

ABSTRACT

This study aims to examine and analyze the effect of red flag, ethics, independence and auditor professionalism in fraud risk assessment. This study is based on the low level of fraud risk finding found by the auditor at the Inspectorate Office of Central Java Province. This reflects that the level of disclosure of fraud achieved by the auditor has not been sufficient.

The study applied a quantitative approach to measure the influence or interaction between variables by using questionnaires as a measure. The population of this study are all auditors in the Office of Regional Inspectorate of Central Java Province. Which amounted to 143 people. The sample size is 143 people determined by purposive sampling technique. The data used in this research is primary data and statistical test using multiple linear regression test technique.

The results show that: Red flag, ethics, independence, and auditor professionalism have a positive effect on fraud risk assessment. Based on these conclusions can be recommended suggestions: Based on the limitations specified in this study, suggestions may be given in future research to enlarge populations and samples by involving several auditors in other areas, to obtain a greater level of significance and to be generalizable in a larger population. (1) To the Central Java Provincial Inspectorate's Office: drafting policies on fraud risk assessment, auditor training and training, and institutional strengthening; (2) To auditors: enhancement and strengthening of red flags, ethics, independence and professionalism.

Keywords: Red Flag, Ethics, Independence, Professionalism, Auditor, Fraud, Fraud Risk Assesment.