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Auditor competence and integrity: keys to effective fraud detection

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ABSTRACT
This research examines the positive influence of external auditor integrity, which can strengthen factors within an auditor's ability to detect fraud in a company, such as competence, professional skepticism, and independence. A questionnaire was conducted at 19 audit firms in Jakarta City, Indonesia, with 350 auditors who work in audit firms as respondents who provided their perceptions of their experience detecting fraud. Hypotheses were tested using data processing using partial least squares. Interviews and observations of auditors and auditor supervisors followed this. Competence, professional skepticism, and independence of an auditor are proven to increase the ability to detect fraud. However, the reality that occurs is only an indication of fraud, as evidenced by the continued rampant fraud. Besides integrity, it cannot strengthen the auditor's competency to detect fraud. Auditors follow up on fraud detection to indicate fraud and as a concrete manifestation of increasing their personal integrity. Research results related to the integrity of an auditor and supporting factors in detecting fraud compared with facts in the field through observations of public sector company supervisors.

KEYWORDS - Competence, Professional skepticism, Independence, Fraud detection, Integrity

1. INTRODUCTION

This research studies the integrity of external auditors in audit firms in carrying out their duties, especially regarding detecting fraud within the company. In achieving its goals, companies need an independent department that can carry out inspection and supervision functions as a form of prevention for the resources used so that operations can run effectively, efficiently, and economically in terms of budget and the realization of costs recorded in the accounting function. This section is an external auditor within the audit firm who carries out their duties and responsibilities, referring to the Audit Standards set by the Indonesian Institute of Public Accountants [1], Moreover, they must comply with the public accounting professional code of ethics, which includes independence, competence, and professional skepticism. However, this must not be separated from the essential element, namely, an auditor's integrity.

One of the responsibilities that is difficult for auditors to carry out is detecting fraud. Since fraud is an intentionally hidden violation, it requires practical experience, mentoring, certification, continuous learning, and problem-solving skills, including data analysis, technical, and reasoning skills. [2]. According to [3], fraud detection is an essential concept in fraud investigations, where the speed of fraud detection is the key to preventing fraud. Fraud cases occur in both the private and public sectors, where corporate fraud cases have become a highlight for all groups in society, especially in cases related to financial matters involving well-known companies and public accountants. An example of failure to detect fraud is the case of Toshiba's business profits inflating in 2015, amounting to 151.8 billion yen or the equivalent of 15.85 trillion since 2008 [4]. This case was carried out very neatly and systematically, which resulted in external auditors Ernest and Young (EY) being unable to detect any irregularities. The results of this independent examination began with the Japanese government's push to provide more transparency for Japanese companies. They created a decline in public confidence in the responsibility of external auditors to detect fraud.

The phenomenon of fraud knows no time, while the Covid-19 pandemic is still widespread and is very detrimental to all elements of society. The results of a survey by public accounting firm and RSM Indonesia consultants on 18 industrial sectors (government 21%, banking 15%, commercial and professional services 9%) show that fraud and misappropriation of assets increased during the COVID-19 pandemic, even though they are aware that the threat of fraud often occurs, as many as 20% of respondents admitted that they did not have a formal reporting mechanism to report violations that occurred [5]. That provides the reality of the need for an independent party to detect fraud, a state of being free from influence, not controlled by other parties, and not dependent on other people [6].

The auditor is an independent party who must have an attitude of integrity. Auditor integrity is an open attitude and firmness towards anyone, by always being honest, brave, wise, and responsible for the auditor in carrying out audits and improving quality, which underlies public trust and is a benchmark for members in testing all their decisions [7]–[9]. That is reflected in the auditor's competence in applying his knowledge and expertise in conducting audits so that auditors can carry out audits carefully, accurately, intuitively, and objectively [10]. Meanwhile [11] stated that competence positively affects the auditor's ability to detect fraud. Besides that, detecting fraud also requires developing and maintaining competence. Apart from that, professional skepticism and independence from an auditor to detect fraud [12], [13], audit failure is caused by a weak attitude of professional skepticism possessed by auditors, which includes a mind that constantly questions and evaluates systematically. Critical of audit evidence. By maintaining an attitude of professional skepticism, auditors can obtain adequate evidence or information regarding audit findings [14].

External auditors' ability is really needed and should be increasingly upgraded to be ready to face all types of conditions, as seen from the phenomena above, including normal conditions and pandemics; the ability to detect fraud depends on the elements inherent in the auditor himself. This research continues by explaining the literature review and research hypothesis in the next part before continuing with the method section, explaining the research carried out by distributing questionnaires to audit firms in the city of Jakarta in Indonesia, and the results of partial least squares (PLS) data processing are explained in the results and discussion section, and ends by presenting the conclusion.

2. CONCEPTUAL MODEL OF THE STUDY AND THEORETICAL BACKGROUND

This study tests the influence of external auditors' competence, professional skepticism, independence, and integrity directly on fraud detection. This study also tests the integrity variable, which moderates the influence of competence, professional skepticism, and external auditor independence on fraud detection. This conceptual model is equipped with previous research and a theoretical framework and then forms a hypothesis consisting of four direct influence hypotheses and three moderating roles of integrity, as seen in Fig. 1.

The auditor is considered a party who can bridge the principal and agent as a form of accountability from the agent to the principal. The auditor's job is to provide an opinion on the fairness of the results of the financial reports presented by the agent. The problems can be seen from the audit quality produced by the auditor, so the financial reports presented by the agent are more reliable. Agency theory [15] can help an auditor understand the problems between the agent and the principal. In the agency context, the role of third parties is to monitor management behavior as agents and ensure agents act according to the principal's wishes.

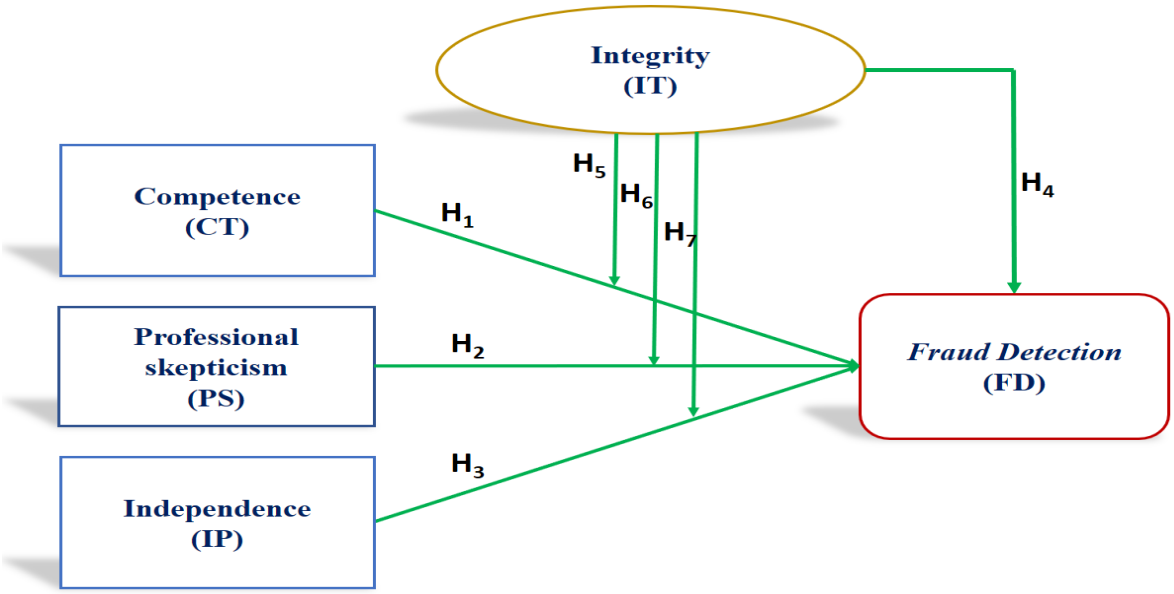

Figure 1 Conceptual model of the study

3. LITERATURE REVIEW AND HYPOTHESES

3.1 Fraud detection

That is due to developments in line with the increasing diversity of life activities. Fraudulent acts have damaged the order of various sectors. Actions carried out intentionally in a social environment aimed at eliminating property/other illegal rights by individuals or groups to gain personal and group benefits [16]–[19]. Increasingly increasing fraud certainly requires an effective method or strategy for detecting fraud that occurs [20]–[22]. According to [3], fraud detection is an essential concept in fraud investigations, where the speed of fraud detection is the key to preventing fraud. Therefore, fraud must first be detected because detection is an essential prerequisite for eradicating all forms of fraud [23]. In line with this, [24] and [2] conclude by reasoning that the goals of the fraud perpetrator are one of the main strategies in detecting fraud.

The [3] explains that external auditors are one of the Initial Detections of Occupational Fraud, so auditors must be equipped to quickly recognize, find, identify, and reveal all forms of irregularities and possible causes of fraud. The findings of [25] validated the existence of 86 red flags in various fields for 30 fraud cases. Auditors are expected to know and understand the importance of using red flags in detecting fraud. Statement on Auditing Standards (SAS) No. 99 requires external auditors to use 42 red flags to detect fraudulent financial reporting in financial statement audits.

3.2 Competence

A person should have the knowledge, skills, and experience to conduct audits objectively, carefully, and thoroughly [10]**.** [26] defines competence as the skill of a person who plays a continuous role in the movement through the learning process, from "knowing something" to "knowing how." More specifically, acquiring skills is divided into five stages: novice, advanced beginner, competence, proficiency, and expertise. The point is that auditors must have enough experience to deal with complex situations. The actions taken are tailored to the goals in mind, and they are less aware of audit rules' selection, application, and procedures.

Research conducted by [11] found a significant influence between competency and the auditor's ability to detect fraud. Every auditor's task requires competency to detect quickly and precisely whether or not there is fraud in a company, detect fraud, and other tricks. The engineering tricks used to commit fraud are because the expertise they possess can make them more sensitive to acts of fraud. In line with research [6], [12] competence affects the auditor's ability to detect fraud.

H1. Competence is positively and significantly associated with fraud detection

3.3 Professional skepticism

Skepticism includes a mind that constantly questions and is alert to conditions that indicate the possibility of material misstatement, whether caused by error or fraud [14]. This attitude is critical to maintain trust and credibility in the audit process and protect against the organization's fraud risk. Auditors must be critical in assessing audit evidence through three levels: examination of evidence, understanding evidence providers, and acting on the evidence. That is to be more effective in detecting fraud and ensuring the integrity and accuracy of audited financial reports [27], [28].

Research [12] concludes that variable professional skepticism influences the auditor's ability to detect fraud. The higher the level of professional skepticism the auditor has, the more capable the auditor is of detecting fraud. *Professional skepticism* is an attitude that includes a mind that always questions and does not easily believe management's assertions without audit evidence, so the more skeptical the auditor, the easier it will be for the auditor to detect fraud that occurs [13].

H2. Professional skepticism is positively and significantly associated with fraud detection

3.4 Independence

Regarding auditing, the issue of Independence is critical, namely "Using an unbiased perspective in carrying out audit tests, evaluating the test results, and reporting audit findings" [29]. The indicators of Independence according to them, include Independence in the audit program, namely Freedom from managerial intervention over audit programs and procedures and Freedom from all requirements for audit assignments other than those required for an audit process; Independence in verification, namely Freedom to access all records, examine assets and employees relevant to the audit being carried out, obtain active cooperation from management employees during audit verification, Freedom from all managerial efforts that try to limit the activities being examined or limit the acquisition of evidence, and Free from personal interests that hinder audit verification; and Independence in reporting, namely Freedom from feeling obliged to modify the impact or significance of the facts reported, and Freedom from pressure not to report significant matters in the audit report" [30], [31].

Independence influences the auditor's responsibility in detecting fraud. It is the attitude that the auditor must have to obtain objective audit results so that the auditor can reveal fraud to clients as they should and without doubt because they do not have special interests and relationships. with any party [13]. This research is in line with research [11], [12] which positively influences Independence on the auditor's ability to detect fraud.

H3. Independence is positively and significantly associated with fraud detection

3.5 Integrity

Integrity is a quality that reflects the conformity between the values held and the actions taken, as well as consistency in upholding moral and ethical principles, which are very important for building trust and credibility in various aspects of life. Therefore, integrity and fraud research, especially handling fraud, is receiving so much attention [32]. The importance of integrity is understood in a scientific and professional context. The scientific context is internal coherence, firmness and consistency, honesty and transparency, and adherence to moral and ethical principles and responsibility. In a professional context, integrity is essential because it builds trust and credibility. For example, in academics and research, scientific integrity means maintaining honesty in research methodology, data analysis, and reporting of results, as well as giving appropriate credit to the contributions of others. The integrity model is also vital in detecting corporate fraud [33].

Auditor integrity positively and significantly affects fraud detection; high integrity will better detect fraud and will not be easily influenced by other parties in carrying out their duties [8]. In line with research [34], [35] which found that integrity has a positive effect on the ability to detect corruption, especially auditors who are responsible for disclosing fraud are expected not to lack integrity, so despite the many pressures, opportunities, or the ability to not think about committing fraud.

H4. Integrity is positively and significantly associated with fraud detection

3.6 The moderating role of fraud detection

Stakeholders have high expectations of auditors if an organization can detect the possibility of fraud; even though these expectations are not the only objective of each existing audit objective, it is an added value if an auditor can uphold and maintain his or her integrity [36], even if the auditor's competence is good but does not have integrity, the competence will not be of any value, and there will be a crisis of confidence in stakeholders because even though he is competent, he has lost his integrity [9]. a person with integrity will continue to uphold the good values he recognizes under any circumstances and carry out his duties and daily life. Thus, integrity is a precious asset that complements and strengthens auditors' competence in improving the quality of their audits, such as detecting fraud [37]—starting from thinking, ways of interacting, attitudes in facing attempts to violate the law around them, as well as ways of communicating that always show steadfastness of heart and mind regarding the truth [37]. starting from thinking, ways of interacting, attitudes in facing attempts to violate the law around them, as well as ways of communicating that always show steadfastness of heart and mind regarding the truth [33], [38].

Auditors' high level of skepticism means that auditors always question and critically evaluate the audit evidence they obtain so that the information they obtain helps detect fraud [26]. From this perspective, the added value for auditors is that they can prove the findings obtained from their professional skepticism. If this is in synergy with integrity, it will further strengthen auditors' skepticism, especially in fulfilling their responsibilities as a potential party in detecting fraud. Likewise, independence is an attitude that every auditor must have in carrying out their duties, so it must be maintained and improved as [37] and [26] explain that if independence increases, the quality of the audit increases through the auditor's ability to detect fraud increases. This improvement method can be successful if it is strengthened by integrity, a valuable personal asset to be firm and unwavering in maintaining morals, ethics, and truth values at every step one takes. A person with integrity never worries about the consequences of their attitude even though other parties do not like it, and they area alone without supporters around them [9].

H5. Integrity moderate the relationship between Competence and fraud detection
H6. Integrity moderate the relationship between Professional skepticism and Fraud detection
H7. Integrity moderate the relationship between Independence and Fraud detection

4. METHODOLOGY

Descriptive research with a quantitative approach uses an explanatory survey method, uses a survey method, and is included in cross-sectional studies, where this research was conducted over six months. The variables used in this research consist of independent variables (Competence, Professional Skepticism, and Independence with one dependent variable (Fraud Detection) and one moderating variable (Integrity).

4.1 Variable measurements

According to [6] competence is the ability to adequately carry out tasks, assignments, or rules in integrating knowledge, skills, personal values, and attitudes. Competencies are built on knowledge and skills obtained through work experience and learning on the job." Competency can be seen from several dimensions and indicators, namely Personal qualities when carrying out their duties such as an open mind, broad mind, ability to handle uncertainty, ability to work together in a team, and General Knowledge, namely Understanding of applicable standards and analytical reviews, knowledge gained while undergoing education as an auditor; as well as special skills in reading and making statistics, skills in operating a computer, and the ability to write and present reports [12].

Professional Skepticism is a manifestation of objectivity, but it does not mean being cynical, criticizing too much, or carrying out insults. Auditors who have adequate professional Skepticism will be concerned with the following questions: What do I need to know? How can I get this information well? Does the information I get make sense? This variable is measured using the instruments used by [28] and [27], namely Critical thinking, Correct assumptions, Careful examination of client financial statements, and Understanding of audit evidence. Furthermore, the Independence variable means a mental attitude that is free from influence, is not controlled by other people and is not dependent on other parties; in other words, it can also be interpreted as honesty in the auditor in considering facts and impartial, objective consideration in deciding and expressing his opinion. The independence variable is measured by developing instruments [12], [13]: Independence in audit programs, Independence in inspection or verification, and Independence in reporting.

Integrity gives rise to uncompromising adherence to a code of moral values and avoids deception, expediency, falsehood, or superficiality [26]. Integrity is an auditor's professional standard where the auditor adheres to moral values and avoids falsehoods that could harm several parties. Auditor integrity is measured using indicators of auditor honesty, auditor courage, auditor tact, and auditor responsibility. An auditor has high integrity if he is honest, transparent, brave, wise, and responsible in the audit [38]. The variable ability to detect fraud is to find or determine an illegal act that results in a misstatement in financial reporting that is carried out intentionally and requires further inspection/investigation [11]. Several factors make detecting fraud difficult, resulting in auditors failing to detect the fraud. Indicators of this variable are Understanding the internal control system, Characteristics of fraud, Audit work environment that reduces audit quality, Audit Methods, Forms of fraud, Ease of Access, and Document and personal testing [34].

4.2 Questionnaire design

This research uses a questionnaire form, which consists of two parts where the first part is the general data of the respondents, which consists of seven questions regarding the personal data of the Auditor at audit firm (KAP) Jakarta, and then in the second part, there are statements related to the variables in this research. The proposed questionnaire uses an ordinal scale, namely a Likert scale of 1 to 5, with the assumption that for the answer statements "Strongly Disagree is given a score of 1", "Disagree is given a score of 2", "Neutral is given a score of 3", "Agree is given a score of 4", and "Strongly Agree is given a score of 5". The five variables in this research have 22 dimensions with 61 indicators and questions. There are three questions representing the competency variable, five questions representing the Professional Skepticism variable, three questions representing the independence variable, four integrity variables, and seven fraud detection variables.

4.3 Data collection

The population in this study consisted of auditors who worked at KAP in the Jakarta, Indonesia. Non Probability Sampling sampling technique, Purposive Sampling method which means sampling has specific criteria as follows:

- Auditor who works at KAP in Jakarta
- Auditors who have a minimum ser ice period of 1 year

The data source uses primary data obtained directly from individual respondents/personnel using a survey distributing questionnaires and through website media (Google form) in the form of a questionnaire link. A close statement asks respondents to choose one of the answers provided by giving a sign of agreement. The results of the questionnaires that have been collected are analyzed in the PLS analysis, in addition to the literature review, reviewing various data/information reference materials and the results of previous studies that are considered relevant to finding theoretical foundations related to the research carried out and also conducting interviews and observations in the field.

4.4 Data analysis method

The first stage of descriptive statistical calculations is the data transformation stage in tabulation form; then, the data analysis method is continued using Partial Least Square (PLS) to ensure that the indicators used are suitable as valid and reliable measurement parameters. Analysis of the outer model and inner model ensures that the structural model built is robust and accurate [39], [40][39]. Before finally calculating and getting the results from the structural model test using the bootstrapping method with resampling 2000 times. The hypothesis test and moderation effect test show an interaction between exogenous variables and moderator variables in influencing endogenous variables based on the type of reflective moderator variable [41].

The total effect must be used to see the direct and interaction effect, with standard values: Sample mean shows a positive direction, Probability-value < 0.05, T-Statistics > 1.65, one tiled. Determining the rule of thumb for accepting the hypothesis criteria, then the moderated structural equation modeling equation:

$$DF(\eta) = \gamma 1\ CT(\xi 1) + \gamma 2\ PS(\xi 2) + \gamma 3\ IP(\xi 3) - \gamma 4\ IT(\xi 4) + \gamma 5\ CT*IT(\omega 1) + \gamma 6\ PS*IT(\omega 2) - \gamma 7\ IP*IT(\omega 3) + \zeta$$

Information:

DF (fraud detection);
CT (Competency);
PS (Professional Skepticism);

IP (Independence);
IT (Integrity).

5. RESULTS

The research results begin by explaining the demographic profile of the respondents, where the research sample is auditors from 19 KAPs in the Special Capital Region of Jakarta in Indonesia. TABLE 1 shows as many as 350 respondents who filled out the distributed questionnaires, and those who returned them were filled out. Furthermore, in TABLE 2, related to descriptive statistics, we can see the mean of all indicators filled in by respondents who agree with all questions representing all dimensions and the five research variables because they are above number four (agree) to number five (strongly agree).

Table 1 Demographic profile of respondents

Public Auditor Firm					19
Respondents					350
Item	**Frequency**	**%**	**Item**	**Frequency**	**%**
Gender:			*Position:*		
Male	210	60	Junior Auditor	182	52
Female	140	40	Senior Auditor	123	35.1
Age (Year):			Supervisor	35	10
21-25	130	37.1	Managers	10	2.9
26-30	147	42	*Years of work*		
31-35	30	8.6	1-5	218	62.3
36-40	43	12.3	6-10	110	31.4
Education			11-15	22	6.3
Doctoral	0	0	*Audit assignments*		
Masters	110	31.4	8-10	110	31.4
Bachelors	236	67.4	4-7	236	67.4
Associate degree	4	1.1	1-3	4	1.1

Source: Authors' computation

Table 2 Descriptive statistics

Variable	**Mean**
Fraud detection	4.537
Competency	4.473
Professional skepticism	4.549
Independency	4.580
Integrity	4.537

Source: Authors' computation from SPSS

The following section presents the research analysis results, which can be seen in TABLE 3. Through the PLS analysis method, the Outer model shows that convergent validity is fulfilled because the loading factor or correlation of question item scores (61 questions) with the construct indicator scores of the indicators that measure the construct is valid. The fulfilled discriminant validity can be seen. The cross-loading correlation value of the construct with its indicators is greater than the correlation value with other constructs; the Average Variance Extracted (AVE) value is more significant than 0.5, and the square root value of AVE for each construct is greater than the correlation value. Likewise, all constructs have good reliability by the minimum value limits that have been required. The next stage is testing the Inner model by evaluating it based on r-square. The determination test shows that the r-square of the fraud detection variable is 0.901, which illustrates that variables can explain the variability of the construct of detecting fraud by 90.1%.

Table 3 Outer and Inner Models

Item	Fraud detection	Competency	Professional skepticism	Independency	Integrity
Convergent validity:					
Loading factor	> 0.5				
Discriminant validity:					
Cross-loading	The cross-loading correlation value of the construct with its indicators is greater than the correlation value with other constructs				
AVE	0.855	0.810	0.818	0.841	0.862
Square Root AVE	0.923	0.900	0.904	0.917	0.929
	The square root value of AVE for each construct is greater than the correlation value				
Composite reliability:	0.893	0.882	0.864	0.855	0.909
Determination Test:					
R Square	0.901				

Source: Authors' computation from PLS

The Path coefficient results help answer the research hypothesis test after bootstrapping to fulfill the Rules of Thumb used in this research with a p-value significance level of 0.05 (5%), and the beta coefficient is positive. In TABLE 4, it can be seen from the seven research hypotheses that six hypotheses are accepted, and one is rejected, namely that integrity cannot moderate (strengthen) the positive influence of competence on fraud detection.

Table 4 Path Coefficients Results

Path	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
CT → FD	0.167	0.165	0.033	5.025	0.000
PS→ FD	0.290	0.287	0.052	5.621	0.000
IP → FD	0.122	0.126	0.045	2.727	0.007
IT → FD	0,386	0.390	0.040	9.735	0.000
CT_IT → FD	-0.019	-0.018	0.038	0.498	0.619
PS_IT → FD	0.171	0.171	0.040	4.276	0.000
IP_IIT → FD	0.248	0.244	0.032	7.785	0.000

Source: Authors' computation from PLS

6. DISCUSSION AND CONCLUSIONS

6.1 Discussion

Fraud in Indonesia has been increasing over the years, not decreasing; this is shown by the increasing number of fraud perpetrators being caught, generally public officials with high positions at the Minister and Director General or officials at the level below the Minister or Directors and CEOs of SOEs. However, this arrest was not due to the increasing competence of external auditors in auditing the organization's financial reports, but in general, because they were caught red-handed by the Corruption Eradication Commission, or there were public reports to the police or examinations by the Attorney General's Office or audit results from the Financial and Development Supervisory Agency. The question arises: Is the Auditor unable to provide input to (the President and State Minister for SOE affairs) to create a good Internal Control System, including Good Corporate Governance and Risk Management? The auditor must be more relaxed in completing the financial audit results report on time with adequate results. The KAP feels that its responsibility is only to report whether the presentation of the Financial Report is fair or less than reasonable. At the same time, the issue of Fraud and its handling is sufficient to be handled by the Corruption Eradication Committee, the Attorney General's Office, and the Police. On the other hand, Management in carrying out Fraud has used increasingly advanced information technology, individually or in groups, in line with rapid technological developments. Another thing that makes auditors ignore conditions like this is maintaining good relations with Management so that their auditors are re-elected as auditors for the SOEs the following year per applicable regulations. Auditor

competencies that need to be improved in this condition are 1) understanding the modus operandi of Fraud in SOEs and Ministries and Institutions. 2) understanding of the auditee's business and the rules relating to that business. 3) Understanding of GCG and risk management in business processes from the auditee and not a general one.

Theoretically, the further the relationship between the auditee and the auditor, the more independent the auditor is considered to be. The structural relationship between the organization and the payment of audit fees is considered the most influential. However, the fact is that there is not a single KAP that provides free audit services for SOE's financial reports, so the level of independence will undoubtedly drop from level 10 (the highest) to the middle level (say level 6). The condition is that all auditors must be paid, and all auditors that audit the SOEs have no structural or interest relationships. 1) The KAP implements applying the applicable General Auditing Standards. 2) All Auditors conduct inspections and verifications without any intervention from the Auditor. 3) The standard fees received by KAP are appropriate to applicable standards and by applicable tenders or regulations.

An auditor's curiosity should be followed up with actions in the inspection field. Like this critical question, it must be applied in audit actions by deepening the 5 W and 3 H. An auditor with professional skepticism generally understands the 5 W (what, who, why, when, and where). Fraud is committed, but should also deepen the 3 H. The first "H," How does Management commit Fraud? What do they do? The second "H" is "How much" Fraud was committed and how much harm the company or country did. The third "H" is "How long," and how long has this Fraud been committed? Has it been years? If these questions are asked to Management, of course, next year, the Auditor will lose clients; Management do not want to be accused of Fraud. Also, KAP will want to retain clients. So, for limited audit time, KAP generally does not conduct a deeper investigation into these 3 H. So, the Audit Results Report only focuses on Fair and Unfair Financial Reports.

Integrity is the crown of an auditor, in the form of honesty, courage to reveal the truth or implementation of audits by applicable norms and rules that must be upheld. However, this is done in a way that could result in management going to prison. In that case, the company directors will negotiate with the Head Auditor or Partner to "refine" the audit report to carry out audit collaboration in the future or the following year. Conditions like this make an Auditor with high Integrity: 1) Resign from the KAP and look for another job that suits his conscience. 2) Auditors "turn a blind eye" or do not pay attention to Fraud that leads to significant corruption or do not carry out in-depth checks on the possibility of Fraud because if the person concerned resigns, they will not necessarily get a job, while the person concerned needs money. Although partially high Integrity will increase the auditor's ability to detect Fraud, limited competency cannot be expected to detect Fraud.

The application of professional skepticism is in line with a person's integrity in carrying out an audit, namely always showing curiosity about something new or strange. However, learning something new that it wants to audit takes time. So, in practice, it is often abandoned. Good Integrity also increases a person's independence in detecting Fraud. However, in general, it only detects Fraud. If it is deemed detrimental to the state or company, it will usually be followed up by the Investigative Examiner/supervisor, the Police, or the Attorney General's Office. So, the application of Integrity, which increases professional skepticism and KAP independence, is only limited to indicating the existence of Fraud and does not prove it.

At a high level of Fraud, for example, the audit results in Management going to prison and causing significant losses to the company or the state. The lead auditor or management will sacrifice the auditor's Integrity. Besides that, Indonesian society is very permissive and reluctant towards their parents, leaders, or superiors. Facts in the field show that even though an Auditor has high competence, if he prioritizes obedience to his leader or superior, then that high competence will be in vain; in other words, his Integrity is meaningless. That shows that good Integrity from an auditor does not strengthen the influence of competence on the auditor's ability to detect Fraud. So, the current practice is limited to detecting Fraud at the level of errors or deviations Management can accept. A wise solution for conditions like this is to provide a notice of attention from KAP to company management so that they pay attention to conditions that may be detrimental to state/company finances in the future.

6.2 Conclusion

Competence, Professional Skepticism, Independence, and Auditor Integrity can increase the auditor's ability to detect fraud. That will impact companies that use auditors' services at public accounting firms, which will feel helped by the results of the auditor's work. Auditors must always increase their knowledge theoretically and practically in line with developments in information technology so that they can handle and provide the best

advice to auditees to deal with uncertainty. Auditors are expected to be increasingly critical of changes that affect the environment, especially those that affect the auditee's survival. However, the reality is that fraud is rampant, which calls into question the existence of auditors and the factors that can support their ability to carry out their duties, especially detecting fraud, because this is the main problem commonly faced by companies today. The research results prove that an auditor must have integrity by increasing competence, independence, and professional skepticism; however, with the many cases that continue to occur, auditors are only able to indicate and not detect, so that in the end, they can improve conditions and create prevention of fraud.

The fact is that Indonesian society is very permissive and reluctant towards their parents, leaders, or even their superiors. Facts in the field show that, even though an Auditor has high competence and prioritizes obedience to his leaders or superiors, this high competence will be in vain. That shows that good integrity from an auditor does not strengthen the influence of competence on the auditor's ability to detect fraud. Likewise, suppose an auditor already has competence consisting of personal qualities, a general level of understanding, or special skills related to practice, which is also supported by low integrity. In that case, the competence will not be of any value, and there will be a crisis of trust in stakeholders because, although competent, it has lost its integrity. Likewise, even high integrity cannot strengthen the influence of competence on the auditor's ability to detect fraud. That is by the respondents' answers regarding integrity, which has the lowest average, namely the statement that the auditor does not consider the condition of a person/group of people or an organizational unit to justify violating the applicable provisions or laws and regulations. These results explain that the auditor's weak consideration of the situation of a person/group of people or an organizational unit to justify an act of violating the provisions or regulations of the applicable laws means that this action cannot strengthen the influence of competence on the auditor's ability to detect fraud.

6.3 Limitations and future research

This research uses a sample of auditor respondents in the Jakarta area, a large city and business center, so the respondents obtained could be more optimal. For future researchers, it would be better to research auditors in a smaller area to obtain maximum data and answers from respondents. Interviews conducted with SoEs supervisors can be broader, such as including prospective whistle-blowers from the wider community or existing integrity-related organizations.

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