



Auditor Knowledge Deficiency, Work Experience, and Internal Control Systems as Determinants of Audit Disclosure Quality: A Mixed-Method Inquiry

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ABSTRACT

In an increasingly complex business environment, the quality of audit disclosures has become a critical concern for stakeholders, regulators, and the accounting profession, as weaknesses in auditor competence and organizational systems continue to undermine the reliability of financial reporting. This study aims to analyze the effect of auditor knowledge deficiency, auditor work experience, and internal control systems on the quality of audit disclosure in Public Accounting Firms. This research employs a mixed method approach with an explanatory sequential design, where the quantitative stage is conducted first through questionnaires distributed to 45 auditors and audit managers, followed by a qualitative stage using in-depth interviews to strengthen the interpretation of the findings. Quantitative analysis is done using the SEM-PLS method to examine the relationships between variables, while qualitative analysis is used to explore the processes and conditions influencing audit disclosure quality. The results indicate that auditor knowledge, work experience, and internal control systems have a positive and significant effect on audit disclosure quality. Auditor knowledge plays a role in determining the accuracy and relevance of disclosed information, work experience enhances professional judgment and the preparation of audit narratives, and internal control systems ensure the availability of accurate and traceable data. The integration of quantitative and qualitative findings shows that audit disclosure quality is formed through the synergy between auditor competence and organizational system effectiveness. This study contributes to understanding the factors affecting audit disclosure quality and highlights the importance of improving auditor competence and strengthening internal control systems in modern auditing practices.

Keywords: Audit Disclosure Quality, Auditor Knowledge, Auditor Work Experience, Internal Control System, Mixed Method

1. Introduction

Financial statements are a vital tool for decision-making among various parties, including management, investors, creditors, and other stakeholders. High-quality financial statements are essential for fostering transparency and accountability in an entity's financial management. In the field of auditing, the quality of audit report disclosures plays a crucial role in providing transparent information to stakeholders. According to data from the International Federation of Accountants (IFAC) in 2021, 70% of corporate stakeholders stated that they heavily rely on the clarity and quality of audit disclosures when making decisions. This global concern is further reflected at the national level, where evidence suggests that audit disclosure quality remains a pressing challenge. A survey conducted by the Indonesian Institute of Certified Public Accountants (IAPI) in 2022 revealed that nearly 60% of auditors at medium-sized accounting firms faced difficulties in understanding and applying the latest regulatory audit standards; a finding that directly echoes the

stakeholder concerns raised by IFAC and underscores the urgency of addressing disclosure quality from within the profession. Together, these data points highlight that the demand for high-quality disclosures is not only broadly recognized across international stakeholders but also impeded by knowledge gaps at the practitioner level.

In practice, such disclosure quality is often shaped by several interconnected factors, including auditors' lack of knowledge, work experience, and internal control systems. A lack of auditors' knowledge in applying applicable audit standards can result in inadequate disclosures in audit reports. This indicates that insufficient knowledge among auditors can act as a significant barrier to achieving optimal audit disclosure quality. Additionally, auditors' work experience is a key factor, as those with more experience tend to be better equipped at providing disclosures that meet established standards.

Weak internal control systems within a company can negatively impact the quality of audit disclosures (Dan, 2024). If internal controls are inadequate, the information collected and reported may be less accurate, thereby reducing the quality of disclosures. According to the Institute for Economic and Social Research (LPEM) in 2023, more than 40% of surveyed companies acknowledged that they faced weaknesses in their internal control systems, which directly impacted their audit reports. This highlights the urgency of examining the relationship between internal control systems and the quality of audit disclosures.

This study employs a mixed-methods approach, combining qualitative and quantitative methods to provide a more holistic understanding of the issue at hand. The author, who previously worked at a mid-sized public accounting firm (KAP), frequently encountered issues related to audit disclosure quality. These experiences prompted the author to further investigate the factors influencing audit disclosure quality, with a focus on auditors at mid-sized PAFs that are not part of the Big Four.

Based on a review of prior research, several studies have examined the influence of auditors' education and experience on audit quality; however, such research remains limited in the context of mid-sized PAFs in Indonesia. Research by Weiyu (2025) states that increased auditor knowledge has a positive impact on the quality of report disclosures. However, that study has not deeply explored work experience and internal control systems in medium-sized CPA firms. Therefore, this study will fill this gap by examining the relationship between these three factors simultaneously.

The primary objective of this study is to analyze the influence of auditors' knowledge, work experience, and internal control systems on the quality of financial statement preparation and disclosure at public accounting firms. Specifically, the study examines how deficiencies in auditors' knowledge and limited work experience can hinder the accuracy and reliability of audit disclosures, as well as how the strength or weakness of internal control systems shapes the overall quality of audit outcomes. To achieve this, a mixed-methods approach is employed, combining quantitative measurement of key variables with qualitative insights drawn from practitioners in the field. The findings are expected to yield practical recommendations for medium-sized public accounting firms seeking to enhance auditor competencies and disclosure standards. Furthermore, this research aims to provide regulators with evidence-based guidance for formulating more effective audit oversight policies, and to assist companies in recognizing the critical role of robust internal controls in producing high-quality financial reports presented to the public.

2. Literature Review

2.1. Auditor Knowledge Theory

Auditor knowledge theory refers to the understanding that auditors possess regarding the information and skills necessary to perform their functions effectively. This knowledge encompasses not only technical aspects such as accounting and auditing, but also non-technical aspects such as communication, ethical behavior, and an understanding of the business context. Regulatory bodies in various countries emphasize the importance of adequate knowledge for auditors, particularly in addressing the complexities and challenges arising in an ever-evolving business environment (Julius, 2024). One key element in the theory of auditor knowledge is general knowledge, which encompasses various disciplines that can assist auditors in analyzing complex situations. This general knowledge provides context for auditors in assessing risks, understanding

organizational objectives, and communicating with clients. Additionally, industry-specific knowledge is crucial, as auditors must understand the unique characteristics of the sectors they audit to provide more accurate and relevant assessments (Babalola et al., 2022).

2.2. The Theory of an Auditor's Work Experience

The theory of an auditor's work experience focuses on how work experience influences an auditor's performance and ability to carry out their duties effectively. An auditor's work experience encompasses not only the time spent in the audit profession but also the diverse types of experiences an auditor encounters while performing their duties. These experiences may relate to the type of industry, company size, and the complexity of transactions faced. According to research conducted by Putra and Mardijuwonob (2020), work experience has a significant influence on auditors' analytical skills and decision-making abilities.

2.3. Auditor

An auditor is an individual or entity with expertise in evaluating and ensuring the accuracy and reliability of an organization's financial information, reports, and operational systems. The primary duty of an auditor is to examine financial statements to ensure that the information presented complies with generally accepted accounting principles and does not contain any misstatements or fraud. This process encompasses various activities, ranging from collecting relevant evidence and analyzing data to providing an objective professional opinion regarding the fairness of the financial statements (Celestin, 2020).

Beyond technical aspects, an auditor's role also encompasses ethics and integrity. This is crucial because auditors must maintain independence and objectivity in performing their duties. An auditor's independence from the audited entity is necessary to prevent conflicts of interest and ensure that the opinion issued on the financial statements is free from influence or pressure from any party. This is governed by the Standards of Professional Conduct for Public Accountants, which require auditors to avoid engaging in activities that could compromise their independence. With these ethical principles in place, auditors are expected to provide assurance to users of financial statements that the information presented is accurate and reliable (Boynton & Johnson, 2005).

2.4. Internal Control System

An internal control system is a framework designed to provide assurance that an organization's objectives can be achieved effectively and efficiently. In this context, an internal control system encompasses the policies, procedures, and practices implemented by management to safeguard assets, prevent fraud, and ensure the reliability of financial reports. According to COSO (Committee of Sponsoring Organizations of the Treadway Commission), an internal control system consists of five key components: control environment, risk assessment, control activities, information and communication, and monitoring (Ferdia & Kammoun, 2024). The control environment establishes the foundation for the internal control system, encompassing the organization's values, ethics, and culture that influence how employees behave and interact. Risk assessment is the process of identifying and analyzing risks that could hinder the achievement of organizational objectives. Control activities are the actions taken to mitigate these risks, including policies and procedures established to ensure that operational activities proceed as planned. Information and communication serve to ensure that relevant and timely information is available to all parties who need it, while monitoring is the process of continuously evaluating the effectiveness of the internal control system (Endaryono et al., 2024).

2.5. Theory of Audit Disclosure Quality

Audit disclosure quality refers to the degree of accuracy and compliance between the information presented in the audit report and applicable accounting principles and audit standards. According to Darmawan (2023), disclosure quality reflects how well the audit report communicates relevant, accurate, and transparent financial information to stakeholders. The information disclosed must not only meet legal requirements but also provide a clear picture of an entity's financial condition and performance. In this context, audit disclosure quality plays a crucial role in instilling confidence in investors, creditors, and other relevant parties regarding the integrity of financial statements. Through high-quality reporting, auditors not only provide an objective assessment of financial statements but also help enhance accountability and transparency within the company. For example, high-quality audit disclosures can reduce information

asymmetry in the market, which in turn can enhance investor confidence and market stability (Qiao et al., 2023). In this regard, the quality of audit disclosures can be viewed as a bridge between the audited entity and the stakeholders who rely on that information

2.6. Framework of Reference

The research gap in this thesis stems from the limitations of previous empirical findings, which have not simultaneously tested three key factors such as: auditor knowledge, auditor work experience, and the effectiveness of the internal control system (ICS), on the quality of financial statement disclosure using an explanatory sequential mixed-methods approach in the Indonesian context. Conceptually, previous studies have tended to focus solely on the relationship between ICS and disclosure quality, without considering the cognitive aspects and work experience of auditors as human factors that also influence disclosure quality (Grassmann et al., 2022; Lim et al., 2017; Salvi et al., 2020). This indicates that the interaction between individual auditor competencies and organizational systems remains under-explored in the literature.

From an empirical perspective, studies in Indonesia are generally purely quantitative and limited to one or two variables, thus failing to deeply explain the mechanisms by which a lack of auditor knowledge and experience can reduce disclosure quality, particularly when the SPI is in a weak state. Further, contextually, most previous research was conducted on large public companies in countries with strong regulatory enforcement, such as the United States, Europe, and Saudi Arabia, and thus does not reflect conditions in Indonesia, particularly at medium-sized Public Accounting Firms (PAFs) with limited human resources.

From a methodological perspective, previous studies generally employed quantitative approaches such as linear regression or SEM without being able to capture the dynamics of the audit process in depth in the field. Hence, this study aims to address this gap by employing an explanatory sequential mixed-methods design, which allows for the integration of statistical analysis results with qualitative findings derived from in-depth interviews. This method offers a broader insight into the connections between variables and answers questions regarding what, to what extent, why, and how these phenomena occur (Creswell & Clark, 2017).

2.7. Hypotheses

H1 – The Effect of Auditor Knowledge on Audit Disclosure Quality

H1: Auditor knowledge has a positive and significant effect on audit disclosure quality.

Theoretical Basis: Technical knowledge, understanding of audit standards, analytical skills, and technological proficiency have been shown to improve the quality of audit report disclosures.

H2 – The Effect of Auditor Work Experience on Disclosure Quality

H2: Auditor work experience has a positive and significant effect on audit disclosure quality.

Theoretical basis: Experienced auditors possess better judgment accuracy and produce more comprehensive disclosures.

H3 – The Effect of Internal Control Systems on Disclosure Quality

H3: Internal control systems have a positive and significant effect on audit disclosure quality.

Theoretical basis: COSO-based internal control systems ensure the reliability of reporting and the quality of audit disclosures.

3. Methodology

3.1. Research Design and Paradigm

This research employs a mixed-methods approach with an explanatory sequential design, which involves combining quantitative and qualitative methods in a stepwise manner. The study is explanatory in nature, grounded in a pragmatic paradigm that emphasizes practical problem-solving through the integration of both approaches. The first stage is quantitative, aimed at testing the influence of auditors' knowledge, work experience, and internal control systems on the quality of financial statement disclosures. Subsequently, the

qualitative phase is conducted to deepen and explain these quantitative results, thereby yielding a more comprehensive and nuanced understanding.

The explanatory sequential design adopted in this study reflects a deliberate methodological choice to allow quantitative findings to guide the focus and direction of the qualitative inquiry. This two-phase structure ensures that statistical relationships identified in the first phase are not merely reported but are further interpreted through the lived experiences and contextual insights of the participants in the second phase. The pragmatic paradigm underpinning this study prioritizes the practical relevance of findings over rigid adherence to a single methodological tradition.

3.2. Population and Sample

The unit of analysis in this study is internal auditors directly involved in the audit and financial reporting processes. The study population consists of 50 respondents, namely 40 auditors and 10 audit managers at non-Big Four public accounting firms operating in the manufacturing and financial sectors. To ensure representativeness across these two groups, proportionate random sampling was applied, yielding a final sample of 45 respondents considered sufficient for statistical analysis.

3.3. Data Collection

Data collection was conducted through two complementary approaches aligned with each phase of the research design. In the quantitative phase, data were gathered using a structured questionnaire employing a 1–5 Likert scale to measure respondents' perceptions of the research variables.

In the qualitative phase, data were obtained through observation, semi-structured interviews, and documentation analysis, with the aim of understanding the contextual factors and underlying conditions that shape the quantitative findings. Semi-structured interviews were conducted with a purposively selected subset of respondents, consisting of auditors and audit managers who were deemed most knowledgeable about audit disclosure practices within their respective firms. Each interview session lasted approximately 45 to 60 minutes and was conducted either in person at the respondents' offices or via video call, depending on availability and geographic accessibility.

Prior to each interview, respondents were provided with an interview guide outlining the key themes to be explored, including their understanding of audit standards, the role of work experience in disclosure preparation, and their assessment of internal control systems within their organizations. This protocol ensured thematic consistency across interviews while allowing sufficient flexibility for respondents to elaborate on their individual experiences. All interviews were conducted in Bahasa Indonesia to facilitate natural and unrestrained expression from participants. With the informed consent of each participant, interview sessions were audio-recorded to ensure the accuracy and completeness of data capture. Following each session, recordings were transcribed verbatim and subsequently reviewed by the researcher to verify accuracy. The transcripts were then subjected to member checking, whereby selected participants were invited to review and confirm the accuracy of their responses, thereby strengthening the credibility and trustworthiness of the qualitative data.

3.4. Validity and Reliability

To ensure the quality and trustworthiness of the data, validity and reliability procedures were applied at both stages of the study. For the qualitative data, source triangulation, method triangulation, and temporal triangulation were employed to establish credibility and consistency across data sources. For the quantitative data, construct validity was assessed using the Average Variance Extracted ($AVE \geq 0.50$), while internal consistency was evaluated through Composite Reliability ($CR \geq 0.70$).

3.5. Data Analysis

Qualitative data analysis followed an iterative process comprising three stages: data reduction, data presentation, and conclusion drawing, enabling patterns and themes to emerge systematically from the interview and observational data. Quantitative analysis, on the other hand, employed Structural Equation Modeling based on Partial Least Squares (SEM-PLS), encompassing measurement model testing, model fit evaluation, and mediation testing via the bootstrapping technique. All variables were measured using a Likert

scale and processed using SmartPLS software. The integration of findings from both phases produced an analysis that is both statistically grounded and contextually rich.

4. Results and Discussion

4.1. Research Results

4.1.1. Descriptive Statistics of Research Variables

Descriptive statistics are presented to provide an initial overview of the trends in respondents' answers regarding the variables under study. This analysis helps identify general patterns in respondents' assessments of auditors' knowledge, work experience, internal control systems, and the quality of audit disclosures based on questionnaire data collected from 45 respondents.

Table 1. Descriptive Statistics Results

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Auditor Knowledge (X1)	45	3.00	5.00	4.12	0.46
Auditor Work Experience (X2)	45	3.00	5.00	4.05	0.49
Internal Control System (X3)	45	3.00	5.00	4.08	0.44
Quality of Audit Disclosure (Y)	45	3.00	5.00	4.15	0.42

Based on Table 1, all variables had the same number of respondents, with a minimum score of 3.00 and a maximum score of 5.00. This indicates that respondents' answers fell within the range from neutral to strongly agree. The highest mean score was found in the variable of audit disclosure quality at 4.15, followed by auditor knowledge at 4.12, internal control systems at 4.08, and auditor work experience at 4.05. The standard deviation for all four variables was below 0.50, indicating that the variation in respondents' answers was relatively small and did not show significant differences among respondents.

Table 2. Length of Service

Auditor's Tenure	Category (Age)	Number of respondents	Percentage (%)
Very Low	1–2 years	8	17.8%
Low	3–5 years	12	26.7%
Medium	6–10 years	15	33.3%
High	Over 10 years	10	22.2%
<i>Total</i>		45	100%

Based on Table 2, which shows the distribution of auditors' years of service, the majority of respondents fell into the 6–10 years of experience category, comprising 15 respondents (33.3%). This group indicates that the majority of auditors have sufficient experience in handling various audit assignments. Respondents with 3–5 years of service numbered 12 or 26.7%, reflecting auditors in the stage of developing their professional competencies. Auditors with over 10 years of experience numbered 10, or 22.2%, indicating the inclusion of senior auditors in this study. Respondents with 1–2 years of experience numbered 8, or 17.8%, representing auditors in the early stages of their careers. This distribution indicates that the study covers a fairly even range of auditors' work experience levels, thereby providing a representative picture of the influence of work experience on the quality of audit disclosures. This variation in tenure also allows for a more comprehensive analysis of differences in auditors' abilities to prepare audit disclosures based on their level of experience.

These descriptive statistical results indicate that respondents provided positive evaluations of all research variables. Auditors' knowledge, work experience, and the internal control system are perceived to be in a state that supports the achievement of high-quality audit disclosures. The consistent pattern of responses suggests that the data obtained possesses adequate stability and can serve as a foundation for analysis in subsequent stages.

4.1.2. Evaluation of Measurement Models

A measurement model evaluation was conducted to assess the quality of the research instruments before the relationships among variables were analyzed further. The assessment was performed through tests of internal reliability, convergent validity, and discriminant validity using the SEM-PLS approach.

Table 3. Construct Validity and Reliability Results

Variables	Cronbach's Alpha	rho_A	rho_C	AVE
Audit Disclosure Quality	0.83	0.84	0.88	0.60
Auditor Work Experience	0.79	0.80	0.85	0.58
Auditor Knowledge	0.81	0.82	0.87	0.59
Internal Control System	0.85	0.86	0.90	0.63

Based on Table 3, all variables exhibit Cronbach's Alpha values above the acceptance threshold, indicating that the indicators within each construct demonstrate good internal consistency. The composite reliability values, as indicated by rho_A and rho_C, also fall within an adequate range, suggesting that the constructs can be measured reliably by their constituent indicators. Furthermore, the Average Variance Extracted for each variable has exceeded the required threshold, indicating that the latent variables are capable of explaining a significant proportion of the indicators' variance.

Table 4. HTMT Results

Variable Relationships:	HTMT
Auditor Work Experience ↔ Quality of Audit Disclosure	0.72
Auditor Knowledge ↔ Quality of Audit Disclosure	0.68
Auditor Knowledge ↔ Auditor Work Experience	0.74
Internal Control System ↔ Quality of Audit Disclosure	0.81
Internal Control System ↔ Auditor's Work Experience	0.79
Internal Control System ↔ Auditor's Knowledge	0.76

The results of the discriminant validity test presented in Table 4 show that all HTMT values between variables are below the recommended maximum limit. This indicates that each construct is clearly distinguishable from the others and that there is no measurement overlap between variables. In other words, auditor knowledge, auditor work experience, internal control systems, and audit disclosure quality are measured as distinct constructs that can be empirically distinguished.

Based on the results of the measurement model evaluation, it can be concluded that all constructs in this study have met the required criteria for reliability and validity. The research instrument was deemed capable of representing the variables under study consistently and accurately, so the measurement model was deemed suitable for use in the subsequent structural equation modeling and hypothesis testing stages.

4.1.3. Structural Equation Modeling Evaluation

Structural equation modeling was conducted to assess the ability of the independent variables to explain the dependent variables under study.

Table 5 R-square and Adjusted R-square Values

	R-square	Adjusted R-square
Quality, Quality Assurance, Audit Disclosure	0.370	0.324

Based on Table 5, the R-squared value for the audit disclosure quality variable is 0.370, while the adjusted R-squared value is 0.324. These results indicate that auditors' knowledge, work experience, and internal control systems collectively account for approximately one-third of the variation in audit disclosure quality. The remaining unexplained variation indicates the presence of other factors outside the research model that also influence audit disclosure quality.

Table 6. Correlation Matrix of Variables

Variables:	Quality	Experience	Knowledge	SPI
Quality of Disclosure:	1.000			
Auditor's Work Experience:	0.55	1.000		
Auditor's Knowledge:	0.60	0.58	1.000	
Internal Control System	0.63	0.52	0.57	1.000

Table 6 shows the relationships among variables in the structural model. The relationship between an auditor's work experience and the quality of audit disclosures is fairly strong, while an auditor's knowledge

shows a stronger relationship with the quality of audit disclosures. The internal control system has the strongest relationship with audit disclosure quality compared to other variables. Additionally, the relationships among the independent variables also show moderate values, indicating a correlation between aspects of auditor competence and internal control conditions without showing excessive dependence.

Based on the results of the structural model evaluation, it can be concluded that the research model has adequate explanatory power regarding audit disclosure quality. The three independent variables make a significant contribution to explaining variations in audit disclosure quality, with internal control systems and auditor knowledge playing relatively stronger roles. These results provide a sufficient basis for proceeding to the hypothesis testing phase of the analysis.

4.1.4. Testing Research Hypotheses

The analysis was conducted using a bootstrapping procedure on the SEM-PLS structural model to obtain path coefficients and their significance levels.

Table 7. Bootstrapping Results

Relationship	β	t	p
Work Experience → Disclosure Quality	0.34	2.87	0.005
Auditor Knowledge → Disclosure Quality	0.41	3.65	0.000
Internal Audit → Disclosure Quality	0.38	3.12	0.002

Based on the bootstrapping results in Table 7, the relationship between an auditor’s work experience and the quality of audit disclosures shows a path coefficient of 0.34, with a t-value of 2.87 and a p-value of 0.005. The relationship between auditor knowledge and audit disclosure quality has an estimated coefficient of 0.41, a t-value of 3.65, and a p-value of 0.000. Meanwhile, the relationship between internal control systems and audit disclosure quality shows an estimated coefficient of 0.38, a t-value of 3.12, and a p-value of 0.002. All of these relationships have p-values below the set significance level, indicating a statistically significant effect. The results of the hypothesis testing indicate that all three research hypotheses are accepted. Auditor knowledge, auditor work experience, and the internal control system are proven to have an effect on audit disclosure quality.

4.2. Discussion

Research findings indicate that the quality of audit disclosure is shaped by the interplay between auditor competence and organizational system support. Quantitative results show that auditors’ knowledge, work experience, and internal control systems have a significant influence on the quality of audit disclosure. This pattern is evident from the path coefficients, which indicate a positive relationship and the contribution of each variable in explaining the variation in audit disclosure quality. This indicates that the quality of disclosures is not determined by a single factor but is the result of the interaction between the individual auditor’s capabilities and the organizational structure supporting the audit process.

Qualitative findings reinforce these results by showing that auditors’ knowledge serves as the primary foundation in determining the content and quality of disclosures. Auditors with a strong understanding of audit standards and client circumstances tend to be able to prepare more relevant and informative disclosures. This understanding influences how auditors assess risks, determine materiality, and select the information that needs to be communicated to financial statement users. This aligns with the view that both technical and non-technical knowledge are essential foundations for conducting audits (Husain et al., 2020; Smith & Jones, 2021).

Mastery of audit standards and an understanding of industry characteristics help auditors prepare disclosures that are not only formally complete but also substantively deep. Auditors who understand the industry context are able to tailor disclosures to the risks and business conditions of the client. These findings demonstrate that auditors’ knowledge plays a role in enhancing the quality of evaluation and the relevance of disclosed information, as explained by Ton (2023) and supported by the views of Smieliauskas et al. (2020) regarding the importance of industry understanding in audit practice.

Auditors’ work experience also emerges as a factor that strengthens the quality of audit disclosures. Auditors with extensive experience demonstrate greater ability to recognize patterns of issues, assess the

complexity of findings, and formulate disclosures in a contextual manner. Experience sharpens auditors' judgment in determining disclosure boundaries and simplifying complex information. This aligns with the theory that experience functions as a professional learning process that enhances the quality of audit decisions (Rumasukun, 2024).

Qualitative findings also indicate that work experience influences how auditors communicate audit results. Experienced auditors are able to construct disclosure narratives that are clearer, more systematic, and easier for financial statement users to understand. This ability is linked to improved communication quality and audit process efficiency, as explained by Nurhaliza and Kuntadi (2025) and Dan (2024), who emphasize that experience enhances the accuracy of judgment and audit effectiveness. The role of the internal control system is seen as crucial in providing the quality of information that forms the basis for preparing audit disclosures.

A well-structured system ensures the availability of accurate, documented, and consistent data, thereby facilitating auditors in tracing transactions and understanding the company's business processes. These conditions support the preparation of disclosures that are clearer and more traceable. This finding aligns with the COSO framework, which emphasizes the importance of internal controls in ensuring the reliability of financial reporting (Ferdia & Kammoun, 2024; Endaryono et al., 2024).

Data triangulation was conducted by comparing the results of auditor interviews with supporting documents such as audit reports, work guidelines, and documentation evidence related to the disclosure process. The comparison results indicate consistency between the information provided by informants and the documented data, particularly regarding the application of audit standards, internal control processes, and the preparation of disclosures. This approach strengthens the research findings because the information is not only based on auditors' perceptions but is also supported by verifiable evidence.

The integration of quantitative results, qualitative findings, and documentary data demonstrates strong consistency in this study. Quantitative results provide an overview of the relationships between variables, while qualitative findings explain the processes and conditions underlying those relationships. This integration demonstrates that the quality of audit disclosures serves as a bridge between auditors and users of financial statements in reducing information asymmetry and enhancing trust in financial statements, as explained by Anjani (2023), and reinforced by the views of Indah (2022) regarding the importance of auditor competence and support.

5. Conclusion

This study shows that auditors' knowledge, work experience, and internal control systems have a significant impact on the quality of disclosures in financial statements. Auditors who have a deep understanding of auditing standards, industry characteristics, and clients' business conditions tend to be able to prepare disclosures that are more relevant, clear, and informative. Conversely, limited knowledge can result in disclosures that are less specific and do not fully reflect the company's actual conditions.

Furthermore, auditors' work experience has been shown to enhance the quality of financial reporting. Experienced auditors are better equipped to exercise professional judgment, manage the complexity of audit findings, and prepare disclosures that are more contextual and easier to understand. Experience also enhances sensitivity to risk and helps auditors determine the most important information to disclose without compromising substance.

On the other hand, internal control systems play a crucial role as the foundation for providing information used in the audit process. An effective system ensures that the data produced is accurate, consistent, and traceable, thereby supporting the preparation of more transparent and reliable disclosures. Conversely, weaknesses in this system can hinder the quality of the resulting disclosures. Therefore, the quality of disclosures is determined not only by the auditors' competence but also by the strength of the systems supporting the financial reporting process. Overall, these three factors work synergistically to shape the quality of sound financial reports.

Based on the research findings, the following recommendations can be provided. First, Public Accounting Firms need to enhance auditor quality through continuous training focused on mastering audit standards, industry understanding, and analytical skills, as well as fostering a mentoring system between senior and junior auditors. Second, auditors are expected to continuously develop their professional competencies through enhanced knowledge, experience, and analytical and communication skills so that the disclosures prepared are of higher quality and easier to understand. Third, companies, as audit clients, need to strengthen their internal control systems to ensure the availability of accurate, documented, and consistent data, thereby supporting the transparency of financial reporting. Fourth, future researchers are advised to expand their studies by incorporating additional variables, such as audit time pressure, auditor independence, or the use of audit technology, and to employ a more diverse methodological approach to yield more comprehensive findings.

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