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THE EFFECT OF *CORPORATE GOVERNANCE* ON FINANCIAL STATEMENT FRAUD WITH FIRMS SIZE AS A MODERATION VARIABLE

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ABSTRACT

This research aims to determine the effect of corporate governance on fraudulent financial reports with company size as a moderating variable. The population in this research is infrastructure, utilities and transportation companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The sample in this research was selected using a purposive sampling method with a total sample of 60 companies. The research uses logistic regression analysis and moderated regression analysis. The research results show that the board of commissioners and audit committee have a significant influence on financial report fraud. In addition, company size is able to strengthen the relationship between the board of commissioners and the audit committee regarding financial statement fraud.

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INTRODUCTION

Developments in the economic sector in Indonesia have caused the role of accounting as an aid in making economic and financial decisions to increase. Accounting has a very important role in a company, the progress of a company can be seen from the company's accounting process (Susanti, 2017) . Public companies that are registered on the Indonesia Stock Exchange (BEI) are required to publish annual financial reports as a form of management accountability towards users of financial reports, both internal and external parties, which are useful for making economic decisions. (Ressidnarry & Sjarief, 2021) . However, in the business world, fraud or actions that deviate from established procedures or standards often occur. And one form of fraud that occurs in companies is manipulation or engineering of data available in financial reports which results in losses for *stakeholders* (Sari & Husadha, 2020) .

Manipulation that is intentionally carried out by a company is considered fraud. Fraud committed by companies in manipulating financial reports is also called financial report fraud (Ferdinand & Santosa, 2019) . Financial statement fraud is a phenomenon that has existed for a long time, but is still ongoing now it is still an interesting topic to discuss as long as there is still a lot of fraud found in financial reports (Handayani, 2020) . Financial statement fraud is explained in Statement of Audit Standards (PSA) No. 70 where financial statement fraud is the deliberate misstatement or omission of amounts or disclosures in financial statements with the aim of deceiving users of financial statements with the resulting effect being a nonconformity of financial statements in all material respects with generally accepted accounting principles (Triyani et al ., 2019) .

ACFE Global released RTTN on 2022 states there is three form cheating includes abuse assets, corruption, and fraud report finance. Of three form fraud on fraud report finances own opportunity smallest by 9%, however give rise to loss biggest namely US$ 593,000. Besides That's it, ACFE Indonesia too released RTTN on in 2018 where fraud report finance which is case with least percentage namely 10%, with reason loss biggest that is reached US$ 800,000. Temporary that, on survey *fraud* in 2019 fraud report finance own percentage case of 9.2 % with loss range Rp. 242,260,000,000.

Scandal fraud report finances are becoming attention public that is PT Garuda Indonesia (Persero) Tbk scandal on in 2018, where Garuda Indonesia recorded a net profit of US$ 809.85 thousand or equivalent to Rp. 11.33 billion. This profit was generated by the collaboration between Garuda Indonesia and PT Mahata Aero Teknologi (Mahata) worth US$ 239.94 million or around Rp. 3.48 trillion. These funds are still in the form of receivables with a contract for the next 15 years, but have been recorded in the first year and recognized by Garuda Indonesia management as income. As a result, companies that were previously losing money then made a profit. Furthermore PT Inovisi case Inracom Tbk (INVS) on in 2015 where The Indonesian Stock Exchange found indications of misstatements in the company's financial reports for the September 2014 period. On For the September 2014 period, salary payments to employees amounted to Rp. 1.9 trillion decreased in the third quarter of 2014 to Rp. 59 billion. Previously, Inovisi Infracom had revised its financial reports for the Januation period to September 2014, where there were several values in the financial statements that experienced changes, such as a decrease in the value of fixed assets to IDR 1.16 trillion after a revision from previously recognized at IDR 1.45 trillion.

The rise in cases of fraudulent financial statements that occur shows that existing *corporate governance mechanisms are not implemented effectively by companies, resulting in a lack of supervision over managerial behavior that is morally hazardous.* (Haryani & Syafruddin, 2022) . *Corporate Governance* (CG) or what is usually called corporate governance is a concept put forward to improve performance in companies through supervising and *monitoring* management performance as well as protecting management accountability towards *stakeholders* based on a regulatory framework. (Nasution & Setiawan, 2007) . Therefore, the role of *corporate Governance* is very necessary for prevention efforts and preventing management from committing fraudulent reporting finance. Bad *corporate governance* in a company can cause *fraud,* and conversely, *corporate governance* that is carried out well can contribute to preventing fraudulent financial reporting (Syahfitri et al., 2020).

Apart from that, companies that consistently implement good governance can become a system that can provide protection and guarantees to stakeholders. Good corporate governance is also supported by the morals and integrity of business actors. (Nursiam & Ghaisani, 2021). Good governance can regulate and control a company and can create added value for all stakeholders. So good governance is used to minimize inefficient company management performance as a result of moral hazard and wrong decision making to achieve company goals (Indrati et al., 2021).

The corporate governance proxies used in this research include the board of commissioners and the audit committee. The board of commissioners plays an important role in implementing the concept of good corporate governance in a company. In POJK Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies, it is stated that every company is required to have a board of commissioners. The membership of the board of commissioners consists of a board of commissioners and a board of independent commissioners. The board of commissioners was formed to be assigned and have responsibility for transparency and credibility of financial reports, with supervision carried out it will be able to prevent and reduce the tendency of managers to commit fraud in financial reports and ensure that the company has implemented corporate governance in accordance with applicable regulations (Wicaksono & Chariri, 2015).

Financial statement fraud can also be influenced by the size of the company. In this case, large companies seek to limit profits due to high political costs, choosing accounting methods that reduce excess profits and avoid the imposition of new taxes or regulations. Smaller companies tend to engage in earnings management because they want to demonstrate the health of the company that is performing well to attract investors to invest in the company (Khuluqi, 2022).

Studies previously give proof substantial will importance structure effective *corporate* governance in reduce incident fraud in reporting finance. By Because that's the goal from study This is for test influence *corporate governance* in prevent and obstruct practice fraud in reporting finance on companies *went public* in Indonesia. Where *corporate governance* in study This proxied with board commissioner And audit committee. Results from study This expected can give proof that *corporate governanceve* influential in reduce fraud report financial happenings in company.

THEORY AND HYPOTHESIS DEVELOPMENT

Hypothesis Writing

The Influence of the Board of Commissioners on Financial Report Fraud

The board of commissioners has the responsibility to determine the organization's goals and strategies and adapt them to the interests of shareholders. Therefore, the board of commissioners is directly responsible to shareholders (Handayani, 2020) . The formation of a board of commissioners is tasked with and has the responsibility to ensure the quality of the information contained in the financial reports. This aims to prevent and reduce the tendency of managers to cheat on financial reports (Wicaksono & Chariri, 2015) .

Research conducted by Ismiyanti & Prastichia (2015) found that the size of the board of commissioners has a significant effect on financial statement fraud. This is because the larger the size of the board of commissioners, the higher the probability of *fraud occurring.* In line with research conducted by Sari & Husadha (2020) which found that the board of commissioners has an influence on indications of *fraud,* this is because the number of relevant members of the board of commissioners and the effective implementation of their duties and responsibilities are said to be able to prevent and detect indications of *fraud*.

However, this is different from research conducted by Wicaksono & Chariri (2015), which found that the size of the board of commissioners did not have a significant effect on the possibility of fraud in financial reporting. This is because the number of members of the board of commissioners is increasing, they are not effective in supervising the board of directors and cannot improve management performance in a company in preventing fraud. The researcher also stated that no matter how many members of the board of commissioners there are in a company, it cannot effectively prevent fraud in financial reporting that occurs within the company.

H $_1$: The board of commissioners has an influence on financial report fraud

The Influence of the Audit Committee on Financial Report Fraud

The audit committee is a committee that is formed and has responsibility to the board of commissioners. In the scope of *corporate governance*, the audit committee's responsibility is to provide assurance *that* the company complies appropriately with relevant laws and regulations, directs and manages its business ethically, and maintains effective control over conflicts of interest between employees (Kodriyah et al., 2017) . The audit committee is seen as a voluntary monitoring mechanism that works in a highly agency situation which aims to improve the quality of information flow between *the principal* and *agent* (Beasley, 1996) .

Research conducted by Wicaksono & Chariri (2015) found that the audit committee has a significant influence on the possibility of fraud in financial reporting, this is because the increasing number of meetings held by the audit committee can reduce and prevent management from committing fraud in financial reporting. through increased control and supervision by the audit committee. In line with research conducted by Dewi (2019) which found that independent audit committees influence the possibility of *fraud*. This is in line with agency theory which states that independent parties are an effective mechanism to use to prevent fraud.

In contrast to research conducted by Priswita & Taqwa (2019) which found that the audit committee had no effect on financial report fraud, this indicates that the number of meetings held by the audit committee during the year has not been able to overcome fraud committed by company managers.

H $_2$: The Audit Committee has an influence on financial report fraud

The Influence of the Board of Commissioners on Financial Report Fraud with Company Size as a Moderating Variable

The board of commissioners has the function of supervising all kinds of company operational activities, providing advice to the board of directors regarding deviations within the company that are not in line with the company's objectives, as well as monitoring the internal control system, and the mechanisms, principles and functions of corporate *governance*. The existence of supervision carried out regarding the company's internal control can reduce the occurrence of fraudulent financial reports (Triyani et al., 2019) .

Company size is an important factor related to ownership structure because the larger the company size, the more information there will be for investors regarding the investment being made. Large companies are more likely to have very high *public demand* for information compared to small companies. Large companies pay more attention to the public so they will be more careful in carrying out financial reporting so that the reports produced are more accurate (Dzaki & Suryani, 2020) .

The existence of company size as a moderating variable refers to research by Khuluqi (2022) which found that *Financial target*, *ineffective monitoring*, *rationalization*, *competence*, *arrogance,* and company size in financial statement fraud on company size as moderating variables. Another research conducted by Barus et al (2021) found that company size cannot weaken *financial influence stability, ineffective monitoring*, and *rationalization* of fraudulent financial reports.

H 3 : The Board of Commissioners has an influence on fraudulent financial reports with Company Size as a Moderating Variable

The Influence of the Audit Committee on Financial Report Fraud with Company Size as a Moderating Variable

The audit committee has the function of increasing public confidence regarding the quality and fairness of financial reports and increasing confidence in the company's well-implemented internal controls. Supervision carried out by the audit committee aims to prevent management from taking action opportunistic by manipulating financial reports, so that this can be detrimental to the company (Ressidnarry & Sjarief, 2021).

Research conducted by Syamsudin et al (2017) found that company size has a positive effect on *fraudulent financial statements*, this is because large companies will also have great pressure so that the pressure factor becomes the strongest thing in committing fraudulent acts such as profit levels, targets, and the company's business prospects in the future and so on. In contrast to research conducted by Handoko & Ramadhani (2017) which found that company size has no influence on indications of fraudulent company financial reports, this means that large and small companies both have the opportunity to commit fraud in the company's financial reports.

H 4 : The Audit Committee has an influence on fraudulent financial reports with Company Size as a Moderating Variable

RESEARCH METHODS

This research is quantitative research, using secondary data. The population in this research is infrastructure, utilities and transportation companies listed on the Indonesia Stock Exchange in 2019-2021. The objects that will be examined in this research are the variables related to the research, namely the board of commissioners, audit committee, and institutional ownership are independent variables, company size is a moderating variable, and financial statement fraud is the dependent variable. The subjects of this research are infrastructure, utility and transportation companies listed on the Indonesia Stock Exchange in 2019-2021. The sampling technique used *purposive sampling* with a final sample of 60 companies. The data analysis techniques used in this research are logistic regression analysis and *moderating regression analysis* to test the influence of *corporate governance* on fraudulent financial statements with company size as a moderating variable.

This research consists of three independent variables, namely the board of commissioners and audit committee, one moderating variable, namely company size, and one dependent variable, namely financial statement fraud. The board of commissioners variable is measured by the number of members with commissioners, both from internal and external companies (Haryani & Syafruddin, 2022) , the variable internal audit committee study This be measured with the number of audit committees in a company (Widowati & Oktoriza, 2021) , and the company size variable is measured using the total assets owned by the company or the total assets of the client company listed in the company's financial report at the end of the audited period and using Ln total assets (Khuluqi, 2022).

Measurement of fraud report finance (Y) in this research refers to research by Nugroho & Diyanty (2022) , Haryani & Syafruddin (2022) and Kurniawan et al (2020) which measures fraud report finance by using *Beneish M Score* with *dummy variables.* A *dummy* variable is a nominal variable used in the regression model which is coded 0 and 1. The company is coded 0 if company classified in non-manipulator category, and given code 1 if company classified in manipulator category.

RESEARCH RESULT

Descriptive statistics

Table 1 Results of Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
board of Commissioners	180	2	15	3.86	1,946
Audit Committee	180	2	7	3.14	,644
Company Size	180	5	23	16.18	3,230

Source : Outputs SPSS 26

Results shows that the research data (N) amounts to 180 data which is the research sample during the 2019-2021 period. The board of commissioners variable (X_1) has minimum value 2 and maximum value 9, average value 3.86 with standard deviation 1.946. The audit committee variable (X_2) has a minimum value of 2 and a maximum value of 7, The average value is 3.14 with a standard deviation of 0.644. The moderating variable is company size (Z). minimum score 5 and mark maximum 23, average value 16.18 with standard deviation 3,230.

The non-metric scale variable in this research is fraud report financial (Y) is explained using frequency statistics. The results show that the descriptive frequency analysis using SPSS *software version 2* 6.0 is as follows.

Table 2 Results of Frequency Statistical Analysis

Variable	**Frequency**	**Percentage**
Fraud Report Finance Non Manipulator Manipulator	 135 45	 75.0 25.0
Total	180	100.0

Source: SPSS 26 output

Based the bell variables can be identified fraud report finances are measured with dummy variables. The sample companies included in the non-manipulator category are 135 with a percentage of 75.0, and There are 45 sample companies that fall into the manipulator category with a percentage of 25%. These frequency statistics show that the majority of the companies studied were categorized as non-manipulators.

Classic assumption test

Table 3 Test Results Multicollinearity

Research variable	**Collinearity Statistics**	
	Tolerance	**VIF**
board of Commissioners	,997	1,003
Audit Committee	,959	1,043
Company Size	,957	1,045

Source: SPSS 26 output

Results test multicollinearity show that the *tolerance value* of the board of commissioners (X_1) is 0.997 (0.997 > 0.10), the audit committee (X_2) is 0.959 (0.959 > 0.10), and the company size (Z) is 0.957 (0.957 > 0.10). Judging from the VIF value of the board of commissioners (X_1) it is 1.003 (1.003 < 10.00), the audit committee (X_2) is 1.043 (1.043 < 10.00), and the company size (Z) is 1.045 (1.045 < 10.00). Judging from the value *tolerance* and VIF This means *that there is no multicollinearity* between the board of commissioners, audit committee and company size.

Assessing Model Fit (Overall Model Fit Test)

Table 4 Block 0 Results

Iteration		**-2 Log likelihood**	**Coefficients**
			Constant
Step 0	1	202,774	-1,000
	2	202,441	-1,096
	3	202,441	-1,099
	4	202,441	-1,099

Source: SPSS 26 output

Results *block* 0 shows a model that only includes constants, namely 202.441 and has a *chi square* (x^2) distribution with df 179 (180-1), namely 211.217. The value -2logL < x^2table, so it accepts H_0, indicating that the model before entering the independent variables is a good fit to the data.

Table 5 Block 1 Results

Iteration		**-2 Log likelihood**	**Coefficients**					
			Constant	**X1**	**X2**	**Z**	**X1Z**	**X2Z**
Step 1	1	186,039	-14,868	-.591	4,871	,811	,032	-.278
	2	180,785	-21,097	-1,253	7,403	1,199	,067	-.432
	3	180.134	-22,797	-1,608	8,291	1,330	,086	-.492
	4	180.114	-23,135	-1,664	8,458	1,358	,088	-.505
	5	180.114	-23,150	-1,665	8,465	1,359	,089	-.505
	6	180.114	-23,150	-1,665	8,465	1,359	,089	-.505

Source: SPSS 26 output

The results of block 1 show that with constants and independent variables with a value of -2logL of 180.114 and having a *chi square* (x^2) distribution with df 179 (180-1), namely 211.217. The value -2logL < x^2table, so accepting $H_{0,}$ then shows that the model after entering the independent variables is fit to the data.

Table 6 *Hosmer and Lemesshow Test* Results

Step	**Chi-square**	**Df**	**Sig.**
1	5,950	8	,653

Source: SPSS 26 output

Results *hosmer and lemesshow test* shows that *The Hosmer and Lemeshow Goodness-of-fit* statistical value is 5.950 with a significance of 0.653, which is > 0.05. Thus it can be concluded that the model is acceptable.

Logistic Regression Analysis and Moderating Regression Analysis (MRA)

Table 7 Analysis Regression Logistics And Moderating Regression Analysis (MRA)

		B	**S.E**	**Wald**	**df**	**Sig.**	**Exp (B)**
Step 1 a	X1	-1,665	,825	4,074	1	,044	,189
	X2	8,465	2,572	10,832	1	,001	4745.631
	Z	1,359	,449	9,158	1	,002	3,894
	X1Z	,089	,044	4,035	1	,045	1,093
	X2Z	-.505	,149	11,555	1	,001	,603
	Constant	-23,150	7,828	8,746	1	,003	,000

Source: SPSS 26 output

Results analyst logistic regression and *moderating regression analysis* show that that the logistic regression equation with *moderating regression analysis* (MRA) obtained are as follows:

KLK = -23,150 – 1,665DK $_{it}$ + 8,465KA $_{it}$ + 1,359SIZE +
0.089(DK*SIZE) – 0.505(KA* SIZE) + e_{it}

Hypothesis test

Omnibus Test (Simultaneous Test)

Table 8 Omnibus Test

Omnibus Tests of Model Coefficients				
		Chi-square	Df	Sig.
Step 1	Step	22,327	2	,000
	Block	22,327	2	,000
	Model	22,327	2	,000

Source: SPSS 26 output

Results omnibus test shows that the difference of -2 LogL before the independent variable enters the model minus -2 LogL after the independent variable enters the model is 22.327 (202.441 – 180.114). Calculated value $x^2$22.237 > x^2table on df 3 (number of independent variables) 7.815 with significance of 0.000 < 0.05 (α = 5%). This means that all independent variables, namely the board of commissioners, audit committee, and institutional ownership have an influence on financial statement fraud.

Wald Test (Partial Test) and Moderated Regression Analysis

Table 9 Wald Test

		B	S.E	Wald	df	Sig.	Exp (B)
Step 1 a	X1	-1,665	,825	4,074	1	,044	,189
	X2	8,465	2,572	10,832	1	,001	4745.631
	Z	1,359	,449	9,158	1	,002	3,894
	X1Z	,089	,044	4,035	1	,045	1,093
	X2Z	-.505	,149	11,555	1	,001	,603
	Constant	-23,150	7,828	8,746	1	,003	,000

Source: SPSS 26 output

The Wald test results show that the board of commissioners variable test results obtained a Wald value of 4.074 with a significance of 0.044 < 0.05 (α = 5%). This shows that the board of commissioners has a significant influence on financial report fraud, this means that H_1 is accepted. The results of testing the audit committee variable have a Wald value of 10.832 with a significance of 0.001 < 0.05 (α = 5%). This shows that the audit committee has a significant effect on financial statement fraud, this means that H_2 is accepted.

The results of the *moderated regression analysis test* also show the interaction between company size and the board of commissioners which obtained a coefficient value (β) of 0.089 and a significance value of 0.045 was smaller than 0.05 (0.045 < 0.05), meaning Company size can strengthen the board of commissioners in influencing financial statement fraud. The interaction of company size with the audit committee which obtained a coefficient value (β) of 0.505 and a significance value of 0.001 was smaller than 0.05 (0.001 < 0.05), meaning Company size can strengthen the audit committee in influencing financial statement fraud.

Wald Test (Partial Test) and Moderated Regression Analysis

Table 10 Determination Test

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	180.114 a	.117	.173

Source: SPSS 26 output

Test the coefficient of determination using values *Nagelkerke R Square* is 0.173 which shows the ability of the independent variable to explain the dependent variable is 0.173 or 17.3% which is included in the very weak category (0.00 - 0.20) and there are 82.7 (100% - 17.3%) other factors outside the model that explain the dependent variable such as internal audit effectiveness (Haryani & Syafruddin, 2022), fraud pentagon (Khuluqi, 2022), and board members with international experience (Indrati et al., 2021).

Hypothesis test

The Influence of the Board of Commissioners on Financial Report Fraud

The results of the regression analysis show that the board of commissioners has a negative and significant influence on financial report fraud, so that H_1 is accepted. The indication from the results of this research is that the greater the number of members of the board of commissioners in a food company will reduce the level of financial report fraud. The board of commissioners is responsible for the quality of the information contained in the financial reports. This supervisory task is carried out to prevent and reduce the tendency of managers to commit fraud in financial reporting and ensure that the company has implemented *corporate governancegovernance* in accordance with applicable regulations. With the increasing number of members of the board of commissioners, supervision of managers becomes much better. The results of this research are in line with research by Tan & Chariri (2022).

The results of this research are in line with agency theory which explains that in the relationship between principals and agents, conflicts of interest often arise. Delegation of authority from the principal to the agent results in the principal not being able to fully monitor the actions carried out by the agent. This creates a situation commonly referred to as information asymmetry. This information asymmetry can be an opening for fraud committed by agents. In addition, agency relationships can trigger adverse selection and moral hazard (Jensen & Meckling, 1976). Thus, a board of commissioners is needed to supervise the actions carried out by agents. Even though the board of commissioners does not participate in daily operational activities, they still need to establish cooperative ties with the directors to obtain information related to the company. As a neutral board of commissioners, there is no pressure from internal parties in the company so they can act independently.

The Influence of the Audit Committee on Financial Report Fraud

The results of the regression analysis show that the audit committee has a positive and significant effect on financial statement fraud, so that H_2 is accepted. The indication from the results of this research is that the greater the number of audit committee members in a food company, the lower the level of financial report fraud. In carrying out its duties, the board of commissioners is supported by the audit committee. The audit committee functions to ensure the quality and reliability of financial reports. The existence of an audit committee can assist the board of commissioners in supervising financial reports. In addition, the audit committee can assist the board of commissioners in preventing agency problems as a result of differences in interests between the principal and the agent. The results of this research are in line with Dewi's (2019) research And Wicaksono & Chariri (2015).

This result is in line with agency theory which explains that the basic nature of humans as living creatures is that they tend to pay attention to their own interests rather than the interests of other people. Where this will trigger a conflict of interest between the principal and the agent which will cause agency problems, namely moral hazard and adverse selection. Adverse selection arises from the information gap between the principal and agent (information asymmetry) (Jensen & Meckling, 1976). The audit committee is corporate governance in overcoming agency problems. The existence of an audit committee can minimize the occurrence of fraud and differences in information between principals and agents. Apart from that, the audit committee is the embodiment of the transparency pillar in the corporate governance pillar so that with the existence of an audit committee transparent governance can be created.

The Influence of the Board of Commissioners on Financial Report Fraud with Company Size as a Moderating Variable

The results of the regression analysis show that the interaction between company size and the board of commissioners influences financial report fraud or company size can strengthen the board of commissioners in influencing financial statement fraud, so H_3 is accepted. The assumption that company size can strengthen the relationship between the board of commissioners' influence on financial statement fraud is that company size is an important factor related to ownership structure because the greater the size of the company, the more information there will be for investors regarding the investments made. Large companies pay more attention to the public so they will be more careful in carrying out financial reporting so that the reports are accurate produced more accurately (Dzaki & Suryani, 2020) .

The Influence of the Audit Committee on Financial Report Fraud with Company Size as a Moderating Variable

The results of the regression analysis show that the interaction between company size and the audit committee influences financial statement fraud or company size can strengthen the

audit committee in influencing financial statement fraud, so that H_4 is accepted. The assumption of company size can strengthen the relationship between the influence of the audit committee on financial statement fraud, where the greater the assets owned by the company, the more transactions will be carried out. As operational activities become increasingly complex, supervision of management will also become stricter. The audit committee is formed by the board of commissioners and is directly responsible to the board of commissioners. The audit committee functions to assist the board of commissioners in supervising the management who carries out the company's daily operations. The tighter the supervision carried out by the company, the less
fraudulent financial statements that occur within the company.

CONCLUSION

Study This aim For test influence *corporate governance* towards fraud report finance with size company as variable moderation. Based on testing hypothesis that has been done, obtained results that variable board commissioner own influence negative And significant in reduce fraud report finance. Variable the audit committee has influence positive And significant in reduce fraud report finance. Variable board commissioner And internal audit committee reduce fraud report finance strengthened by size company or in other words variable size company capable moderate board commissioner And internal audit committee influence fraud report finance.

There is a number of limitations in study This that is use sample limited only on service sector infrastructure, utilities And transportation. Besides that's it, period study limited only 3 years final. Study furthermore expected expand sample study sector else, extend period research, added variable independent others, as well can use tool different tests in order to obtain results more research accurate, like analysis panel data regression.

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