

CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusion

The objective of this research is to examine the effect of investigative auditing competence and audit experience on fraud detection, with professional skepticism serving as a moderating variable. This study was carried out at a governmental institution, specifically the Financial and Development Supervisory Agency (BPKP) of the Yogyakarta Special Region. From the analysis of the tested data, several conclusions have been formulated as follows:

1. Investigative auditing competence has a significant and positive effect on fraud detection. This indicates that the higher the investigative auditing competence of auditors, the greater their ability to identify and disclose fraud. Competent investigative auditors are able to design sharper examination procedures, analyze suspicious transaction patterns, and systematically collect and evaluate forensic evidence, resulting in more effective fraud detection.
2. Audit experience has a significant and positive effect on fraud detection. This implies that the greater the audit experience of auditors whether in terms of duration, number of engagements, or variety of case types the higher their ability to detect fraud. Experienced auditors possess better fraud pattern recognition ability,

a deeper understanding of internal control systems, and higher sensitivity to fraud indicators that are not easily detected by less experienced auditors.

3. Professional skepticism was not proven to moderate the effect of investigative auditing competence on fraud detection; hence, H3 is rejected. This indicates that the level of professional skepticism, whether high or low, neither amplifies nor diminishes the relationship between investigative auditing competence and fraud detection. In the context of BPKP as a government institution, investigative auditing competence constitutes a mandatory minimum standard for all auditors under BPKP Regulation No. 5 of 2023, so competence tends to directly influence fraud detection regardless of individual auditors' level of professional skepticism.
4. Professional skepticism was proven to significantly moderate and strengthen the effect of audit experience on fraud detection; hence, H4 is accepted. This indicates that auditors with higher audit experience supported by strong professional skepticism produce more effective fraud detection outcomes. Professional skepticism functions as a control mechanism ensuring that audit experience does not become mere routine but continues to be applied critically and analytically in identifying fraud indicators.

B. Implication

1. Theoretical

The findings of this research reinforce the explanatory power of the Fraud Hexagon Theory (Vousinas, 2019) in understanding auditor behavior and effectiveness in the public sector, particularly in the context of fraud detection. This study affirms that the elements within the Fraud Hexagon especially capability, collusion, and rationalization can be effectively addressed through auditors' investigative auditing competence and audit experience. Furthermore, the evidence that professional skepticism strengthens the effect of audit experience on fraud detection supports the notion that auditors' professional attitudes and values substantially shape the quality of their audit outcomes. Consequently, these findings provide additional empirical support for the use of Fraud Hexagon Theory as a conceptual framework for understanding how individual auditor characteristics interact with professional attitudes in detecting fraud in government audit environments

2. Practical

The outcomes of this research are intended to serve as a reference for auditors, BPKP leadership, and other associated parties. The study reveals that investigative auditing competence and audit experience significantly influence fraud detection ability, and professional skepticism can strengthen the effectiveness of audit experience in detecting fraud. Therefore, auditors need to continuously improve their investigative

technical competence and maintain a critical skeptical attitude in every audit engagement. Organizations also need to create work environments that support the ongoing development of investigative competence and encourage the internalization of professional skepticism as an audit culture. This study's findings may also serve as input for policymakers in formulating audit guidelines or regulations that emphasize the importance of investigative competence, audit experience development, and strengthening auditors' professional skeptical attitude

C. Limitation and Suggestions

This research has been conducted in accordance with scientific guidelines; however, several limitations remain. First, the response rate achieved in this study was approximately 49%, falling slightly below the 50% threshold commonly recommended in survey-based research. This relatively low response rate may introduce non-response bias, as the perspectives of non-participating auditors remain unrepresented, potentially affecting the robustness of the findings. Future studies are encouraged to employ strategies such as follow-up reminders, extended data collection periods, or incentive mechanisms to improve respondent participation rates. Second, the availability of prior empirical studies specifically examining professional skepticism as a moderating variable in the relationship between investigative auditing competence and fraud detection was notably limited. The scarcity of directly comparable reference studies constrained the depth of theoretical triangulation and cross-study comparison in this research. This gap in the literature

simultaneously underscores the novelty of this study's contribution and highlights the need for future researchers to further develop this line of inquiry, particularly within the public sector auditing context in Indonesia. Third, the findings of this study are primarily generalizable only to internal auditors within BPKP, given that the sample was drawn exclusively from this institution. The unique organizational structure, regulatory mandate, and competency standards governing BPKP auditors may differ substantially from those of other government audit bodies such as BPK, Inspectorates, or APIP at the regional level; therefore, caution should be exercised when extending these findings beyond the BPKP context. Fourth, this study only incorporated two independent variables investigative auditing competence and audit experience without accounting for other potentially influential factors such as auditor independence, workload, or time pressure. Agustina et al. (2021) noted a similar limitation, as their study focused only on selected auditor characteristics, recommending that future research include additional variables such as audit time pressure and other personal auditor attributes. In line with this, Elta & Meilani (2025) suggested that subsequent research explore moderating variables beyond workload, such as professional ethical commitment or organizational culture. Fifth, this study relied solely on Moderated Regression Analysis (MRA), which may not fully capture the complexity of inter-variable relationships. Future research should utilize advanced methodologies, such as Structural Equation Modelling (SEM) or path analysis, to thoroughly validate.