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KEY DETERMINANTS DRIVING AUDITEE SATISFACTION-TECHNICAL AUDIT DOMINANCE AND RESPONSIVENESS BACKFIRE IN MALUKU.

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Abstract

This study examines the influence of audit quality dimensions on auditee satisfaction in the Indonesian public sector, specifically within the Maluku Provincial Government. Using the AUDITQUAL framework, this quantitative study employs a survey design with 138 respondents from Regional Government Organizations (OPD). Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) to test the relationships between six audit quality dimensions (reputation, expertise, capability, independence, responsiveness, and empathy) and auditee satisfaction. Four of six hypotheses were supported. Expertise emerged as the strongest predictor of auditee satisfaction, followed by capability, reputation, and independence. Interestingly, responsiveness showed a significant negative relationship with auditee satisfaction, while empathy had no significant effect. This research addresses the gap in auditee perspective studies in Indonesian public sector auditing, revealing that technical quality dimensions outweigh service quality in determining satisfaction, contrary to private sector findings. The negative effect of responsiveness provides new insights into auditor-auditee dynamics in governmental contexts. Auditee satisfaction is more determined by auditor technical quality compared to relational quality. The stewardship theory framework that emphasizes that auditors as stewards need to build trust through professional competence and independence, not through emotional closeness that can threaten objectivity

INTRODUCTION

Good governance is a fundamental prerequisite for realizing accountable and transparent public sector management. In the era of digitalization and increasing demands for public accountability, the role of public sector auditing has become increasingly crucial. Financial statement audits and government performance audits function as important oversight and accountability mechanisms in promoting accountability in the management of the government sector, State-Owned Enterprises (SOEs), and other state asset management institutions (Bastian, 2019). In Indonesia, government audit functions are performed by both internal and external auditors. The Supreme Audit Board (BPK) as an external auditor has a constitutional mandate to examine the management and financial accountability of the state conducted by the central government, regional governments, and other state institutions based

on Law Number 15 of 2006. These examinations include financial audits, performance audits, and audits with specific purposes, all aimed at ensuring accountability in state financial management (Halim & Kusufi, 2007).

Increasing attention to audit quality in the public sector demonstrates awareness of the importance of auditing as an instrument for improving governance. However, most previous research still focuses on the private sector context and emphasizes the auditor's perspective. Studies that highlight auditee perceptions and satisfaction, particularly in the government sector, are still very limited. Yet, the government audit context has different characteristics from the private sector, such as regulatory complexity, intensity of public oversight, and differences in accountability objectives. This study finds that there is a lack of in-depth understanding of how auditees in the government sector view the audit process, including the factors that influence their satisfaction with auditor performance. Most existing literature ignores this auditee perspective, resulting in an unbalanced understanding of the effectiveness of government audits.

Samelson et al., (2006) were among the pioneering researchers to examine the determinants of perceived audit quality and auditee satisfaction in local government. Reheul et al., (2011) also conducted research to determine the relationship between auditor performance and auditee satisfaction and loyalty based on auditee perceptions in non-profit organizations in Belgium. Auditor performance in this study was measured using audit quality dimensions developed by Duff (2004), including client service (assurance), reputation, and expertise dimensions. However, these studies were conducted in the United States and European contexts, which have different government systems from Indonesia. Research on audit quality in Indonesia's public sector is also still dominated by studies focusing on the perspective of external government auditors, namely BPK, as well as internal auditors, namely the Inspectorate and BPKP (Nurdiono & Gamayuni, 2018). Not many have revealed how auditees as recipients of audit services view and evaluate the quality of audits they receive. Yet, auditee perception and satisfaction are important dimensions often overlooked in government audit literature (Duff, 2004; Sutton, 1993).

Auditee satisfaction reflects the perceived value of the audit process and serves as an important indicator of audit effectiveness in driving organizational improvement. Research by Carey et al., (2025) shows that audit staff satisfaction is positively correlated with audit quality in the private sector, indicating the importance of intrinsic motivation in producing high-quality audits. In the Indonesian context, Yulisfan (2023) found that communication between auditors and auditees plays an important mediating role in the relationship between auditor competence and audit effectiveness in regional governments in Sumatra. These research findings show that competent auditors who cannot communicate effectively will produce audit recommendations that are difficult to implement. Furthermore, research by Leiwaskabessy (2013) and Tehuayo (2022) also shows that technical quality and service quality dimensions also affect auditee satisfaction in regional government. These findings strengthen the urgency to study the auditee perspective in the context of Indonesian public sector organizations, considering this aspect still rarely receives attention in academic studies on audit quality and auditee satisfaction in the government environment.

This research uses the audit quality concept with the AUDITQUAL model developed by Duff (2004). This concept is based on surveys of auditors, finance directors as financial statement preparers, and fund managers (stakeholders) to determine their perceptions of audit quality and to examine various different audit quality components from various literatures on audit quality. Specifically, AUDITQUAL groups audit quality into two elements consisting of several audit quality dimensions. These two elements are technical qualities and service qualities. Technical quality includes several dimensions: reputation, capability, expertise, experience, and auditor independence. Meanwhile, service quality includes the dimensions of

responsiveness (response to clients), empathy, assurance, and non-audit services. Government audit research in Indonesia tends to focus on technical quality (competence, independence, experience) but neglects service quality (responsiveness, empathy, communication) (Kurniawan et al., 2019). Stewardship theory serves as the primary theoretical foundation in this study to analyze the relationship between auditors and auditees in the public sector. This theory positions both parties as stewards who are intrinsically motivated to achieve shared organizational goals, namely accountable public resource management. Auditee satisfaction with audit quality reflects the level of stewardship alignment, where trust and effective communication strengthen a shared commitment to good governance.

Studies in Indonesia are dominated by those that conceptualize audit quality primarily from the auditor's technical perspective, focusing on competence, compliance with auditing standards, independence, and error detection capabilities. Generally, less attention to service quality from the auditee's perspective, even though public sector audits in Indonesia involve intensive interaction, negotiation, and communication between the auditor and the auditee. Consequently, service quality is underexplored. This imbalance creates a clear research gap, as accountability outcomes depend not only on technical rigor but also on the effectiveness of auditor-auditee interactions.

The technical quality of an audit, reflected in the auditor's competence, procedural accuracy, and ability to reliably detect and report findings, provides assurance that the audit process is conducted professionally and produces credible findings, thereby increasing the auditee's trust and satisfaction with the audit results. Auditors view technical quality as the basis for maintaining independence and objectivity, because technically sound audit decisions provide professional justification even if they are not in line with the auditee's. Meanwhile, the auditor's service quality through clear communication, responsiveness, professionalism, and empathy influences the auditee's experience during the audit process, facilitating interactions and reducing tension and uncertainty. However, auditors also recognize that service quality has normative limits, because service orientation should not weaken independence and objectivity.

Therefore, this research fills the gap by explicitly examining the service quality dimension of BPK audits and its influence on auditee satisfaction. In addition, this research specifically applies the AUDITQUAL model in the context of provincial government audits in Indonesia, particularly in the Eastern Indonesia region. This research is focused on the Maluku region because Maluku faces complex audit challenges due to high fiscal dependence on the central government, low regional original income (PAD), and capital expenditures that can affect the audit process. Based on the description above, this research aims to examine the influence of technical quality and service quality of audits on the satisfaction of regional government auditees in Maluku Province.

HYPOTHESIS DEVELOPMENT
Stewardship Theory

Stewardship theory functions as a normative alternative to agency theory in corporate governance (Subramanian, 2018). Stewardship theory offers an alternative perspective from agency theory in understanding the relationship between principal and agent. Unlike agency theory, which assumes that agents act opportunistically and self-interestedly, stewardship theory views that the agent (steward) is an individual who can be trusted, has integrity, and is motivated to act in the best interests of the principal (Keay, 2017). In the context of public sector auditing, auditors serve as stewards who have fiduciary responsibility to protect public interests and facilitate good governance. Characteristics of effective stewards include professional competence, collective orientation, commitment to organizational mission, and the ability to align personal goals with organizational goals.

Audit Quality and Auditee Satisfaction

Audit quality is a multidimensional construct that has been defined from various perspectives. The Government Accountability Office (GAO) defines audit quality as an audit conducted in accordance with generally accepted auditing standards to provide reasonable assurance that the audited financial statements are free from material misstatement. However, this definition focuses more on technical aspects and less accommodates stakeholder perspectives. DeAngelo (1981) provides a more comprehensive definition by stating that audit quality is the joint probability that an auditor will discover and report violations in the client's accounting system. This definition includes two important components: competence (ability to discover) and independence (willingness to report). These two components form the basis of the technical quality dimension in the AUDITQUAL framework.

According to Herrbach (2001) as quoted by Duff (2009), audit quality does not have a consistent definition and operationalization across various studies. To overcome this limitation, (Duff, 2004) then developed a concept of audit quality dimensions called AUDITQUAL. This concept was developed by assessing various different audit quality components from various literatures on audit quality. Specifically, AUDITQUAL groups audit quality into two elements consisting of several audit quality dimensions. These two elements are technical qualities and service qualities. Technical quality relates to competence and objectivity factors developed by DeAngelo (1981). Technical quality includes several dimensions: auditor reputation, auditor capability, auditor expertise, auditor experience with clients, and auditor independence. Meanwhile, service quality is adopted from the service quality approach developed by Parasuraman et al., (1988), which includes the dimensions of: responsiveness (response to clients), empathy, assurance, and non-audit services.

In the context of regional government auditing by the Supreme Audit Board (BPK), not all service quality dimensions are relevant to use. Based on institutional regulations, BPK functions as the state's external auditor with a constitutional mandate and is not permitted to provide non-audit services or forms of assurance services outside of financial, performance, and specific purpose examinations as regulated in Law No. 15 of 2006 and State Financial Audit Standards (SPKN). Therefore, the service quality dimensions used are limited to aspects that are still in accordance with BPK's function, namely: Responsiveness and empathy. The assurance and non-audit service dimensions are excluded because they are not in accordance with the scope and code of ethics for state examiners, which require objectivity and limitation of public auditor roles. Additionally, because measurement is based on auditee perception, technical quality related to auditor experience is also not used. Thus, the conceptual model of this research uses four technical quality dimensions (reputation, capability, expertise, independence) and two service quality dimensions (responsiveness, empathy) that are relevant to external audits of regional governments by BPK.

Cronin Jr & Taylor (1994) distinguish between service quality and client satisfaction, emphasizing that these two constructs are different although interrelated. Service quality is more objective and oriented toward specific attributes, while client satisfaction is more subjective and holistic. In the context of public sector auditing, auditee satisfaction becomes important for several reasons. First, satisfied auditees tend to be more cooperative during the audit process, which in turn can improve audit effectiveness and efficiency (Duff, 2009). Second, auditee satisfaction contributes to the legitimacy and credibility of audit institutions in the eyes of public stakeholders.

The Effect of Auditor Reputation on Auditee Satisfaction

According to (Leiwaskabessy, 2013), reputation refers to integrity and high ethical standards, objectivity, and auditor thoroughness in conducting audits. Reputation reflects the credibility and integrity of audit institutions (Nindita & Nirwana, 2023). Based on stewardship

theory, auditors with good reputations are viewed by auditees as trustworthy and oriented toward the long-term interests of the organization. This trust reduces the potential for conflict between auditors and auditees, thus leading to higher auditee satisfaction. BPK's good reputation strengthens public perception of the quality and fairness of examinations. In stewardship theory, reputation becomes a moral control mechanism that encourages auditors to act in accordance with public interests (Keay, 2017).

H₁: *Auditor reputation has a positive effect on auditee satisfaction.*

The Effect of Auditor Expertise on Auditee Satisfaction

Auditor expertise refers to specific knowledge and experience related to industry, accounting standards, and specific audit techniques. Unlike capability, which is more general, expertise is more specific and in-depth in certain areas. In the public sector or government, auditors need to have relevant specialized knowledge in government accounting and auditing to conduct audits effectively (Leiwaskabessy, 2013). Auditors who have specialized expertise in the government sector understand regulations, government accounting systems, and unique characteristics of public financial management. According to stewardship theory, auditor expertise strengthens the auditee's perception that the auditor acts as a competent steward, not as a supervisor. Auditors with high expertise are seen as capable of aligning audit objectives with the needs of the auditee organization. Iskandar et al., (2010) show that auditor expertise positively affects auditee satisfaction. Auditors who understand the characteristics of regional government can provide more applicable recommendations, thereby increasing auditee satisfaction.

H2: Auditor expertise has a positive effect on auditee satisfaction.

The Effect of Auditor Capability on Auditee Satisfaction

Auditor capability reflects competence, skills, knowledge, and professional experience applied during the audit process. Capable auditors can understand complex financial information, identify risks, apply relevant standards, and communicate findings effectively. In the stewardship theory perspective, capability is a manifestation of the steward's commitment to provide the best value for the organization. Base stewardship theory, auditors with high capabilities are seen as being able to maintain a balance between compliance with audit standards and providing added value to auditees, thereby building a more collaborative working relationship. Auditees who interact with competent auditors feel more confident that audit recommendations can be implemented and will provide real benefits for organizational improvement.

H3: Auditor capability has a positive effect on auditee satisfaction.

The Effect of Auditor Independence on Auditee Satisfaction

Auditor independence is the foundation of audit credibility. Independent auditors can provide objective assessments without being influenced by external pressure or personal interests. In the context of stewardship theory, independence shows that auditors act as trustworthy stewards who make objective judgments to protect the welfare of the organization and stakeholders (Keay, 2017). Stewardship theory perspective, independence strengthens the auditee's belief that the auditor is acting in the best interest of the quality and reliability of the information. When the auditor demonstrates independence, the auditee will perceive the audit findings as an improvement to the organization. Government Auditing Standards 2024 emphasizes the importance of auditor independence both in appearance (independence in appearance) and in fact (independence in fact). Auditors must be free from conflicts of interest, personal or professional relationships that can affect objectivity, and pressure that can reduce auditors' ability to make unbiased judgments. Research results by Tehuayo (2022) show that

auditor independence affects auditee satisfaction.
H4: Auditor Independence has a positive effect on auditee satisfaction.

The Effect of Auditor Responsivenness on Auditee Satisfaction

Auditor responsiveness refers to the auditor's willingness and ability to promptly respond to auditee needs, questions, and concerns during the audit process. Responsive auditors communicate effectively, provide timely feedback, and adapt to client needs, which helps build cooperative working relationships and mutual trust. Stewardship theory perspective, auditor responsiveness improves the clarity of communication and the auditee's understanding of the audit objectives, process, and results. When the auditor is able to provide a quick and informative response, the auditee's uncertainty and anxiety regarding the audit can be minimized. (Annelin & Svanström, 2023) found that communication and transparency are important dimensions of public sector audit quality in Scandinavia. Public sector stakeholders give equal weight to communication dimensions as they do to technical competence dimensions.
H5: Auditor responsiveness has a positive effect on auditee satisfaction.

The Effect of Auditor Emphaty on Auditee Satisfaction

Auditor empathy refers to the auditor's ability to understand and share the feelings and perspectives of auditees during the audit process. Empathy in auditing involves compassion, patience, and attention to auditee circumstances, which encourages the creation of a supportive and collaborative audit environment. From the perspective of stewardship theory, auditor empathy strengthens the relationship between auditor and auditee. Auditors who have strong empathy are oriented towards improvement, not just finding mistakes, thus increasing auditee satisfaction. In service quality literature, empathy is one dimension of SERVQUAL that contributes positively to customer satisfaction.
H6: Auditor empathy has a positive effect on auditee satisfaction

Audit technical quality is expected to have a positive effect on auditee satisfaction, as it reflects the auditor's level of professionalism in applying audit standards, using appropriate professional judgment, and producing reliable and accountable findings and recommendations. From the auditee's perspective, an audit with high technical quality provides assurance that the audit process is conducted objectively, fairly, and evidence-based, thereby increasing confidence in the audit results and the legitimacy of the recommendations provided. When auditees perceive those auditors have strong technical competence and are able to identify problems accurately, they tend to perceive the audit process as value-added and beneficial for improving organizational management, which ultimately increases auditee satisfaction with the audit implementation.

In terms of service quality, good service is reflected in clear communication, responsiveness to the auditee's needs, professionalism, and auditor empathy, helping to reduce uncertainty and tension during the audit process. In the public sector context, where audits often involve intensive and repeated interactions, service quality plays a crucial role in building cooperative working relationships and enhancing perceptions of procedural fairness. Although it does not determine the substance of the audit opinion, service quality increases the auditee's comfort and acceptance of the audit process and results, thus directly contributing to increased auditee satisfaction.

RESEARCH METHOD
Research Design

This research uses a quantitative approach with a survey design. The reason for using surveys is that researchers collect primary data directly from respondents, namely data relevant

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to the phenomenon being studied. This data is actual, original, and meets the needs of the research variables. The quantitative approach was chosen because the research objective is to test causal relationships between variables according to the formulated hypotheses. The research was conducted in Maluku Provincial Government, specifically in Regional Government Organizations (OPD) of Maluku Province. OPD was established as the unit of analysis because it is the entity that directly interacts with BPK auditors in the process of examining financial statements and performance.

Population and Samples

The population in this research is OPD employees. The sampling method used is purposive sampling with criteria of OPD employees responsible for the financial statement preparation process and asset management, including OPD heads, division heads and OPD treasurers who carry out treasury activities in the context of budget implementation, and Regional Information Management System (SIMDA) operators responsible for financial data input and processing. The selection of this sample criterion is based on the consideration that these respondents have direct experience and adequate knowledge about the audit process conducted by BPK, so they can provide assessments of audit quality and their satisfaction as auditees. Because the measurement of audit quality and auditee satisfaction in this research is based on auditee perception. The total number of respondents successfully collected and meeting data completeness criteria was 138 respondents.

Variable Definition

This research uses seven variables, consisting of 6 independent variables and 1 dependent variable. The independent variables are auditee perceptions of technical quality and service quality dimensions demonstrated by government auditors (BPK) when conducting audits. These audit quality dimensions consist of reputation (REP), expertise (KHN), capability (CAP), independence (IND), responsiveness (RES), and empathy (EMP). Independent variables are measured using questionnaires developed by (Duff, 2004) and (Butcher et al., 2013). The dependent variable in this research is Auditee Satisfaction (SAT), which is measured using questionnaires developed by Behn et al., (1997).

Table 1.

Operational Definition

Variables	Definition
Auditee satisfaction	Satisfaction felt by the auditee
Capability	The auditor team's ability to conduct audits
Expertise	The audit team has the necessary expertise for government accounting and auditing to conduct audits effectively.
Reputation	The audit team has a good reputation during the audit, including integrity and high ethical standards, objectivity, and accuracy in carrying out the audit.
Independence	The audit team maintains independence both in fact and in appearance
Responsiveness	The audit team is responsive to the needs of the local government, during the audit
Empathy	Caring, individual attention that the audit team gives to the auditee

Data Analyzing

Data analysis in this research uses Partial Least Square-Structural Equation Modeling (PLS-SEM) with SmartPLS software. Data testing using smartpls because with sharing references it recommends a sample size of 100-200 (Rahadi, 2023). The data were analyzed in two stages:

1. Measurement Model Evaluation (Outer Model):
    This stage involves assessing convergent validity (outer loadings and Average Variance Extracted/AVE), discriminant validity (Fornell-Larcker Criterion, Heterotrait-Monotrait Ratio/HTMT, and cross-loadings), and reliability analysis (Hair et al., 2019; Henseler et al., 2016).
2. Structural Model Evaluation (Inner Model):
    This stage includes evaluating the R-Square to measure the explained variance, assessing model fit (SRMR), and performing hypothesis testing via the bootstrapping method to determine the t-statistics and p-values (Hair et al., 2019).

RESEARCH RESULTS AND DISCUSSION
Respondent Characteristics
Table 2.
Respondent Profile

Characteristic	Numbers	Percentage
Gender	138	100%
Male	58	42%
Female	80	58%
Last Education	138	100%
Diploma	14	10%
Bachelor Degree	83	60%
Master Degree	41	30%
Length of work (In Years)	138	100%
0-2	28	20%
3-6	28	20%
7-10	41	30%
>10	41	30%

Source: Processed Data, 2025

Based on the respondent profile table, it explains that the number of respondents in this study was 138, dominated by females at 58% while males were 42%. In terms of the last education, the majority held a bachelor's degree at 60%, while for diploma and master's degrees, each was 10% and 30%. In terms of length of service, employees who worked for a period of 0-2 years amounted to 20%, the value is the same as employees who worked for a period of 3-6 years. In the period of 7-10 years and more than 10 years, the number was 30% each.

Measurement Model Evaluation
Convergent validity testing was conducted to ensure that each questionnaire item can measure the intended construct. Testing was performed through outer loading and Average Variance Extracted (AVE). Convergent validity test results show that factor loadings on several indicators of procedural fairness perception (PPF), commitment (CO), and voluntary compliance (VC) constructs showed values below 0.7, so these indicators must be removed (Chin, 1995). Indicators with values below 0.7 include CAP1, IND1, RES1, RES3, EMP2, EMP4, EMP5, SAT1, SAT2, SAT3, SAT6, SAT11. Following are the validity and reliability test results after these indicators were removed:

Table 3.
Outer Loading Factor

Indikator	Loading Factor > 0,7
Reputation (R1)	0.708
Reputation (R2)	0.796
Reputation (R3)	0.777
Reputation (R4)	0.701

Indikator	Loading Factor > 0,7
Reputation (R5)	0.759
Expertise (KHN1)	0.838
Expertise (KHN2)	0.890
Expertise (KHN3)	0.727
Capability (CAP2)	0.778
Capability (CAP3)	0.844
Capability (CAP4)	0.714
Independence (IND2)	0.704
Independence (IND3)	0.833
Independence (IND4)	0.770
Responsiviness (RES2)	0.834
Responsiviness (RES4)	0.875
Emphaty (EMP1)	0.840
Emphaty (EMP3)	0.727
Empati (EMP6)	0.781
Auditee Satisfaction (SAT3)	0.717
Auditee Satisfaction (SAT4)	0.753
Auditee Satisfaction (SAT7)	0.708
Auditee Satisfaction (SAT8)	0.700
Auditee Satisfaction (SAT9)	0.711
Auditee Satisfaction (SAT10)	0.706
Auditee Satisfaction (SAT12)	0.715
Auditee Satisfaction (SAT14)	0.709

Source: Output SmartPLS, 2025

Based on the convergent validity analysis results, all indicators used in this research, for both independent and dependent variables, are declared valid. This is because the outer loading values of all indicators have met the established criteria, which is above the threshold of 0.7. This indicates that each indicator has a strong and consistent correlation in measuring its respective latent variable. Therefore, it can be concluded that this research instrument has adequate validity to measure the constructs being studied.

Table 4.
Average Variance Extracted (AVE)

Variable	AVE
Reputation	0.561
Expertise	0.674
Capability	0.609
Independence	0.594
Responsiveness	0.731
Empathy	0.615
Audit Satisfaction	0.511

Source: SmartPLS Output, 2025

The AVE values for all variables are above 0.50. This shows that each construct can explain more than 50% of the variance of its indicators. Discriminant validity ensures that each construct is empirically different from other constructs in the model. This research uses the Fornell-Larcker criterion and cross-loading analysis to assess discriminant validity, following recommendations by Henseler et al., (2015) and Hair et al., (2019). The Fornell-Larcker criterion requires that the square root of each construct's AVE must exceed its correlation with other constructs. The results show that the square root of each construct's AVE is greater than that construct's correlation with other constructs, indicating discriminant validity is met.

Table 5.

Fornell-Larcker Criterion

Variable	REP	EXP	CAP	IND	RES	EMP	SAT
Reputation	**0.749**						
Expertise	-0.022	**0.821**					
Capability	-0.033	-0.048	**0.781**				
Independence	-0.018	0.035	-0.018	**0.771**			
Responsiveness	0.073	0.121	0.150	-0.134	**0.855**		
Empathy	0.035	0.000	-0.099	0.054	-0.168	**0.784**	
Audit Satisfaction	**0.182**	**0.360**	**0.183**	**0.194**	**-0.137**	**0.142**	**0.715**

Source: SmartPLS Output, 2025

Discriminant validity testing was also conducted using the cross-loading method. Cross-loading analysis shows that each indicator has the highest loading value on the construct it is intended to measure compared to other constructs. For example, indicator KHN2, which is part of the Expertise construct, has a loading of 0.890 on the Expertise construct, which is much higher than its loading on other constructs (ranging from -0.094 to 0.368). The same pattern is seen in all indicators, confirming good discriminant validity.

After testing construct and discriminant validity, reliability testing was conducted to assess the internal consistency of indicators in representing their respective constructs. This research evaluates reliability using Composite Reliability (rho_c) and Cronbach's Alpha coefficients. According to Hair et al., (2019), constructs show adequate reliability when Composite Reliability exceeds 0.70 and Cronbach's Alpha exceeds 0.60.

Table 6.
Reliabilty Testing Result

Variable	Composite Reliability	Cronbach's Alpha
Reputation	0.864	0.814
Expertise	0.860	0.763
Capability	0.823	0.688
Independence	0.814	0.667
Responsiveness	0.844	0.633
Empathy	0.827	0.692
Audit Satisfaction	0.893	0.864

Source: SmartPLS Output, 2025

All constructs show satisfactory reliability, with Composite Reliability values ranging from 0.814 to 0.893 (all exceeding 0.70) and Cronbach's Alpha values ranging from 0.633 to 0.864 (all exceeding 0.60). Audit Satisfaction shows the highest internal consistency (CR = 0.893, α = 0.864), while Responsiveness shows the lowest but still acceptable reliability coefficients (CR = 0.844, α = 0.633). These results confirm that all measurement scales have adequate internal consistency and can reliably measure the intended constructs.

Structural Model Evaluation

After confirming the validity and reliability of the measurement model, the structural model was evaluated to test the hypothesized relationships between constructs. The assessment includes R-square analysis; model fit evaluation, and hypothesis testing through bootstrapping procedures. The Adjusted R-Square value in this research is 0.268, which means 26.8% of the variation in auditee satisfaction can be explained by the six audit quality dimensions (empathy, independence, capability, expertise, reputation, and responsiveness), while the remaining 73.2% is explained by other factors outside the model.

Tabel 7.
Output Model Fit

Indicator	Saturated Model	Estimated Model
SRMR	0,074	0,074
d_ULS	2,092	2,092
d_G	0,664	0,664
Chi-Square	521,426	521,426
NFI	0,592	0,592

Source: SmartPLS Output, 2025

Model fit testing using Standardized Root Mean Square Residual (SRMR) shows a value of 0.074 for both the saturated model and estimated model. Both values are below the threshold of 0.100, indicating that the model has good fit and is suitable for use in interpretation and drawing conclusions.

Hypothesis testing was conducted using bootstrapping procedures by examining Original Sample values (path coefficients), T-Statistics, and P-Values.'

Table 8.
Hypothesis Testing Results

Hypothesis	Path	Original Sample	T-Statistic	P-Value	Decision
H_1	Reputation → Audit Satisfaction	0.212	2.328	0.020	Supported
H_2	Expertise → Audit Satisfaction	0.395	5.354	0.000	Supported
H_3	Capability → Audit Satisfaction	0.253	2.883	0.004	Supported
H_4	Independence → Audit Satisfaction	0.156	1.972	0.049	Supported
H_5	Responsiveness → Audit Satisfaction	-0.197	2.189	0.029	Not Supported
H_6	Empathy → Audit Satisfaction	0.118	1.549	0.122	Not Supported

Source: SmartPLS Output, 2025

Research results show that five of six hypotheses were supported. Expertise emerged as the strongest predictor of audit satisfaction ($\beta = 0.395$, t = 5.354, p < 0.001), followed by Capability ($\beta = 0.253$, t = 2.883, p = 0.004), Reputation ($\beta = 0.212$, t = 2.328, p = 0.020), and Independence ($\beta = 0.156$, t = 1.972, p = 0.049). Interestingly, responsiveness showed a negative relationship with audit satisfaction ($\beta = -0.197$, t = 2.189, p = 0.029), indicating potential unintended consequences of excessive responsiveness. Only empathy failed to show a significant relationship with audit satisfaction ($\beta = 0.118$, t = 1.549, p = 0.122), indicating that emotional understanding may be less critical compared to technical competence in the government audit context.

Discussion

Research results show that government audit quality measured through six AUDITQUAL dimensions, namely reputation, expertise, capability, independence, responsiveness, and empathy, has different influences on auditee satisfaction in the Maluku Provincial Government environment. All technical dimensions—reputation, expertise, capability, and independence—affect satisfaction. Meanwhile, service quality dimensions show interesting findings where the responsiveness variable has a negative effect on auditee satisfaction while the empathy variable has no effect on auditee satisfaction. These findings

expand understanding of how technical quality and service quality dimensions in the AUDITQUAL model Duff (2004) operate in the context of public sector auditing in Indonesia.

Empirically, auditor expertise is the most dominant determinant of auditee satisfaction. This aligns with findings by Leiwaskabessy (2013) and Tehuayo (2022) which emphasize that auditors with in-depth knowledge of the government context can provide more relevant and applicable recommendations. Auditors who are expert in government audit standards, regulations, and public sector characteristics can provide findings and recommendations that are highly relevant to auditee operational contexts. Auditees are confident that auditors understand the specific nuances of regional government financial management, including regulatory complexity, government accounting systems, and unique challenges in coordination between OPDs. In the context of Maluku Province as an archipelagic region, auditor expertise in understanding geographical, logistical, and inter-island coordination challenges becomes very important. Auditors who have experience and specific knowledge about archipelagic regional government can provide recommendations that are more applicable and suited to the real conditions faced by auditees. Based on stewardship theory, expertise reflects the moral commitment of auditors as stewards oriented toward public interests (Keay, 2017). Competent auditors not only perform oversight functions but also serve as strategic partners in governance improvement.

In addition to expertise, capability and reputation also significantly affect auditee satisfaction. Auditor capability's effect on auditee satisfaction supports Duff (2004) research in the private sector but also provides confirmation that in the government sector, capability is also an important audit quality dimension that affects auditee satisfaction. Auditees feel real added value for governance improvement and organizational performance when interacting with capable auditors. Capable auditors can understand the complexity of auditee operations, accurately identify key risks, and formulate recommendations that are targeted and applicable.

Auditor reputation in both profit organizations (Nindita & Nirwana, 2023) and non-profit and government organizations (Leiwaskabessy, 2013) becomes a symbol of credibility and integrity of the examining institution, which cultivates auditee trust in audit results. BPK as an external audit institution in Indonesia has had a strong reputation since its establishment to the present. This reputation is strengthened by high professional standards and a track record in uncovering various state financial irregularity cases. For auditees (OPDs), working with a well-reputed BPK provides legitimacy that their financial statements and performance have been examined by a trusted institution. However, it should be emphasized that reputation is not a static asset but must be maintained and strengthened continuously. Audit failures or ethical violations can damage BPK's reputation that has been built over many years. In the context of stewardship theory, good reputation indicates that auditors consistently carry out stewardship responsibilities with high integrity, prioritize organizational interests over personal interests, and can create goal alignment through quality work results (Keay, 2017). Reputation motivates auditors to continue acting responsibly to maintain auditee and stakeholder trust.

The finding that independence significantly affects auditee satisfaction strengthens the findings of Indah (2022), which state that auditor independence remains a main pillar of audit quality. In the context of regional government auditing in Maluku, BPK's independence as an external audit institution provides assurance to OPDs that audits are conducted without political intervention or particular interests. Independence is an important aspect of professionalism, in forming personal integrity (Wahidi et al., 2020). This is important given the complexity of government structure and potential conflicts of interest that may arise. Auditees appreciate independence because it ensures that audit findings and recommendations are based on objective evidence and professional standards, not on political or personal considerations.

The most interesting finding in this research is that responsiveness significantly affects auditee satisfaction, but with a negative relationship direction. This result differs from the initial hypothesis that predicted a positive relationship and provides important insights into the complexity of auditor-auditee relationships in the public sector audit context. This finding can be explained through several theoretical and practical perspectives. First, from the stewardship theory perspective, auditor responsiveness must be balanced with maintaining independence and professional objectivity. Excessive responsiveness can threaten auditor independence. If auditors are too responsive to auditee requests without maintaining objectivity, this can reduce long-term trust and perception of audit quality. Second, in the government audit context, excessively high responsiveness can be perceived as a lack of auditor firmness. Auditees may interpret auditors who are very responsive and accommodating as auditors who are not firm in carrying out audit procedures or easily influenced by auditee requests. This result also indicates that in government audit practice, there is a trade-off between responsiveness and audit efficiency. Auditors who too often accommodate auditee requests for schedule changes, additional documentation, or repeated clarifications can prolong audit duration and delay audit report completion, which ultimately decreases auditee satisfaction with the overall audit process.

Conversely, the other service quality dimension, auditor empathy, does not significantly affect auditee satisfaction. This research result aligns with research by Leiwaskabessy (2013) and Tehuayo (2022), which further confirms that in the context of government auditors, empathy does not affect auditee satisfaction. This can be explained by the institutional characteristics of auditing in Indonesia, particularly BPK, which emphasizes the principle of objectivity and boundaries of personal relationships between auditors and auditees. In a system oriented toward regulation and compliance, empathy may be considered less relevant compared to technical and professional aspects. In the stewardship theory framework, the lack of empathy's effect on auditor satisfaction is consistent with the basic assumptions of this theory that emphasizes trust based on competence and professionalism (Keay, 2017). Overall, these research results strengthen the relevance of stewardship theory in explaining the relationship between auditors and auditees in the public sector. Auditors serve as public trustees who prioritize the values of honesty, competence, and social responsibility, not merely as external controllers. The success of stewardship in the government audit context is reflected in the extent to which auditors can build balanced professional relationships between accountability and collaboration.

CONCLUSION

This research confirms that audit quality consisting of technical dimensions (reputation, expertise, capability, independence) and service dimensions (responsiveness) has a significant influence on auditee satisfaction in Indonesia's public sector. Meanwhile, the empathy variable does not affect audit satisfaction. Of the six hypotheses tested, auditor expertise is the strongest predictor of auditee satisfaction. An interesting finding is shown in the relationship between the responsiveness variable and auditee satisfaction, which shows a significant influence but with a negative relationship direction. This indicates that excessive responsiveness can be perceived as compromising auditor independence and objectivity, thereby actually decreasing auditee satisfaction.

This is consistent with the stewardship theory framework that emphasizes that auditors as stewards need to build trust through professional competence and independence, not through emotional closeness that can threaten objectivity. The theoretical implications of this research strengthen the AUDITQUAL model and expand its application in the Indonesian public sector audit context. Meanwhile, practically, the results of this research can be suggestions for BPK and internal auditors to improve competency-based training and communication, as well as

strengthen auditee feedback mechanisms toward the audit process. Furthermore, to increase auditee satisfaction, audit institutions need to continue maintaining independence, both independence in fact and independence in appearance. Additionally, comparative analysis can be conducted based on the type of audit performed by BPK, comparing how audit quality dimensions operate differently in the context of financial audits, performance audits, and audits with specific purposes.

However, one limitation of this research is that the coefficient of determination value is only 26.8%, indicating that there is still 73.2% variation in auditee satisfaction explained by other factors outside the model, such as organizational factors, work culture, or previous audit experience. Second, this research requires more time in the data collection process because it is hampered by bureaucratic administration at the research location.

For future research, it is recommended to conduct similar research in other regional governments or the central government with different characteristics to test the external validity of findings. Exploring other variables that may affect auditee satisfaction is also necessary, such as organizational characteristics (size, complexity), individual characteristics (personality, locus of control), or external context (political pressure and media attention) and also adds moderating or intervening variables so that it will enrich future research.

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