

The Influence of Accountability, Transparency, and Moral Reasoning on the Audit Quality of the Inspectorate of West Sulawesi Province

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Abstract

High-quality audits are essential for fostering transparency and accountability in public financial management, ultimately enhancing public trust. This study examines the effects of accountability, transparency, and moral reasoning on audit quality at the Inspectorate of West Sulawesi Province. Data were collected from 50 auditors with an 80% response rate using a quantitative approach and survey method. The results reveal that accountability and transparency significantly influence audit quality, while moral reasoning shows no significant effect. These findings align with agency theory, highlighting the role of transparency and accountability in reducing information asymmetry. The study emphasizes the need for policies that strengthen accountability and transparency in public sector audits. The results provide practical implications for improving audit quality and serve as a foundation for future research with broader scope and additional variables.

Kata Kunci: *Accountability, Transparency, Moral Reasoning, Audit Quality.*

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Introduction

Good governance is a fundamental goal pursued by many countries, including Indonesia, in managing public budgets. In Indonesia, transparency and accountability in budget management are essential pillars mandated by Law No. 17 of 2003 on State Finance (BPK-RI/5/26/2008). Both central and regional governments are required to prepare financial reports that are open and accountable as a form of responsibility to the public and the House of Representatives. However, in practice, discrepancies and irregularities in budget management are often found, which can undermine public trust in the government. The implementation of audits in the context of internal oversight must adhere to the Audit Standards stipulated in the Regulation of the General Chairman of the Association of Government Internal Auditors (AAIPI) No: PER-01/AAIPI/DPN/2021 on the Indonesian Government Internal Audit Standards (Thalib et al., 2023). The standards include aspects such as independence, objectivity, competence, professional care, as well as a quality assurance and improvement program in carrying out internal oversight. Regional governments are required to prepare the Local Government Performance Report (LKPD), a performance report intended for the public and disseminated through media or public spaces. This report aims to allow the public to understand and monitor the actions undertaken by regional governments (BUTARBUTAR et al., 2020).

In West Sulawesi Province, reports from the Supreme Audit Board (BPK) indicate recurring audit findings each year, despite the Provincial Inspectorate performing routine oversight functions (Badan Pemeriksa Keuangan (BPK-RI), 2019). Ideally, the role of the Government Internal Supervisory Apparatus (APIP) in performing oversight is to provide early warning to each organizational unit of local government, thereby minimizing the risk

of irregularities and preventing further findings by the BPK (Asqolani et al., 2023). This situation demonstrates that efforts to improve audit quality have not achieved the desired outcomes, making it necessary to conduct an in-depth study on the factors influencing audit quality, particularly regarding accountability, transparency, and auditors' moral reasoning.

The quality of internal audits, especially those conducted by the Inspectorate, plays a crucial role in ensuring transparency and accountability in government budget management (Selviyana, 2017). Previous research has shown that high-quality audits can improve transparency in budget management by identifying potential budget irregularities and enhancing compliance with applicable regulations (Genisa & Hisar Pangaribuan, 2023). This includes financial statements, audit results, and explanations of budget decisions. Such openness enables the public to monitor and evaluate government performance (Inspektorat Daerah Kabupaten Mamuju, n.d.). Accountability, in this context, is an essential aspect to ensure that budget use aligns with established regulations and goals, thereby increasing public trust in government institutions (Guerriero, 2011). Furthermore, studies on audit quality in the public sector have extensively explored the influence of accountability and transparency on audit quality, underscoring that transparent and accountable audits can enhance public trust and compliance with existing regulations (Zubaidah & Nugraeni, 2023). However, research results vary. For instance, Zubaidah & Nugraeni (2023) found that transparency significantly influences financial reporting quality in Sleman Regency, while accountability does not have a significant effect. Conversely, (Natsir et al., 2023) identified that both accountability and transparency have a significant impact on audit quality.

Many studies, however, do not consider moral reasoning as a critical factor in audit quality. Moral reasoning, related to the auditor's ability to make ethical and unbiased decisions, is seen as vital in maintaining auditor independence and integrity. Some studies, such as Syamsuriana (2019) have shown a positive correlation between auditors' moral reasoning and audit quality, although research on this topic remains limited in the public sector, especially at the local inspectorate level. Therefore, this study aims to fill this gap by examining how accountability, transparency, and moral reasoning impact audit quality at the Provincial Inspectorate of West Sulawesi. The results of this study are expected to provide practical contributions for local governments in enhancing effective budget management and enrich literature on factors affecting audit quality in the public sector, particularly at the provincial level in Indonesia.

Literature Review

According to Jensen & Meckling (2012) in their book *Agency Theory*, the relationship between principals and agents is described, where the principal (such as shareholders or the public) grants authority to the agent (such as managers or government officials) to manage the organization on their behalf. Conflicts of interest may arise because agents, as the ones executing operations, may not always act in the best interests of the principal. Agency theory suggests that a conflict of interest occurs between the principal (shareholders) and the agent (managers) due to the separation between ownership and control (King, 2023). The theory emphasizes that audit quality plays a crucial role in reducing such conflicts by ensuring transparency and mitigating information asymmetry. According to Huckleberry King (2023) auditors acting as independent third parties, enhance accountability by verifying that financial statements are accurate and free from material misstatements. This assurance prevents managers from acting opportunistically and encourages them to align their actions with shareholders' interests. By improving audit quality, financial reporting transparency is also enhanced.

Audit quality is understood as the auditor's ability to carry out audits in accordance with established standards (Andri et al., 2020). This includes the use of appropriate procedures and effective risk assessment, which, in turn, influence audit outcomes.

According to the IAASB (International Auditing and Assurance Standards Board), audit quality is a crucial factor in building stakeholders' trust in financial statements.

Genisa & Hisar Pangaribuan (2023) state that high audit quality affects transparency through stricter supervision and accountability in budget management. Enhancing internal audit quality is essential to improving transparency and accountability in public budget management (Agustiawan et al., 2024). In the journal titled *Bibliometric Analysis of Internal Audit Quality of Public Sector Organizations*, Agustiawan (2024) argues that when internal audits are conducted comprehensively and independently, public trust in government institutions increases. Transparency in audit reports fosters openness in the management of public funds, which strengthens trust and legitimacy. High-quality audit results provide accurate and relevant information for government management to make better budgetary decisions, reducing the risk of misallocation of funds or project failures. Andri (2020) concludes that audit quality can be categorized into internal and external factors. Internal factors include the independence and competence of auditors, which are key to determining audit quality. Auditor competence reflects their technical skills and experience in detecting material misstatements, while independence ensures that auditors can report their findings without external pressure. Additionally, external factors such as the working environment, time pressure, and the relationship between auditors and auditees also play significant roles in influencing audit quality. According to Huckleberry King (2023), audit quality emphasizes several key factors, including independence, objectivity, competence, and adherence to auditing standards. Auditor independence prevents conflicts of interest, allowing them to provide unbiased assessments of financial statements. Objectivity ensures that auditors remain neutral and unaffected by external pressures, while competence refers to the auditor's knowledge and expertise in understanding specific industries and applicable regulations. Compliance with auditing standards, governed by institutions such as the PCAOB, guarantees that audits are performed thoroughly and consistently, thereby enhancing the reliability and transparency of financial reports. Overall, high audit quality plays a vital role in maintaining stakeholder trust and ensuring the accountability of financial institutions.

Hypothesis Development

Accountability is a concept that refers to the obligation of individuals or institutions to explain and take responsibility for their actions and decisions to stakeholders. In the context of governance, accountability involves transparency in managing public resources and providing honest and reliable performance reports (Guerriero, 2011). According to (S. G. Grimmelikhuijsen et al., 2020), accountability in the public sector not only includes the duty to account for actions but also encompasses the ability of the public to monitor and assess government performance. Accountability is essential in public financial management as it enhances public trust in the government (Tawiah, 2023). With strong accountability, the public can understand how public funds are managed and utilized, contributing to the reduction of corruption and budget mismanagement, while improving the efficiency of resource use (S. Grimmelikhuijsen et al., 2021). High audit quality plays a critical role in ensuring accountability in budget management. According to (Andri et al., 2020), independent and competent auditors can identify potential irregularities and provide recommendations for improvement to the government. Good accountability facilitates transparency in audit reporting, allowing the public to understand the audit results and the actions taken to improve government performance (Selviyana, 2017).

Huckleberry King (2023) highlights in his research that higher audit quality is positively associated with improved accountability and transparency in financial institutions. The study finds that high-quality audits are linked to better financial reporting, reduced information asymmetry, and enhanced transparency and accountability. This aligns with the findings of Ripamonti (2024), who shows that government transparency efforts generally increase public trust, especially among those with a positive attitude toward

transparency. However, for individuals less concerned about transparency, such efforts have little impact on improving trust. According to Jensen & Meckling (1976), Agency Theory emphasizes the importance of an agent's accountability in fulfilling their responsibilities to the principal. If auditors possess a high level of accountability, they are more likely to perform their audit duties responsibly, which should enhance the quality of the resulting audit.

H₁ : Accountability has a significant effect on the audit quality of the Inspectorate of West Sulawesi Provincemanagement

Grimmelikhuijsen (2021) defines transparency as openness in governance that includes the ease of access to relevant and accurate information by the public, particularly concerning public policy and budget allocation. According to research conducted by Tawiah, (2023) transparency in government plays a crucial role in enhancing the quality of governance, especially through clear financial reporting that is understandable to the public. They found that the implementation of international accounting standards, such as IPSAS (International Public Sector Accounting Standards), can improve transparency by providing a more accurate depiction of government activities. Transparency serves as a benchmark for building trust and credibility with stakeholders, which can attract investment and support sustainable growth within organizations (Kim, 2023). Tawiah (2023) also discovered that the adoption of IPSAS standards contributes to increased accountability, particularly in developing countries, by reducing corruption and promoting better control in the management of public finances. Accountability, in this context, is achieved through more transparent reporting mechanisms, enabling the public to hold officials accountable. According to Benito-Esteban (2024), transparency is one of the fundamental dimensions of accountability, especially in the context of nonprofit organizations. Transparency primarily refers to the collection and disclosure of information to the public, which plays a vital role in minimizing information asymmetry between organizations and stakeholders, particularly the public. The Regional Inspectorate of Mamuju Regency defines accountability in its LKIP (Accountability Report) as the obligation to explain the successes or failures of an organization in achieving its set goals and objectives through periodic accountability reports. In the context of bureaucracy, governmental accountability reflects the responsibility of government institutions to justify their successes or failures in carrying out their missions.

Oversight at the West Sulawesi Inspectorate plays a significant role in ensuring transparency and accountability in budget management (Inspektorat Daerah Kabupaten Mamuju, n.d.). The task of the Provincial Inspectorate is to assist the Governor in fostering and supervising the implementation of government affairs that fall within regional authority and delegated tasks by regional apparatus (Inspektorat et al., 2019). Government Regulation No. 60 of 2018 concerning the Government Internal Control System (SPIP) explains that supervision in the context of internal oversight includes all audit activities, reviews, monitoring, evaluation, and other oversight activities such as assistance, socialization, and consulting on the organization's tasks and functions, aimed at providing adequate assurance that activities have been carried out in accordance with the established benchmarks effectively and efficiently for the benefit of leadership in realizing good governance (Resmy et al., 2023). Research conducted by Genisa & Hisar Pangaribuan (2023) concluded that audit complexity and the level of budget transparency affect audit quality. The more transparent the budget management, the easier it is for auditors to evaluate and identify discrepancies, thus enhancing audit quality. Although this study is not specific to West Sulawesi, the relationship between transparency and audit quality is reinforced through the research findings. This aligns with the results of (Agustiawan et al., 2024), which also indicate that audit complexity and the level of budget transparency influence audit quality. The more transparent the budget

management, the easier it is for auditors to evaluate and identify discrepancies, thus enhancing audit quality. Although this study is not specific to West Sulawesi, the relationship between transparency and audit quality is reiterated in the research findings. This underscores the significance of transparency between agents and principals in mitigating the risk of information asymmetry (Jensen & Meckling, 1976). With transparency in the audit process, principals can more effectively monitor the performance of auditors, thereby fostering greater public trust in the audit results.

H₂ : Transparency significantly affects the quality of audits conducted by the Inspectorate in West Sulawesi Province

Moral reasoning is an attitude or action that reflects what is considered right and why something is deemed wrong (Ruslan et al., 2022). According to Kohlberg & Hersh (1977), who are among the pioneers of moral reasoning theory, moral development consists of six stages divided into three levels. At the first level, known as Pre-Conventional, individuals tend to assess morality based on the consequences of their actions. This includes avoiding punishment as the first stage and pursuing personal gain through exchange as the second stage. Next, at the second level, known as Conventional, an individual's moral focus shifts to social expectations and interpersonal relationships. They seek recognition from others as the third stage and adhere to laws and order in society as the fourth stage. Finally, at the Post-Conventional level, individuals begin to develop a more complex moral understanding, valuing individual rights and social agreements as the fifth stage, and prioritizing more universal moral principles such as justice and equality, even if these principles conflict with existing laws or norms, as the sixth stage (Kohlberg & Hersh, 1977). Research conducted by Falatah & Sukirno (2018) indicates that moral reasoning has a significant and positive impact on audit quality. This finding aligns with the research by Syamsuriana (2019), which states that moral reasoning significantly and positively influences the quality of an auditor's work, suggesting that the greater the moral reasoning an auditor possesses, the better the quality of the audit provided. Auditor moral reasoning plays a crucial role in this context, as agency theory acknowledges that agents may act opportunistically (Ardianto, 2023). With strong moral reasoning, auditors are expected to set aside personal interests and focus more on the interests of the principal. This can lead to more objective and high-quality audits.

H₃ : Moral reasoning significantly affects the quality of audits conducted by the Inspectorate in West Sulawesi Province

Within the framework of agency theory (Jensen & Meckling, 1976), transparency and accountability are essential for reducing information asymmetry between agents (the government or public institutions) and principals (the public). Moral reasoning, on the other hand, provides an ethical foundation for auditors to maintain independence and integrity in performing their duties. These three factors—accountability, transparency, and moral reasoning—synergistically contribute to enhancing audit quality. A study by Rabihah et al., (2023) indicates that auditors who possess high accountability, work in a transparent environment, and have strong moral reasoning will be more effective in detecting and reporting discrepancies. This supports more reliable and high-quality audit results, thereby increasing public trust in audit institutions.

H₄ : Accountability, transparency, and moral reasoning significantly affect the quality of audits conducted by the Inspectorate in West Sulawesi Province

Conceptual Framework

Based on the description provided, this study aims to examine the influence of accountability and transparency on audit quality at the West Sulawesi Inspectorate. From the theoretical foundation outlined above, hypotheses have been formulated, representing the researcher's line of reasoning, and illustrated in the following conceptual framework:

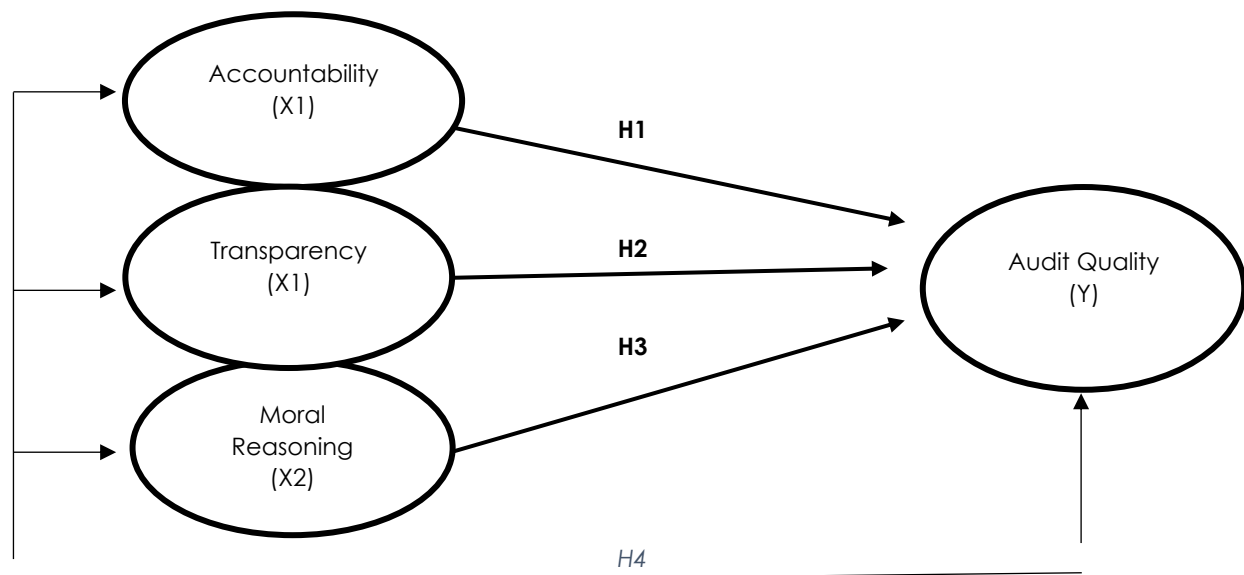


Figure 1. Research Model

Analysis Method

Research Approach

This study uses a quantitative approach with a survey method. This approach is chosen to objectively and measurably assess the relationship between audit quality and transparency in budget management (Sugiyono, 2017).

Population and Sample

The population in this study consists of employees involved in budget management and oversight at the West Sulawesi Inspectorate, as well as employees from related departments that pertain to transparency and accountability in budget management. The sample will be taken using purposive sampling, which involves selecting respondents who possess knowledge and direct involvement in the audit and budget management

Table 1. Number of Auditors in the West Sulawesi Inspectorate processes.

No.	Auditor Position and Role	Total
1.	Lead Auditor	0
2.	Associate Auditor	13
3.	Junior Auditor	26
4.	First Auditor	10
5.	Auditor Supervisor	1
	Total Auditor's	50

Source: LKJP Inspektorat Sulawesi Barat 2023

Data Collection Techniques

Data collection will be conducted through a questionnaire distributed to auditors at the Inspectorate. The primary instrument used in this research is a closed questionnaire with a Likert scale (1–5), where respondents will be asked to provide assessments related to the indicators of auditor accountability, transparency, and audit quality.

Research Instrument

Each variable was measured using several indicators that had been tested for validity and reliability. The accountability variable was adopted from Husni (2023) study, measured through three indicators: employee responsibility in managing finances, clarity of duties and responsibilities, and supervision of public fund usage. Similarly, the transparency variable was also adopted from Husni (2023) study, with three indicators: the availability of clear and accessible financial information, open financial reporting, and ease of understanding financial reports. The moral reasoning variable utilized indicators adopted from Apdaresena (2021) study, which included justice or moral equity, relativism, egoism, utilitarianism, and deontology or contractual principles. Lastly, the audit quality variable was adopted from Faizal (2019) research, measured through indicators such as audit findings, skepticism, clarity of reports, and the usefulness of audit reports.

Data Analysis Methods

The data analysis for this study includes several key methods to assess the relationships between variables. Descriptive analysis is first employed to provide an overview of the characteristics of the data, including mean, median, standard deviation, minimum, and maximum values for accountability, transparency, moral reasoning, and audit quality. Validity is tested using Pearson Product Moment correlation or Confirmatory Factor Analysis (CFA) to determine if each questionnaire item aligns with the construct being measured. Reliability is then assessed using Cronbach's Alpha to evaluate the consistency of the questionnaire items (Sugiyono, 2017). Before conducting linear regression, classical assumption tests are performed to ensure that the regression model is unbiased. These include normality tests to check for normal distribution of the data, multicollinearity tests to evaluate the relationship among independent variables using Variance Inflation Factor (VIF), and heteroscedasticity tests to examine the constancy of residual variations at all levels of the independent variables. Multiple linear regression will be employed to analyze the simultaneous influence of the independent variables (accountability, transparency, and moral reasoning) on the dependent variable (audit quality). The regression model will be represented as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Y	= Audit quality (dependent variable)
X1	= Accountability (independent variable)
X2	= Transparency (independent variable)
X3	= Moral reasoning (independent variable)
β_0	= Constant
$\beta_1, \beta_2, \beta_3$	= Regression coefficients
ϵ	= Error term

The F-test assesses the overall significance of the regression model, while the t-test evaluates the significance of each independent variable on the dependent variable. Finally, the coefficient of determination (R^2) indicates the percentage of variation in audit quality explained by accountability and transparency; a value close to 1 suggests a strong explanatory power of the independent variables (Cooper & Schindler, 2014).

Result and Discussion

Results

General Overview

This study was conducted at the Inspectorate of West Sulawesi, located in Mamuju City. Data for this research were collected through questionnaires distributed directly to auditors working at the West Sulawesi Provincial Inspectorate Office, totaling 50 auditors who met the study criteria. However, only 80% of the targeted respondents completed the questionnaire.

Table 2. Respondents who answer question

No.	Questionnaire	Total
1	Distributed questionnaires	50
2	Completed questionnaires	40
3	Unanswered questionnaires	10
4	Response rate	80%

Source: West Sulawesi Provincial Inspectorate

Descriptive Test

The variables used in this study are Accountability (X1), Transparency (X2), Moral Reasoning (X3), and Audit Quality (Y). These variables were tested using descriptive statistics.

Table 3. Descriptive test results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Accountability	40	9	15	12,87	1,505
Transparency	40	9	15	12,35	1,594
Moral Reasoning	40	6	26	16,20	6,580
Audit Quality	40	14	20	16,90	1,692
Valid N (listwise)	40				

Source: IBM SPSS Statistics for Windows, Version 29.0, 2023

Based on the descriptive test results above, the data distribution in this study is as follows:

1. Accountability Variable (X1): The minimum value is 9, the maximum value is 15, with a mean of 12.87 and a standard deviation of 1.505.
2. Transparency Variable (X2): The minimum value is 9, the maximum value is 15, with a mean of 12.35 and a standard deviation of 1.594.
3. Moral Reasoning Variable (X3): The minimum value is 6, the maximum value is 26, with a mean of 16.20 and a standard deviation of 6.580.
4. Audit Quality Variable (Y): The minimum value is 14, the maximum value is 20, with a mean of 16.90 and a standard deviation of 1.692.

Validity Test

The results of the validity test can be observed from the corrected item-total correlation values, which are then compared to the r-table values at a 0.01 significance level using a two-tailed test (Ghozali, 2016). The r-table value is calculated using the df (degree of freedom) formula: $df = n - 2$, where n is the number of respondents. An instrument is considered valid if the calculated correlation value $r_{computed} > r_{table}$, conversely, it is considered invalid if the calculated correlation value $r_{computed} < r_{table}$. Thus, the value of $df = (n - 2 = 40 - 2) = 38$. With $df = 38$:

- At a significance level of 0.05, the r-table value is 0.312.
- At a significance level of 0.01, the r-table value is 0.403.

Table 4. validation test results

Question Item	rcomputed	rtable	P (Sig.)	Conclusion
X1.1	.718**	0.312	0.001	VALID
X1.2	.827**	0.312	0.001	VALID
X1.3	.858**	0.312	0.001	VALID
X2.1	.827**	0.312	0.001	VALID
X2.2	.783**	0.312	0.001	VALID
X2.3	.875**	0.312	0.001	VALID
X3.1	.794**	0.312	0.001	VALID
X3.2	.634**	0.312	0.001	VALID
X3.3	.843**	0.312	0.001	VALID
X3.4	.885**	0.312	0.001	VALID
X3.5	.889**	0.312	0.001	VALID
X3.6	.922**	0.312	0.001	VALID
Y1	.678**	0.312	0.001	VALID
Y2	.784**	0.312	0.001	VALID
Y3	.754**	0.312	0.001	VALID
Y4	.752**	0.312	0.001	VALID

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

Based on the validity test results, all items in the questionnaire indicate that the variables are valid, as all calculated r-computed values are greater than the r-tbale value of 0.312. Therefore, the results of the validity test can be considered valid (Ghozali, 2016).

Reliability Test

A variable is considered reliable if the Cronbach's Alpha value is greater than 0.70, according to (Ghozali, 2016). The following are the results of the reliability test for the variables of accountability, transparency, moral reasoning, and audit quality.

Table 5. Reality test results

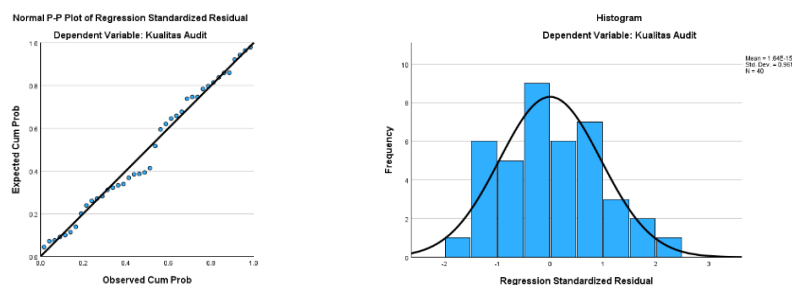
Variable	Number of Items	Cronbach's Alpha (α)	Description
Accountability	3	0.723	Reliable
Transparency	3	0.770	Reliable
Moral Reasoning	6	0.911	Reliable
Audit Quality	4	0.723	Reliable

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

The results indicate that the reliability test for each variable shows a Cronbach's Alpha greater than 0.70. Therefore, it can be concluded that the statements in the questionnaire distributed to respondents possess a good level of reliability, making the questions suitable as research instruments.

Normality Test

The normality test is conducted to determine whether the data in a regression model has a normal distribution. In this study, the normality of the data is assessed using the Normal P-P Plot of Regression Standardized Residuals, a histogram, and the results of these tests can be seen in the figures below.

**Figure 2 and 3. Normality test results**

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

Based on the results of the test, the points are scattered around the diagonal line, and their distribution follows the direction of the diagonal. Additionally, the histogram of the data forms a symmetrical bell-shaped curve, with most of the data clustered around the mean and tails that decrease evenly on both sides. This indicates that the regression model is suitable for use as it meets the assumption of normality (Ghozali, 2016).

Multicollinearity Test

To test for multicollinearity, the tolerance and VIF (Variance Inflation Factor) values are examined. If the VIF value is no more than 10 and the tolerance value is no less than 0.1, the model can be considered free from multicollinearity (Ghozali, 2016). The results of the multicollinearity test can be seen in the following output:

Coefficients ^a			
		Collinearity Statistics	
	Model	Tolerance	VIF
1	Accountability	.570	1.755
	Transparency	.576	1.737
	Moral Reasoning	.984	1.016

a. Dependent Variable: Audit Quality

Table 6. Multicollinearity
Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

The results indicate that the tolerance values are greater than 0.1 and the VIF values are less than 10. Therefore, it can be concluded that the variables in the regression model do not exhibit multicollinearity, allowing the data to be used in this study.

Heteroscedasticity Test

The heteroscedasticity test aims to determine whether the regression model we have constructed meets the assumption of homoscedasticity (constant residual variance) or not. If the points on the scatterplot are randomly distributed without a clear pattern, this indicates that the model does not have a heteroscedasticity problem, and the assumption of homoscedasticity is satisfied (Ghozali, 2016).

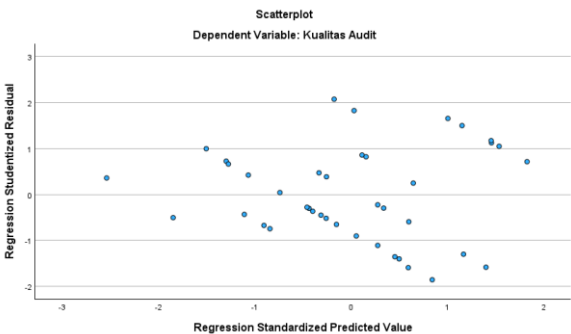


Figure 4. Heteroscedasticity Test Result

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

From the results of the heteroscedasticity test conducted and based on the scatterplot, the residual points are randomly distributed without forming a specific pattern. This indicates the absence of heteroscedasticity problems, thus fulfilling the assumption of homoscedasticity.

Hypothesis Testing

t Test

This test evaluates the effect of each independent variable on the dependent variable individually. If the calculated t-computed value > t-table value or the significance value (sig.) < 0.05, then the independent variable has a significant effect on the dependent variable (Sugiyono, 2017).

The formula for the t-table is:

$$t\text{-table} = t(\alpha/2; n-k-1)$$

Where:

α =5% (Level of Confidence)

n=40 (Sample Size)

k=3 (Number of Independent Variables)

Thus,

$$t\text{-table} = t(20.05; 40-3-1)$$

$$t\text{-table} = t(0.025; 36) = 2.028$$

t Test for Hypothesis 1

Table 7. t Test for Hypothesis 1
Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	6.775	1.688		4.014	<,001
	Accountability	.786	.130	.700	6.039	<,001

a. Dependent Variable: Audit Quality

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

According to the coefficients table, the results of the t test (partial) indicate that the significance value of the effect of accountability (X1) on audit quality (Y) is $0.01 < 0.05$, and the calculated t value (t-computed) of $6.039 > t\text{-table}$ value of 2.028. Therefore, H_0 is rejected, and H_1 is accepted. This indicates that accountability has a positive and significant effect on audit quality. In other words, the higher the level of accountability, the better the resulting audit quality.

t Test for Hypothesis 2

Tabel 8. t Test for Hypothesis 2
Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.251	1.610		5.124	<,001
	Transparency	.700	.129	.660	5.414	<,001

a. Dependent Variable: Audit Quality

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

From the results in the coefficients table, the t test (partial) shows that the significance value of the effect of transparency (X2) on audit quality (Y) is $0.01 < 0.05$, and the calculated t value (t-computed) of $5.414 > t\text{-table}$ value of 2.028. Therefore, H_0 is rejected, and H_2 is accepted. This indicates that transparency has a positive and significant effect on audit quality. This means that the more open the information regarding budget management is, the easier it is for auditors to conduct evaluations, thereby improving audit

quality.

† Test for Hypothesis 3

Table 9. † Test for Hypothesis 3
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.700	.727		22.968	<.001
	Moral Reasoning	.012	.042	.048	.296	.769

a. Dependent Variable: Audit Quality

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

From the results in the coefficients table, the † test (partial) indicates that the significance value of the effect of Moral Reasoning (X3) on audit quality (Y) is 0.769 > 0.05, and the calculated † value (†-computed) of 0.296 < †-table value of 2.028. Therefore, H0 is not rejected, and H3 cannot be accepted. These results explain that moral reasoning does not have a significant effect on audit quality. Although theoretically, moral reasoning is important in auditors' ethical decisions, in the context of this study, it does not directly contribute to improving audit quality.

F Test

The F test is used to examine the overall significance of the regression model or to compare variances between groups. If the calculated F value (F-computed) is greater than the F table value (F-table) or if the significance value (sig.) is less than 0.05, it can be concluded that at least one independent variable has a significant effect on the dependent variable, or there is a significant difference in variance among the groups being compared. The F test helps determine whether the regression model can explain the variance in the dependent variable effectively.

Table 10. f Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.981	3	21.327	16.123	<.001b
	Residual	47.619	36	1.323		
	Total	111.600	39			

a. Dependent Variable: Audit Quality

b. Predictors: (Constant), Moral Reasoning, Transparency, Accountability

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

From the results in the ANOVA table, the F test indicates that the significance of the effect of accountability (X1), transparency (X2), and moral reasoning (X3) on audit quality (Y) is 0.001 < 0.05, and the calculated F value (F-computed) is 16.123 > F table value of 2.86. Therefore, H0 is rejected, and H4 can be accepted. This means that accountability (X1), transparency (X2), and moral reasoning (X3) have a significant simultaneous effect on audit quality (Y).

Coefficient of Determination Test (R²)

The Adjusted R² provides a more realistic measure of how well the model explains the variation in the data, especially as the number of independent variables increases (Sugiyono, 2017).

Table 11. Coefficient of Determination result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 ^a	.573	.538	1.150

a. Predictors: (Constant), Moral Reasoning, Transparency, Accountability

Source: (IBM SPSS Statistics for Windows, Version 29.0, 2023)

Based on the Model Summary table, the R Square value is 0.573, which indicates that the effect of the variables accountability (X1), transparency (X2), and moral reasoning (X3) simultaneously on audit quality (Y) is 57%.

Discussion

This research found that accountability and transparency have a positive and significant effect on audit quality, while moral reasoning does not show a significant impact. The accountability of auditors in this study enhances audit quality because responsible auditors are more likely to perform their duties meticulously and free from external pressure. This aligns with the principles of good governance, which emphasize the importance of accountability in increasing public trust in government institutions (Azizah & Kholifah R, 2023). Transparency also shows a significant effect, indicating that open budget management facilitates auditors in identifying discrepancies. This condition supports literature that states that information openness enhances the public's ability to conduct oversight and supports the credibility of audit results (Genisa & Hisar Pangaribuan, 2023). However, moral reasoning does not significantly affect audit quality. This indicates that although auditors have a high level of moral understanding, this factor is not the primary variable in enhancing audit quality at the West Sulawesi Provincial Inspectorate. This may be due to organizational factors that dominate the situation. This aligns with the audit results conducted by Srimindarti et al., (2022) which state that moral reasoning does not have a direct impact on audit quality.

The simultaneous testing results show that accountability, transparency, and moral reasoning collectively have a significant impact on the audit quality of the West Sulawesi Provincial Inspectorate. This indicates that when these three variables are considered collectively, they contribute to improving audit quality, even though moral reasoning is not significant on a partial basis. The significance of this simultaneous effect illustrates that audit quality does not rely solely on one factor but is the result of the synergy of several supporting factors. Theoretically, these findings support the agency theory framework, which states that strong transparency and accountability can help reduce information asymmetry between auditors and stakeholders, thereby creating more quality and trustworthy audits (Jensen & Meckling, 1976). Additionally, although moral reasoning is not significant individually, its presence in the simultaneous model suggests a potential role of auditors' ethical values in an environment regulated by accountability and transparency. Thus, the results of this simultaneous test imply that to improve audit quality, the West Sulawesi Provincial Inspectorate needs to continue strengthening the integration of accountability, transparency, and the morality of auditors in conducting ethical actions. This can be achieved through policies aimed at enhancing competencies and training programs that focus not only on technical aspects but also prioritize professional ethics principles in auditing.

Furthermore, this study has several limitations that may affect the generalization of its results. First, the research focuses only on the public sector of the West Sulawesi Inspectorate. This limitation means that the findings do not fully represent the conditions of inspectorates in other regions of Indonesia, which may have different characteristics or challenges regarding accountability, transparency, and audit quality. Second, this study was conducted with participation from 80% of respondents from the total staff in the West Sulawesi Inspectorate. Although this is a relatively high figure, there is a possibility that the views of the remaining 20% of staff could provide additional perspectives that enrich the

research results. Therefore, it is hoped that further research can broaden the scope of the region and involve more representative respondents. Third, this study only assesses the influence of three main variables—accountability, transparency, and moral reasoning—on audit quality. Other factors, such as time budget pressure, auditor training, or audit complexity, may also play a role in audit quality but were not accounted for in this study. The addition of other variables in future research could provide a more comprehensive understanding.

Conclusions and Suggestions

This research provides important insights into the influence of accountability, transparency, and moral reasoning on audit quality at the West Sulawesi Provincial Inspectorate. The analysis results show that accountability and transparency have a significant positive effect on audit quality, emphasizing the importance of these two factors in creating a more reliable and trustworthy audit process in the public sector. However, moral reasoning does not demonstrate a significant impact in the context of this study, although it is important as the ethical foundation for auditors' professional conduct. These results suggest that in a complex governmental environment, the roles of accountability and transparency become more dominant than the individual moral factors of auditors in determining audit quality.

These findings support agency theory, which emphasizes the need for transparency and accountability to reduce information asymmetry between the government as the agent and the public as the principal. This research also highlights that high audit quality results from a combination of good governance systems, transparent oversight environments, and policies that support auditor integrity. Therefore, these findings offer practical implications for local governments to enhance audit governance policies, particularly by strengthening accountability mechanisms and expanding transparency access in budget management.

For future research recommendations to enrich the literature on audit quality in the public sector, it is suggested that subsequent studies expand the geographical scope and consider additional variables. A longitudinal approach could also be used to observe how changes in governance and public policy can affect audit quality over time. This research is expected to serve as a foundation for more accountable public policies and as a reference for studies in the public sector in a broader context.

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