ABSTRACT

This study aims to examine the effect of Corporate Social Responsibility (CSR) disclosure on the risk of financial statement fraud in mining sector companies in Indonesia, while also testing the moderating roles of board independence and audit committee meeting frequency. Financial statement fraud is measured using the F-Score model, and CSR disclosure is assessed based on the Global Reporting Initiative (GRI) score. The study utilizes secondary panel data consisting of 149 firm-year observations from 42 publicly listed companies over the 2019–2023 period. A quantitative approach is employed using panel data regression analysis. The Random Effect Model (REM) is selected as the most appropriate estimation model based on the results of the Chow and Lagrange Multiplier tests. The findings reveal that CSR disclosure has a significant negative effect on the risk of financial statement fraud. Furthermore, both board independence and audit committee meeting frequency significantly strengthen the negative relationship between CSR and fraud risk. These findings support stakeholder and agency theories, underscoring the importance of social transparency and effective internal monitoring in fostering strong corporate governance. The study offers practical implications, suggesting that firms should enhance the quality of CSR disclosure and strengthen internal governance mechanisms to reduce the likelihood of financial fraud. Limitations include the focus on a single sector and the use of specific fraud and CSR metrics, which future research may address by incorporating broader industry contexts and alternative measurements.

Keywords: Corporate Social Responsibility, Financial Statement Fraud, F-Score, Board Independence, Audit Committee, CSR Disclosure, Mining Sector.