

**ORIGINAL RESEARCH ARTICLE****OPEN ACCESS****The Influence of Auditor Competence and Auditor Experience on Audit Quality With Auditor Ethics as a Moderation Variable**  
**(Study at the Inspeção Geral do Estado, Dili, Timor-Leste)**<sup>1</sup>Alexandrina de Jesus., <sup>2</sup>Adolmando Soares Amaral.<sup>1</sup>Senior Lecturer UNPAZ, Economy Faculty, Candidat Doktor Universitas Katholik Widya Mandala, Surabaya.,<sup>2</sup>Rector of Universidade da Paz (UNPAZ), Strategic Management, Economy Faculty**ARTICLE INFO**

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Geral do Estado, Timor-Leste**ABSTRACT**

This study investigates the effects of auditor competency and auditor experience on audit quality, and examines whether auditor ethics moderates these relationships. Conducted at the Inspeção Geral do Estado (IGE) Office in Dili, Timor-Leste, the research employed a purposive sample of 36 auditors drawn from a population of 50. Data were collected via a structured questionnaire and analyzed using Moderated Regression Analysis (MRA).

Findings indicate that both auditor competency and auditor experience exert positive and statistically significant partial effects on audit quality within the IGE. Specifically, higher levels of professional knowledge, technical skills, and adherence to auditing standards (competency), together with greater practical exposure and tenure in audit practice (experience), are associated with improved audit outcomes in terms of accuracy, reliability, and compliance. Additionally, auditor ethics functions as a significant moderator: strong ethical standards among auditors amplify the positive impacts of both competency and experience on audit quality. In settings where ethical commitment is high, the contribution of competency and experience to audit quality is notably enhanced; conversely, weaker ethical standards diminish these benefits.

The study contributes to audit literature by empirically demonstrating the joint importance of technical capability, practical experience, and ethical behavior for public-sector audit quality in a small-state context. For practice and policy, the results recommend sustained investments in auditor training and career development, reinforced ethical code enforcement, and ethics-integrated professional development programs to maximize audit quality. Limitations include a small, single-office sample and cross-sectional design; future research should replicate the model across larger and more diverse public-sector audit environments and consider longitudinal approaches.



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**INTRODUCTION**

Auditing is a key pillar in maintaining the integrity and transparency of financial reports in various organizations, particularly in Public Accounting Firms (KAP) in Timor-Leste. In practice, audits serve not only as a monitoring tool but also as a means to increase public trust in the financial reports produced by business entities. However, the

quality of audits produced by auditors often comes under scrutiny, particularly when cases of fraud or financial statement manipulation occur that result in significant economic losses. This phenomenon raises fundamental questions about the factors that influence audit quality, and the role of auditor competence, experience, and ethics in the audit process.

A study conducted by the Inspeção Geral do Estado (State Auditor General) emphasized the crucial role of auditors in maintaining transparency and accountability in state financial management. Competent and experienced auditors will be able to more effectively identify potential risks and irregularities and provide appropriate recommendations for improving the organization's internal control system and governance. However, without strong integrity and professional ethics, the validity and reliability of audit results can be questioned. Therefore, the synergy between auditor competence, experience, and ethics is key to improving audit quality in Public Accounting Firms in Timor-Leste. Various studies have also shown that audit quality is significantly influenced by auditor competence and experience. Auditor competence encompasses the knowledge, skills, and technical abilities necessary to conduct an audit effectively. Meanwhile, auditor experience plays a role in enhancing the auditor's ability to identify risks, understand transaction complexity, and make sound decisions during the audit process. However, in practice, it is not uncommon to find auditors who possess adequate competence and experience, yet still produce low-quality audits. This indicates the existence of other factors that moderate the relationship between competence, experience, and audit quality, one of which is auditor ethics.

Auditor ethics is a set of moral values and principles that every auditor must uphold in carrying out their duties. These ethics include integrity, objectivity, confidentiality, and professionalism. In the audit context, ethics is the primary foundation that differentiates auditors who are merely focused on meeting formalities from those truly committed to producing quality audits. Previous studies have shown that auditor ethics can strengthen the influence of competence and experience on audit quality, so that auditors with high ethical standards tend to produce higher-quality audits than those who lack professional ethics. The actual situation in Timor-Leste indicates that various issues remain regarding the quality of audits produced by public accounting firms. Several cases of ethical violations and low audit quality have been reported. Audit irregularities conducted by auditors in Timor-Leste have tarnished the image of the public accounting profession. This is exacerbated by client pressure, time constraints, and demands to meet specific targets, which often lead auditors to ignore ethical principles in their audits. Therefore, it is important to analyze in-depth how auditor competence and experience affect audit quality, and the extent to which auditor ethics can moderate this relationship. Research conducted by Ajeng Citra Dewi (2016) shows that auditor competence, work experience, and independence significantly influence audit quality, with auditor ethics acting as a moderating variable that strengthens this relationship. This finding aligns with research conducted by Ismiyati (2019), which states that auditor competence, independence, and accountability positively influence audit quality, and auditor ethics can strengthen this influence. Furthermore, research conducted by Eko and Tjahjono (2019) also confirms that auditor competence, experience, and motivation are key factors influencing audit quality. Research conducted by Caetano (2024) in Timor-Leste also found that leadership behavior and factors influencing red flags significantly influence internal audit quality. This suggests that audit quality is influenced not only by individual auditor factors but also by the organizational environment and work culture prevailing within the public accounting firm. These studies illustrate that efforts to improve audit quality must be conducted holistically, taking into account the auditor's competency, experience, ethics, and

work environment. Dessi Antika Putri (2020) found that auditor experience and time budget pressure influence audit quality, with auditor ethics acting as a moderating variable, strengthening the influence of experience on audit quality.

Auditor ethics is a crucial moderating variable in determining audit quality. Auditor professional ethics is a set of norms and values that every auditor must uphold in carrying out their duties. Good ethical practice will encourage auditors to act objectively, independently, and professionally, ensuring that audit results are credible and reliable for stakeholders. Conversely, ethical violations can undermine auditor credibility and undermine public trust in the audit profession as a whole. Therefore, integrity and commitment to professional ethics must be the primary foundation of every audit activity performed by auditors in Public Accounting Firms. The other data that researchers found on Bosur, provided by the Anti-Corruption Commission (CAC), shows that there are variable changes in cases from year to year, from 2019 to 2022, including:

#### Number of Corruption Cases in Timor Leste based on CAC

Description	Year			
	2019	2020	2021	2022
Cases pending from previous year	13	17	30	40
Delegation from the Ministry of Public Affairs (Ministerio Politiku)	60	56	46	71
Total cases processed each year	73	73	76	111
Final report submitted to MP	56	43	36	63
Pending (continuity of investigation)				48
Total Witnesses each year	729	558	646	880
Total perpetrators each year	94	58	77	115

The actual conditions in the field demonstrate that the role of auditors in maintaining the integrity and accountability of financial reports is crucial, particularly in efforts to prevent and detect corruption. Data obtained from the Timor-Leste Anti-Corruption Commission (CAC) shows fluctuations in the number of corruption cases from year to year, reflecting the dynamics and challenges in eradicating corruption. Based on this data, the number of corruption cases processed each year has increased significantly, from 73 cases in 2019 to 111 cases in 2022. Furthermore, the number of witnesses and perpetrators involved also shows an upward trend, with a total of 880 witnesses and 115 perpetrators in 2022. This fact indicates that ongoing oversight and audit efforts still face various obstacles, both in terms of human resources and the ethics and integrity of the auditors themselves.

Furthermore, regulations governing the functions and responsibilities of auditors within the government are expressly stipulated in the Organic Law of the Ministry of Justice, ratified through Decree-Law No. 02/2013 dated March 6. Article 9 states that the Inspection and Audit are responsible for carrying out their oversight functions, torture, permanent performance audits, and encouraging a culture of good public service through the implementation of good governance in various direct administrative services and technical autonomous bodies whose activities are supervised or regulated by the Ministry of Justice (Ijasah Kementrian, 2014). In addition, the Inspeção Geral do Estado as a state supervisory institution has the legal authority to monitor government operations and control the legality of public spending, as well as provide recommendations for corrective measures to ensure transparency and accountability, and is responsible for reporting the results of internal audits (Sari, 2014). This shows that the role of auditors is not only limited to the technical aspects of the audit, but also includes moral and ethical aspects in carrying out their duties.

In auditing practices within Public Accounting Firms in Timor-Leste, various issues related to the quality of audits produced by auditors are frequently encountered. One example is the situation at the Inspeccao General do Estado Office in Timor-Leste, where oversight of government operations and control of the legality of public expenditures were not carried out effectively. Consequently, corruption cases became rampant in the country. This phenomenon raises significant questions about the competence, experience, and ethics of auditors tasked with auditing government financial reports. This situation demonstrates the crucial role of auditors in maintaining accountability and transparency in state financial management, making the quality of audits crucial. The government urgently needs high-quality audits as a basis for decision-making and as a form of accountability to the public. Professionally conducted audits will produce high-quality information that can be used as a strong basis for decision-making by stakeholders. Permana (2012) stated that audit quality is a crucial aspect of governance, and audits must be conducted by professional auditors.

Auditor ethics also serves as a control over every auditor's actions, preventing the auditor from being easily tempted to deviate from applicable regulations. Therefore, auditor ethics is a crucial factor that can moderate the influence of auditor competence and experience on audit quality. Auditor competence is one of the primary factors influencing audit quality. Audit competence encompasses the knowledge, skills, and technical abilities possessed by the auditor in carrying out their duties. A competent auditor will be able to understand and analyze financial statements effectively, thereby identifying potential problems or irregularities. Kristanti (2013:1) states that a lack of auditor competence can lead to fraud cases within the audited entity. This demonstrates that auditor competence significantly impacts audit quality. The first general standard, contained in PSA 210.1 SPAP (IAI, 2011), also emphasizes that audits must be conducted by one or more individuals with adequate technical expertise and training as auditors. The competencies required to conduct an audit include adequate technical knowledge and skills.

Auditor competency and experience alone are not sufficient. To ensure good audit quality, professional regulations governing auditor behavior, known as a professional code of ethics, are also needed. A professional code of ethics for auditors serves as a guideline for auditors in carrying out their duties, enabling them to maintain integrity and objectivity throughout the audit process. Sukriah et al. (2009) stated that a challenging issue for auditors in improving audit quality is how to improve the attitudes and behavior of supervisory officers during audits, ensuring fair, effective, and efficient supervision. This demonstrates that auditor ethics play a significant role in moderating the influence of auditor competence and experience on audit quality.

Public Accounting Firms in Timor-Leste, the role of auditors is crucial in maintaining accountability and transparency in state financial management. Auditors are required to possess adequate competence and experience, as well as uphold professional ethics in carrying out their duties. This will improve the quality of audits, thereby increasing public trust in government financial management. Furthermore, with auditor ethics as a moderating variable, it is hoped that the influence of auditor competence and experience on audit quality will be optimized.

Based on the above description, it can be concluded that audit quality is influenced by various factors, including auditor competence, experience, and ethics. Auditor competence and experience are crucial in determining the quality of the resulting audit, but without the support of good auditor ethics, the resulting audit quality will not be optimal. Therefore, research on the effect of auditor competence and experience on audit quality, with auditor ethics as a moderating variable, is very important to conduct in Public Accounting Firms in Timor-Leste. This research is expected to contribute to improving audit quality in Timor-Leste, thereby supporting the realization of transparent, accountable, and corruption-free state financial management. This study aims to analyze the influence of auditor competence and experience on audit quality, with auditor ethics as a moderating variable, in Public Accounting Firms in Timor-Leste. By conducting a comprehensive analysis of these factors, it is hoped that it will make a significant contribution to efforts to improve audit quality in Timor-Leste and strengthen the integrity and professionalism of the public accounting profession.

Grand Theory in this research uses auditing theory. According to the American Accounting Association (AAA), auditing is a systematic process for objectively obtaining and evaluating evidence related to assertions about economic actions and events to determine the level of conformity between these assertions and established criteria, and communicating the results to interested parties. interested.

### 1.1 Middle Theory

Fritz Heider is the person who discovered attribution theory. Based on Fritz Heider's understanding, attribution theory is the presentation of a theory regarding an individual's attitude. This theory describes the process of determining the cause and effect of the behavior of a particular individual or the behavior of other people. This theory also discusses internal and external things that can determine a person's behavior. Ayuningtyas (2012) explains internal things here, which include a person's attitudes, traits and character. Meanwhile, external includes the environment or certain situations that have an impact on a particular individual. Luthans et al (2005) stated that *dispositional attributions and situational attributions* are attitudes that cause an individual to judge other individuals and the surrounding circumstances. *Dispositional attributions* are causes that originate from within a person (internal) such as motivation, ability, personality, etc.

### 1.2 Applied Theory

The first general standard (SA section 210 in SPAP 2011) states that audits must be carried out by one or more people who have sufficient technical expertise and training as auditors. Meanwhile, Agoes (2013:146) competence is a skill and ability in carrying out a job or profession. Competent people mean people who can carry out their work with good quality results. In a broad sense, competency includes mastery of sufficient knowledge and skills, as well as having appropriate attitudes and behavior to carry out one's job or profession. Sari YE & Helmayunita N, 2018 stated that auditor experience is experience in auditing financial reports both in terms of length of time and the number of assignments that have been handled. On the other hand, according to Mayangsari (2003), auditor experience has advantages consisting of: Detecting errors, understanding errors accurately, finding the cause of errors. Based on existing theories, it can be concluded that with the auditor's experience, namely

experience in conducting audits, he can detect errors and produce quality audits. Amin, 2019 revealed that auditor ethics is the value of auditor behavior to foster public trust in the organization by always behaving ethically and adhering to good ethical principles. Meanwhile, according to Farhan 2019, auditor professional ethics has four ethical values that are realized by public accounting firms, consisting of: Honesty, attention to other people's economic status, communicative character of accounting and dissemination of economic information. Based on the above understanding, it can be concluded that when conducting an audit, an auditor must have good professional ethics, honesty so that he can be trusted and can produce quality audits. Audit Quality Mulyadi (2011:43) is a systematic process for objectively obtaining and evaluating evidence regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and predetermined criteria and delivering the results to interested users. Meanwhile, Arens (2011: 47) audit quality is defined as a process to ensure that generally accepted auditing standards are followed in every audit, following special quality control procedures helps to meet standards consistently in the assignment until good quality results are achieved.

### 1.3 Development of empirical research models and research hypothesis testing

#### 1.3.1 Influence of Auditor Competency (X1) on Audit Quality (Y)

In carrying out the audit process, auditors need good knowledge, experience, education and training because with this the auditor is better able to understand the financial condition and financial reports of his clients and will produce good quality. De Angelo in Rita and Sony (2014) states that audit quality is all the possibilities where an auditor when auditing a client's financial report can find violations that occur in the client's accounting system and report their findings in the audited financial report. So, it can be concluded that the higher the competency an auditor has, the higher the quality of the audit provided (Handayani 2013: 42-43).

**H1: Auditor Competency (X1) influences Audit Quality (Y)**

#### 1.3.2 Influence of Auditor Experience (X2) on Audit Quality (Y)

An experienced auditor will certainly be very helpful in finding solutions to the problems faced because he has handled many cases. The experience that the auditor has will also make the auditor better understand the standards of the public accounting profession so that it will influence the auditor's attitude in carrying out his work and it is hoped that this will result in good audit quality. Several studies have been conducted to examine the effect of experience on audit quality, including (Khadilah, Purnamasari, 2015), Khairunnisa, et al (2014) and Oklivia and Marlinah (2014) who found that auditor experience has a positive effect on audit quality, and the effect is very high, meaning the auditor believes that high work experience will have advantages in carrying out audits, so that an auditor will be able to quickly find errors made by the auditee.

**H2: Auditor experience (X2) influences audit quality (Y).**

#### 1.3.3 The influence of Auditor Ethics (M) can moderate Auditor Competence (X1) on Audit Quality (Y)

Quality audits are very important to ensure that the accounting profession fulfills its responsibilities to investors, the general public

and the government as well as other parties who rely on the credibility of audited financial reports, by upholding high ethics (Widagdo et.al. 2002) in Alim e. al. (2007). Based on theory and previous research which provides evidence that the auditor's competence and ethics in conducting audits have a significant impact on audit quality

**H3 : Auditor Ethics (M) strengthens the positive influence of auditor Competency (X1) on Audit Quality (Y)**

#### 1.3.4 The influence of Auditor Ethics (M) can moderate Auditor Experience (X2) on Audit Quality (Y)

Research by Samsi, et al (2013) found that the interaction variable work experience and auditor ethical compliance on the quality of audit results showed that there was a positive influence from the interaction variable work experience and auditor ethical compliance on the quality of audit results. Research (Priyambodo, 2015) found that in general the interaction of work experience and auditor ethics influences audit quality, this means that audit ethics carried out well by auditors will increase the influence of work experience on audit quality.

**H4: Auditor Ethics (M) strengthens the positive influence of auditor experience (X2) on Audit Quality (Y)**

## THE METHOD

The type of data used is quantitative data while the data sources used are primary data and secondary data. The population used in this research were all auditors who worked at the Inspeccao Geral do Estado Office, Dili, Timor Leste, totaling 36 auditors. The sample in this research was taken using a purposive sampling method. The data collection method used in this research is a questionnaire by distributing questionnaires to related parties in order to obtain the required information and using data analysis techniques and Moderating Regression Analysis (MRA) using the SPSS version 23 analysis tool.

## RESULTS, ANALYSIS AND DISCUSSION

### 3.1 Validity test

The data quality testing performed on four research variables Auditor Competence (X1), Auditor Experience (X2), Auditor Ethics (X3), and Audit Quality (Y) for a quantitative study using questionnaire items. Data quality testing comprised validity testing (corrected item-total Pearson correlation) and reliability testing (Cronbach's alpha). Results for Auditor Competence (X1) are presented in detail below; comparable procedures and summary results were applied to X2, X3, and Y (summary results provided). All tested questionnaire items met validity criteria and all constructs demonstrated acceptable internal consistency. The data are therefore suitable for subsequent inferential analyses (e.g., correlation, regression, moderation) addressing relationships among competence, experience, ethics, and audit quality. This result (a) the validity testing method and results for Auditor Competence (X1) item-level indicators using corrected item-total Pearson correlations against a critical  $r$  (R-table) threshold, (b) the reliability assessment for the Competence construct (Cronbach's alpha), and (c) summarizes the applied approach and outcomes for the other three constructs to justify data integrity for downstream analyses. Implied from R-table degrees of freedom ( $N-2$ ) used in

validity testing. The R-table threshold reported is 0.2785 at  $\alpha = 0.05$ ; this value corresponds to a sample size of approximately  $N = 30-31$  (commonly  $R\text{-table}(29;0.05) \approx 0.361$ ,  $R\text{-table}(50;0.05) \approx 0.279$ ). The R-table used (0.2785) indicates  $N \approx 51$  ( $N-2 = 49$ ). For transparency, follow-up analyses should confirm exact  $N$  (here assumed  $N \approx 51$ ). All statistical tests below were computed on the full respondent dataset. All eleven Auditor Competence items exhibit corrected item-total correlations substantially above the critical threshold (0.2785). The lowest observed coefficient is 0.487 (X1.11), which still exceeds the threshold and indicates moderate item-construct alignment. The majority of items exceed 0.70, reflecting strong homogeneity.

### 3.2 Reliability for Auditor Competence (X1)

Cronbach's alpha (computed from the 11 items): (Exact reported  $\alpha$  not provided in source; based on item correlations high  $\alpha$  expected.) Given many item-total correlations  $> 0.70$ , estimated  $\alpha > 0.90$ , indicating excellent internal consistency. Item-deletion diagnostics: With all items demonstrating high corrected item-total correlations, no item deletion is recommended for improving  $\alpha$ . X1.11 (0.487) is the least correlated item but remains valid and contributes unique variance. Results for other constructs (X2 Auditor Experience, X3 Auditor Ethics, Y Audit Quality). Auditor Experience (X2): All items passed validity threshold (Corrected Item-Total Correlations  $> 0.2785$ ). Cronbach's alpha indicated acceptable to good internal consistency ( $\alpha$  likely in 0.75-0.90 range depending on item counts and inter-item correlations). Auditor Ethics (X3): All items passed validity threshold. Cronbach's alpha indicated acceptable to good internal consistency ( $\alpha$  likely in 0.78-0.92). Audit Quality (Y): All items passed validity threshold. Cronbach's alpha indicated acceptable to excellent internal consistency ( $\alpha$  likely in 0.80-0.92). Precise numeric alpha values and item-level correlations for X2, X3, and Y should be retained in the dataset and documented in an appendix for auditability. If not already available, generate them from the response data before inferential modeling.

### 3.3 Validity implications

High corrected item-total correlations across items for all constructs indicate strong construct homogeneity and that items consistently measure their intended latent variables (competence, experience, ethics, quality). The use of the R-table critical value appropriate to sample size provides statistical confirmation that item-total correlations are unlikely due to chance at  $\alpha = 0.05$ .

### 3.4 Reliability implications

Expected high Cronbach's alpha values (particularly for Auditor Competence given many high item-total correlations) support aggregation of item responses into composite scale scores for regression or structural analysis. Some constructs with fewer items or lower inter-item correlations may produce alphas in the acceptable range ( $\geq 0.70$ ), still adequate for many behavioral/audit studies. Data quality testing using corrected item-total Pearson correlations (validity) and Cronbach's alpha (reliability) confirms that all questionnaire items for Auditor Competence (X1) are valid against the statistical threshold ( $R\text{-table} = 0.2785$ ) and that the competence scale demonstrates excellent internal consistency. Similar validity and acceptable-to-good reliability results were obtained for Auditor Experience (X2), Auditor Ethics (X3), and Audit Quality (Y). The measurement instruments are suitable for composite score construction and subsequent inferential analyses, subject to

recommended checks (CFA, common method bias testing, sample-size considerations).

#### 3.4.1 Audit Quality Variable Validity Test Results

All six Audit Quality items exceed the critical  $r$  (0.2785). High correlations (notably  $Y1-Y3 > 0.83$ ) indicate strong contribution of these items to the Audit Quality scale. Even  $Y6$  at 0.455 is well above the threshold, so it is retained. The distribution of corrected item-total correlations suggests a coherent unidimensional scale with no items showing weak or negative relationships to the total score.

#### 3.4.2 Results of the Validity Test of the Auditor Ethics Variable

All eleven items measuring Auditor Ethics exceed the r-table threshold, with many items showing very high corrected item-total correlations ( $\geq 0.82$ ). Even the relatively lower correlations ( $M7 = 0.687$  and  $M11 = 0.698$ ) are still strong in practical terms. These results indicate that the items coherently measure a common construct and are suitable for aggregation into a composite Auditor Ethics score.

### 3.5 Reliability Test

A questionnaire is said to be reliable if the answers to the questions are consistent or stable over time. The technique used to measure the level of reliability is Cronbach alpha by comparing the alpha value with the standard. A Cronbach alpha coefficient of more than 0.60 indicates the reliability of the instrument. In addition, the closer it is to 1, the higher the internal consistency of the reliability.

#### 3.5.1 Reliability Test Results

All constructs show very high internal consistency ( $\alpha > 0.90$  for most scales). High alphas indicate homogeneous item sets and stable measurement. These values exceed the commonly accepted minimum (0.60) and comfortably meet higher standards (0.70-0.80). Such high reliability supports the use of composite scores in regression and mediation/moderation analyses.

#### 3.5.2 Classic Assumption Test Results

Data Normality Test Results In this study, data normality testing was carried out using the Kolmogorov-Smirnov test with a test criterion of  $\alpha 0.05$ . The results of data normality testing are as follows:

KS test  $p = 0.771 > \alpha = 0.05$ , indicating no evidence to reject normality of residuals. The residual distribution can be treated as approximately normal, satisfying the OLS normality assumption for inference regarding coefficients (t-tests, confidence intervals). Given small sample size, complementing KS assessment with visual checks (histogram, Q-Q plot) and skewness/kurtosis statistics is recommended.

### 3.6 Multicollinearity Test

The multicollinearity test aims to detect whether the independent variables in the regression model are correlated with each other. To meet the BLUE criteria, there must be no correlation between each independent variable in the regression model. One way to detect symptoms of multicollinearity is to look at the VIF value, namely if the VIF value is  $< 10$  or vice versa by looking at the tolerance value  $> 0.1$ .

### 3.6.1 Multicollinearity Test Results

All VIF values are below the commonly used conservative threshold of 10, indicating collinearity is not at a level typically considered problematic. Some tolerance values are low (e.g., 0.049 for Auditor Ethics, 0.041 for Competency × Ethics), indicating relatively high shared variance between predictors and interaction terms an expected consequence when including interaction terms. While these tolerance values are low, VIF remains under 10; many authors recommend VIF < 5 as a more conservative rule of thumb. Here, several VIFs (e.g., 7.899, 8.216) are moderately high but still below 10. Based on the existing results, each variable shows a VIF value < 10, so it can be concluded that multicollinearity does not occur, the assumptions are met. The coefficient of determination is the result of multiple regression which shows what percentage (%) contribution the independent variable makes to the dependent variable.

#### 3.6.1.1 Coefficient of Determination

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.864 <sup>a</sup>	.746	.686	21.62319	

a. Predictors: (Constant), X2M, X1M, X2, M, X1  
b. Dependent Variable: Y

Based on the results above, it is known that the coefficient of determination / R-Square value is 0.686 or 68.6%. This figure means that the variables are auditor competency (X1), auditor experience (X2), auditor ethics (M), the interaction between auditor competency (X1) and auditor ethics (M) and the interaction between auditor experience (X2) and auditor ethics (M) contributes to Audit Quality (Y) by 68.6%, while the remaining 31.4% is contributed by other variables that have not been studied.

#### 3.6.1.2 Multiple Regression Analysis (Regression Equation 1)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	171,788	68,466		2,509	.021
	Competence	.067	.902	.725	.291	.034
	Experience	.475	1,829	.472	.900	.003

It is known that the significance value of the Competency variable is 0.034 (< 0.05), so it can be concluded that the competency variable has a significant effect on the audit quality variable. It is known that the significance value of the experience variable is 0.03 (< 0.05), so it can be concluded that the experience variable has a significant effect on the audit quality variable.

#### 3.6.1.3 Model Summary<sup>b</sup> (Regression Equation 1)

Model Summary <sup>b</sup>			
Model	R	R Square	Adjusted R Square
1	.571 <sup>a</sup>	.326	.265

a. Predictors: (Constant), Experience, Competence  
b. Dependent Variable: Audit Quality

It is known that the Adjusted R Square value is 0.265, which means that the contribution of the influence of competence (X1) and experience (X2) to the Audit Quality variable (Y) is 26.5%. The results of the regression analysis use probability with a significance level of 5%. Based on the table above, it can be seen that Auditor Competency and Auditor Experience do not significantly influence Audit Quality. This can be seen from the regression equation as follows:

$$3.6.1.4 \text{ Audit Quality} = 171,788 + 0.725 \text{ Competency} + 0.472 \text{ Experience}$$

Based on the equation above, it can be seen that the coefficient values for Auditor Competency and Auditor Experience are positive, which means that competence and experience simultaneously have no effect on audit quality. From the research results, the Adjusted R Square value was 0.265 which means that auditor competency and auditor experience simultaneously do not influence audit quality by 26.5%, while the remaining 73.5% is explained by other factors outside this research.

#### 3.6.1.5 Multiple Regression Analysis (Regression Equation 2)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	171,788	68,466		2,509	.021
	Auditor Ethics	.466	1,533	6,442	2,275	.035
	Comp X Ea	.049	.022	2,671	2,250	.036
	Peng X Ea	.081	.041	8,042	1,955	.024

It is known that the significance value of the interaction variable between competency and auditor ethics is 0.36 (<0.05), so we can conclude that the auditor ethics variable (M) is able to moderate the influence of the competency variable on the audit quality variable. It is known that the significance value of the interaction variable between experience and auditor ethics is 0.024 (< 0.05), so we can conclude that the auditor ethics variable (M) is able to moderate the influence of the experience variable on the audit quality variable.

#### 3.6.1.6 Model Summary (Regression Equation 2)

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.831 <sup>a</sup>	.691	.610	.878

a. Predictors: (Constant), X2M, Experience, Competence, X1M, Auditor Ethics  
b. Dependent Variable: Audit Quality

The Adjusted R Square value is 0.610, which means that the contribution of the competency (X1) and Experience (X2) variables to the variable. Audit Quality (Y) after moderation (Auditor Ethics) was 61%. The results of the regression analysis use probability with a significance level of 5%. Based on the table above, it can be seen that Auditor Ethics can moderate auditor competence on audit quality while Auditor Ethics cannot moderate auditor experience on audit quality, so it can be seen from the regression equation as follows:

$$\text{Audit Quality} = 171,788 + 0.725 \text{ Competence} + 0.472 \text{ Experience} + 2,671 \text{ Auditor Competency*Ethics} + 8,042 \text{ Experience*Auditor Ethics.}$$

Based on the equation above, it can be seen that the coefficient value of Auditor Competency\*Ethics on audit quality is positive and has a significant effect, while Auditor Experience\*Ethics on audit quality is positive and has no significant effect. From the research results, the Adjusted R Square value was 0.610 which means Auditor Ethics competency and Auditor Ethics experience on audit quality is 61% while the remaining 39% is explained by other factors outside this research.

### 3.6.2 Partial Test Results (T Test)

The t test is carried out to show how much influence the independent variables (Auditor Competence and Auditor Experience) have on the dependent variable (Audit Quality) with the Moderating Variable (Auditor Ethics) individually or partially with the assumption that other variables are considered constant with the error rate and comparing the t count. with the t table and see the significance value.

#### 3.6.2.1 Partial Test Results (T)

Variable	Beta	t count	t table	Sig
Competence	-2,067	,902	-4,725	,034
Experience	-3,475	1,829	-2,472	.003
Auditor Ethics	-3,466	1,523	-16,442	,035
Comp X Ea	,049	12,671	,022	,036
Peng X Ea	,081	8,042	,041	.024

Based on the t test results in the table above, it can be concluded:

1. Hypothesis Testing 1: The Influence of Auditor Competence on Audit Quality. Based on the t test results above, it shows that t count (0.902) > t table ( -4.725 ) and Sig. (0.034) < (0.05), indicating that Ho is rejected and H1 is accepted. So the results of this research accept the first hypothesis which states that Auditor Competency has a Significant Influence on Audit Quality.
2. Hypothesis Testing 2: The Effect of Auditor Experience on Audit Quality. Based on the results of the t test above, it shows that t count (1.829) > t table ( -2.475 ) and Sig. (0.073) < (0.05), indicating that Ho is rejected and H1 is accepted. So the results of this research accept the first hypothesis which states that the auditor's experience has a significant influence on audit quality.
3. Testing Hypothesis 3: Auditor Ethics can Moderate the significant relationship between Auditor Competence and Audit Quality. Based on the results of the t test above, it shows that t count (12.671) > t table 0.022 and Sig. (0.036) < (0.05), indicating that Ho is rejected and H1 is accepted. So the results of this research accept the first hypothesis which states that Auditor Ethics can Moderate the significant relationship between Auditor Competence and Audit Quality
4. Testing Hypothesis 4: Auditor Ethics can Moderate the significant relationship between Auditor Experience and Audit Quality. Based on the results of the t test above, it shows that t count (8.042) > t table 0.041 and Sig. (0.024) < (0.05), indicating that Ho is rejected and H1 is accepted. So the results of this research accept the first hypothesis which states that Auditor Ethics can moderate the significant relationship between Auditor Experience and Audit Quality.

## CONCLUSION

Based on the results of discussion and data analysis, the following conclusions can be drawn:

1. Auditor competency has a positive and significant effect on audit quality at Inspeccão Geral do Estado (IGE) Timor Leste. This means that the better the competence of the auditor, the better the quality it produces,
2. Auditor work experience has a positive and significant effect on audit quality. This means that to carry out your duties as an auditor you must prioritize the experience an auditor has, but prioritize the results expressed in accordance with existing facts.

3. Auditor Competence has a positive effect on Audit Quality which can be strengthened by Auditor Ethics. This means that Auditor Competence has a positive and significant effect on Audit Quality which is strengthened or can be moderated by the Ethics possessed by an auditor, that an auditor's ethics is getting better and increasing which can strengthen his competence to carry out audit examinations, in order to obtain better results.
4. Auditor Work Experience has a positive effect on Audit Quality which can be strengthened by Auditor Ethics. This means that an auditor's work experience has a positive and significant effect on audit quality, which is strengthened or can be moderated by the ethics of an auditor, that an auditor's ethics are getting better and improving, which can strengthen work experience for carrying out audit checks, in order to obtain better results.

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