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## Do Skepticism, Independence, and Competence Matter? Evidence on Factors Influencing Auditors' Fraud Detection Ability

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## Abstract

This study addresses a critical gap by exploring how individual auditor attributes affect fraud detection performance in the public sector context. This study aims to examine the influence of professional skepticism, independence, and professional competence on internal auditors' ability to detect fraud within ministries and governmental institutions in Indonesia. A quantitative causal research design was employed, using a stratified random sampling technique to collect data from 96 internal auditors across various Indonesian ministries and agencies. Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) to assess first- and second-order constructs. The results show that all three independent variables significantly influence fraud detection ability. Among them, independence has the strongest effect, followed by professional competence and professional skepticism. These findings underscore the importance of maintaining auditor autonomy and enhancing technical capabilities to improve fraud detection in the public sector. The study suggests that government institutions should prioritize training programs that strengthen auditors' independence and professional competence. Internal audit policies must also reinforce structural independence to ensure objective fraud detection efforts.

## Keywords

Auditor Independence, Fraud Detection, Internal Audit, Professional Competence, Professional Skepticism.

## 1. Introduction

Fraud remains a persistent and complex issue in the field of auditing, encompassing schemes such as corruption, asset misappropriation, and financial statement manipulation (Mandal & Amilan, 2023). In Indonesia, fraud within the public sector has drawn significant attention, with notable cases reported between 2015 and 2023, including procurement irregularities and fictitious budgeting scandals (Toloh, 2024). These challenges demand a more proactive role from internal auditors in enhancing their ability to detect fraud effectively (Sudirman et al., 2021). The nature of fraud requires auditors to go beyond routine procedures, especially in high-risk environments (Chui et al., 2022). Studies by Prameswari et al. (2022), Affandi (2024), and Subawa et al. (2024) highlighted that an auditor's ability to detect fraud is closely linked to individual characteristics, including professional skepticism, independence, and professional competence. These traits are essential in recognizing red flags and exercising sound judgment during audit engagements. Therefore, understanding the influence of these factors is crucial in strengthening internal audit functions and promoting accountability across organizations (Bonrath & Eulerich, 2024).

Public financial management in Indonesia continues to face persistent challenges, including budget inefficiency, fund leakage, and widespread corruption (Paranata, 2025). In response, the Indonesian government has undertaken several reforms, particularly in strengthening internal control mechanisms. A key initiative is the establishment of the Government Internal Supervisory Apparatus (*Aparat Pengawasan Intern Pemerintah*/APIP), in line with Government Regulation Number 60 of 2008 on the Government Internal Control System. APIP plays a strategic role in ensuring transparency and accountability in public sector financial management. However, the effectiveness of APIP in detecting and addressing fraud is significantly influenced by factors such as auditor independence, professional competence, and the availability of adequate resources (Indah, 2022). These elements are critical not only for identifying fraud but also for providing actionable recommendations for improvement. The integration of information technology into the audit process has also emerged as a vital tool for enhancing both the efficiency and accuracy of oversight activities (Ramos et al., 2024). To analyze these issues, agency theory provides a relevant framework, as it emphasizes the importance of aligning the interests of public officials (agents) with those of the state and society (principals) through strong monitoring and control mechanisms (Morales-Sánchez et al., 2020).

Previous studies have consistently emphasized the importance of individual auditor characteristics in enhancing fraud detection capabilities. Rahim et al. (2023) found that professional skepticism and ethical idealism significantly influence auditors' judgment when uncovering financial statement fraud. Similarly, Khaksar et al. (2021) demonstrated that personal attributes such as integrity, diligence, and analytical thinking are critical in identifying fraudulent activities. La Ode et al. (2020) added that independence, audit experience, and skepticism play a pivotal role, while workload may hinder auditors' effectiveness. Razali et al. (2025) further highlighted the need for digital technology competencies to support fraud detection in the evolving audit landscape. Noch et al. (2022) identified professional skepticism as a moderating factor between independence and competence in relation to fraud detection, suggesting that these traits interact in complex ways. Bonrath and Eulerich (2024) provided empirical evidence on how internal audit functions contribute to both fraud prevention and detection, particularly when supported by strong institutional frameworks. Moreover, Chui et al. (2022) showed that auditors with a forensic mindset are more responsive to fraud risks. Studies in the Indonesian context, such as by Sudirman et al. (2021), Prameswari et al. (2022), and Subawa et al. (2024) support these findings, underscoring that strengthening internal audit

functions, combined with competent and skeptical auditors, is key to mitigating fraud risks.

Unlike previous studies by La Ode et al. (2020), Noch et al. (2022), and Rahim et al. (2023), this research generally focuses on external auditors or the private sector; this research addresses the public sector context, where fraud risks and institutional aspects differ significantly. The study offers novelty by employing Structural Equation Modeling–Partial Least Squares (SEM-PLS) with both first- and second-order constructs to explore the multidimensionality of competence and skepticism. This approach enables a more comprehensive evaluation of how complex auditor traits interact to influence fraud detection effectiveness in the government sector.

The development of this study's hypotheses is grounded in agency theory, which posits that effective monitoring mechanisms are essential to align the interests of agents (e.g., public officials) with those of principals (e.g., the state or citizens). Within this framework, auditors act as monitoring agents whose ability to detect fraud is influenced by their personal and professional attributes. Prior research by Chui et al. (2022) and Rahim et al. (2023) has shown that professional skepticism enhances auditors' critical assessment of audit evidence, enabling them to identify inconsistencies and red flags associated with fraud. Similarly, independence is crucial for maintaining objectivity and resisting pressure from auditees, which directly supports fraud detection (La Ode et al., 2020; Noch et al., 2022). Furthermore, professional competence, including technical knowledge, experience, and analytical skills, equips auditors with the tools necessary to recognize complex fraud schemes (Khaksar et al., 2021; Razali et al., 2025). This study aims to examine the influence of professional skepticism, independence, and professional competence on auditors' ability to detect fraud, with a specific focus on internal auditors within Indonesian ministries and government agencies in 2024.

## **2. Literature Review and Hypothesis Development**

### **2.1. The Effect of Professional Skepticism on Fraud Detection**

Professional skepticism represents a critical attitude that encourages auditors to question information and evaluate the adequacy, relevance, and competence of audit evidence before forming a conclusion (Surya et al., 2021). This mindset reflects impartiality and resistance to bias, ensuring that auditors do not easily accept assertions from management without sufficient verification (Mokoagouw et al., 2018). By maintaining continuous alertness toward the possibility of misstatements, whether caused by errors or fraud, professional skepticism contributes to the production of audit reports that are credible and free from material inaccuracies. Such an attitude requires auditors to remain critical of the integrity of financial information and actively search for corroborating evidence, thus strengthening the reliability of financial statements being examined. Conceptually, skepticism aligns with the broader role of auditors as providers of assurance and guardians of public trust in financial accountability.

Empirical findings consistently show that professional skepticism plays an essential role in fraud detection. Auditors with strong skepticism demonstrate a more thorough examination of evidence, increased vigilance toward inconsistencies, and a willingness to explore indications of irregularities that may signal fraudulent activity (Husnah et al., 2023). However, the effectiveness of skepticism is not absolute; organizational pressures and conflicts of interest can hinder auditors' critical judgment and limit their fraud detection capabilities (Rahim et al., 2023). These insights are reinforced by previous studies by Noch et al. (2022) that highlight skepticism as a fundamental yet sometimes constrained determinant of fraud detection behavior. Therefore, scholarship underscores that enhancing professional

skepticism remains crucial for improving audit effectiveness, particularly in environments with heightened risks of manipulation and reduced transparency.

H1: Professional skepticism has a significant effect on auditors' fraud detection.

## **2.2. The Effect of Independence on Fraud Detection**

Independence is a fundamental professional attitude that requires auditors to carry out their duties without personal interests or external influence, ensuring neutrality and objective judgment throughout the audit process (Njagi, 2023). This concept underpins the expectation that auditors serve the public interest by maintaining freedom from conflicts that could compromise audit quality. Independence strengthens the credibility of financial statements because it ensures that conclusions are formed based on factual evidence rather than pressure from management or relational bias. Within the auditing context, independence encompasses honesty and integrity in evaluating information, enabling auditors to assess evidence objectively and avoid partiality in their professional decisions (Dasila & Hajering, 2019). Conceptually, an independent mental attitude is essential for enhancing assurance functions, promoting transparent reporting, and supporting effective governance.

The relationship between independence and fraud detection effectiveness has been increasingly emphasized in empirical research. Independent auditors are more likely to think reasonably, make unbiased judgments, and take assertive actions when identifying indications of irregularities, thereby enhancing their ability to detect fraudulent behavior (Endri, 2020). Independence serves as a key enabler that allows auditors to question management assertions and critically examine financial discrepancies without fear of retaliation or conflict of interest. Empirical evidence confirms this relationship, showing that independence significantly influences fraud detection performance, particularly in high-risk environments such as the public sector (Noch et al., 2022). Similarly, Adrian et al. (2024) found that independence has a significant positive effect on auditors' fraud detection capabilities, reinforcing its central role in strengthening audit integrity and safeguarding organizational accountability. With such support, literature consistently highlights independence as a dominant determinant in fraud detection effectiveness.

H2: Independence has a significant effect on auditors' fraud detection.

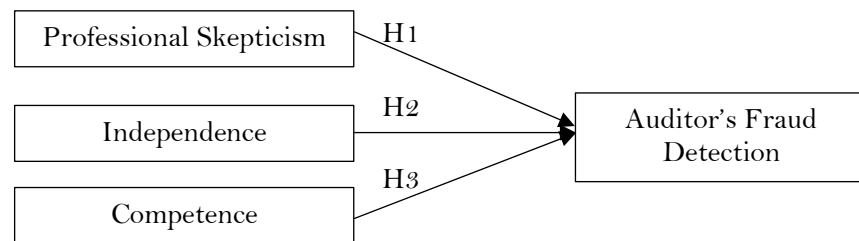
## **2.3 The Effect of Competence on Fraud Detection**

Competence represents a comprehensive combination of knowledge, skills, abilities, work attitudes, and personal attributes that enable individuals to perform tasks effectively. In the auditing context, competence refers to the auditor's capacity to apply acquired knowledge and professional experience objectively, prudently, and accurately throughout the audit process (Aulia, 2023). Competent auditors are expected to possess sufficient technical abilities, analytical skills, and professional judgment to evaluate audit evidence and form reliable conclusions. This competence is closely associated with professional development, which includes formal training, extensive audit experience, and exposure to a variety of audit engagements (Gunawan et al., 2022). Experience can be reflected in factors such as training participation, length of professional service, number of clients audited, and the complexity of assignments handled. Through these attributes, competence supports auditors in understanding business processes, identifying anomalies, and implementing appropriate audit procedures.

The relationship between auditor competence and fraud detection effectiveness has been widely acknowledged in previous research. Competence enables auditors to

conduct in-depth evaluations of financial information and identify irregularities that may indicate fraudulent behavior, especially in complex audit situations requiring advanced analytical reasoning (Subawa et al., 2024). However, the optimal effect of competence is contingent upon adequate independence, as auditors with high competence may be unable to exercise proper judgment if constrained by external pressures or conflicts of interest (Rahim et al., 2023). Empirical evidence reinforces this relationship, showing that competence significantly contributes to improving auditors' fraud detection performance (Tchokoté & Tiomeguim, 2024). Therefore, strengthening competence is crucial for enhancing audit effectiveness, particularly in environments where fraud risks are increasingly sophisticated and require robust technical and analytical capabilities.

H3: Competence has a significant effect on auditors' fraud detection.



**Figure 1.** Research Framework

Figure 1 shows that this study proposes that professional skepticism, independence, and professional competence function as key determinants influencing auditors' fraud detection performance. Professional skepticism is expected to enhance fraud detection by driving auditors to critically evaluate evidence and question irregularities rather than accept information at face value (H1). Independence is theorized to strengthen fraud detection effectiveness by ensuring objective judgment and preventing external pressures or conflicts of interest from influencing audit decisions (H2). Meanwhile, professional competence is presumed to support fraud detection by equipping auditors with the technical knowledge, analytical skills, and experience required to recognize fraud patterns and apply appropriate audit procedures (H3).

### **3. Methods**

The present study adopts a causal research design, which seeks to examine the extent to which independent variables influence the dependent variable (Okoye & Hosseini, 2024). Specifically, it investigates the impact of professional skepticism, independence, and professional competence on auditors' ability to detect fraud within public institutions in Indonesia. The population of this study comprises internal auditors working in Indonesian ministries and government agencies, totaling 2,337 individuals. A stratified random sampling technique was employed to ensure proportional representation across different ministries and agencies. The sample size was determined using the Slovin formula with a 10% margin of error, resulting in a final sample of 96 respondents (Nanjundeswaraswamy & Divakar, 2021).

The study utilizes primary data collected through a structured questionnaire. The research instrument used in this study is a structured questionnaire developed based on validated indicators from previous studies. All items were measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The dependent variable is auditors' ability to detect fraud (Y), measured by two indicators: (1) the auditor's knowledge of fraud, and (2) the auditor's capability to

detect fraud in practice (Novita et al., 2022; Wahidahwati & Asyik, 2022). The independent variables include professional skepticism (X1), with indicators such as questioning mind, suspension of judgment, search for knowledge, interpersonal understanding, autonomy, and self-esteem (La Ode et al., 2020; Lamba et al., 2020; Sajadi et al., 2022; Ghani et al., 2023). Independence (X2), measured through independence in fact and independence in appearance (Indah, 2022; Prameswari et al., 2022; Subawa et al., 2024). Professional competence (X3), measured using indicators such as knowledge, skills, experience, professional attitude, and analytical competence (Noch et al., 2022; Razali et al., 2025).

To analyze the data, the study employs Partial Least Squares-Structural Equation Modeling (PLS-SEM). This method is chosen for its robustness in testing complex models and its ability to assess both first-order and second-order constructs, allowing for a comprehensive exploration of the multidimensional nature of professional attributes and their effects on fraud detection. PLS-SEM is particularly appropriate for exploratory research, smaller sample sizes, and theory development, making it suitable for studies that involve prediction-oriented analysis and latent variable modeling in the public sector context (Hair et al., 2019).

#### 4. Results

This study describes the profile of the respondents involved in the research. A total of 96 participants were included to represent diverse demographic and professional backgrounds, providing a solid basis for interpreting the study's findings. The following table presents a summary of respondents' characteristics to contextualize the empirical analysis that follows.

**Table 1.** Respondents' Characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	54	56.25
	Female	42	43.75
Age	20–25 years	18	18.75
	26–30 years	23	23.96
	>30 years	55	57.29
Education Level	Diploma	25	26.04
	Bachelor's (S1)	61	63.54
	Master's (S2)	10	10.42
	Doctorate (S3)	0	0.00
Years of Experience	Less than 1 year	0	0.00
	1–3 years	42	43.75
	3–10 years	32	33.33
	More than 10 years	22	22.92
	Total	96	100.00

Table 1 presents the demographic characteristics of the respondents participating in the study. Out of 96 respondents, 56.25% were male and 43.75% were female, indicating a relatively balanced gender distribution among internal auditors. In terms of age, the majority (57.29%) were above 30 years old, followed by those aged 26–30 years (23.96%) and 20–25 years (18.75%), suggesting that most respondents had entered a mature professional phase. Regarding educational attainment, most participants held a bachelor's degree (63.54%), with 26.04% holding a diploma and 10.42% a master's degree, while none had completed a doctorate. The distribution of auditing experience shows that 43.75% had 1–3 years of experience, 33.33% had 3–10 years, and 22.92% had more than 10 years, with no respondents having less than one year of experience. These results suggest that the respondents generally possess a moderate to high level of education and experience, supporting the credibility of their insights in relation to the study's objectives.

**Table 2.** Descriptive Statistics

Variables	Score	Ideal	Mean	SD	Percentage (%)	Category
Professional Skepticism (X1)	7.961	9.600	4.15	0.81	78.7	High
Independence (X2)	2.382	2.880	4.14	0.80	78.4	High
Professional Competence (X3)	3.704	4.320	4.29	0.80	82.2	Very High
Ability to Detect Fraud (Y)	4.037	4.800	4.21	0.78	80.1	Very High

Descriptive statistics for each variable, as shown in Table 2, provide an overview of the respondents' perceptions regarding the key constructs of the study. The mean score for professional skepticism (X1) was 4.15 (SD = 0.81), representing 78.7% of the ideal score, and falls into the "High" category. Similarly, independence (X2) yielded a mean score of 4.14 (SD = 0.80), accounting for 78.4% of the ideal score, also categorized as "High." Professional competence (X3) recorded the highest percentage at 82.2%, with a mean of 4.29 (SD = 0.80), indicating a "Very High" level of perceived competence among auditors. The dependent variable, ability to detect fraud (Y), attained a mean score of 4.21 (SD = 0.78), or 80.1% of the ideal score, and was likewise classified as "Very High." These findings suggest that respondents perceive themselves as professionally equipped in terms of skepticism, independence, and competence, which aligns with a strong ability to detect fraudulent activities

**Table 3.** Measurement Model

Construct	Item	Loading	1st Order	CR	AVE	Loading	2st Order
Professional Skepticism (X1)	X111	0.888		0.914	0.780	0.800	
	X112	0.890					
	X113	0.871					
	X121	0.763		0.912	0.724	0.859	
	X122	0.926					
	X123	0.944					
	X124	0.751					
	X131	0.903		0.934	0.779	0.825	
	X132	0.837					
	X133	0.909					
	X134	0.880					
	X141	0.840		0.840	0.637	0.765	
	X142	0.785					
	X143	0.767					
	X151	0.731		0.827	0.615	0.927	
	X152	0.751					
X153	0.864						
X161	0.720		0.863	0.678	0.815		
X162	0.866						
X163	0.875						
Independence (X2)	X211	0.719		0.828	0.617	0.915	
	X212	0.821					
	X213	0.812					
	X221	0.789		0.829	0.618	0.908	
	X222	0.830					
X223	0.738						
Professional Competence (X3)	X311	1		1	1	0.875	
	X321	0.922		0.911	0.836	0.954	
	X322	0.907					
	X331	0.872		0.890	0.803	0.923	
X332	0.920						

Construct	Item	Loading 1st Order	CR	AVE	Loading 2st Order
Ability to Detect Fraud (Y)	X341	0.909	0.896	0.811	0.951
	X342	0.892			
	X351	0.893	0.899	0.817	0.909
	X352	0.915			
	Y11	0.815	0.851	0.656	0.788
	Y12	0.800			
	Y13	0.815			
	Y21	0.793	0.904	0.575	0.961
	Y22	0.788			
	Y23	0.756			
	Y24	0.756			
	Y25	0.779			
	Y26	0.701			
	Y27	0.732			

The results of the outer model evaluation indicate that all constructs meet the reliability and validity thresholds required in PLS-SEM analysis. The first-order factor loadings for all indicators exceed 0.70, confirming indicator reliability (Hair et al., 2019). Construct Reliability (CR) values range from 0.828 to 0.934, all above the recommended minimum of 0.70, demonstrating strong internal consistency. The Average Variance Extracted (AVE) values also exceed the 0.50 threshold across constructs, confirming convergent validity. At the second-order level, loading values range from 0.765 to 0.961, supporting the higher-order construct structure used in this study. Notably, the constructs of professional skepticism (CR = 0.914, AVE = 0.780), independence (CR = 0.912, AVE = 0.724), and professional competence (CRs  $\geq 0.890$ , AVEs  $\geq 0.803$ ) all showed strong psychometric properties. These findings validate the measurement model's adequacy and confirm that the multi-dimensional constructs used to assess auditors' attributes and their ability to detect fraud are statistically robust.

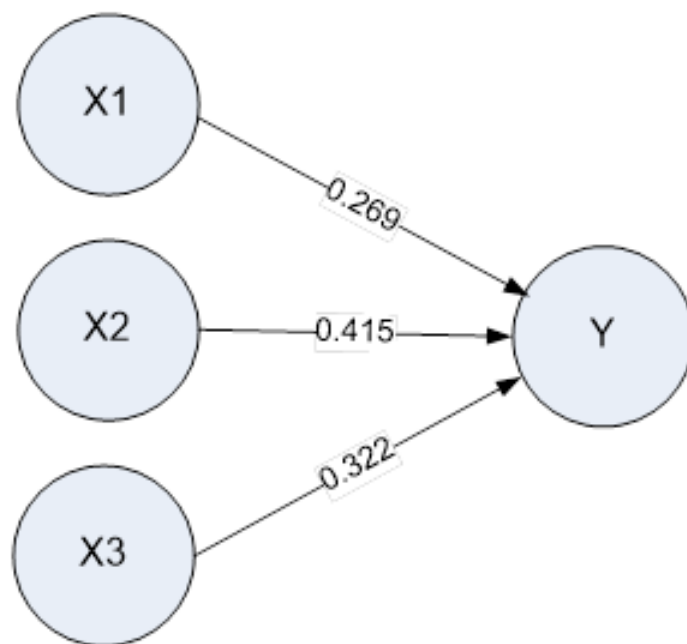


Figure 2. Inner Model

**Table 4.** Hypotheses Testing

Direct Effect	Coefficient	SD	T-statistics	P-values	Decision
Professional Skepticism → Ability to Detect Fraud	0.269	0.095	2.826	≤ 0.05	H1 Accepted
Independence → Ability to Detect Fraud	0.415	0.104	3.991	≤ 0.05	H2 Accepted
Professional Competence → Ability to Detect Fraud	0.322	0.070	4.578	≤ 0.05	H3 Accepted

Based on SmartPLS bootstrap calculations, the following output is obtained for the hypothesis tests in Figure 2 and Table 4. The results of the hypothesis testing presented in Table 4 demonstrate that all proposed relationships between independent variables and the dependent variable are statistically significant. Professional skepticism (X1) has a positive and significant effect on auditors' ability to detect fraud, with a path coefficient of 0.269 ( $t = 2.826$ ;  $p \leq 0.05$ ), supporting H1. Independence (X2) shows the strongest effect among the predictors, with a coefficient of 0.415 ( $t = 3.991$ ;  $p \leq 0.05$ ), indicating that higher levels of independence significantly enhance fraud detection capability, thus confirming H2. Likewise, professional competence (X3) exerts a significant influence, with a coefficient of 0.322 ( $t = 4.578$ ;  $p \leq 0.05$ ), lending support to H3.

## 5. Discussion

The results indicate that professional skepticism has a significant effect on the ability to detect fraud. This finding demonstrates that skepticism, reflected through critical inquiry and objective evaluation of audit evidence, contributes meaningfully to identifying fraudulent activities. Auditors with higher levels of skepticism tend to perform more thorough investigations, question the reliability of information, and seek corroborating evidence when they encounter irregularities in financial statements (Affandi, 2024). These results align with previous studies emphasizing the essential role of skepticism as a foundational behavioral element in fraud detection practices (Noch et al., 2022; Razali et al., 2025). However, existing literature also notes that the effectiveness of skepticism may weaken when auditors face organizational pressure or conflicts of interest, which limit their ability to maintain objective judgment (Rahim et al., 2023). Thus, workplace support remains an important enabling factor in maximizing the impact of skepticism on fraud detection (Amyar et al., 2023).

Independence emerged as the most influential variable affecting the ability to detect fraud. This suggests that maintaining independence plays a dominant role in enhancing auditors' detection capabilities. This aligns with agency theory, which asserts that auditors must remain objective and free from external influence to effectively monitor management behavior (Jensen & Meckling, 2019). Independent auditors are better positioned to critically evaluate financial information and resist managerial pressure, thereby increasing the likelihood of identifying signs of fraud (Chui et al., 2022; Bonrath & Eulerich, 2024). Empirical evidence supports this conclusion, with studies showing that independence exerts the strongest impact on fraud detection effectiveness, particularly in high-risk public sector environments (Noch et al., 2022; Prameswari et al., 2022). This is especially relevant in Indonesian governmental institutions, where hierarchical dynamics and conflicts of interest tend to be more pronounced, highlighting the necessity of independence for maintaining objectivity and vigilance.

The analysis also demonstrates that professional competence significantly affects the ability to detect fraud. Competence, encompassing technical skills, knowledge, and professional experience, enables auditors to understand complex audit

environments, identify fraud patterns, and apply appropriate procedures to detect irregularities effectively. This finding is consistent with previous research indicating that technical competence and analytical ability are essential when auditors encounter complex fraud cases (Subawa et al., 2024). However, prior studies also note that the effectiveness of competence depends on the level of auditor independence, as technical expertise may not be fully utilized if auditors are constrained by external pressure or lack decision-making autonomy (Rahim et al., 2023). Therefore, while competence significantly enhances fraud detection performance, its optimal impact occurs when paired with strong auditor independence, which empowers auditors to apply their knowledge and skills freely and objectively.

This study provides a significant contribution by examining the combined effects of professional skepticism, independence, and professional competence through a second-order construct approach using PLS-SEM among internal auditors in Indonesian ministries and government institutions, an area that remains limited in previous fraud detection research (Subawa et al., 2024; Razali et al., 2025). The analysis reveals that independence acts not only as an individual determinant but also as a structural enabler that strengthens the effectiveness of other professional attributes, supporting prior evidence that independence exerts the strongest influence on fraud detection within high-pressure public sector environments (La Ode et al., 2020; Wiraputra et al., 2025).

These findings expand existing theory and underscore the practical necessity for government oversight bodies to prioritize auditor independence through clear authority structures, conflict-of-interest safeguards, and strengthened ethical training. Additionally, capacity-building initiatives focusing on digital forensic skills and behavioral fraud detection techniques are essential to enhance audit capabilities. Incorporating periodic independence assessments into internal audit quality reviews may further improve governance outcomes (Ghani et al., 2023; Bonrath & Eulerich, 2024). Strengthening these human capital dimensions is therefore crucial not only for improving fraud detection performance but also for restoring public trust in Indonesia's anti-fraud initiatives.

## 6. Conclusion

Based on the findings, this study concludes that professional skepticism, independence, and professional competence significantly influence internal auditors' ability to detect fraud. Among these, independence exhibits the strongest effect, emphasizing the crucial role of objective judgment and freedom from external pressures, particularly within bureaucratic environments such as ministries and government agencies. Professional competence also demonstrates a substantial influence, suggesting that auditors' technical knowledge, practical skills, and accumulated experience are essential in navigating the complexity of fraud cases. While professional skepticism has the lowest coefficient, it remains statistically significant, indicating that a questioning mindset and critical thinking remain indispensable in fraud detection.

Policymakers and regulatory bodies should strengthen auditor development frameworks by prioritizing continuous professional training that enhances skepticism, independence, and technical competence as core requirements. In addition, stricter enforcement of independence standards and competency-based certification policies is necessary to improve auditors' effectiveness in fraud detection and to strengthen audit quality and public trust. This study is not without limitations. The scope was confined to internal auditors in Indonesian public sector institutions, which may restrict the generalizability of the findings to private sector or subnational contexts. Additionally, the use of self-reported questionnaires introduces the risk of perception bias and social desirability effects. Furthermore, the

reliance on subjective assessments may not fully capture actual fraud detection performance. Future research is encouraged to incorporate qualitative data or observational methods to triangulate and validate findings related to fraud detection capabilities. Moreover, subsequent studies may consider integrating contextual factors such as organizational culture, technological support, and management pressure to enrich the model. A longitudinal approach could also provide deeper insights into how auditors' independence and competence evolve over time and how these changes impact their effectiveness in uncovering fraud in the public sector.

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### ***Data Disclosure Statement***

The data that support the findings of this study are available from the corresponding author upon reasonable request.



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