

ABSTRACT

This study aims to examine and analyze the effect auditor switching and financial distress on financial statement fraud and delays in the publication of financial reports as intervening variables. This study used a purposive sampling method which produces a sample of 119 companies that are indicated to have committed fraud and 114 non-fraud companies for go public companies listed on the Indonesia Stock Exchange that violate articles VIII.G.7 and IX.E.2 based on sanctions from the Financial Services Authority. Furthermore, this study observed companies for 3 years of observation, namely from 2018-2020, so that the total observations of this study were 233 company annual reports.

This study is a quantitative study used Partial Least Square (PLS) with WarpPLS software version 7.0. The results of the study conclude that auditor switching (X1) and financial distress (X2) have a direct effect on delays in the publication of financial reports (Z). So that it can interpreted that variable of auditor switching and financial distress can increase the delays in the publication of financial reports. Furthermore, the study showed that the auditor switching variable (X1) is directly related to financial statements fraud (Y). However, the variable financial distress (X2) did not effect on financial statement fraud, and the two mediation hypotheses did not proven.

Keywords: financial statement fraud, delays in the publication of financial reports, auditor switching, financial distress