ABSTRACT

Financial statement fraud is a type of occupational fraud that has the lowest frequency of cases, but it causes the highest losses. The large number of male directors who are involved in financial statement fraud raises the question of whether the presence of women in strategic corporate positions can reduce the likelihood of financial reporting fraud because psychological and sociological research suggests that women tend to make more ethical decisions, are more conservative, and are more reluctant to take big risks.

This study examined the relationship between female CEOs, female CFOs, and the proportion of women on the board of directors to financial statement fraud in non-financial companies listed on the Indonesia Stock Exchange from 2020 to 2022. Logit analysis was conducted on the unbalanced panel data obtained from Bloomberg, the Indonesian Stock Exchange website, and the company's official website.

This research found insignificant positive relationship between female CEOs and female CFOs to financial statement fraud, while the proportion of women on the board of directors had insignificant negative relationship to financial statement fraud. Robustness checks show similar results. The insignificant positive relationship is likely due to the contrasting difference between the number of female CEOs and CFOs versus male CEOs and CFOs and the tokenism issues faced by female CEOs and CFOs due to a board of directors dominated by men. The problem of tokenism, coupled with the government's lack of an anti-corruption program, may also be the reason for the insignificant negative relationship between the proportion of women on the board of directors and financial statement fraud.

Keywords: financial statement fraud, female CEO, female CFO, proportion of female directors.