

INFLUENCING FACTORS OF EXTERNAL AUDITOR PERFORMANCE VIA ISLAMIC WORK ETHICS IN LIBYA: A CONCEPTUAL FRAMEWORK

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Abstract	<p><i>The study aimed to identify the role played by external auditor determinants in the performance of the external auditor through Islamic work ethics in Libya. A review of several literatures related to the study variables was conducted. The current study was primarily based on agency theory and Islamic management theory to develop performance determinants. The study discussed several previous studies, and based on this discussion, a proposed conceptual framework model was presented for application. The methodology adopted in the paper involves developing a conceptual framework aimed at assessing the impact of various determinants on the performance of the external auditor, with a particular focus on Islamic motivation as a factor that can affect the relationship between these determinants and the quality of the external auditor's performance. The proposed conceptual framework includes five main determinants of the external auditor's performance, which are: experience, commitment to standards, fees, training, and Islamic motivation. In addition, Islamic work ethics are included as an influencing factor in the relationship between the determinants and the dependent variable, which is the performance of the external auditor. The results obtained through this framework highlight the significant importance of experience, commitment to standards, fees, and training in enhancing the quality of the external auditor's performance. However, the study considers Islamic motivation as a new and important factor that must be taken into account, as it has the potential to improve performance quality by enhancing productivity and quality in auditing process outputs. It was emphasised that adopting Islamic work ethics can inspire employees with confidence in the workplace and enhance social business responsibilities through hard work, commitment, dedication, and creative work and collaboration, contributing to achieving high quality for the auditing process outputs. The paper seeks to fill a gap in the existing literature by focusing on Islamic motivation as an influencing factor in the external auditor's performance, providing insightful perspectives on how this factor can enhance performance quality in the field of external auditing.</i></p> <p>Keywords: <i>External Auditor, Determinants, Performance, Islamic Work Ethics, Libya.</i></p>
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INTRODUCTION

Due to the rapid economic development and expansion and the great growth in the business worldwide and its complexities, the profession of the external auditor plays an important role in providing valuable information to those of interest, especially decision makers (Buallay et al., 2021). The information should be credible and serve different sectors of society such as current and potential investors, creditors, government departments and commercial, service and other financial institutions, employees and the public in general. The services the external auditor provides must be consistent with his/her professional skills, responsibilities and with the ethical and moral standards of the profession. Given that the nature of the advisory services makes the auditor play the role of a supporter or defender of his client, he may subject to sacrificing a measure of the required objectivity, especially since he also performs the audit service for the same client, which led to the exposure of the profession to criticism from those who doubt the external auditors' maintenance of their commitment to ethical values of Islam when presenting their tasks.

The performance of auditors must be at a high level. The auditor is concerned with performing his profession at a high level in order to ensure the audit findings (Al-Taher & Fatih, 2020). Management has the responsibility to oversee that the audit process is conducted thoroughly and efficiently, enabling stakeholders to trust the financial statements. Such trust ensures that the financial information presented is accurate and fair, which is critical for informed decision-making, and that professional organizations work to improve audit quality through the high performance of the auditors' work and accounts auditors in order to protect the interests of all parties by issuing standards, and ensuring the security of their applications (Buallay et al., 2021). Auditing is a social profession that provides service to others through mutual trust between the auditor and the users and makers of financial statements (Al-Sukker et al., 2018). The increasing reliance of these entities on audited financial statements as a source of trusted information has led to taking appropriate economic decisions and increasing the accountability of the auditor before these entities.

The use of auditing performance is as common as any other in most countries. However, it differs from other audits, and focuses on the operation of organizations or projects or their plans and systems (Al-Sukker et al., 2018). It is also a tool to improve the efficiency and effectiveness of the organization. Therefore, it is a useful tool for optimizing and directing many organizational systems towards goals. A study on the reasons behind the increasing demand for auditing performance services shows that the issue of directing managers towards paying more attention to monitoring the economy, efficiency and effectiveness of economic units has provided a convenient ground for carrying out this type of auditing.

Based on the International Organization of Supreme Audit Institutions (INTOSAI) Executive Directives (2004), the audit performance criteria are defined by Drozd and Pysmenna (2020) as being "A set of reasonable and achievable performance criteria against which economy, efficiency and effectiveness in operations can be assessed." Audit criteria, therefore, can provide the possibility of establishing its results; that is, they determine whether a program has been implemented at an adequate level or better. In the audit performance, general concepts such as economy, efficiency and effectiveness must be explained in relation to the main subject. There are no accepted common standards for auditing performance yet and the auditors in each audit assignment have compiled special standards on this subject which may sometimes lead to disagreement with the unit being audited. This may raise a sharp disagreement between the performance auditors and the managers of the audited units, which affects the audit report.

This situation may be exacerbated by auditors' lack of interest in reaching agreement on the insights with managers. If the problem cannot be resolved by explaining the situation during the various stages of the audit, the auditors must stop their operations. If this is not possible due to some legal mandate, the auditors continue their assignment stating in their report their disagreement with the audited unit. Many previous studies dealt

with the determinants of the performance of external auditors in order to work on improving the outputs of auditing and auditing processes. These determinants, according to Al-Sukker et al. (2018), included the experience of the external auditor acquired, adherence to international and local standards of auditing as stated by Zahmatkesh and Rezazadeh (2017), the size of the estimated fees for audit work as confirmed by Awinbugri & Prince (2019), and intensive training related to audit work to identify on modern updates and technologies used in the audit process as viewed by Chen et al. (2020), in addition to the motivation factor of the external auditor as a catalyst towards achieving high performance (Suyanto, 2018). The basis of work ethics in Islam is the imperative spiritual nature of all human actions and the responsibility of the individual not only towards an employee or employer, but also towards the work itself, and individual's actions. It means the agent, i.e. the worker, performs his work as best he can. This work is completed and driven by motivation which represents a starting point for the individual's behavior towards achieving excellence.

According to Salmi et al. (2017), the purpose of the audit finding is to obtain and synthesize specific information about a process, activity, project, administrative unit or other matter that has been evaluated and that the results are of interest to the officials of the audited entity. The concept of results also forms an essential part of this investigation, because, based on this information, the auditor will evaluate the procedures to be applied in the audit of the financial statements. Accordingly, the procedures are assigned to a team of auditors of a high level of performance to ensure the quality of the outputs of the investigation (Al-Naami & Suleiman, 2018).

According to Buallay et al. (2021) work ethics is one of the most important factors that contribute to adapting the performance determinants of external auditors, but this factor has not received attention in Western studies from an Islamic perspective which links the term to Islamic work ethics. Modern scholars have discussed the concept of motivation related to either satisfying needs or the desired benefit towards doing the work. The Holy Qur'an revealed this concept 1400 years ago, Allah Almighty said: *"And say (O Muhammad) 'Do deeds! Allah will see your deeds, and (so will) His Messenger and the believers. And you will be brought back to the All-Knower of the unseen and the seen. Then He will inform you of what you used to do.'"* (al-Quran. al-Tawbah: 105). In this verse, motivation stems from the compliance with God's command to do good. Allah also says in al-Kahf, verse 30, *"Verily as for those who believed and did righteous deeds, certainly We shall not make the reward of anyone who does his (righteous) deeds in the most perfect manner to be lost."*

Therefore, the desired reward from the Allah Almighty represents a basic motive for the Muslim towards accomplishing the work according to the required form, regardless of the life material return, hoping for the reward and approval of Allah.

Also, as stated by Nawaz (2019), Islamic work ethics is an important element for all professions that seek success and continuity, as well as community service, and this certainly applies to the auditing profession with regard to the quality of the services it provides to the community, which is an essential in its success, and the trust of the community benefiting from the external auditor's services has great importance, if destabilized, the opinion of the external auditor about the fairness of the financial statements is useless and the responsibility entrusted to him becomes completely devoid of its true meaning. In the same respect, Al-Taher and Fatih (2020) believed that Islamic work ethics is a set of moral and ideal principles and values that any individual chooses and adheres to that is derived from all ideal sources such as religions and laws or from professional organizations that lay down frameworks for the behavior of individuals of Islamic work ethics. The growing importance of adhering to Islamic work ethics for practitioners, including auditing, has led to a strong need to gain public confidence in the quality of service, regardless of the person who performs it. As for Khalili and Ahmed (2019), the client and the users of the financial statements must have confidence in the quality of the performance of the external auditor, otherwise the effectiveness of the audit

performance, its feasibility, and the reason for its existence and survival for society will be affected.

Based on the importance of his relation to the society in which he works and his commitment to Islamic work ethics when providing services, the external auditor presents them to his clients striving to maintain commitment to Islamic work ethics when performing the audit process. Due to the existence of an interest or benefit (fees) in the relationship with an establishment, the audited client may influence the auditor's opinion on the financial statements.

Islamic work ethics, as outlined by Ahmed et al. (2021), provide a normative framework guiding auditors in their professional conduct, emphasizing the importance of integrity, accountability, and responsibility in line with Islamic teachings. These ethics serve as the bedrock for auditors, ensuring that their actions align with Islamic principles, which are pivotal for maintaining trust and reliability in financial reporting (Al-Naami & Suleiman, 2018). In contrast, Islamic motivation, deeply rooted in the spiritual teachings of Islam, drives auditors beyond mere adherence to ethical norms. It infuses their work with a sense of divine purpose, as highlighted in the Quranic verses (al-Tawbah: 105 and al-Kahf: 30), where the pursuit of Allah's pleasure and the promise of a reward in the hereafter serve as powerful motivators (Buallay et al., 2021). This divine motivation encourages auditors to excel in their duties, not for worldly gains but for a higher spiritual fulfillment, thus distinguishing Islamic motivation from the broader concept of Islamic work ethics. The integration of these principles ensures that Islamic auditors not only adhere to high ethical standards but are also driven by a profound spiritual commitment to their profession, reinforcing the quality and trustworthiness of their audit work (Khalili & Ahmed, 2019).

THE EXTERNAL AUDIT

Henrizi et al. (2021) defined an external audit as one of a company's financial records where independent auditors carry out the task of carefully examining the validity of the company's financial records in order to find out if there is any misrepresentation in the records due to fraud, error or embezzlement and then report it to the stakeholders of the company. Henrizi et al. (2021) state that "External audit" is the critical and systematic examination of the following:

- The internal title.
- Lists, records, administrative and accounting operations prepared in advance by the administration.
- Other files, financial and legal documents of the organization.

The external audit examines the relevant aspects of the company to evaluate areas, components, policies and regulations according to the results obtained, and adopts suggestions in an impartial manner that contributes to improving the level of users. The objective of the external audit is to determine the completeness and accuracy of the client's accounting records to ensure that the client's records are prepared in accordance with the accounting framework that applies to them and that the financial statements are of the client. The client presents the true and fair results and financial position (Khaksar et al., 2021). In addition, conducting an independent audit is to see if the information provided by the accounting is original or not. In this way, managers will focus on improving or maintaining policies and make decisions according to the findings issued in the external auditor's final report.

Mushrif Rashid et al. (2021) state that "External audit aims to check the integrity and bias of the financial statements, and documents given by the organization to be reviewed to provide an accurate and coherent opinion to its clients. It should be performed by an expert outside the organization who provides an impartial opinion based on facts previously accompanied by a relevant audit report. In addition to audit's proper conduct, he should not be constrained in his investigative work to provide a valid opinion to the organization."

EXTERNAL AUDITOR PERFORMANCE MEASUREMENTS

The assessment and enhancement of external auditor performance remain pivotal in ensuring the credibility and accuracy of financial reporting across industries. Recent scholarly contributions have sought to explore various dimensions and measurements of external auditor performance, providing insights into best practices, challenges, and emerging trends. Below, we synthesize findings from key studies in this area. Mushrif Rashid et al. (2021) introduce a comprehensive framework for evaluating auditor performance, emphasizing the role of adherence to international auditing standards and ethical guidelines. Their study suggests that performance metrics should include the auditor's ability to maintain independence, apply professional skepticism, and exhibit adherence to auditing standards. These criteria are crucial for the integrity and objectivity of the audit process.

Khalil and Nehme (2021) highlight the importance of technical competence and continuous professional development in enhancing auditor performance. They argue that measurements of auditor performance should include evaluations of knowledge in relevant accounting standards, the ability to apply this knowledge effectively, and the pursuit of ongoing education in the field. Their findings underline the dynamic nature of the auditing profession, requiring auditors to stay abreast of new regulations, standards, and practices. Noura and Mufeeda (2021) focus on the integration of technology in auditing processes and its impact on auditor performance. They propose that performance metrics should assess an auditor's proficiency in utilizing technological tools and software, which can significantly increase the efficiency and accuracy of audits. The ability to leverage data analytics, for instance, is seen as a key component of effective audit practices in the digital age.

Ahmad et al. (2021) examine the influence of organizational culture and ethical climate on external auditor performance. They suggest incorporating assessments of the auditor's ability to navigate ethical dilemmas and maintain professional integrity within various organizational contexts as part of performance measurements. This perspective acknowledges the complex interplay between individual auditors, the audit firm culture, and the audited entity's environment. Hameed et al. (2020) investigate the effects of client relationships and market conditions on auditor performance. They propose that measurements of auditor performance should consider the auditor's ability to withstand client pressure and maintain independence, especially in challenging market conditions. Their research points to the significance of resilience and ethical fortitude in safeguarding the quality of the audit.

The literature on external auditor performance measurements presents a multidimensional approach, incorporating technical skills, ethical standards, technological proficiency, and the ability to navigate complex interpersonal and organizational dynamics. These studies collectively emphasize the need for a holistic evaluation of auditors, considering the evolving nature of the auditing profession and the diverse challenges auditors face. As the field continues to evolve, these metrics provide a foundation for developing effective strategies to enhance auditor performance, thereby contributing to the reliability and trustworthiness of financial reporting.

EXTERNAL AUDITOR PERFORMANCE DETERMINANTS

The difficulty of defining a specific and referential concept of the performance of the external audit is essentially due to the difficulty of measuring that performance (Khalil & Nehme, 2021) because of the lack of holistic definition to the basic factors that influence the quality of the performance of the external audit and its measuring indexes. There are several factors that influence the performance of the external audit which together form a determinant to the performance quality that have been mentioned in most previous research and studies. These factors can be divided into two groups to participate in forming a framework to include the most important consideration that define the performance of the external audit. Noura and Mufeeda (2021), for example, mention that the factors defining the quality of the external performance (qualification, experience, independency

and objectivity of accounts audit, the characteristics of auditing bureau, the commitment of auditing bureau with the planning, making reports, auditory fees), While Lamboglia et al. (2021) mentioned that both (the reputation and size of the audit firm, fees, competition between audit firms), and commitment to international and local auditing standards) affect the performance of the external auditor.

A fundamental determinant of auditor performance is the qualification and experience of the auditor. Khalil and Nehme (2021) underscore the complexity of measuring audit performance, partly due to the nuanced and intricate nature of auditing itself, which requires a high level of expertise and knowledge. Auditors with advanced qualifications and extensive experience are better equipped to navigate the complexities of the audit process, identify discrepancies, and ensure compliance with accounting standards. Noura and Mufeeda (2021) highlight the critical importance of independence and objectivity in auditing. The ability of auditors to remain impartial and unbiased is essential for the credibility of the audit findings. Independence ensures that auditors can conduct their work without undue influence from clients, while objectivity allows auditors to make fair assessments based on evidence rather than personal or third-party interests.

The reputation and size of an audit firm are significant determinants of audit performance. Firms with a strong reputation and larger size are perceived to have more to lose in terms of market credibility and client trust, potentially leading to higher performance standards. Lamboglia et al. (2021) discuss how these factors contribute to the perceived reliability and thoroughness of the audit process, impacting client confidence and market perceptions. Audit fees and the competitive environment within which audit firms operate also influence auditor performance. Competitive pressures can drive audit firms to enhance their service quality and efficiency to retain and attract clients. However, there's a delicate balance to be maintained, as excessively low fees may compromise audit quality due to resource constraints, while high competition might lead to overcommitment and quality dilution.

Both Noura and Mufeeda (2021) and Lamboglia et al. (2021) stress the importance of adherence to international and local auditing standards as a determinant of performance. The commitment of audit firms to follow these standards ensures consistency and reliability in audit practices across different jurisdictions. This adherence is pivotal in maintaining the quality of audit performance, as standards provide a framework for auditing practices, reporting, and ethics. The determinants of external auditor performance are complex and interrelated, encompassing both the attributes of individual auditors and the organizational characteristics of audit firms. Together, these factors form a comprehensive framework that defines the quality of external audit performance. Understanding these determinants is essential for developing measures and practices that enhance audit quality, thereby ensuring the integrity and reliability of financial reporting.

ISLAMIC WORK ETHICS

According to Islam, Ahmad, et al. (2021), the Islamic system consists of three main core teachings; dogma or strong belief in the oneness of God; Worship or submission and obedience to God and morals. Islamic work ethics is part of ethics. Ab. Wahab and Masron (2020) defined Islamic work ethics as the set of ethical principles that distinguish between what is right and wrong in the Islamic context, based on the Qur'an and Sunnah closely related to Islamic values, belief and practices (Ahmed et al., 2021). De Clercq et al. (2018) believed that Islamic work ethics are comprehensive, realistic, and moderate. In the same respect, Düşmezkalender et al. (2021) Ethics in Islam is not only a matter of religious ethics in certain actions but covers all aspects of life in the physical, spiritual, moral and emotional sphere, which relate to the intellectual, emotional, individual and collective aspects.

Hameed et al. (2020) mentioned that Islamic work ethics emphasize avoiding the accumulation of wealth and fair competitiveness in the workplace. Moreover, Islamic work ethics focus more on intent rather than results, emphasizing fairness and generosity in the workplace and taking part in economic activities as an obligation. This was confirmed by

Hassi et al. (2021), who claims that Islam encompasses both the private and public spheres, affecting not only religious aspects but also social behavior.

Islam et al. (2021) mentioned that in an organization, Islamic work ethics inspire employees with confidence in the workplace and reinforce social business responsibilities through hard work, commitment, dedication, work creativity, and collaboration. They added that, Islamic work ethics are related to life achievement, which also serve as criteria for evaluating their performance in positive or negative terms (Javed et al., 2020). Kamaruddin et al. (2021) stated that those who believe in and practice Islam tend to be more committed to their organizations. The elements of Islamic business ethics can be applied in any business applications and behaviors; Every Muslim must observe and engage in Islamic work ethics as a servant of God (Khalfaoui & Guenichi, 2022). Mohammad et al. (2018) think that Islamic work ethics should be of concern because it is the ideal that Muslims strive to achieve.

Musa et al. (2020) described Islamic ethics as guiding principles defining moral conduct, highlighting the role of work in improving individual and societal well-being, aligning with economic, social, and psychological upliftment, and reinforcing faith, a sentiment echoed by Nasution and Rafiki (2020). In Islam, every aspect of human life is intertwined with religious principles. Islamic jurisprudence draws from four foundational sources, notably the Qur'an and the Sunnah, with the other two being the consensus (*Ijma*) and analogical reasoning (*Qiyas*), where *Qiyas* involves extending Sharia law to new situations by analogy with an existing case covered in the Qur'an or Hadith. The Sunnah represents the practices of the Prophet Muhammad (PBUH), serving as a guide and exemplary model for humans. According to Rawwas et al. (2018), Islamic work ethics, as framed by the religion, prioritize work as a form of divine worship, assert that work done without one's best effort is deemed lacking, emphasize the societal benefits of work, and advocate for wealth generation and living standards improvement through diligent trade and labor practices.

According to Sani and Ekowati (2021) Islamic work ethics are comprehensive, pragmatic, and moderate. Ethics in Islam is not only religious morality in certain actions, but it covers all aspects of life, whether in the material, spiritual, moral, or even worldly form such as intellectual, emotional, individual, and collective (Suryani et al., 2021). It is also realistic as it considers human capabilities as God knows human strength and weakness (Zia et al., 2022). Finally, moderation is an Islamic work ethic that means a moderate approach to morality as opposed to the extreme idealist who views man as an angel and is very realistic. According to Al-Shamali et al. (2021), Islam has a moderate view of this life compared to those who reject the reality of the afterlife, or refuse to live in it and develop it.

Scholars have sought to define work ethics related to people's value system. Ferine et al. (2021) define work ethic as beliefs about the moral superiority of hard work over leisure or idleness, pride in craft over negligence, sacrifice over extravagance, earned from unearned income, and positive over negative about work. Aminnuddin (2020) defines work ethic as "a commitment to hard work which is stronger than just making a living". Islamic work ethics is much more than that, it is multidimensional and relates to various aspects of life. Islamic work ethics can be defined as a set of values or belief system derived from the Qur'an and Sunnah regarding work and hard work, and Hassan (1994) mentioned five characteristics of Islamic work ethics. They are as follows:

1. The employee must perform his job for the sake of societal commitment with the aim of pleasing God.
2. Trustworthiness as a successor to God that encompasses all aspects of life as a human being.
3. A Muslim must perform his duty as a religious duty as well as carry out all ritual obligations. Motivational reward is not only related to earthly reward but also given in the hereafter.
4. Employees must adhere to diligence, efficiency and fairness in preserving the public interest.

5. Employer-employee relations are based on human value that transcends race, color, language, and inheritance.

Thus, from the foregoing, it is clear that Islamic work ethics goes beyond hard work as it includes the concept of worship that aims to please the Creator Almighty. The work ethic in Islam, in as much as it brings material gains, also has its own spiritual dimension and connection with God, whose approval Muslims seek in all that they do.

METHODOLOGY

To comprehensively examine the determinants of external auditor performance in Libya, influenced by Islamic work ethics, this study adopts a mixed-methods approach. The methodology encompasses a systematic review of relevant literature within the past five years, ensuring the incorporation of contemporary insights into the auditor's role. Additionally, a conceptual framework will be introduced, graphically representing the hypothesized relationships between independent variables (auditor determinants and Islamic work ethics) and the dependent variable (auditor performance). This framework will be elucidated through directed arrows indicating cause-effect relationships, providing a clear visual guide to our research hypotheses

CONCEPTUAL FRAMEWORK

Ittonen (2010) explores various frameworks that impact the demand for audit services, offering vital knowledge for students and professionals in auditing and accounting. Unlike conventional auditing textbooks that primarily describe auditors' activities and methodologies, this work delves into the rationale behind the existence of auditors, providing insights into the theories and factors shaping the need for and provision of audit services. This deepens the understanding of auditors' actions and their underlying reasons. Alzeban and Sawan (2016) focused on investigating how external audit fees correlate with internal audit adherence to the International Standards for the Professional Practice of Internal Auditing (ISPPA). They sought to determine if this adherence influences audit fees positively or negatively. Gathering data from annual reports and surveys of 229 chief internal auditors from UK-listed firms, they found a positive association between external audit fees and compliance with ISPPA standards. The study highlights the connection between audit fees, internal audit budgets, and the tenure of chief internal auditors, offering new perspectives on the implications of ISPPA compliance for audit fees and contributing valuable insights to the existing body of literature

Kuntari et al. (2017) determined the effect of auditor ethics, auditor experience, audit fees, and auditor motivation on audit quality in a public accounting firm in Semarang. The respondents in this study were auditors working for a public accounting firm in Semarang. The total number of public accounting firms in Semarang according to the Indonesian Institute of Certified Public Accountants in 2016 was 98 participants from 14 public accounting firms. The questionnaires were distributed to auditors in all those public accounting offices. This study used purposive sample judgment with the criteria of the sample who worked and had experience in a public accounting firm for one year. The total sample for this study is 30 respondents. Using multiple linear regression analysis, the results showed that auditor ethics had a significant positive effect on review quality, auditor experience had a significant positive effect on review quality, audit fees had a significant positive effect on review quality, and auditor motivation had a significant positive effect on review quality. The auditor's ethics, experience, fees and motives had a significant positive impact on audit quality.

Haeridistia and Fadjarenie's (2019) research focused on evaluating how auditor independence, adherence to professional ethics, and the level of experience influence audit quality within Public Accountant Firms in DKI Jakarta. Utilizing a primary dataset derived from surveys completed by 127 participants, the study tested hypotheses concerning the impact of various independent variables on a dependent variable, revealing that auditor

independence, professional ethics, and experience significantly contribute to audit quality. Meidawati and Assidiqi (2019) explored the relationship between audit fees, auditor competency, independence, ethical standards, and time budget pressures on audit quality in Semarang, Indonesia, employing a quantitative approach with data from 45 randomly selected auditors. The findings, based on multiple regression analysis, indicated that auditor efficiency, ethical conduct, and time constraints positively influenced audit quality, whereas audit fees had a detrimental effect, and independence showed no significant impact. Marwa's (2021) investigation aimed to ascertain the effects of auditor competence, experience, independence, professional care, and integrity on audit quality in South Sumatra, Indonesia, considering auditor ethics as a potential moderating factor. Analyzing responses from 97 auditors using multiple linear regression, the study found significant positive impacts of competence, due professional care, and integrity on audit quality, whereas experience and independence did not show significant effects, and auditor ethics did not moderate the relationship between the examined variables and audit quality.

AlTheebbeh et al.'s (2017) research was focused on examining how various factors such as auditor selection criteria, independence, fee structure, and professional expertise influence the efficacy of external audits in Jordan's auditing firms. Using a descriptive analytical methodology from the perspective of external auditors, the study discovered that these factors, both individually and collectively, have a beneficial impact on the efficiency of external audits in the region. Among the key recommendations derived from this research are the emphasis on auditors adhering to their areas of expertise and the critical need to provide legal safeguards to preserve auditor independence.

Alsughayer's (2021) research was conducted to assess how auditor competence, integrity, and ethical conduct impact the quality of audits, based on the perspectives of auditors in Saudi Arabian auditing firms. Utilizing a questionnaire approach, the study gathered insights from 102 auditors to evaluate how these attributes contribute to audit quality. Findings indicate a significant positive correlation between the auditors' competence, integrity, ethics, and the quality of audits, highlighting the role of ongoing development and adherence to ethical standards as critical factors in enhancing audit effectiveness. This investigation contributes to the broader discourse on audit quality, offering valuable recommendations for audit entities and regulatory bodies on enhancing auditing practices.

Rashid and Ghazi's (2021) research sought to establish a theoretical framework to understand the concept of Sharia audit quality and identify its influencing factors. By reviewing existing literature on audit quality in Islamic finance, the study proposes a model for Sharia audit quality, emphasizing the crucial role of auditors' competence in Islamic banking institutions. The study underscores the necessity for auditors to possess a unique blend of Sharia compliance knowledge and conventional auditing skills to effectively identify and manage Sharia-related risks.

Kertarajasa et al. (2019) focused on examining the effects of auditor attributes such as competence, experience, independence, professional diligence, and integrity on audit quality, considering ethics as a moderating factor. This research, which involved 97 auditors from South Sumatra, Indonesia, utilized primary data via questionnaires and employed multiple linear regression analysis to analyze the data. The findings reveal that auditor competence, due diligence, and integrity have a substantial positive impact on audit quality, whereas experience and independence were not significantly influential. Additionally, the study found that auditor ethics did not significantly alter the relationship between the aforementioned attributes and audit quality.

Al Delawi's (2019) study aimed to discuss the relationship between religion and morality on the one hand, and such violations, financial fraud, and unethical standards on the other hand. It aims to find out how adopting ethics based on a religious perspective can enhance the quality of professional services, especially in light of Islamic religious principles of great importance and works to enhance commitment through the doctrine of faith, worship and religious matters. education. It is seen that Muslims adhere to these ethics as

part of their religion, and this commitment leads to achieving quality in performing work. Adam et al. (2019) study aimed to examine the relationship between Islamic work ethics (IWEs) and the performance of Islamic financial institutions (IFIs) in Nigeria. Literature has suggested many factors as a determinant of the performance of Islamic financial institutions. But few studies have attempted to consider the impact of Islamic business ethics on the performance of Islamic financial institutions in Nigeria. Limited empirical studies in this field of study have limited awareness of Islamic financial institutions, which has led to the absence of information regarding their true nature as well as their governance in accordance with Islamic principles, which leads to poor performance of the sector, especially in the governance of Islamic companies practicing it, in light of this deficiency. There is a need for more studies on the performance of international financial institutions, as well as IWEs especially in Nigeria

Hence, this study aims to fill the gap in the existing literature through the use of a quantitative survey method, using a total of 320 Nigerian IFI practitioners (managers and senior management staff) in northwest Nigeria. PLS-SEM was used to analyze the data. I find that IWEs are positively associated with the performance of international financial institutions. Implications of the findings and suggestions for future research are also discussed. Based on the review of previous studies, it is clear that there is a decline and deficiency in the performance of external auditors, in addition to a low commitment to Islamic work ethics, which has contributed to the decline in the quality of the outputs of external audit offices. Figure No. (1) shows the proposed study model, which consists of five determinants of performance as independent factors (experience, commitment to standards, fees, training, and Islamic motivation), in addition to the Islamic work ethics variable as an influential factor in the relationship between the independent factors and the dependent variable represented by the external auditor's performance.

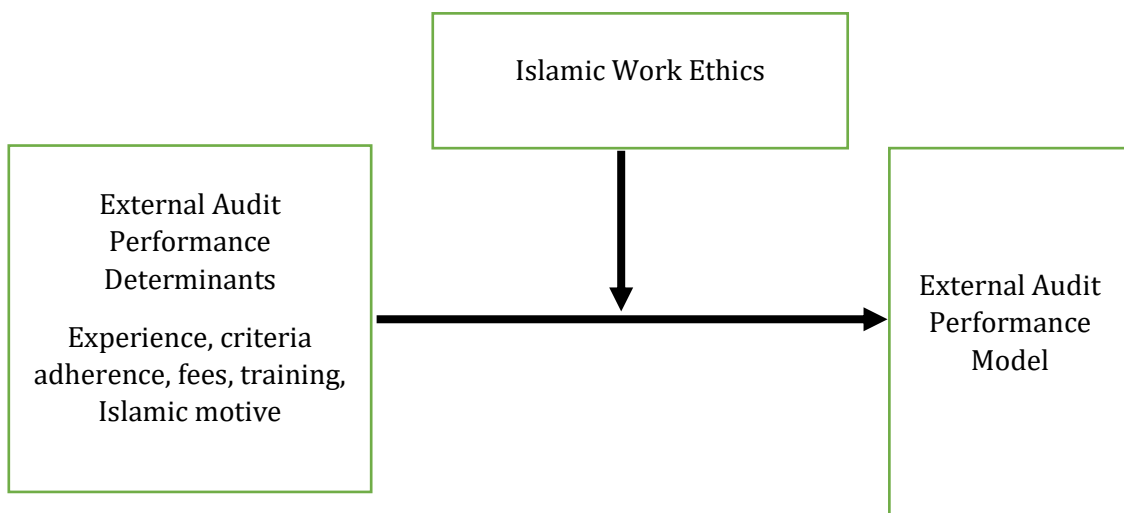


Fig. 1. Proposed Conceptual Framework

RESEARCH FINDINGS

This study's conceptual exploration into the determinants of external auditor performance in Libya, underscored by Islamic work ethics, has yielded several key theoretical insights. Grounded in an extensive review of contemporary literature and the development of a comprehensive conceptual framework, these insights forecast the potential influences on auditor performance within the Libyan auditing context. Literature suggests that auditor experience is likely to positively influence audit quality, as experience equips auditors with the skills and knowledge necessary to navigate complex auditing tasks effectively (Kuntari et al., 2017; Haeridistia & Fadjarenie, 2019).

Adherence to international and local auditing standards is posited to enhance auditor performance, ensuring audits are conducted with rigor and integrity (Alzeban & Sawan, 2016). The framework anticipates a nuanced relationship between audit fees and performance, with optimal fees supporting thorough audits but excessive fees not necessarily correlating with increased performance (Meidawati & Assidiqi, 2019). Continuous professional development, especially in Islamic finance and ethics, is expected to positively correlate with auditor performance, reflecting the critical role of up-to-date knowledge in high-quality audits (Kertarajasa et al., 2019).

Islamic motivation, driven by adherence to ethical principles and religious obligations, is anticipated to significantly impact auditor performance positively, highlighting the importance of aligning professional conduct with Islamic ethics (Adam et al., 2019). Islamic work ethics are theorized to play a moderating role in the relationship between auditor determinants and performance. This suggests that auditors who strongly adhere to Islamic ethical principles are likely to exhibit enhanced performance across all determinants, reinforcing the notion that Islamic ethics not only influence auditor behavior directly but also amplify the positive effects of other performance determinants (Alsughayer, 2021; Rashid & Ghazi, 2021).

The theoretical insights derived from this study's conceptual framework suggest a complex interplay between various determinants of external auditor performance and Islamic work ethics. These insights underscore the potential for Islamic work ethics to significantly influence auditor performance, advocating for their integration into auditor training and professional development. While empirical analysis is needed to validate these anticipated outcomes, the conceptual exploration provides a valuable foundation for understanding the factors that may influence auditor performance in Libya's Islamic auditing context. Future research may seek to empirically test these hypotheses, offering concrete data to support or refine the theoretical model proposed.

CONCLUSION

Previous studies were enriched by many researches that discussed the determinants of external auditor performance, as described in the previous section. These determinants revolved around several aspects. One of the most important aspects of these aspects is to investigate the determinants associated with the person of the auditor himself, in terms of the experience gained, the extent of the auditor's commitment to the standards related to the audit process at the local and international levels, as well as the amount of fees that the auditor receives in return for the audit and examination work, in addition to the size and extent of the frequency and continuity of the training that is provided. The auditor receives the target audit process. However, previous studies in this context ignored the role of the Islamic motivation factor, which has long been linked to the employee's performance in terms of productivity of goods or services, and has not been linked to the employee's performance in terms of the quality of outputs as a measure of performance, which represents a gap in the literature. This study seeks to investigate the impact of the Islamic motivation for excellence and achievement and achieving high-quality performance on the outcomes of the audit and examination process. This study adopts performance measures for the external auditor based on the quality of outputs (productivity) and not on quantity. Which will represent a contribution to the previous determinants that were addressed in previous research.

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