

## ABSTRACT

*This research intended to investigate the effect of psychological distance which comprised four dimensions : temporal distance, spatial distance, social distance and probability on auditor profesional skepticism and fraud risk assessment. This research also intended to investigate the effect of profesional skepticism on fraud risk assessment. This research is important because in the middle of many audit failure around the globe, increasing auditor profesional skepticism is essential to reduce audit failure because of lack fraud sensitiveness.*

*The research method employed was experiment where the participant is auditor who worked in public accounting firm in Indonesia. Experiment design used two by two design and two faktor low level and high level. Participants coming from public accounting located in Semarang, Jakarta, Jogjakarta dan Surabaya.*

*The result of research showed that high temporal distance increased profesional skepticism. Auditor who treated with far spatial distance having equal profesional skepticism with auditor who treated with near spatial distance. For social distance dimension, auditor who treated with far social distance had equal profesional skepticism with auditor who treated with near social distance. On probability dimensions, auditor who treated with high probability level had higher profesional skepticism. For the fraud risk assessment, research showed that high temporal distance increased fraud risk assessment. Auditor who treated with far spatial distance having equal fraud risk assessment with auditor who treated with near spatial distance. For social distance dimension, auditor who treated with far social distance had equal fraud risk assessment with auditor who treated with near social distance. On probability dimensions, auditor who treated with high probability level had higher fraud risk assessment. Based on regression analysis effect of profesional skepticism on fraud risk assessment, the result showed that there are significant effect of profesional skepticism on fraud risk assessment.*

*Keywords: Profesional Skeptisime, Fraud Risk Assessment, Psychological Distance, Construal Level, Temporal distance, Spatial distance, Social distance dan Probability*