ABSTRACT

This study examines the effect between profitability, liquidity, leverage ratio, audit quality, and auditor switching on detecting fraudulent financial reporting. The population used in this study are all consumer non-cyclicals firms listed on Indonesia Stock Exchange during period 2019-2022. Purposive sampling was used for sample selection, 356 research sample were obtained. This study used logistic regression analysis to examine the research hypothesis.

The result of this study indicate that audit quality has negative effect on fraudulent financial reporting. Meanwhile, the profitability, liquidity, leverage ratio, and auditor switching do not implicate fraudulent financial reporting.

Keywords: fraudulent financial reporting, fraud triangle theory, financial ratio, audit quality, auditor switching