3.7467	.73113
Valid N (listwise)	181				

The mean and standard deviation values of all variables indicate a good data distribution because the average value is greater than the standard deviation value. The next step is testing with SEM PLS.

Evaluation of the Outer Model Measurement Model

Validity testing is the first step in testing the outer model. The validity of an instrument is a measure of how exactly it can create data based on the real size that you wish to measure. The validity test includes both convergent and discriminant validity. The loading factor reveals the reflexive indication convergent validity test. A valid indicator is one with a loading factor value greater than 0.70 (Hair *et al.*, 2010). While the discriminant validity test can be seen by comparing the AVE square root to cross-loading and correlation between latent variables. Table 3 shows convergent validity and cross-loading.

Table 3: Cross Loading Quality Review Construct

Indicator	Audit Quality	Review Stages	Time Pressure	Review Fund Budget	Competence	Cronbach Alpha	Composite Reliability
Y. 1	**0.737**	0.035	0.017	-0.013	0.107	0.952	0.960
Y.2	**0.803**	0.088	-0.068	0.030	-0.157		
Y.3	**0.882**	-0.042	-0.029	-0.008	-0.067		
Y.4	**0.899**	-0.024	0.062	0.041	0.001		
Y.5	**0.918**	-0.078	0.007	-0.013	0.123		
Y.6	**0.927**	-0.121	-0.010	-0.017	0.006		
Y.7	**0913**	0.078	0.013	-0.024	0.008		
Y. 8	**0.835**	0.090	0.004	0.006	-0.023		
X1,1	-0.118	**0.900**	-0.057	0.030	0.040	0.985	0.986
X1,2	0.106	**0898**	0.029	-0.005	-0.045		
X1,3	-0.002	**0898**	-0.049	0.068	-0.077		
X1,4	0.098	**0.918**	0.013	-0.020	-0.155		
X1,5	0.078	**0.880**	-0.030	0.025	-0.200		
X1,6	0.182	**0.904**	0.024	-0.070	-0.154		
X1,7	0.180	**0.856**	0.007	-0.029	-0.234		
X1,8	-0.044	**0.943**	0.046	-0.013	0.127		
X1,9	-0.030	**0.920**	0.012	0.010	0.047		
X1,10	0.012	**0.927**	-0.015	-0.045	0.059		
X1,11	-0.064	**0.920**	-0.037	0.025	0.057		
X1,12	0.019	**0.920**	0.041	-0.035	0.094		
X1,13	-0.022	**0917**	0.014	-0.037	0.057		
X1,14	0.016	**0.886**	-0.013	0.002	0.025		
X1,15	-0.158	**0.903**	-0.056	0.062	0.113		
X1,16	-0.085	**0.915**	-0.045	0.003	0.111		
X1,17	0.020	**0.812**	0.054	-0.016	-0.034		
X1,18	-0.198	**0.782**	0.076	0.053	0.159		

Indicator	Audit Quality	Review Stages	Time Pressure	Review Fund Budget	Competence	Cronbach Alpha	Composite Reliability
X2,1	0.005	-0.075	**0.775**	-0.123	0.082	0.920	0936
X2,2	0.001	0.034	**0.853**	0.056	-0.089		
X2,3	-0.068	0.019	**0837**	0.090	-0.051		
X2,4	0.012	-0.022	**0849**	0.020	0.045		
X2,5	-0.029	-0.006	**0.758**	0.003	0.083		
X2,6	-0.029	0.086	**0879**	-0.068	-0.020		
X2,7	0.112	-0.048	**0.797**	0.014	-0.036		
X3,1	-0.051	-0.023	0.063	**0.857**	0.022	0.924	**0941**
X3,2	0.030	-0.010	0.013	**0.850**	0.161		
X3,3	0.016	-0.029	-0.001	**0.899**	-0.071		
X3,4	0.011	0.033	-0.057	**0.852**	0.052		
X3,5	0.040	0.017	0.066	**0.842**	-0.205		
X3,6	-0.047	0.016	-0.088	**0.806**	0.045		
M,1	-0.140	0.004	0.037	-0.079	**0.827**	**0.958**	**0966**
M,2	-0,000	-0.109	-0.055	0.027	**0.918**		
M,3	0.034	0.014	-0.007	-0.038	**0.930**		
M,4	-0.038	0.022	0.021	0.047	**0.933**		
M,5	0.017	0.023	-0.023	0.061	**0937**		
M,6	0.115	0.046	0.032	-0.028	**0.904**		

Source: Authors Compilation

Table 3 reveals that the loading factor value is greater than 0.7, and the correlation of all constructed variable indicators to the constructed variable is high. This finding explains why all indicators in the competency construct variables meet the convergent and discriminant validity standards (Hair *et al.*, 2010). Discriminant validity can also be seen from the correlation between latent variables, which can be seen in Table 4.

Table 4: AVE Square Root Value

	Audit quality	T. Review	Q. Time	AD. Revi
Audit quality	**(0.866)**	0.595	-0.462	0.534
T. Review	0.595	**(0.895)**	-0.357	0.341
Q. Time	-0.462	-0.357	**(0.822)**	-0.211
AD. Revi	0.534	0.341	-0.211	**(0.852)**

Source: Authors Compilation

Table 4 shows that each construct variable, such as audit quality, review stages, time pressure, and review budget, can explain greater variance in the measurement of the items/indicators itself when divided by other construct variables. This is demonstrated by the square root value of AVE being greater than the correlation between latent construct variables in the model, hence the values indicated above are considered good and match the criterion of discriminant validity (Fornell and Larcker, 1981).

The reliability test is the next outer model test. The dependability of a measurement denotes the stability and consistency of an instrument that measures a notion and is valuable for verifying the measurement's "goodness" (Sekaran and Baugie, 2019). Cronbach alpha and composite reliability are the two standards for measuring or evaluating dependability. Cronbach alpha and composite reliability of latent construct factors such as review quality, review stages, time pressure, review fund budget, and competency are all more than 0.70 in Table 3. This explains why all construct variables meet the criterion for reliability (Hair et al., 2010).

Evaluation of the Inner Model Measurement Model

A structural model (inner model) predicts the causal relationship between latent variables (Ghozali and Latan, 2018). A fit model is required for inner model testing. The model's goodness of fit can be measured by different fit indicators, the results of which are shown in Table 5.

Table 5: Model Fit and Quality Indices

Model fit and quality indices	Criteria	Information
Average path coefficient (APC)=	0.240, P<0.001	Accepted
Average R-squared (ARS)=	0.786, P<0.001	Accepted
Average block VIF (AVIF)=	2.244, acceptable if <= 5, ideally <= 3.3	Accepted
Tenenhaus GoF (GoF)=	0.816, small >= 0.1, medium >= 0.25, large >= 0.36	Accepted
Sympson's paradox ratio (SPR)=	1,000, acceptable if >= 0.7, ideally = 1	Accepted

Source: Authors Compilation

Table 5 shows that all fit model criteria are acceptable. This shows that the model has no problems and further testing can be done.

Hypothesis Testing

The theory will be tested next. To forecast the existence of a causal association in SEM-PLS using WarpPLS 7.0, examine the T-Statistics in the table path coefficient, p-value, and standard errors. And path coefficient effect sizes. The direct effect hypothesis test yielded the following results.

Table 6: Hypothesis Test Results

		P Value	***coefficient***	**Information**
H1	Stages of Review → Audit quality	<0.001	0.38	Supported
H2	Time pressure → Audit quality	0.005	-0.16	Supported
H3	Review fund budget → Audit quality	<0.001	0.29	Supported
H4	Stages of Review → Competence*stage review → Audit quality	0.035	0.20	Supported
H5	Time pressure → Competence*time pressure → Audit quality	0.046	0.20	Supported
H6	Review fund budget → Competence*budget → Audit quality	0.028	0.22	Supported

Source: Authors Compilation

Based on Table 6, the effect of the review stage on audit quality is significant, with a coefficient value of 0.38 and p-value <0.005, which indicates an influence between the review stage and the audit quality of government internal auditors (H1 is accepted). The influence of time pressure on audit quality is significant, with a coefficient value of -0.16

and p-value of 0.005 <0.05, which indicates that there is an influence between time pressure and audit quality (H2 accepted). The effect of the review fund budget on review quality is significant, with a coefficient value of 0.29 and p-value <0.001, which indicates an influence between the review fund budget and audit quality (H3 accepted). The influence of competency in moderating the review stages on review quality is significant, with a coefficient value of 0.20 and p-value 0. 035, which indicates that there is an effect of competence in moderating the review stage on audit quality (H4 is accepted). The effect of competency in moderating the review fund budget on audit quality is significant, with a coefficient value of 0.22 p-value 0.028 which indicates an influence of competence in moderating the review fund budget on audit quality (H5 accepted). The effect of competence in moderating the review fund budget on audit quality is significant, with a coefficient value of 0.22 and p-value of 0.028, indicating that there is an effect of competency in moderating the review fund budget on audit quality (H6 accepted). 22, p-value 0.028 indicates that competency is affected by moderating the review fund budget on audit quality (H5 accepted). The effect of competence in moderating the review fund budget on audit quality is significant, with a coefficient value of 0.22 p-value 0.028, indicating an effect of competency in moderating the review fund budget on audit quality (H6 accepted). P-value 0.028 indicates an effect of competency in moderating the review fund budget on audit quality (H5 accepted). The effect of competence in moderating the review fund budget on audit quality is significant, with a coefficient value of 0.22 and p-value of 0.028, indicating that there is an effect of competency in moderating the review fund budget on audit quality (H6 accepted).

Discussion

The results of the study show that the review stage affects audit quality. The research aligns with the Attribution Theory that internal factors cause attitudes or behaviour. Stages are external factors that impact the quality of audit work. The ability to carry out all stages of the review impacts the results of the review.

The study results show that the average review stage is not too high, meaning that the review stage still needs to be improved. This also has an impact on audit quality which is also low. In line with Xiao, Geng and Yuan (2020) that audit quality is determined by the process implemented. The complete process will impact the results of the auditor's work. Research conducted by Xiao, Geng and Yuan (2020), Widyarini and Ratnadi (2016) and Rose *et al.*, (2020) found that the procedure as one of the steps in the implementation stage of the review has an effect on audit quality.

The results of the study show that time pressure affects audit quality. Data shows that the time pressure for the internal audit of the Riau provincial government is still low, and audit quality is in the fairly high category. This means that low time pressure can increasingly impact auditor performance. This study supports the Attribution Theory, namely, external factors will influence individual behaviour. Time pressure is an external factor that encourages auditors to complete work on time. The results of the study found that time pressure will reduce audit quality. Work carried out with the given time pressure has an impact on negligence and errors(Amiruddin, 2019). This time pressure aims to reduce the burden of audit fees. This time pressure forces the auditor to complete the tasks assigned quickly or according to a predetermined time budget (Arens, Alvin., , Randal J. Elder, 2012). This research is in line with Amiruddin (2019), Hayati and Amalia (2021) and Amalia, Sutrisno and Baridwan (2019) who found that time pressure affects audit quality

The results of the study show that there is an influence between the review fund budget and audit quality. The data shows that the availability of the review budget is relatively high, so that it has an impact on improving audit quality. This study supports the attribution theory because the availability of the review fund budget is an effort as well as an essential factor for achieving quality reviews; this can be focused on intrinsic rewards that cannot be changed easily (Meidawati and Assidiqi, 2019).This research is in line with Widyarini and Ratnadi (2016) and Broberg *et al.* (2017), who found that the review fund budget had an effect on audit quality

The results also show that competence moderates the effect of the review stage on audit quality. The data shows that government internal auditors in Riau Province have a fairly high competence. Competence can improve the auditor's ability to understand and carry out all stages of the review. This study supports the theory of attribution that internal attribution is the competence of the auditor to induce action. It also supports(Pinto, Rosidi and Baridwan, 2020)that the implementation of the audit is influenced by competent personnel with adequate expertise and technical training as auditors.

The study also proves that competency also moderates time pressure on audit quality. The time pressure given to the auditor in completing his work reduces audit quality. Support explanation Supriyatin, Iqbal and Indradewa (2019) that auditors with high competence and experience can minimize the effects of audit time pressure. The existence of this time pressure forces internal auditors to complete tasks as soon as possible/according to a predetermined time budget. It can only be done by auditors who have high competence. This research aligns with Bestari and Wahyuni (2023), who found that time pressure and competence affect audit quality.

The study results also prove that competence can moderate the availability of review budgets with audit quality. Anggraini *et al.* (2023) states that the review fund budget has functions, including as a planning tool; the budget functions to plan the resources needed by the organization to achieve the goals that have been set. Auditor competence can increase with the availability of adequate funds. It is a form of self-reward for the auditor in carrying out his work. This study also supports the attribution theory, which states that internal or external attributions can influence individual behaviour. Budget availability is an external attribution that supports the implementation of auditor activities.

Conclusion

From the results of this study, it can be concluded that the stages of the review, time pressure, and review fund budget affect the audit quality of local government internal auditors in Riau Province. Competence can strengthen the effect of review stages, time pressure and review fund budget on audit quality.

The study has several limitations, namely the object of the government's internal auditors in Riau Province only, so this research cannot be generalized to a broader area. As a result, additional research to broaden the subject area is advised. This study also only analyzes three variables influencing audit quality, while many other variables need to be considered in determining audit quality, such as audit committees and audit team characteristics (Al-Taee and Flayyih, 2023)

The study lends empirical evidence to the attribution theory (Heider, 1958), which holds that both internal and external variables can impact individual behavior, which impacts the results of his work. Practically speaking, local governments must pay attention to the availability of adequate review budgets and can conduct training to improve auditor competence to improve the quality of government financial report audits.

Reference

Al-taee, S. H. H. and Flayyih, H. H. (2022) 'The impact of the audit committee and audit team characteristics on the audit quality: mediating impact of effective audit process', *International journal of economics and finance studies*, 14(03), pp. 249–263.

Al-Taee, S. H. H. and Flayyih, H. H. (2023) 'Impact of the electronic internal auditing based on IT governance to reduce auditing risk', *Corporate Governance and Organizational Behavior Review*, 7(1), pp. 94–100.

Almasria, N. A. (2022) 'Corporate Governance and the Quality of Audit Process: An Exploratory Analysis Considering Internal Audit, Audit Committee and Board of Directors', *European Journal of Business and Management Research*, 7(1), pp. 78–99. doi: https://doi.org/10.24018/ejbmr.2022.7.1.1210.

Amalia, F. A., Sutrisno, S. and Baridwan, Z. (2019) 'Audit Quality: Does Time Pressure Influence Independence and Audit Procedure Compliance of Auditor?', *Journal of Accounting and Investment*, 20(1), pp. 130–144.

Amiruddin, A. (2019) 'Mediating effect of work stress on the influence of time pressure, work–family conflict and role ambiguity on audit quality reduction behavior', *International Journal of Law and Management*, 61(2), pp. 434–454. doi: https://doi.org/10.1108/IJLMA-09-2017-0223.

Anggraini, D. *et al.* (2023) 'Analisis Pengaruh Anggaran Biaya Produksi dan Anggaran Kas Terhadap Anggaran Perencanaan dan Pengendalian Perusahaan Dagang: Literature Review Akuntansi Manajemen', *Journal of Economic, Bussines and Accounting (COSTING)*, 7(1), pp. 778–785. doi: https://doi.org/10.31539/costing.v7i1.6565.

Arens, Alvin., , Randal J. Elder, M. S. B. (2012) *Auditing and. Assurance Services: An Integrated Approach*. 1,3. pretice hall: Pearson Pretice Hall, Inc.

Arens, Elder and Beasley (2012) *Auditing dan Jasa Assurance*. 15th edn. Salemba Empat.

Astuty, W. *et al.* (2022) 'The impact of due professional care, time budget pressure and dysfunctional behavior on audit quality', *Academy of Entrepreneurship Journal*, 28(1), pp. 1–10. Available at: https://www.proquest.com/docview/2619746250?pq-origsite=gscholar&fromopenview=true.

Bekaiang, A. F., Sondakh, J. J. and Kalalo, M. Y. B. (2017) 'Pengaruh Prosedur Reviu Terhadap Kualitas Reviu Laporan Keuangan Pemerintah Daerah Di Kabupaten Minahasa Utara', *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 5(2). doi: https://doi.org/10.35794/emba.v5i2.16001.

Bestari, K. A. and Wahyuni, F. (2023) 'Determinan Kualitas Laporan Keuangan Pemerintah Daerah', *Reviu Akuntansi dan Bisnis Indonesia*, 7(1), pp. 163–184. doi: https://doi.org/10.18196/rabin.v7i1.16995.

Broberg, P. *et al.* (2017) 'Explaining the influence of time budget pressure on audit quality in Sweden', *Journal of Management & Governance*, 21, pp. 331–350.

Deda, A., Karamoy, H. and Gamaliel, H. (2017) 'Pengaruh prosedur reviu, kompetensi, dan jangka waktu pelaksanaan terhadap kualiats reviu laporan keuangan pemerintah daerah pada Inspektorat seProvinsi Gorontalo', *JURNAL RISET AKUNTANSI DAN AUDITING" GOODWILL"*, 8(1). doi: https://doi.org/10.35800/jjs.v8i1.15426.

Efendy, M. T. (2010) 'Pengaruh Kompetensi, Independensi, dan Motivasi Terhadap Kualitas Audit Aparat Inspektorat Dalam Pengawasan Keuangan Daerah', *Tesis, Universeitas Diponegoro*, pp. 1–109. doi: 10.1017/CBO9781107415324.004.

Fornell, C. and Larcker, D. F. (1981) 'Evaluating structural equation models with unobservable variables and measurement', *Journal of marketing research*, 18(1), pp. 39–50. doi: http://dx.doi.org/10.2307/3151312.

Ghozali, I. (2018) *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Universita. Semarang.

Ghozali, I. and Latan, H. (2018) *Partial Least Squares Konsep, Teknik, dan. Aplikasi Menggunakan Program SmartPLS 3.0*. Semarang: Universitas Dipenogoro.

Hair, J. F. *et al.* (2010) *Multivariate data analysis*. Amazon.

Hair, J. F. *et al.* (2014) *Common beliefs and reality about partial least squares: comments on Rönkkö and Evermann*. Faculty Publications.

Harber, M., Duboisée de Ricquebourg, A. and Maroun, W. (2022) 'Costs and benefits of mandatory audit firm rotation: initial engagement experience of audit committee chairs and engagement partners', in *Accounting Forum*. Taylor & Francis, pp. 1–27. doi: https://doi.org/10.1080/01559982.2022.2130812.

Hayati, N. and Amalia, I. (2021) 'The effect of religiosity and moderation of morality on fraud prevention in the management of village funds', *The Indonesian Accounting Review*, 11(1), pp. 105–114.

Heider, F. (1958) *The Ppsychology of Interpersonal Relations*. New York: Wiley.

Jarah, B. A. F. *et al.* (2022) 'The role of internal audit to reduce the effects of creative accounting on the reliability of financial statements in the Jordanian islamic banks', *International Journal of Financial Studies*, 10(3), p. 60. doi: https://doi.org/10.3390/ijfs10030060.

Kaawaase, T. K. *et al.* (2021) 'Corporate governance, internal audit quality and financial reporting quality of financial institutions', *Asian Journal of Accounting Research*, 6(3), pp. 348–366. doi: https://doi.org/10.1108/AJAR-11-2020-0117.

Kemenkeu (2010) 'Peraturan Pemerintah (PP) No. 71 Tahun 2010'.

Kenyon, W. and Tilton, P. D. (2012) *Potential red flags and fraud detection techniques*, *A guide to forensic accounting investigation*. Wiley Online Library.

Khasanov, A. R. (2022) 'Development of information competence of future informatics teachers as a pedagogical problem', *Open Access Repository*, 9(12), pp. 73–79.

Mardiasmo (2018) 'Akuntansi Sektor Publik'. Andi Offset.

Meidawati, N. and Assidiqi, A. (2019) 'The influences of audit fees, competence, independence, auditor ethics, and time budget pressure on audit quality', *Jurnal Akuntansi Dan Auditing Indonesia*, 23(2), pp. 117–128.

Murdifin, I. (2020) 'Pengaruh Review Prosedur Analitis Terhadap Kualitas Penyajian Laporan Keuangan PEMDA Provinsi Sulawesi Selatan', *Jurnal Ekonomika*, 4(1), pp. 25–35. doi: https://doi.org/10.37541/ekonomika.v4i1.363.

Pikirang, J., Sabijono, H. and Wokas, H. R. N. (2017) 'Pengaruh tekanan waktu, independensi dan etika auditor terhadap kualitas audit di kantor inspektorat Kabupaten Kepulauan Sangihe', *Going Concern: Jurnal Riset Akuntansi*, 12(2).

Pinto, M., Rosidi, R. and Baridwan, Z. (2020) 'Effect of Competence, Independence, Time Pressure and Professionalism on Audit Quality (Inspeção Geral Do Estado in Timor Leste)', *International Journal of Multicultural and Multireligious Understanding*, 7(8), pp. 658–667.

Putri, R. D. (2022) 'Reviu Laporan Keuangan dan Penerapan SAP Berbasis Akrual terhadap Kualitas Laporan Keuangan', *Journal of Innovation Research and Knowledge*, 2(1), pp. 39–48. doi: https://doi.org/10.53625/jirk.v2i1.2462.

Rahmadini, W. and Fauzihardani, E. (2022) 'Pengaruh Audit Fee, Tekanan Anggaran Waktu dan Rotasi Audit terhadap Kualitas Audit dengan Pengalaman Auditor sebagai Variabel Moderating', *JURNAL EKSPLORASI AKUNTANSI*, 4(3), pp. 530–544.

Rose, A. M. *et al.* (2020) 'Analytical procedures: are more good ideas always better for audit quality?', *Behavioral Research in Accounting*, 32(1), pp. 37–49. doi: https://doi.org/10.2308/bria-52512.

Roychowdhury, S., Shroff, N. and Verdi, R. S. (2019) 'The effects of financial reporting and disclosure on corporate investment: A review', *Journal of Accounting and Economics*, 68(2–3), p. 101246. doi: https://doi.org/10.1016/j.jacceco.2019.101246.

Safriliana, R. and Boreel, N. I. S. (2019) 'Analisis Faktor-Faktor Yang Mempengaruhi Penghentian Prematur Atas Prosedur Audit (Studi Empiris Auditor Kap Di Jawa Timur)', *Jurnal Akuntansi Aktual*, 3(3), pp. 226–235.

Sari, E. N., Muhyarsyah, N. S. W. and Wahyuni, N. S. (2020) 'Pengaruh Sistem Pengendalian Intern Pemerintah Dan Ketersediaan Anggaran Terhadap

Efektivitas Penerapan Sistem Informasi Keuangan Daerah Pada Pemerintah Provinsi dan Kabupaten/Kota Se-Sumatera Utara', *Jurnal Muhammadiyah Sumatera Utara*, 21(2).

Sekaran, U. and Baugie, R. (2019) *Metode Penelitian untuk Bisnis*. Jakarta: Salemba Empat.

Seliamang, Y. M. and Tapatfeto, J. D. (2022) 'The effect of competence and independence on audit quality with auditor's ethics as a moderating variable', in *International Conference on Applied Science and Technology on Social Science 2021 (iCAST-SS 2021)*. Atlantis Press, pp. 823–828. doi: https://doi.org/10.2991/assehr.k.220301.135.

Singh, H. *et al.* (2022) 'Busy auditors, financial reporting timeliness and quality', *The British Accounting Review*, 54(3), p. 101080. doi: https://doi.org/10.1016/j.bar.2022.101080.

Sumarta, N. H. and Karyono, D. (2023) *Auditor Internal dan Konsultan Bisnis Desa: Sebuah Wacana Strategis*. Pandiva Buku.

Supriyatin, E., Iqbal, M. A. and Indradewa, R. (2019) 'Analysis of auditor competencies and job satisfaction on tax audit quality moderated by time pressure (Case Study of Indonesian Tax Offices)', *International Journal of Business Excellence*, 19(1), pp. 119–136.

Tetteh, L. A., Agyenim-Boateng, C. and Simpson, S. N. Y. (2023) 'Institutional pressures and strategic response to auditing implementation of sustainable development goals: the role of public sector auditors', *Journal of Applied Accounting Research*, 24(2), pp. 403–423. doi: https://doi.org/10.1108/JAEE-12-2022-0347.

Thomas, J. *et al.* (2019) 'Determining the scope of the review and the questions it will address', *Cochrane handbook for systematic reviews of interventions*, pp. 13–31. doi: https://doi.org/10.1002/9781119536604.ch2.

Thompson, K. (2022) *Out of office: Examining how remote auditing can affect audit quality*. University of South Carolina.

Tumwebaze, Z. *et al.* (2022) 'Audit committee effectiveness, internal audit function and sustainability reporting practices', *Asian Journal of Accounting Research*, 7(2), pp. 163–181. doi: https://doi.org/10.1108/AJAR-03-2021-0036.

Vitolla, F., Raimo, N. and Rubino, M. (2020) 'Board characteristics and integrated reporting quality: An agency theory perspective', *Corporate Social Responsibility and Environmental Management*, 27(2), pp. 1152–1163. doi: https://doi.org/10.1002/csr.1879.

Widyarini, K. and Ratnadi, N. M. D. (2016) 'Pengaruh Prosedur, Pendidikan, Tekanan Waktu, Dan Anggaran Reviu Pada Kualitas Reviu Laporan Keuangan Pemerintah Daerah', *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 5(3), pp. 455–488.

Xiao, T., Geng, C. and Yuan, C. (2020) 'How audit effort affects audit quality: An audit process and audit output perspective', *China Journal of Accounting Research*, 13(1), pp. 109–127. Available at: https://doi.org/10.1016/j.cjar.2020.02.002.