ABSTRACT

This study aims to examine the effect of audit committee characteristics, namely gender diversity, meeting frequency, financial expertise, and audit committee size, on fraudulent financial reporting, as well as to investigate the moderating role of firm size in this relationship. Fraudulent financial reporting is measured using the F-Score model developed by Dechow et al. (2011). This research is motivated by the persistence of financial statement fraud cases, highlighting the importance of effective corporate governance mechanisms, particularly the audit committee, in mitigating the risk of financial reporting fraud.

This study employs a quantitative research approach using secondary data obtained from the annual reports of manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2022–2024 period. The sample was selected using the purposive sampling method based on predetermined criteria. The hypotheses were tested using binary logistic regression analysis with interaction terms to examine the moderating effect of firm size.

The results indicate that gender diversity, audit committee meeting frequency, financial expertise, and audit committee size have a significant negative effect on the likelihood of fraudulent financial reporting. Furthermore, the findings reveal that firm size is unable to moderate the relationship between audit committee characteristics and fraudulent financial reporting. These results suggest that the effectiveness of audit committee characteristics in reducing the likelihood of financial reporting fraud does not depend on the size of the company.

Keywords : Audit Committee, Financial Statements Fraud, F-SCORE