



The Determinant Effect of Internal Audit Quality With Fraud Prevention Coordination as Mediation

Handayani¹, Suratno², Yetty Murni³, Harnovinsah⁴, Syahril Djaddang⁵

¹²³⁴⁵Master of Accounting Study Program, Pancasila University, South Jakarta, DKI Jakarta, Indonesia

Correspondence: E-mail: handaq1@gmail.com

ABSTRACT

This research aims to test and analyze the influence of auditor experience, auditor independence and budget time pressure on internal audit quality and fraud prevention coordination. Apart from that, it also tests and analyzes the mediation of fraud prevention coordination on the influence of auditor experience, auditor independence and budget time pressure on the quality of internal audits in local government internal supervisory apparatus in the Bali region. The findings in this research prove that internal audit quality and fraud prevention coordination are significantly influenced by auditor experience and auditor independence, internal audit quality and fraud prevention coordination are not significantly influenced by budget time pressure, fraud prevention coordination is able to partially mediate the influence of auditor experience on audit quality. internal but unable to mediate the influence of auditor independence and budget time pressure on internal audit quality.

© 2024 Kantor Jurnal dan Publikasi UPI

ARTICLE INFO

Article History:

Submitted/Received 17 Nov 2023

First Revised 1 December 2023

Accepted 21 December 2023

First Available online 10 January 2024

Publication Date 10 January 2024

Keyword:

Internal Audit Quality, Auditor Experience, Auditor Independence, Budget Time Pressure, Fraud Prevention Coordination

1. INTRODUCTION

In 2022, it is known that 297 out of 542 local government APIPs or 54% have been able to achieve an APIP capability level ≥ 3 (integrated), which means that only 297 APIPs have been able to implement professional internal audits that are in accordance with standards, elements of activity programmes can be evaluated (efficiency-effectiveness and economy), play an effective role as consultants in internal control, governance improvement and risk management while 46% or 245 other local government APIPs still have capabilities below level 3 (integrated). Internal audit quality is a reflection of APIP capability. Organisational goals can be achieved with a systematic approach and evaluation of the effectiveness of controls and risk management, which is a contribution to the implementation of internal audit as a catalyst for improvement (Gultom, 2016).

The results of a 2019 survey by ACFE (Association of Certified Fraud Examiners) found that the three main types of fraud that occurred in Indonesia included corruption with 167 cases (69.5%), misappropriation of state and company assets 50 cases (20.9%) and fraud on financial statements 22 cases or equivalent to 9.2% (trihargo, 2019). The Commission for the Eradication of Criminal Acts of Corruption of the Republic of Indonesia (KPK-RI) carries out its duties and authorities in eradicating corruption, including based on the provisions of Article 6 letter b of Law Number 19 of 2019 that the KPK is tasked with coordinating with agencies authorized to carry out the eradication of criminal acts of corruption and agencies in charge of implementing public services. KPK coordinates local governments in preventing fraud (corruption) through the governance improvement and corruption prevention programme or Monitoring Center for Prevention (MCP). Some of the internal audit activities coordinated by the KPK through MCP include Probity Audit and Special Audit, with the average achievements nationally in 2021 still low, namely 59.69% and 76.98%. The score in the APIP supervision area nationally in 2021 has only reached 69%. The average achievement of the APIP capability score in local governments in the Bali region as measured by the KPK MCP in 2020 reached 72.1% and decreased in 2021 to 67.94%. The decline in the APIP capability score is reflected in a decrease in the quality of internal audits at the inspectorate of local governments in the Bali region.

From the results of previous research, it is known that internal audit quality is influenced by auditor experience, auditor independence and budget time pressure. Auditor experience significantly affects internal audit quality (Bachtiar et al., 2018) although according to the results of other studies it was found that work experience did not significantly affect internal audit quality (Septiana & Jaeni, 2021). Auditor independence also affects internal audit quality (Rialdy et al., 2020), (Pinto et al., 2020) but some other research results actually conclude that internal audit quality is not affected by auditor independence (Widiya & Syofyan, 2020), (Pikirang et al., 2017). Internal audit quality is negatively affected by budget pressure (Pinto et al., 2020), (Oktavia & Helmy, 2019) and internal audit quality is not affected by time budget pressure (Handoko & Pamungkas, 2020) other findings show time budget pressure positively affects audit quality (Meidawati & Assidiqi, 2019). Based on the phenomenon and the results of previous research, it is interesting to conduct further research

to analyse the effect of determinants of internal audit quality with fraud prevention coordination as a mediator carried out on internal auditors (APIP) of local government inspectorates in the Bali region. Fraud in this study is limited to the type of fraud in the form of corruption. The findings of this study may contribute to auditors, internal control institutions and regulators in formulating policies regarding improving the quality of internal audit of APIP in local governments so that it has an impact on improving the quality of internal control and fraud prevention (criminal acts of corruption).

2. METHODS

Population and Sample

The population in this study were all Government Internal Supervisory Apparatus (APIP) who had functional auditor positions at local government inspectorates in the Bali region, totalling 267 people in 2023. The sampling technique used is purposive sampling by limiting respondents to functional auditors who have held positions of at least young expert auditors or first expert auditors and advanced executive auditors who have a minimum of 5 (five) years of audit experience. The primary data collection technique is ordinal type by filling out a Likert scale questionnaire by 166 samples.

Data Analysis Method

The data were processed with multivariate analysis of Structural Equation Model (SEM) based on Partial Least Square (PLS) using the SmartPLS 4.0 application analysis tool. The stages of analysis include: a). descriptive analysis; b). evaluation of the measurement model (outer model) c). evaluation of the structural model (inner model); d). hypothesis testing; e). interpret the size effect of the mediation effect; f). determine the type of mediation.

Hypothesis Development

From the results of research (Pinto et al., 2020), (Kusnadi & Djaddang, 2019), (Kadek et al., 2015) found that internal audit quality is significantly influenced by auditor experience. Meanwhile, the findings of (Septiana & Jaeni, 2021) state the opposite that audit quality is not negatively and insignificantly affected by auditor experience. Thus, according to the researcher, there is a relationship between auditor experience and internal audit quality. Researchers propose the following hypothesis development:

H1: Auditor Experience has a significant effect on Internal Audit Quality

From the results of research (Pinto et al., 2020), (Dellai et al., 2016) it was found that internal audit quality is positively influenced by auditor independence, although from several other studies from (Widiya & Syofyan, 2020), (Pikirang et al., 2017), (Ardian et al., 2020) found opposite results that internal audit quality is not influenced by auditor independence. Thus, according to the researcher, there is a relationship between auditor independence and audit quality. The researcher proposes the following hypothesis development:

H2: Auditor Independence has a significant effect on Internal Audit Quality

From the results of research (Pikirang et al., 2017) and (Handoko & Pamungkas, 2020) it is found that internal audit quality is not affected by budget time pressure, while from the results of research (Septiana & Jaeni, 2021), (Kadek et al., 2015) it is found that internal audit

quality is negatively affected by budget time pressure. Thus, according to the researcher, there is a relationship between budget time pressure and audit quality. Researchers propose the following hypothesis development:

H3: Budget time pressure has a significant effect on internal audit quality

From the results of research (Andriyanti & Latrini, 2019) (Sania et al., 2019) and (Rafnes & Primasari, 2020) found that fraud prevention is significantly influenced by the experience of internal auditors, meaning that more experienced auditors are able to prevent fraud better than auditors with little experience. Thus, according to the researcher, there is a relationship between auditor experience and fraud prevention coordination. The researcher proposes the following hypothesis development:

H4: Auditor experience has a significant effect on fraud prevention coordination

From the results of research (Andriyanti & Latrini, 2019) found that fraud prevention is significantly influenced by auditor independence, which means that auditors with high independence are able to prevent fraud better than auditors who are not independent. Likewise, according to (Marfiana & Gunarto, 2021) that fraud prevention is positively influenced by auditor independence. Thus, according to the researcher, there is a relationship between the auditor independence variable and fraud prevention coordination. The researcher proposes the following hypothesis development:

H5: Auditor independence has a significant effect on fraud prevention coordination.

From the research findings (Rizqi et al., 2022) and (Sania et al., 2019) it is known that fraud prevention by auditors is not influenced by time budget pressure. Research from (Said & Munandar, 2018) found that the effect of auditor competence on fraud detection is not moderated by budget time pressure, while from research (Molina & Wulandari, 2018) found that the auditor's ability to prevent fraud is significantly influenced by budget time pressure. Thus, according to researchers, there is a relationship between budget time pressure and fraud prevention coordination. Researchers propose the following hypothesis development:

H6: Budget time pressure has a significant effect on fraud prevention coordination

From the results of research (Umar et al., 2019) it is known that fraud prevention is influenced by audit quality. Internal audit plays a significant role in fraud prevention efforts if the company has good quality resources in internal audit and an internal control system that is in accordance with standard procedures (Fatimah & Pramudyastuti, 2022). Thus, according to researchers, there is a relationship between fraud prevention coordination and internal audit quality. Researchers propose the following hypothesis development:

H7: Coordination of fraud prevention has a significant effect on internal audit quality

KPK coordinates the role of local government APIP with ministries/institutions/other agencies in order to improve governance and system improvements to close gaps and fraud (corruption) hotspots in local government. With its authority, the presence of the KPK can cut coordination barriers between APIP and related ministries / institutions / agencies so as to accelerate fraud prevention efforts (corruption) and have an impact on improving the quality of internal audits. Thus, according to researchers, there is a relationship between fraud prevention coordination as a mediator of the influence of auditor experience, auditor independence and budget time pressure on internal audit quality. Thus, the researcher proposes the following hypothesis development:

H8: Fraud prevention coordination is able to mediate the effect of auditor experience on internal audit quality

H9: Fraud prevention coordination is able to mediate the effect of auditor independence on internal audit quality

H10: Fraud prevention coordination is able to mediate the effect of budget time pressure on internal audit quality

3. RESULTS AND DISCUSSION

Results of descriptive statistical analysis

Table 1. Descriptive Statistics Test Results

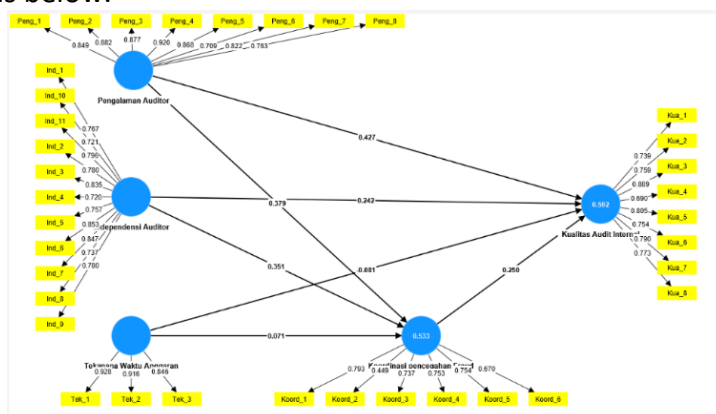
Variabel	Mean	Median	Observed min	Observed max	Standard deviation	Excess kurtosis	Skewness	Cramér-von Mises statistic	Cramér-von Mises test p value
KUA	4,434	4,125	1,000	5,000	0,543	0,422	-0,378	4,403	0,000
KOORD	4,228	4,000	1,000	5,000	0,665	2,675	-0,927	3,611	0,000
IND	4,205	4,000	1,000	5,000	0,569	1,695	-0,378	4,774	0,000
PENG	4,200	4,000	1,000	5,000	0,590	0,790	-0,281	4,451	0,000
TEK	4,078	4,000	2,000	5,000	0,647	1,763	-0,704	4,284	0,000

(primary data processed)

According to the results in the table above, the mean values are all between 4.078 and 4.434 so it can be concluded that the value is high. The standard deviation value of each variable is between 0.543 and 0.665 where all of them are smaller than each mean value, which means that each variable does not have a large distribution gap from its average value. The lowest skewness value is -0.927 and the highest is -0.281 so it is concluded that it is still in the ideal range, which is between -2 and 2 (Ghozali, 2018).

Measurement Model Evaluation Results (Outer Model)

Based on the results of processing questionnaire data from 166 respondents using the Smart PLS 4.0 application, the results of the measurement model evaluation (outer model) are obtained as below.



Outer Model Evaluation Results
(Source: Ringle, et al, 2022. <http://www.smartpls.com>)

It is known that several indicators with an outer loading value <0.70 , namely Kua_4 (0.690); Koord_2 (0.449); and Koord_6 (0.670) so that they do not meet the criteria for the minimum loading factor value, so they will be dropped from the model and remodelled. Furthermore, the results of validity and reliability testing are as follows.

Table 2. Convergent Validity and Reliability Test Results

Variabel	Outer loadings	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
IND	0,781	0,936	0,939	0,945	0,612
KOORD	0,780	0,786	0,788	0,861	0,608
KUA	0,794	0,903	0,906	0,923	0,633
PENG	0,837	0,939	0,949	0,950	0,704
TEK	0,897	0,878	0,881	0,925	0,805

(primary data processed)

In accordance with the test results in the table above, the outer loading indicators of all variables > 0.70 and the AVE value > 0.50 so it can be concluded that all variables have met the convergent validity criteria. All Cronbach's alpha and composite reliability values show a value > 0.70 so it can be concluded that all variables are reliable. Furthermore, from the results of testing the square root value of AVE (Fornell-Larcker criterion) it is known that auditor independence is 0.782; fraud prevention coordination is 0.780; internal audit quality is 0.796; auditor experience is 0.839 and budget time pressure is 0.897, each value is greater than all correlations between latent constructs so it is concluded that all meet the criteria for discriminant validity. Then the results of the HTMT test are all < 0.90 so it is concluded that they meet the criteria for discriminant validity. The results of the cross loading test show that all of them have exceeded the correlation value between other indicators and all cross loading values > 0.70 so it is concluded that they meet the discriminant validity criteria that the two different concepts of internal audit quality, fraud prevention coordination, auditor experience, auditor independence and budget time pressure each conceptually have shown sufficient differentiation or a set of indicators of each variable combined are not unidimensional.

Structural Model Evaluation Results (Inner Model)

Before further analysis is carried out, it must first be ensured that there is no multicollinearity with the reference VIF value < 5 . The results of testing inner multicollinearity show that the VIF value for all variables is < 5 so it is concluded that there is no multicollinearity in the inner model.

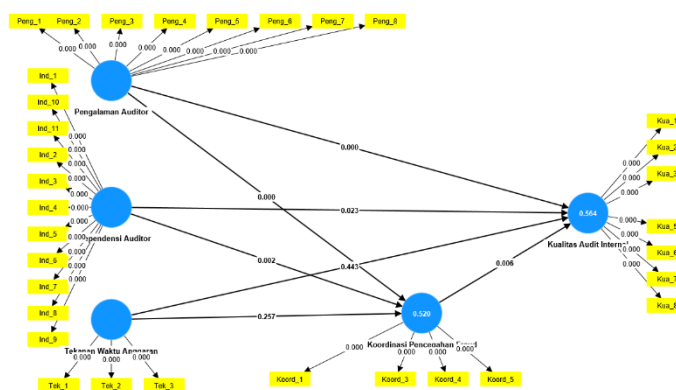


Figure 2. Inner Model Evaluation Results
(Source: Ringle, et al, 2022. <http://www.smartpls.com>)

R-square Test Results

It is known that the R-square value for fraud prevention coordination is 0.520, which means that the distribution of fraud prevention coordination can be explained by 52% together (simultaneously) from auditor experience, auditor independence, budget time pressure while the remaining 48% is explained by other variables. The R-square value of 0.52 <0.75 the effect is included in the moderate category (close to high). The R-square value for internal audit quality is 0.564, which means that the distribution of internal audit quality can be explained by 56.4% together (simultaneously) from auditor experience, auditor independence, budget time pressure and fraud prevention coordination while the remaining 43.6% is explained by others. The R-square value of 0.564 <0.75, so the effect is included in the moderate category (close to high).

Direct Influence Hypothesis Test Results

The results of the direct effect hypothesis test can be seen in the path coefficients below:

Table 3. Path Coefficients Test Results

	<i>Original sample (O)</i>	<i>Sample mean (M)</i>	<i>Standard deviation (STDEV)</i>	<i>T statistics (O/STDEV)</i>	<i>P-values</i>
IND -> KOORD	0,302	0,304	0,098	3,092	0,002
IND -> KUA	0,215	0,208	0,095	2,270	0,023
KOORD -> KUA	0,248	0,249	0,090	2,747	0,006
PENG -> KOORD	0,390	0,395	0,101	3,873	0,000
PENG -> KUA	0,428	0,436	0,099	4,326	0,000
TEK -> KOORD	0,104	0,105	0,092	1,133	0,257
TEK -> KUA	-0,069	-0,067	0,090	0,767	0,443

(primary data processed)

In accordance with the test results in the table above, auditor independence directly affects fraud prevention coordination by 0.302 which can be interpreted that every change of 1 (one) unit in auditor independence will increase fraud prevention coordination by 0.302 with a significant effect (p-values 0.002 <0.05). Auditor independence directly affects internal audit quality by 0.215 which can be interpreted that every change of 1 (one) unit in auditor independence can increase internal audit quality by 0.215 with a significant effect (p-values 0.023 <0.05). The effect of fraud prevention coordination directly on internal audit quality is 0.248, which can be interpreted that every change of 1 (one) unit in fraud prevention coordination can increase internal audit quality by 0.248 with a significant effect (p-values 0.006 <0.05). Auditor experience directly affects fraud prevention coordination by 0.390 which can be interpreted that every change of 1 (one) unit in auditor experience will increase fraud prevention coordination by 0.390 with a significant effect (p-values 0.000 <0.05). Auditor experience directly affects internal audit quality by 0.428 with a positive relationship direction which can be interpreted that every change of 1 (one) unit in auditor experience can increase internal audit quality by 0.438 with a significant effect (p-values 0.000 <0.05). Budget time pressure directly affects fraud prevention coordination by 0.104 which can be interpreted that every change of 1 (one) unit in budget time pressure can increase fraud prevention coordination by 0.104 with an insignificant effect (p-values 0.257 > 0.05). Budget time pressure directly affects internal audit quality by -0.069 which means that every increase of 1 (one) unit in budget time pressure has an impact on reducing internal audit quality by 0.069 with an insignificant effect (p-values 0.443 > 0.05).

Hypothesis Test Results of Indirect Influence (Mediation)

The results of the indirect effect (mediation) hypothesis test can be seen in the specific indirect effect test results below:

Table 4. Specific Indirect Effects Test Results

	<i>Original sample (O)</i>	<i>Sample mean (M)</i>	<i>Standard deviation (STDEV)</i>	<i>T statistics (O/STDEV)</i>	<i>P values</i>
PENG -> KOORD -> KUA	0,097	0,098	0,044	2,200	0,028
TEK -> KOORD -> KUA	0,026	0,025	0,025	1,043	0,297
IND -> KOORD -> KUA	0,075	0,077	0,039	1,909	0,056

(primary data processed)

According to the test results above, it is concluded that fraud prevention coordination is able to mediate the effect of auditor experience on internal audit quality (p-values $0.028 < 0.05$). Fraud prevention coordination is unable to mediate the effect of budget time pressure on internal audit quality (p-values $0.297 > 0.05$). Fraud prevention coordination is unable to mediate auditor independence on internal audit quality ($0.056 > 0.05$). In determining the type of mediation refers to the analysis of the identification diagram of the type of mediation according to (Hair Jr. et al., 2017) in the table below:

Table 5. Identification of Mediation Types

<i>P1. P2</i>	<i>p-values</i>	<i>Signifikansi</i>	<i>P1 · P2 · P3</i>	<i>Kesimpulan</i>
PENG -> KOORD -> KUA	0,028	Signifikan	Positif	<i>Complementary (Partial Mediation)</i>
IND -> KOORD -> KUA	0,056	Tidak Signifikan	Positif	<i>Direct Only (No Mediation)</i>
TEK -> KOORD -> KUA	0,297	Tidak Signifikan	Negatif	<i>No Effect (No Mediation)</i>

(primary data processed)

According to the test results above, it is concluded that fraud prevention coordination is only able to partially mediate the effect of auditor experience on internal audit quality, meaning that either with or without mediation from fraud prevention coordination, auditor experience significantly affects internal audit quality so that the mediation that occurs is complementary. Furthermore, the calculation of $\epsilon^2 = \beta^2_{MX} \cdot \beta^2_{YM \cdot X}$ with the effect criteria > 0.175 (large), > 0.075 (medium), > 0.01 (small) as according to Cohen in (Ogbeibu et al., 2021), the size effect of the mediation effect can be interpreted as in the table below:

Table 6. Size Effect of Mediation Effect

<i>Direct Effect</i>	<i>Original Sample (O)</i>	<i>Notasi statistik epsilon v</i>	<i>Kuadrat dari O</i>	<i>Effect (v = $\beta^2_{MX} \cdot \beta^2_{YM \cdot X}$)</i>	<i>Size</i>	<i>Kesimpulan</i>
PENG -> KOORD	0,390	β^2_{MX}	0,152	0,009		kecil
KOORD -> KUA	0,248	$\beta^2_{YM \cdot X}$	0,061			

(primary data processed)

Goodness of Fit and Predictive Relevant Test Results

From the results of the fit model test, it is known that the SRMR value in the estimated model is $0.065 < 0.08$ so it is concluded that the model is feasible (fit). From the summary of the results of the manivest prediction test (indicator), it is known that the Q2 Predict value is entirely positive, the PLS_SEM_RMSE value is entirely $< LM_RMSE$, for the PLS_SEM_MAE value only on the Kua_1 indicator whose value is smaller than LM_MAE ($0.356 < 0.351$) while the other 6 indicators are smaller than LM_MAE. Summary of Latent prediction test results

(constructs) shows the Q2 Predict value of 0.511 (positive), RMSE $0.706 < 1$ and MAE 0.545 which means the average absolute error between the predicted value and the real value is 54.5%. From the results of the CVPAT-PLS_SEM vs Indicator Average (IA) test, it is known that the average loss difference is $-0.033 < 0$, t-value $6.152 > 1.96$, p-value $0.000 < 0.05$, which means that the model has better predictive ability than the average indicator. Likewise, from the results of the CVPAT-PLS_SEM vs Linear Model (LM) test, it is known that the average loss difference is $-0.043 < 0$, t-value $3.694 > 1.96$, p-value $0.000 < 0.05$, meaning that the model is able to predict better than the linear model.

The Effect of Auditor Experience on Internal Audit Quality

The results of hypothesis testing prove that internal audit quality is significantly influenced by auditor experience with a positive relationship direction. The better the experience of internal auditors, the better the quality of internal audits at the inspectorate of local governments in the Bali region. There are eight indicators that are declared valid and reliable in reflecting the experience of auditors. This also shows that auditors at the local government inspectorate in Bali have high experience in carrying out audits so that they have an effect on producing quality internal audit reports. This situation is in line with the implementation of stewardship theory and stakeholder theory that the existence of local government APIP as an entity that has the public trust to carry out supervisory duties and functions by exerting all its audit experience capabilities to produce quality internal audits so as to achieve maximisation of APBD management, improve the quality of public services and public welfare. Quality internal audit results are a reflection of the implementation of internal control principles in COSO or SPIP and the implementation of quality APIP capabilities and have an impact on preventing fraud (corruption) in local governments in line with the findings of research (Bachtiar et al., 2018) and (Tjahjono & Adawiyah, 2019).

The Effect of Auditor Independence on Internal Audit Quality

The results of hypothesis testing prove that internal audit quality is significantly influenced by auditor independence with a positive relationship direction. The higher the independence of auditors, the better the quality of internal audits at regional inspectorates in the Bali region. There are eleven indicators that are declared valid and reliable in reflecting auditor independence, this also shows that auditors at the local government inspectorate in the Bali region have high independence in carrying out audits so that they have an effect on producing quality internal audit reports. This situation is in line with the implementation of stewardship theory and stakeholder theory that the existence of local government APIP as an entity that has public trust to carry out supervisory duties and functions by always upholding its independence in order to produce quality internal audits so as to achieve maximisation of APBD management, improve the quality of public services and public welfare as found in research (Welay et al., 2019) and (Rialdy et al., 2020).

The Effect of Budget Time Pressure on Internal Audit Quality

The results of hypothesis testing prove that internal audit quality is not significantly affected by budget time pressure and the direction of the resulting relationship is negative. There are three indicators that are declared valid and reliable in reflecting budget time pressure, this also shows that auditors at the local government inspectorate in Bali have a good ability to complete audit work with complete evidence and are accustomed to responding to pressures related to time and budget constraints. In the view of stewardship theory, internal auditors should also work without getting time and budget pressure from

their superiors because it can be a psychological burden that interferes with the need to achieve and be appreciated, satisfaction with successful performance achievement, and respect for authority and work ethics are non-financial motives that must be recognised by superiors as managers of internal auditors. However, the results showed that internal audit quality was not significantly affected by time and budget pressures, in line with research findings (Pikirang et al., 2017).

The Effect of Auditor Experience on Fraud Prevention Coordination

The results of hypothesis testing prove that fraud prevention coordination is significantly influenced by auditor experience with a positive relationship direction. The increasing experience of auditors will have a better effect on the coordination of fraud prevention carried out by the KPK. There are eight indicators that are declared valid and reliable in reflecting the auditor's experience. The structural level (size effect) of the effect of auditor experience on fraud prevention coordination is categorised as moderate (close to high). This situation is in line with the implementation of stewardship theory and stakeholder theory that the existence of local government APIP as an entity that has public trust to carry out supervisory duties and functions by mobilising all the best experience in the context of fraud prevention so as to achieve maximisation of APBD management, improve the quality of public services and the welfare of the community as stakeholders for local governments. The contribution of the high experience of internal auditors in fraud prevention proves that internal auditors have implemented the principles of internal control in COSO or SPIP and the implementation of APIP capabilities properly so as to support the optimisation of the implementation of fraud prevention coordination (corruption) implemented by the KPK through the monitoring center for prevention (MCP) program, these findings are in line with research (Andriyanti & Latrini, 2019) (Sania et al., 2019) and (Rafnes & Primasari, 2020).

4. CONCLUSION

Referring to the research objectives, hypothesis test results and discussion analysis, it is concluded: 1). Internal audit quality is significantly influenced by auditor experience with a positive relationship direction and the size effect is moderate (close to high); 2). Internal audit quality is significantly influenced by auditor independence with a positive relationship direction and the size effect is low (close to medium); 3). Internal audit quality is not significantly influenced by budget time pressure, the direction of the resulting relationship is negative and the size effect is absent; 4). Fraud prevention coordination is significantly influenced by auditor experience, the direction of the resulting relationship is positive and the size effect is moderate (close to high); 5) Fraud prevention coordination is significantly influenced by auditor independence, the direction of the resulting relationship is positive and the size effect is moderate (close to high); 6) Fraud prevention coordination is not significantly influenced by budget time pressure even though the direction of the resulting relationship is positive while the size effect is absent; 7). Internal audit quality is significantly influenced by fraud prevention coordination with a positive relationship direction and the size effect is low; 8) Fraud prevention coordination is able to mediate the effect of auditor experience on internal audit quality partially, the nature of the resulting mediation is complementary and the size effect level is categorised as small; 9) Fraud prevention coordination is unable to mediate the effect of auditor independence on internal audit quality and auditor independence only has a significant effect directly on internal audit quality (direct only); 10)

Fraud prevention coordination is unable to mediate the effect of budget time pressure on internal audit quality (no mediation) and budget time pressure also has no direct effect on internal audit quality (no effect). This study has several limitations, among others: 1) limited previous research that discusses internal audit quality and coordination of fraud prevention (corruption) so that some of the theories about internal audit quality and prevention coordination are referred from research that discusses audit quality and fraud prevention in general; 2). The use of fraud prevention coordination variables (corruption) as mediation is still the first time it has been used.

In accordance with the above conclusions, some suggestions that can be recommended include: 1). For internal auditors at the inspectorate of local governments in Bali to continue to increase audit experience and independence in carrying out internal audits because they have a significant effect in producing quality internal audits and have a significant effect in improving fraud prevention coordination; 2). For APIP stakeholders in local government, among others: the head of the region in order to allocate a budget and an adequate number of internal auditor personnel so as to reduce time pressure and budget constraints for auditors; the leaders of regional apparatus organisations (OPD) as auditors in order to avoid all forms of intervention in the independence of internal auditors to ensure the production of quality internal audits; 3). For the KPK, it is necessary to carry out a more effective MCP program strategy, especially by ensuring the implementation of commitments from local government leaders, increasing socialisation and understanding of the program, increasing facilitation of coordination with local government stakeholders, monitoring and evaluating achievements and follow-ups so that they increasingly contribute to improving the quality of internal audits, improving governance and preventing fraud (corruption); 4) Future researchers are expected to develop the current findings, for example, making fraud prevention coordination an exogenous variable or as a moderator or as a mediator for the influence of several other exogenous variables on internal audit quality so as to enrich the results of research and government accounting science in general.

5. REFERENCES

- Andriyanti, D., & Latrini, M. Y. (2019). Pengaruh Pengalaman, Independensi, dan Profesionalisme Auditor Internal Dalam Mencegah Kecurangan Pada Bank Perkreditan Rakyat. *E-Jurnal Akuntansi*, 476. <https://doi.org/10.24843/eja.2019.v27.i01.p18>
- Ardian, Anwar, D., & Amyar, F. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Kualitas Audit Internal Dalam Pengambilan Keputusan Laporan Keuangan.
- Bachtiar, H., Aliamin, & Indriani, M. (2018). Pengaruh Due Professional Care Organisasi Sebagai Pemoderasi Pada Kantor Inspektorat Pemerintah Kota Lhokseumawe. 4(2).
- Dellai, H., Ali, M., & Omri, B. (2016). Factors Affecting the Internal Audit Effectiveness in Tunisian Organizations. In *Research Journal of Finance and Accounting* www.iiste.org ISSN (Vol. 7, Issue 16). Online. www.iiste.org
- Djaddang, S., Lysandra, S., & Syam, M. A. (2014). Penerapan Pengendalian Intern Berbasis Sarbanes Oxley Act Dan Keandalan Pelaporan Keuangan (Studi Internal Audit Pada Perusahaan Publik Di Indonesia). *Jurnal 3rd Economics & Business Festival*.
- Fatimah, K., & Pramudyastuti, O. L. (2022). Analisis Peran Audit Internal Dalam Upaya Pencegahan Dan Pendeteksian Kencenderungan Kecurangan Akuntansi (Fraud). *Jurnal Ilmiah Akuntansi Dan Bisnis*, 7(2). <http://journal.undiknas.ac.id/index.php/akuntansi>
- Ghozali, I. (2018). Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25 (Sembilan). In Semarang, Universitas Diponegoro.

- Gultom, E. A. (2016). Peranan Audit Internal Dalam Menunjang Pengendalian Sistem Persediaan (Studi Kasus pada PT. Rolas Nusantara Mandiri). <https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/3417/3062>
- Hair Jr., J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2). <https://doi.org/10.1504/ijmda.2017.10008574>
- Handoko, B. L., & Pamungkas, H. R. (2020). Effect of Independence, Time Budget Pressure, and Auditor Ethics on Audit Quality. *International Journal of Psychosocial Rehabilitation*, 24(9).
- Kadek, A., Ni, P., Gede, L., Sulindawati, E., Ak, M., Nyoman, A. S., & Darmawan, S. E. (2015). Pengaruh Kompetensi, Independensi, Obyektivitas, Integritas Dan Akuntabilitas Terhadap Kualitas Audit Di Pemerintah Daerah (Studi Empiris Pada 5 Kantor Inspektorat Provinsi Bali).
- Kusnadi, E., & Djaddang, S. (2019). Antesenden Kualitas Audit dengan Perilaku Whistleblowing dan Skeptisme Profesional Sebagai Moderasi Infoartikel Jel Classification: M42 L20. In *Jurnal Riset Akuntansi dan Perpajakan* (Vol. 6, Issue 1).
- Marfiana, R., & Gunarto, M. (2021). Pengaruh Pengendalian Audit Internal dan Independensi Auditor Terhadap Pencegahan Kecurangan. *Jurnal Bisnis, Manajemen Dan Ekonomi (JBME)*, 2(4).
- Meidawati, N., & Assidiqi, A. (2019). The influences of audit fees, competence, independence, auditor ethics, and time budget pressure on audit quality. *Jurnal Akuntansi & Auditing Indonesia*, 23(2). <https://doi.org/10.20885/jaai.vol23.iss2.art6>
- Molina, & Wulandari, S. (2018). Pengaruh Pengalaman, Beban Kerja Dan Tekananwaktu Terhadap Kemampuan Auditor Dalam Mendeteksi Kecurangan. *Jurnal Ilmu Akuntansi - Akunnas*, 16(2).
- Ogbeibu, S., Jabbour, C. J. C., Gaskin, J., Senadjki, A., & Hughes, M. (2021). Leveraging STARA competencies and green creativity to boost green organisational innovative evidence: A praxis for sustainable development. *Business Strategy and the Environment*, 30(5), 2421–2440. <https://doi.org/10.1002/bse.2754>
- Oktavia, M. E., & Helmy, H. (2019). Pengaruh Time Budged Pressure Dan Skeptisisme Profesional Auditor Terhadap Kualitas Audit (Studi Empiris Pada Inspektorat Wilayah Provinsi Sumatera Barat). *Jurnal Eksplorasi Akuntansi*, 1(4). <http://jea.ppj.unp.ac.id/index.php/jea/issue/view/16>
- Peraturan BPKP Republik Indonesia Nomor 8 Tahun 2021 Tentang Penilaian Kapabilitas Aparat Pengawasan Intern Pemerintah Pada Kementerian/Lembaga/Pemerintah Daerah
- Pikorang, J., Sabijono, H., Wokas, H. R., Akuntansi, J., Ekonomi dan Bisnis, F., Sam Ratulangi, U., & Kampus Bahu, J. (2017). Pengaruh Tekanan Waktu, Independensi Dan Etika Auditor Terhadap Kualitas Audit Di Kantor Inspektorat Kabupaten Kepulauan Sangihe. In *Jurnal Riset Akuntansi Going Concern* (Vol. 12, Issue 2).
- Pinto, M., Rosidi, R., & Baridwan, Z. (2020). Effect of Competence, Independence, Time Pressure and Professionalism on Audit Quality (Inspeção Geral Do Estado in Timor Leste). *International Journal of Multicultural and Multireligious Understanding*, 7(8), 658. <https://doi.org/10.18415/ijmmu.v7i8.2013>
- Rafnes, M., & Primasari, N. H. (2020). Pengaruh Skeptisisme Profesional, Pengalaman Auditor, Kompetensi Auditor Dan Beban Kerja Terhadap Pendeteksian Kecurangan. *Jurnal Akuntansi Dan Keuangan FEB Universitas Budi Luhur*, 9(1).

- Rialdy, N., Sari, M., & Nainggolan, E. P. (2020). Model Pengukuran Kualitas Audit Internal (Studi Pada Auditor Internal Pada Perusahaan Swasta, BUMD dan BUMN di Kota Medan). *Jurnal Samudra Ekonomi Dan Bisnis*, 11(2), 210–226. <https://doi.org/10.33059/jseb.v11i2.2118>
- Rizqi, P. A., Dewata, E., Sari, Y., & Jauhari, H. (2022). Determinan Kemampuan Auditor Dalam Mendeteksi Kecurangan Pada Bpkp Perwakilan Provinsi Sumatera Selatan. *Jurnal Riset Akuntansi Mercuri Buana (JRAMB)*, 8(2).
- Said, L. L., & Munandar, A. (2018). The Influence of Auditor's Professional Skepticism and Competence On Fraud Detection: The Role of Time Budget Pressure. *Jurnal Akuntansi Dan Keuangan Indonesia*, 15(1), 104–120. <https://doi.org/10.21002/jaki.2018.06>
- Sania, A., Widaryanti, & Sukanto, E. (2019). Skeptisme Profesional, Independensi, Tekanan Waktu, Pengalaman Audit dan Kemampuan Auditor dalam Mendeteksi Kecurangan Professional skepticism, Independence, Time Pressure, Audit experience and the Auditor's Ability to Detect Fraud. *Prosiding Mahasiswa Seminar Nasional Unimus*, 2. <http://prosiding.unimus.ac.id>
- Sawyer, L. B. (2003). *Sawyer's Internal Auditing: The Practice of Modern Internal Auditing*. The Institute of Internal Auditors.
- Septiana, R. F., & Jaeni, J. (2021). Pengaruh Kompetensi, Independensi dan Pengalaman Kerja Auditor terhadap Kualitas Audit dengan Etika Auditor Sebagai Variabel Moderasi (Studi Empiris Kantor Akuntan Publik di Semarang, Solo dan Yogyakarta). *Jurnal Ilmiah Universitas Batanghari Jambi*, 21(2). <https://doi.org/10.33087/jiubj.v21i2.1494>
- Tjahjono, M. E. S., & Adawiyah, D. R. (2019). Pengaruh Kompetensi Auditor, Pengalaman Auditor Dan Motivasi Auditor Terhadap Kualitas Audit (Studi Empiris Pada Auditor di Inspektorat Provinsi Banten). *Jurnal Riset Akuntansi Terpadu*, 12(2). <https://doi.org/10.35448/jrat.v12i2.6165>
- Trihargo, G. (2019). *Survei Fraud Indonesia Tahun 2019*. <https://acfe-indonesia.or.id/wp-content/uploads/2021/02/Survei-Fraud-Indonesia-2019.pdf>
- Umar, H., Fauziah, A., & Purba, R. B. (2019). Audit Quality Determinants and The Relation of Fraud Detection. *International Journal of Civil Engineering and Technology (IJCIET)*, 10(3), 1447–1460. <http://www.iaeme.com/IJCIET/index.asp1447>
- Welay, P. A., Rosidi, R., & Nurkholis, N. (2019). Analysis of Factors Affecting Internal Audit Quality: Study at the Inspectorate of Maluku Province, Ambon City and West Seram District. *International Journal of Multicultural and Multireligious Understanding*, 6(6), 116. <https://doi.org/10.18415/ijmmu.v6i6.1247>
- Widiya, W., & Syofyan, E. (2020). Pengaruh Kompetensi, Independensi, Dan Etika Auditor Terhadap Kualitas Audit Aparat Inspektorat (Studi Empiris pada Kantor Inspektorat Provinsi Sumatera Barat). In *Jurnal Eksplorasi Akuntansi (Vol. 2)*. Online. <http://jea.ppj.unp.ac.id/index.php/jea/issue/view/32>