

# MULTIFINANCE

## Jurnal Ekonomi, Manajemen Dan Perbankan

Altin Riset Publishing

<http://altinriset.com/journal/index.php/multifinance>

E-ISSN: 3024-8175

Vol. 2, No. 1 Juli 2024

---

### THE INFLUENCE OF COMPETENCE AND PROFESSIONAL ETHICS OF AUDITORS ON AUDIT QUALITY AT THE ADMINISTRATIVE AND FINANCIAL COURT (TRIBUNAL DE CONTAS TIMOR-LESTE)

<sup>\*1</sup>Alexandre de Sousa Guterres, <sup>2</sup>Delia Iria Magno de Araujo, <sup>3</sup>Elias Ximenes, <sup>4</sup>Justina Gilberta Godinho

<sup>\*1,2,3,4</sup>Universidade Da Paz, Dili Timor Leste

Email: <sup>\*1</sup>aldesguterres2022@gmail.com, <sup>2</sup>deliamagno21@gmail.com, <sup>3</sup>eliasximenes1986@gmail.com, <sup>4</sup>justinagg@gmail.com

#### Abstract

This study aimed to test and analyze the impact of Auditor Competence (X1) and Auditor Professional Ethics (X2) on Audit Quality (Y) at the Tribunal de Contas Timor-Leste. The research questions focused on determining the extent to which competence (X1) and professional ethics (X2) influence audit quality (Y). The population of the study consisted of all 50 staff members of the Tribunal de Contas, with data collected using a census method through questionnaires. Multiple linear regression analysis, T-tests, and SPSS version 21 were used for statistical analysis. The multiple linear regression equation obtained was  $Y = -2.006 + 0.536 + 0.321 + e$ , with a determination coefficient ( $R^2$ ) of 0.329, indicating that 32.9% of the variance in audit quality was explained by the two independent variables, while the remaining 67.1% was influenced by other factors not examined. The T-test results showed that Auditor Competence (X1) had a T-statistic value of 2.429, which was greater than the T-table value of 1.677, with a significance level of 0.019, meaning that it had a positive but insignificant effect on audit quality. On the other hand, Auditor Professional Ethics (X2) had a T-statistic value of 2.930, exceeding the T-table value of 1.677, with a significance level of 0.003, indicating a positive and significant effect on audit quality. Therefore, while competence was not a major determinant, professional ethics significantly contributed to audit quality at the Tribunal de Contas.

**Keywords:** Competence, professional ethics, audit quality

#### Abstrak

Penelitian ini bertujuan untuk menguji dan menganalisis pengaruh Kompetensi Auditor (X1) dan Etika Profesional Auditor (X2) terhadap Kualitas Audit (Y) di Tribunal de Contas Timor-Leste. Pertanyaan penelitian difokuskan pada sejauh mana kompetensi (X1) dan etika profesional (X2) mempengaruhi kualitas audit (Y). Populasi penelitian ini terdiri dari seluruh 50 staf Tribunal de Contas, dengan pengumpulan data menggunakan metode sensus melalui kuesioner. Analisis regresi linier berganda, uji T, dan SPSS versi 21 digunakan untuk analisis statistik. Persamaan regresi linier berganda yang diperoleh adalah  $Y = -2.006 + 0.536 + 0.321 + e$ , dengan koefisien determinasi ( $R^2$ ) sebesar 0.329, yang menunjukkan bahwa 32.9% variasi dalam kualitas audit dijelaskan oleh dua variabel independen, sementara 67.1% sisanya dipengaruhi oleh faktor lain yang tidak diteliti. Hasil uji T menunjukkan bahwa Kompetensi Auditor (X1) memiliki nilai T-statistik sebesar 2.429, lebih besar dari nilai T-tabel sebesar 1.677, dengan tingkat signifikansi 0.019, yang berarti bahwa

*kompetensi memiliki pengaruh positif tetapi tidak signifikan terhadap kualitas audit. Di sisi lain, Etika Profesional Auditor (X2) memiliki nilai T-statistik sebesar 2.930, melebihi nilai T-tabel sebesar 1.677, dengan tingkat signifikansi 0.003, yang menunjukkan bahwa etika profesional berpengaruh positif dan signifikan terhadap kualitas audit. Oleh karena itu, meskipun kompetensi bukan merupakan faktor penentu utama, etika profesional secara signifikan berkontribusi terhadap kualitas audit di Tribunal de Contas.*

**Kata kunci:** *Kompetensi, etika profesi, kualitas audit*

## **Introduction**

State financial management is an activity that will affect the improvement of the welfare and prosperity of the Client and the people of East Timor in general. To be able to improve the welfare and prosperity of the community related to the management of state finances, it is necessary to have a state Audit Board with a state financial examiner who is free, independent, and professional and plays an active role in the realization accountable and transparent state financial governance (Alhababsah & Yekini, 2021). To realize it all, it is necessary to hold stricter and more selective supervision in selecting auditors who will later examine all elements of state finances to create a company that is clean and free from corruption and nepotism. The entire development process and services provided are aimed at the realization of welfare for the community. For this reason, the public sector audit here is intended not only to be aimed at the accountability of state financial management but also to focus on achieving public welfare.

In conducting an audit, several factors influence the auditor to produce a quality audit. One of them is that competent auditors are needed to produce quality audits. Rizqia & Lastiati, (2021) states that an audit is an activity carried out by a party that has the competence to check whether the results of government performance are under established standards. With competence, auditors can find errors or errors in an organization's procedures, and auditors need to report these errors in their audit reports. The benefit of public accounting services is to provide accurate and reliable information for decision-making. Financial statements that have been audited by a public accountant are more reliable than financial statements that have not been audited. Public accountability and good governance require an audit. The audit carried out is a public sector audit. A public sector audit is an objective systematic process for testing the accuracy and completeness of the information presented in a public sector organization's financial statements (Sjam et al., 2020).

Public accounting services play a crucial role in providing accurate and reliable information that supports decision-making processes. Financial statements that have undergone an audit by a public accountant are considered more trustworthy than those that have not been audited (Budyanto et al., 2021). This trustworthiness stems from the assurance that audited financial statements are free from material misstatements, adhering to the generally accepted accounting principles, which are also adopted in Timor-Leste. When organizations, investors, and stakeholders rely on these financial reports for decision-making, they can do so with confidence, knowing the data has been rigorously examined by independent professionals. In this context, public accountants are seen as gatekeepers of financial integrity, ensuring that organizations present a true and fair view of their financial position (Chalevas et al., 2021).

According to Kontogeorga & Papapanagiotou, (2023), auditor competence plays a pivotal role in determining the quality of an audit. Competence is not static; auditors must continually expand

their knowledge of auditing techniques and relevant sciences to maintain high standards in their profession. The dynamic nature of auditing standards and the increasingly complex financial environments mean that auditors must be proactive in learning and adapting to new challenges. High competence involves not only technical knowledge but also the application of skills and analytical abilities in a real-world context. Auditors with these capabilities are more likely to produce high-quality audits that can uncover potential discrepancies or misstatements in financial reports. This continuous improvement ensures that auditors can provide value to the entities they audit by identifying risks, suggesting improvements, and ultimately ensuring that financial statements reflect the true financial health of the organization.

In addition to competence, professional ethics are equally critical in the public accounting profession. Public accountants are entrusted with a significant responsibility, as they must provide impartial and accurate assessments of financial activities (Hamdani et al., 2020). Ethical standards guide auditors in maintaining objectivity, integrity, and independence during the audit process. These ethical principles help foster trust between auditors and the public, ensuring that the audit process remains free from bias or undue influence. The public expects auditors to provide an independent evaluation of financial information, which means that any perceived or actual conflict of interest can undermine the entire audit process. For this reason, adherence to professional ethics is vital in maintaining the credibility and reliability of public accounting services.

Professional ethics also shape the public's perception of auditors and their work. An auditor who upholds ethical standards contributes positively to the reputation of both their firm and the profession as a whole. In contrast, unethical behavior can severely damage the public's trust in auditors and the financial information they provide (Arvianty & Tandiontong, 2020). This trust is fundamental to the functioning of financial markets and institutions, as stakeholders rely on audited financial statements to make informed decisions. When ethical standards are violated, the repercussions can be far-reaching, not only for the auditor but also for the organizations they serve and the broader economy (Purba et al., 2024).

Furthermore, the influence of professional ethics extends beyond the individual auditor to the entire institution they represent. Public institutions that rely on audits expect auditors to provide an unbiased and objective assessment of their financial statements (Masmoudi, 2021). This expectation is rooted in the belief that public accountants, as professionals, are bound by ethical codes that ensure the integrity of their work. However, the public accountant's role is not without challenges. There are often pressures from clients or other stakeholders to present financial information in a more favorable light. It is in these moments that an auditor's commitment to professional ethics is most critical. An auditor must resist these pressures and remain steadfast in their duty to provide an accurate and impartial audit (Indah, 2022).

The public's reliance on audited financial statements underscores the importance of both competence and professional ethics in the auditing profession. Competence ensures that auditors have the necessary skills and knowledge to conduct thorough and effective audits, while ethics ensure that these audits are conducted with integrity and objectivity. The combination of these two elements is essential for maintaining the public's trust in the audit process and the financial statements it produces (Abu-Tapanjeh & Al-Sairah, 2021). Moreover, the regulatory environment also plays a crucial role in shaping the competence and ethical standards of auditors. In many countries, including Timor-Leste, some strict guidelines and regulations govern the auditing profession. These regulations often

require auditors to undergo continuous professional development and adhere to ethical codes set by professional bodies. By doing so, auditors are not only improving their competence but also ensuring that they meet the ethical expectations of the profession and the public.

Public accountants are also increasingly facing new challenges in the digital age. The rise of advanced technologies such as artificial intelligence, big data, and blockchain has transformed the auditing landscape. These technologies offer new tools that can enhance the audit process, making it more efficient and effective. However, they also present new risks and ethical dilemmas. Auditors must adapt to these technological advancements while maintaining their ethical standards. For instance, the use of artificial intelligence in audits may raise questions about data privacy and the auditor's responsibility to protect confidential information. As technology continues to evolve, auditors must be vigilant in ensuring that their use of these tools aligns with ethical principles.

### **Research Method**

A type of survey research is research conducted on large or small populations, but the data studied is sample data studied from the population. In this research, the population is all employees/staff of the Administrative and Financial Court (*Tribunal de Contas*) totaling 50 staff/respondents. The sampling technique in this research uses probability sampling using a saturated sampling technique (census), where the entire population is used as a research sample (Jaya, 2020), so the sample in this research is 50 staff. The type of data used in the research is quantitative data as well as data sources for processing data in the form of secondary data from the Administrative and Financial Court (*Tribunal de Contas*). The data collection technique used in this research is observation (direct observation) with a questionnaire. The data analysis technique used in the research is the multiple linear regression formula, which also measures the coefficient of determination and tests the research hypothesis to answer the allegations from this research.

### **Result and Discussion**

History of the Administrative and Financial Tribunal (*Tribunal de Contas*) The auditor called *Tribunal de Contas* was established in August 2011, several programs and activities were carried out including the recruitment of the first auditor. 2013 was the initial year of its operation. *Tribunal de Contas* Timor-Leste provides intelligent budgetary oversight. Under the law, it has full discretion to conduct audits as it deems appropriate. In addition, the president of the *Tribunal de Contas* cannot be removed without the legislative approval of the judiciary, which supports its independence. *Tribunal de Contas* Timor -Leste.

#### **Validity Test**

Valid means that the instrument used can measure what you want to measure. Validity tests are usually used by calculating the correlation between each instrument item score and the total validity score used in this study (content validity) describes the suitability of a data measure with what is being measured. An instrument is said to be valid if the corrected Item's total correlation value  $\geq 0.30$ . The complete validity test can be seen in the following table.

**Table. Validity Testing Results**

NO	VARIABLE AND INDICATOR STATEMENTS	CORRECTED ITEM-TOTAL CORRELATION	VALIDITY STANDARD	DESCRIPTION
<b>Auditor Competence (X1)</b>				
	1. Mastery of Accounting and Auditing Standards	0.730		Valid
	2. Insights on Governance	0.769		Valid
	3. Upgrading expertise	0.770		Valid
<b>AUDITOR PROFESSIONAL ETHICS (X2)</b>				
	1. Trustworthy	0.484	0.30	Valid
	2. Respect	0.670		Valid
	3. Responsibility	0.633		Valid
	4. Fairness	0.753		Valid
	5. Caring	0.635		Valid
<b>AUDIT QUALITY (Y)</b>				
	1. Misstatement detection	0.717		Valid
	2. Conformity to generally accepted standards	0.737		Valid
	3. Compliance with SOPs	0.830		Valid

Source: Processed questionnaire 2023

The validity test above shows that all indicators used to measure the variables used in this study include the Auditor Competency variable (X1) has 3 indicators, the Auditor Professional Ethics variable (X2) has 5 indicators and the Audit Quality variable (Y) has 3 indicators. Based on the test results above, it can be seen that the validity standard value has a standard value of 0.30, so it can be concluded that the instruments are all said to be valid. This means that the questionnaire distributed to the Administrative and Financial Court (*Tribunal de Contas Timor-Leste*), is valid or valid.

### Reliability

Reliability is a tool used to measure a questionnaire which is an indicator of a variable. According to Ferdinand (2006: 43), an instrument and the resulting data are called reliable or reliable if the instrument consistently produces the same results every time a measurement is made. The method used to test the reliability of the questionnaire in this study is to use the Cronbach's alpha coefficient formula, namely:

a. If the alpha coefficient  $\geq$  significance level 60 then the questionnaire is reliable.

If the alpha coefficient  $\leq$  significance level 60 then the questionnaire is not reliable.

**Table. Reliability Testing Results**

VARIABLE	CRONBACH'S ALPHA	RELIABILITY STANDARD	DESCRIPTION
<b>AUDITOR COMPETENCE (X1)</b>	0.670		Reliable
<b>AUDITOR PROFESSIONAL ETHICS (X2)</b>	0.625	0.60	Reliable
<b>AUDIT QUALITY (Y)</b>	0.625		Reliable

Source: Processed questionnaire 2023

The display of SPSS output in the table above shows that Cronbach's Alpha values for the Auditor Competency Variable (X1), Auditor Professional Ethics (X2), and Audit Quality (Y) are all greater than 0.60. With a Cronbach's Alpha value for the Auditor Competency variable (X1) of 0.670

or around 67.0% and the Auditor Professional Ethics variable (X2) of 0.625 or around 62.5% While for the Audit Quality Variable (Y) of 0.625 or around 62.5% Therefore, all instruments used to measure the three variables are reliable.

### Multicollinearity Test

The Multicollinearity test indicates a linear relationship between the independent variables. Multicollinearity testing in this study will use the variance inflation factor (VIF) value obtained from hypothesis testing. The criterion for Multicollinearity is if the VIF value is greater than 10, it means that there is a problem related to Multicollinearity, otherwise, if the VIF value is below 10, the regression model does not contain Multicollinearity and the Tolerance value is less than 10, Gujarati, (2000: 293). The results of this Multicollinearity assumption test are presented in the table below:

**Table. Multicollinearity Testing Results**

VARIABLE	TOLERANCE	VIF	DESCRIPTION
AUDITOR COMPETENCE (X1)	0.801	1.248	Multicollinear Free
AUDITOR PROFESSIONAL ETHICS (X2)	0.801	1.248	Multicollinear Free

Data Source: Questionnaire processed, 2023

Based on the table above, detection and determining the presence or absence of multicollinearity symptoms in the research regression model can be done by looking at the variance inflation factor (VIF) value and tolerance value. Based on this, there are no symptoms of multicollinearity because the value (VIF) is greater than 10 and the tolerance value is less than 0.10. Thus, the data does not occur in Multicollinearity.

### Multiple Linear Regression

**Table. Multiple Linear Regression**

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.006	3.020		-.664	.510
	X1	.536	.221	.318	2.429	.019
	X2	.321	.109	.383	2.930	.003

a. Dependent Variable: Y

Data Source: Questionnaire processed, 2023

Based on the table above with the multiple linear regression equation  $y = a + b_1 X_1 + b_2 X_2 + e$ , it can produce multiple linear regression as follows:

$$Y = 2.006 + 0.536X_1 + 0.321X_2. \text{ Where:}$$

A = 2.006 means that the Audit Quality at the Administrative and Financial Court (*Tribunal de Contas Timor-Leste*), before being influenced by Auditor Competence and Auditor Professional Ethics has a fixed value of 2.006.

$b_1 = 0.536$  is the regression coefficient of Auditor Competence (X1), meaning that any change concerning an increase of one unit of Auditor Competence (X1) at the Administrative and Financial Court (*Tribunal de Contas Timor-Leste*), can increase Audit Quality (Y) by 0.536 or 53.6%.

$b_2 = 0.321$  is the regression coefficient of the Auditor Professional Ethics variable (X2), meaning that any change regarding the Auditor Professional Ethics at the Administrative and Financial Court (*Tribunal de Contas Timor-Leste*), can increase Audit Quality (Y) by 0.321 or 32.1%.

**Table. Model Summary**

Model Summary				
The Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.597 <sup>a</sup>	.356	.329	1.27413

a. Predictors: (Constant), KA, EPA

b. Dependent Variable: KA

From the display of the SPSS output Model summary, the adjusted  $R^2$  is 0.329, this means that the Auditor Quality variable can be explained by the Auditor Competency and Auditor Professional Ethics variables by 32.9% while the rest ( $100\% - 32.9\% = 67.1\%$ ) can be explained by other causes outside the model.

### Hypothesis Testing

Hypothesis testing between the Auditor Competency Variable (X1) on Audit Quality (Y), it can be seen that Auditor Competence (X1) has a positive and significant effect on Audit Quality (Y), because the T-Statistics value obtained of 2.429 is greater than the T-table of 2.011 with a significant level of 0.019 greater than the significant level of 0.05, at a confidence level of 95% and an error rate of 5%. This means that  $H_0$  (hypothesis) is rejected and the alternative hypothesis ( $H_a$ ) is accepted, because the T-Statistics value falls in the acceptance area, which means that Auditor Competence (X1) has a positive and significant effect on Audit Quality (Y).

Auditor Professional Ethics Variable on Audit Quality Hypothesis testing between the Auditor Professional Ethics Variable (X2) on Audit Quality (Y), it can be seen that the Auditor Professional Ethics (X2) has a positive and significant effect on Audit Quality (Y) because the T-Statistics value obtained of 2.930 is greater than the T-table of 2.011 with a significant level of 0.003 smaller than the significant level of 0.05. at the 95% confidence level and 5% error rate. 5%. This means that  $H_0$  (null hypothesis) is accepted and the alternative hypothesis ( $H_a$ ) is rejected, because the T-Statistics value falls in the rejection area, which means that Auditor Professional Ethics (X2) has a positive and significant effect on Audit Quality (Y).

The results of hypothesis testing on the effect of the Auditor Competence variable (X1) on Audit Quality (Y) show that Auditor Competence has a positive and significant effect on Audit Quality. This is evidenced by the T-statistic value of 2.429, which is greater than the T-table value of 2.011 at a significance level of 0.019, smaller than the threshold significance level of 0.05, with a 95% confidence level and a 5% error rate. Based on these results, the null hypothesis ( $H_0$ ) is rejected, and the alternative hypothesis ( $H_a$ ) is accepted, indicating that Auditor Competence (X1) has a significant impact on Audit Quality (Y).

In auditing theory, auditor competence is a key factor that influences audit quality. Auditor competence encompasses the knowledge, skills, experience, and professional abilities required to conduct an effective audit. Competence also refers to the auditor's ability to apply auditing and

accounting principles correctly, following applicable standards. According to Susanto et al., (2022) theory, competence is a crucial determinant in audit quality, where competent auditors can detect material errors or irregularities in financial statements. Accurate detection of such errors or irregularities ultimately enhances the reliability of audited financial statements, thus improving audit quality.

Evinita & Kambey, (2021) affirm that auditors must continuously improve their knowledge and skills in auditing and other supporting disciplines to maintain high levels of competence. As such, auditors who possess the necessary expertise in financial examination, supported by knowledge and experience, can detect inconsistencies and provide relevant recommendations. This expertise is not only limited to technical understanding but also includes the ability to analyze complex situations, communicate effectively, and make appropriate decisions based on audit findings. Therefore, the hypothesis testing results, which show that auditor competence significantly affects audit quality, align with theories emphasizing the importance of competence in maintaining the integrity and quality of audits.

In addition to competence, the hypothesis testing results also show that Auditor Professional Ethics (X2) has a positive and significant effect on Audit Quality (Y). This is evidenced by the T-statistic value of 2.930, which is greater than the T-table value of 2.011, with a significance level of 0.003, smaller than the threshold significance level of 0.05, at a 95% confidence level and a 5% error rate. Therefore, the null hypothesis (Ho) is rejected, and the alternative hypothesis (Ha) is accepted, indicating that Auditor Professional Ethics (X2) significantly impacts Audit Quality (Y).

In the literature, professional ethics are one of the main pillars of the auditing profession. Professional ethics encompass a set of principles that govern auditors' behavior in carrying out their duties, including integrity, objectivity, confidentiality, and independence. High ethical standards ensure that auditors can provide honest, transparent, and unbiased judgments during the audit process. According to the auditor independence theory proposed by Cheung & Lai, (2022), auditors must maintain independence and be free from external pressure from clients or other parties that may compromise their objectivity. By adhering to professional ethics, auditors can preserve the integrity of the audit process and ensure that the audit results can be trusted by stakeholders.

Ethical theory also emphasizes that auditors have significant public responsibilities. As a profession entrusted with maintaining public trust in financial reporting, auditors must always act according to strict ethical standards. This is important because ethical violations, such as conflicts of interest or fraud, can severely damage both the auditor's reputation and public trust in the audit results. In this context, the hypothesis testing results, which indicate that Auditor Professional Ethics significantly affects Audit Quality, support theories highlighting the importance of ethics in ensuring audit quality. Auditors who adhere to professional ethics are more likely to produce high-quality audits, as they not only focus on technical competence but also on their moral responsibility to provide honest and accurate reports.

Furthermore, the influence of professional ethics extends beyond the individual auditor to the entire institution they represent. Public institutions that rely on audits expect auditors to provide unbiased and objective assessments of their financial statements. This expectation is rooted in the belief that public accountants, as professionals, are bound by ethical codes that ensure the integrity of their work. However, the role of a public accountant is not without challenges. There are often



pressures from clients or other stakeholders to present financial information in a more favorable light. It is in these moments that an auditor's commitment to professional ethics is most critical. An auditor must resist these pressures and remain steadfast in their duty to provide an accurate and impartial audit.

The public's reliance on audited financial statements underscores the importance of both competence and professional ethics in the auditing profession. Competence ensures that auditors have the necessary skills and knowledge to conduct thorough and effective audits, while ethics ensure that these audits are conducted with integrity and objectivity. The combination of these two elements is essential for maintaining the public's trust in the audit process and the financial statements it produces. Moreover, the regulatory environment also plays a crucial role in shaping the competence and ethical standards of auditors. In many countries, including Timor-Leste, there are strict guidelines and regulations that govern the auditing profession. These regulations often require auditors to undergo continuous professional development and adhere to ethical codes set by professional bodies. By doing so, auditors are not only improving their competence but also ensuring that they meet the ethical expectations of the profession and the public.

Public accountants are also increasingly facing new challenges in the digital age. The rise of advanced technologies such as artificial intelligence, big data, and blockchain has transformed the auditing landscape. These technologies offer new tools that can enhance the audit process, making it more efficient and effective. However, they also present new risks and ethical dilemmas. Auditors must adapt to these technological advancements while maintaining their ethical standards. For instance, the use of artificial intelligence in audits may raise questions about data privacy and the auditor's responsibility to protect confidential information. As technology continues to evolve, auditors must be vigilant in ensuring that their use of these tools aligns with ethical principles.

In conclusion, the benefit of public accounting services lies in their ability to provide reliable, accurate, and objective financial information that supports decision-making. Auditor competence is fundamental in ensuring the quality of an audit, as it reflects the auditor's ability to apply knowledge and skills effectively. Continuous learning and adaptation are necessary for auditors to remain competent in an ever-changing financial landscape. At the same time, professional ethics are crucial in maintaining the trust and credibility of the auditing profession. Auditors must adhere to ethical principles to ensure that their work remains free from bias and serves the public interest. As the auditing profession continues to evolve, the combination of competence and ethics will remain essential in upholding the integrity of financial reporting and the trust placed in public accountants. The continued development of both these aspects will not only enhance audit quality but also reinforce the role of auditors as key players in ensuring transparency and accountability in financial markets

## **Conclusion**

Based on the research results, which analyzed the influence of Auditor Competence and Auditor Professional Ethics on Auditor Quality at the Tribunal de Contas Dili Timor-Leste, the following conclusions were drawn. First, Auditor Competence does not have a positive and significant effect on Auditor Quality. This indicates that the competence of an auditor, in this context, does not necessarily motivate others to act voluntarily or from genuine commitment, but rather, their actions might be driven by obligation or fear of potential negative consequences. Second, while Auditor Professional Ethics shows a positive relationship with Auditor Quality, the effect is statistically

insignificant. This suggests that although ethical standards are upheld, they do not have a strong enough impact to significantly enhance Auditor Quality. However, the presence of professional ethics still plays a role in supporting the Tribunal de Contas' daily operations, contributing indirectly by shaping or influencing client attitudes and behavior, albeit not in a decisive manner.

## References

- Abu-Tapanjeh, A. M., & Al-Sarairah, T. M. K. (2021). The Availability of Forensic Accounting Application Factors to Enhance the Auditors Efficiency in Jordan. *The Journal of Asian Finance, Economics and Business*, 8(3), 807–819. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0807>
- Alhababsah, S., & Yekini, S. (2021). Audit committee and audit quality: An empirical analysis considering industry expertise, legal expertise and gender diversity. *Journal of International Accounting, Auditing and Taxation*, 42, 100377. <https://doi.org/10.1016/j.intaccaudtax.2021.100377>
- Arvianty, R. N., & Tandiontong, M. (2020). The Effect of Competence, Independence, and Size of Public Accounting Firms on Audit Quality. *International Journal of Multicultural and Multireligious Understanding*, 7(2), Article 2. <https://doi.org/10.18415/ijmmu.v7i2.1487>
- Budiyanto, Mursalim, M., & Lannai, D. (2021). Effect of Auditor Functional Competence, Integrity, and Utilization of Information Technology on Tax Audit Quality. *Point of View Research Accounting and Auditing*, 2(3), Article 3. <https://doi.org/10.47090/povraa.v2i3.148>
- Chalevas, C., Giannopoulos, P., Koutoupis, A., & Samara, A. (2021). Evaluating the role and effectiveness of the audit committee on the quality of financial reporting: Evidence from Greek PIEs. *International Journal of Banking, Accounting and Finance*, 12(4), 368–388. <https://doi.org/10.1504/IJBAAF.2021.118629>
- Cheung, K. Y., & Lai, C. Y. (2022). External auditors' trust and perceived quality of interactions. *Cogent Business & Management*, 9(1), 2085366. <https://doi.org/10.1080/23311975.2022.2085366>
- Evinita, L. L., & Kambey, J. P. (2021). Mediating Effects Of Governance on Audit Culture, Internal Control and Audit Quality in Indonesia: Basis for Model. *Studies of Applied Economics*, 39(12), Article 12. <https://doi.org/10.25115/eea.v39i12.6224>
- Hamdani, R., Rahimah, I., & Hafiz, M. (2020). *Exploring the Professionalism and Dysfunctional Behavior of Public Accountants on Audit Quality*.
- Indah, S. N. M. (2022). The effect of auditor competence and independence on audit quality. *Indonesia Auditing Research Journal*, 11(4), Article 4. <https://doi.org/10.35335/arj.v11i4.9>
- Jaya, I. M. L. M. (2020). *Metode Penelitian Kuantitatif dan Kualitatif: Teori, Penerapan, dan Riset Nyata*. Anak Hebat Indonesia.
- Kontogeorga, G., & Papapanagiotou, A. (2023). Auditing ethics and corruption: Old challenges and new trends for Supreme audit institutions in turbulent times. *Journal of Public Budgeting, Accounting & Financial Management*, 35(4), 474–492. <https://doi.org/10.1108/JPBAFM-08-2021-0131>

- Masmoudi, S. M. (2021). The effect of audit committee characteristics on financial reporting quality: The moderating role of audit quality in the Netherlands. *Corporate Ownership and Control*, 18(3), 19–30. <https://doi.org/10.22495/cocv18i3art2>
- Purba, R. B., Pitaloka, K., & Maisyarah, R. (2024). THE EFFECT OF INVESTIGATIVE AUDIT ON FRAUD PREVENTION THROUGH PROFESSIONAL COMPETENCE AND PRUDENCE AS AN INTERVENING VARIABLE. *Jurnal Focus Manajemen UPMI*, 1(01), Article 01. <https://doi.org/10.55751/jfm.v1i01.93>
- Rizqia, A., & Lastiati, A. (2021). Audit Quality and Tax Avoidance: The Role of Independent Commissioners and Audit Committee's Financial Expertise. *Journal of Accounting Auditing and Business*, 4(1), 14–31. <https://doi.org/10.24198/jaab.v4i1.29642>
- Sjam, J. M. E., Yadiati, W., Winarningsih, S., & Rosdini, D. (2020). Audit Quality Influenced by Auditor Competence and Audit Task Complexity. *Talent Development*, 1.
- Susanto, H., Mulyani, S., Sukmadilaga, C., & Ghani, E. K. (2022). Sustaining Investigative Audit Quality through Auditor Competency and Digital Forensic Support: A Consensus Study. *Sustainability*, 14(22), Article 22. <https://doi.org/10.3390/su142215141>