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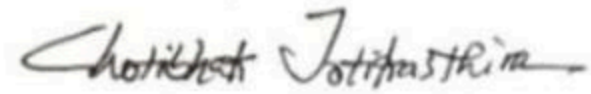
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**THE EFFECT OF AUDIT COMMITTEE, INTERNAL AUDIT AND
WHISTLEBLOWING SYSTEM ON FINANCIAL STATEMENT FRAUD
DISCLOSURE**

Nur Amelia Widya Ningrum¹, Surifah²
Yogyakarta University of Technology
Email: jadamelia21@gmail.com

Abstract

This study aims to analyze the effect of the audit committee, internal audit and whistleblowing system on the disclosure of financial statement fraud. The dependent variable in this study is the disclosure of financial statement fraud as measured by profit management using the Jones model (1991). The independent variables in this study are audit committee variables measured using the number of audit committees, internal audit variables measured by the financial expertise of the head of the internal audit unit, and whistleblowing system variables measured by companies implementing whistleblowing systems or not. The control variable in this study is the size of the company as measured by looking at the size of the total number of assets in the company. The population in this study is manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2018-2022 period. The sampling method used is the purposive sampling method. The sample obtained was 56 companies with a total of 280 observations. Data analysis was carried out using the panel data regression method assisted by the Eviews 10 program. The results showed that: (1) The audit committee negatively affects the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2018-2022 period. This shows that the larger the audit committee will reduce the disclosure of financial statement fraud and vice versa. (2) Internal audit has no effect on the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2018-2022 period. This proves that the head of the internal audit division who has expertise and ability in finance and accounting has not been able to improve fraud disclosure. (3) The whistleblowing system has a positive effect on the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2018-2022 period. This result shows that with the implementation of a whistleblowing system in the company, it will increase the act of disclosing financial statement fraud.

Keywords: Audit Committee, Internal Audit, Whistleblowing System, Financial Statement Fraud disclosure

1. INTRODUCTION

Fraud cases are a hot topic that is often the main material of news both in mass media and electronic media. According to The Institute of Internal Auditors (IIA) fraud can be defined as any illegal act characterized by fraud, concealment, or breach of trust. Based on the Association of Certified Fraud Examiners (ACFE) survey revealed that the number of fraud in Indonesia was 239 cases with 167 cases of corruption, 50 cases of misuse of assets and 22 cases of financial statement fraud. Although the number of cases of financial statement fraud is the lowest compared to other types of fraud, it cannot be underestimated because there are still cases of financial statement fraud from time to time (Bayagub *et al.*, 2018).

The financial statement fraud case that has occurred in Indonesia is PT Envy Technologies Indonesia Tbk (ENVY) related to allegations of manipulation of the financial statements (lapkeu) of its subsidiary, PT Ritel Global Solusi (RGS) in 2019 (Sandria, 2021). Another case is the report of PT Asuransi Jiwa Adisarana WanaArtha since 2019 there has been manipulation of financial statements. The audit results show that liabilities are far from assets and cannot be afforded by shareholders to add capital or make new investments (CNN Indonesia, 2020). Other fraud cases in 2023 PT Waskita Karya Tbk (WSKT) and PT Wijaya Karya Tbk (WIKA) are suspected of financial reporting not in accordance with real conditions. That is, it is reported as if it has been profitable for years, even though *the cash flow* has never been positive (Melani, 2023). Based on cases of financial statement fraud that have been described that the company tries to show good performance by committing fraud by manipulating financial statements.

The motivation for this research is because there are still many cases of fraud in Indonesia, so research on the influence of audit committees, internal audits and *whistleblowing systems* on the disclosure of financial statement fraud must still be discussed so that solutions can be found to minimize financial statement fraud. In addition, there are still inconsistencies that make researchers feel the need to re-examine to prove the effect of audit committee variables, internal audits, and *whistleblowing systems* on fraud disclosure.

Angela (2021) and Puspita (2021) regarding the influence of the audit committee on the disclosure of financial statement fraud shows that there is an influence of the audit committee on the disclosure of financial statement fraud. Meanwhile, a similar study by Superliyansah (2022) shows that there is no influence of the audit committee on the disclosure of financial statement fraud.

Superliyansah (2022) and Mahyuda et al. (2024) examined the effect of internal audit on the disclosure of financial statement fraud, showing that there is an influence of the influence of internal audit on the disclosure of financial statement fraud. Meanwhile, a similar study by Mardani *et al.* (2020) and Siregar (2022) show that there is no influence of internal audit on the disclosure of financial statement fraud. Research by Puspita (2021) and Angela (2021) examining the effect of *the whistleblowing system* on the disclosure of financial statement fraud shows that there is an influence of *the whistleblowing system* on the disclosure of financial

statement fraud. Meanwhile, similar studies by, Siregar (2022) and Superliyansah (2022) show that there is no influence of *the whistleblowing system* on the disclosure of fraud reports

This study refers to the research of Mardani *et al.* (2019) which examines the effect of the influence of the audit committee, internal audit, and company size on fraud disclosure. The update of this study is to add independent variables, namely *the whistleblowing system*, as well as the sample data used, namely manufacturing companies in the consumer goods industry sector for the 2018-2022 period.

2. LITERATURE REVIEW

2.1 Agency Theory

The agency theory was first put forward by Jensen and Meckling in 1976. This theory states that a contract occurs when one or more people (called principals or owners of a company) engage another person (called an agent or management) to provide a service on behalf of the owner of the company through delegation of some authority in the form of decision-making authority to management (Jensen and Meckling, 1976). However, there are often differences in interests between management and shareholders (Sihombing and Rahardjo, 2014).

As managers of companies, managers understand the internal information and future prospects of the company better than owners. Therefore, as a manager, managers are responsible for giving signals to owners about the state of the company (Agustian, 2016). Signals can be provided by disclosing accounting information, such as financial statements. However, sometimes the information provided does not match the actual state of the company. This condition is called asymmetrical information or information asymmetry. Information asymmetry is a condition where the agent has more information with the *principal*, this condition provides an opportunity for the agent to use the information he knows to manipulate financial statements in an effort to maximize his prosperity (Manggau, 2016)

2.2 The Fraud Triangle Theory

fraud triangle theory (FTT) was introduced by Donald Cressey in 1950. In this theory states that there are three conditions that will cause fraud in financial reporting and misuse of assets, namely pressure, opportunity and rationalization (Cressey, 1950).

2.3 Financial Statement Fraud

According to The Institute of Internal Auditors (IIA) fraud can be defined as any illegal act characterized by fraud, concealment, or breach of trust. The Association of Certified *Fraud* Examiners (2020) explains three categories of fraud, namely.

- a) Corruption which is an abuse of office for personal gain.
- b) Asset *misappropriation* in the form of schemes of theft or misuse of organizational resources.
- c) *Financial statement fraud*.

The National Commission on Fraudulent Financial Reporting defines *fraudulent financial reporting* as intentional or reckless behavior, whether by act or omission, that results in materially misleading financial statements. The Association of Certified *Fraud* Examiners (ACFE) defines *financial statement fraud* as an act that is deliberately carried out in making financial statements so that financial statement information is not material and distorted. Financial reporting fraud is an attempt made deliberately by companies to deceive and mislead users of financial statements, especially investors and creditors, by presenting and engineering the material value of financial statements (Sihombing and Rahardjo, 2014)

2.4 Audit Committee

According to Law Number 19 of 2003 concerning SOEs, the audit committee is a committee formed by the board of commissioners and supervisory board to assist the board of commissioners and supervisory board in charge of assessing the implementation of activities and audit results conducted by internal supervisory units and external auditors, providing recommendations on improving the management control system and its implementation, ensuring there is a *review* procedure which satisfies all information on matters that require the attention of the Board of Commissioners and the Board of Supervisors as well as other duties of the Board of Supervisors. The audit committee according to the Financial Services Authority Regulation Number 55/POJK.04/2015 of 2015 concerning the Establishment and Work Implementation Guidelines of the Audit Committee is a committee formed by/and responsible to the board of commissioners in assisting in carrying out the duties and functions of the board of commissioners.

- a) follow-up by the Board of Directors on the findings of internal auditors
- b) Review the risk management implementation activities carried out by the Board of Directors, if the Issuer or Public Company does not have a risk monitoring function under the Board of Commissioners;
- c) Review complaints related to the accounting process and financial reporting of Issuers or Public Companies;
- d) Review and provide advice to the Board of Commissioners related to potential conflicts of interest of Issuers or Public Companies; and
- e) Maintain the confidentiality of documents, data and information of Issuers or Public Companies.

2.5 Audit Internal

Internal audit is an independent assessment function that exists in an organization with the aim of testing and evaluating the activities of the organization carried out (Hery, 2018).

According to Sugiman (2017) internal audit is a managerial supervision whose function is to measure and evaluate the control system with the aim of assisting all management members in effectively managing their accountability by providing analysis, assessment, recommendations, and comments related to the activities reviewed. Meanwhile, according to The Institute of Internal Auditors (2016) internal audit is an independent, objective, and consulting activity designed to add value and improve organizational operations.

2.6 Whistleblowing System

Whistleblowing is defined as disclosure by members of an organization to illegal actions carried out to benefit the perpetrator and harm the individual or organization (Near and Miceli, 1985). *Whistleblowing system* is a system that regulates how to report violations or fraud that occur by employees both to the company and outside parties while protecting the whistleblower from various adverse possibilities for the impact of the reporting (Fauziyah *et al.*, 2021). *Whistleblowing system* is a violation reporting system that aims to prevent *fraud* and as an internal control (Lay, 2021). *The whistleblowing system* according to the National Committee for Governance Policy (KNKG) (2008) is part of the internal control system in preventing deviant and fraudulent practices and strengthening the implementation of *good governance practices*.

2.7 Company Size

Company size is a measure that shows the size of a company, including total sales, average sales levels, and total assets (Habsari and Akhmadi, 2018). According to Aghnitama *et al.* (2021) Company size is defined as a scale that classifies the size of a company through total asset value, number of sales, and market capitalization. According to Nuridah *et al.* (2023), the size of the company is the size of a company that can affect the capital structure, and the size of a company can be seen from the total assets owned by the company. Based on the definition that has been described, it can be concluded that the size of the company is a scale that shows the size of the company through total assets, number of sales, and market capitalization.

3. RESEARCH METHODS

3.1 Population and sample

The data used in this study are secondary data. Secondary data is a source that does not directly provide data to data collection (Sugiyono, 2019). The data is held from the financial statements and annual reports of manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022 that meet the criteria of the research sample, namely (1) manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022; (2) manufacturing companies in the goods and consumer industry sector publish audited financial statements for the period ended December 31, 2018 to December 31, 2022; and (3) manufacturing companies in the

goods and consumer industry sector publish annual reports for the period ending December 31, 2018 to December 31, 2022. Financial report data and annual reports are obtained from the Indonesia Stock Exchange website and the company's website.

The data collection method used in this study is the documentation method. The documentation method is to collect documents that are records of past events (Sugiyono, 2019). The documentation method in this study is carried out by collecting data with documents that can be in the form of financial statements and annual reports that have been collected and published. Collection of financial statements and sample annual reports contained on the Indonesia Stock Exchange website, company website, journals, and other supporting references.

The sampling method in this study uses *purposive sampling* techniques, namely sampling techniques with certain considerations with the aim of obtaining samples that match the specified criteria.

3.2 Variable Operational Definition

The operational definition of variables aims to explain the meaning of the variable under study. According to Sugiyono (2019: 221), operational definition is an element of research that tells how to measure a variable or in other words a kind of implementation instructions for how to measure a variable. The variables used in this study are described in the following sections.

Dependent Variables

The dependent variable or often referred to as the dependent variable, is a variable that is influenced or that becomes a result, because of the independent variable (Sugiyono, 2019: 69). The dependent variable used in this study is the disclosure of financial statement fraud measured by profit management using the Jones (1991) model as used by Prasetya and Dewayanto (2021) to separate discretionary accruals from non-discretionary accruals. Stages of discretionary accrual calculation, among others.

- a. Find the *Total Accruals* (TAC) value $TAC_{i,t} = Ni,t - CFO_{i,t}$

Information:

$TAC_{i,t}$ = Total Company accrual i year t

Ni,t = Net profit of the company i year t

$CFO_{i,t}$ = Company's operating cash flow i year t

- b. Find the Total Accruals *estimated by the OLS* (Ordinary Least Square) regression equation

$$\frac{TAC_{i,t}}{TA_{i,t-1}} = \beta_1 \left(\frac{1}{TA_{i,t-1}} \right) + \beta_2 \left(\frac{\Delta REV_{i,t}}{TA_{i,t-1}} \right) + \beta_3 \left(\frac{PPE_{i,t}}{TA_{i,t-1}} \right) + \varepsilon_{i,t}$$

Information:

$TA_{i,t-1}$ = Total assets of company i at the end of year t-1

$\Delta REVi,t$ = Change in total company revenue i, year t

$PPE_{i,t}$ = *Property, Plant and Equipment* Company I, Year T

$\varepsilon_{i,t}$ = *Item errors*

β = Regression coefficient

c. Find the value of *Non Discretionary Accruals* (NDAC)

$$NDAC_{i,t} = \beta_1 \left(\frac{1}{TA_{i,t-1}} \right) + \beta_2 \left(\frac{\Delta REVi,t - \Delta RECi,t}{TA_{i,t-1}} \right) + \beta_3 \left(\frac{PPE_{i,t}}{TA_{i,t-1}} \right) + \varepsilon_{i,t}$$

Information:

$NDAC_{i,t}$ = *Nondiscretionary accruals* Company, year t

$\Delta RECi,t$ = Change in total receivables of the company i, year t

d. Find the value of *Discretionary Accruals* (DAC)

$$DAC_{i,t} = \left(\frac{TAC_{i,t}}{TA_{i,t}} \right) - NDAC_{i,t}$$

Information:

$DAC_{i,t}$ = *Discretionary accruals* Company I, Year T

Independent Variables

Independent variables are variables that affect or cause changes or arise dependent variables (bound) (Sugiyono, 2019: 61). The following independent variables were used in this study, namely, among others.

3.3 Audit Committee

The audit committee is measured using a ratio scale referring to Pertiwi & Husaini (2017) using a formula, namely:

$$KA = \sum \text{Jumlah Komite Audit}$$

Information:

KA = Audit Committee

3.4 Audit Internal

Internal audit is measured by the financial expertise of the head of the internal audit unit (Nurcahyo and Sulhani, 2017). To measure internal audit, internal audit variables will be measured using *dummy variables*. Give a value of "1" if the head of the internal auditor division has a financial expert background and a value of "0" if not a financial expert background.

3.5 Whistleblowing System

Whistleblowing system is measured using *dummy variables*, namely a value of 1 for companies that disclose the application of *a whistleblowing system* and a value of 0 for companies that do not disclose the application of *a whistleblowing system* (Febriana & Christiawan, 2020; Kusumaningrum & Achmad, 2022; and Amelia (2022)). The information used to find out the company reveals the application of *the whistleblowing system* or not is from the disclosures in the company's annual report.

3.6 Control Variables

The control variable in this study is the size of the company (SIZE) which is measured by looking at the size of the total number of assets in the companies that will be sampled (Fitriyani & Novianti, 2021). The size of the company is calculated by using the natural logarithm of total assets which aims to minimize data with excessive fluctuations. The following shows the *calculation of SIZE*.

$$SIZE = LN (Total Aset)$$

Kindly:

Size : Company Size

LN : Natural logarithm

3.7 Data Analysis Tools

This study used quantitative methods. The analysis in this study used panel data regression analysis. Ghazali (2018: 296), panel data regression is a regression technique that combines *time series* data with *cross section* data. According to Gujarati (2012: 289) the advantages of using panel data are that the data used becomes more informative, greater variability and low collinearity. Thus it will produce greater *degrees of freedom* and also more efficient. Data

panels can also detect, measure impact better and where this cannot be done with *cross section* or *time series methods*. The analysis was carried out with the help of *Econometric Views (Eviews)* program version 10.

The formulation of the panel data regression analysis equation model systematically is as follows:

$$Y = a + \beta_1KA + \beta_2AI + \beta_3WBS + \beta_4Size + e$$

Information:

Y: Disclosure of financial statement fraud

a: Constant

$\beta_1, \beta_2, \beta_3$: Regression coefficient

KA: Audit committee

AI : Audit Internal

WBS: *Whistleblowing system*

Size: Company Size

e : Error

Testing in this study uses several supporting tests such as descriptive statistical tests to analyze data by describing data samples that have been collected, panel data selection tests, classical assumption tests, not all classical assumption tests in the OLS method are used, only multicollinearity and heteroscedasticity are needed (Widarjono in Napitupulu *et al.*, 2021:120). According to Ghozali (2018),

The multicollinearity test aims to determine whether a correlation is found between independent variables (independent) with the regression model. In this study to identify the existence of multicollinearity by looking for the value of the correlation coefficient between independent variables. The pairwise correlation method to detect multicollinearity will be more useful because by using this method, researchers can find out in detail what independent variables have a strong correlation (Napitupulu, 2021: 141). This model is said to have no symptoms of multicollinearity if the correlation value of each independent variable < 0.85 then it does not

reject H0 or there is no multicollinearity problem. Meanwhile, if the correlation value of each independent variable > 0.85, then reject H0 or a multicollinearity problem occurs.

Statistik Deskriptif

Keterangan	Pengungkapan Kecurangan Laporan Keuangan	Komite Audit	Audit Internal	Whistleblowing System	Ukuran Perusahaan
Mean	0,007	3,057	0,911	0,896	29,254
Median	-0,080	3,000	1,000	1,000	29,168
Maximum	2,904	5,000	1,000	1,000	32,826
Minimum	-2,300	3,000	0,000	0,000	26,679
Std. Dev.	0,779	0,300	0,286	0,305	1,349
Obs.	280	280	280	280	280

This heteroscedasticity in the regression model variance from the observation to another way to detect the

heteroscedasticity is to look at residual graphs. The basis for decision making on heteroscedasticity tests is that if the residual graph does not cross the limit (500 and -500), then there are no symptoms of heteroscedasticity. Meanwhile, if the residual graph crosses the limit (500 and -500), then there are symptoms of heteroscedasticity.

test aims to test whether there is an inequality of residual of one (Ghozali, 2018). One presence or absence of

The T test aims to determine how far the influence of each independent variable on the variables tied to a study. The t-test decision-making criteria performed significance values in the *Coefficients table*. Testing of regression results was carried out with a confidence level of 95% or with a significance level of 5% ($\alpha = 0.05$). The criteria for the t statistical test according to Ghozali (2018) are that if the significance value of the t test > 0.05, then H₀ is accepted and H_a is rejected. This means that there is no influence between the independent variable and the dependent variable. Meanwhile, if the significance value of the t test < 0.05, H₀ is rejected and H_a is accepted. This means that there is an influence between the independent variable and the dependent variable. The following table shows the results of the t test.

Test F is performed to see the effect of all independent variables together on the dependent variable. Decision making seen from this test is done by looking at the F value and the significance used, which is 0.05. The provisions of the F test according to Ghozali (2018) are that if the significant value of F < 0.05, then all independent / independent variables have a significant influence on the dependent / bound variable. Meanwhile, if the significant value of F > 0.05 then all independent variables do not have a significant effect on the dependent variable. The following shows the results of the f test.

This determinant coefficient test is carried out with the aim of measuring the ability of the model to explain how the influence of independent variables together (simultaneously) affects the dependent variable which can be indicated by the *Adjusted R – Squared value* (Ghozali, 2018).

4. RESULTS OF ERADICATION Descriptive Statistical Test Result

The variable of financial statement fraud disclosure proxied with profit management has a mean value of 0.007. This shows that the average manufacturing company in the goods and consumption industry sector during 2018-2022 is indicated to carry out profit management by increasing the value of profit from the actual value of profit. The largest value is owned by PT. Sawit Sumbermas Sarana Tbk. (SMSS) amounted to 2,904 in 2018. This shows PT. Sawit Sumbermas Sarana Tbk. (SMSS) conducts profit management by increasing the largest profit figure when compared to other companies. Meanwhile, the smallest value is owned by PT. Garudafood Putra Putri Jaya Tbk. (GOOD) amounted to -2,300 in 2022. This shows PT. Garudafood Putra Putri Jaya Tbk. (GOOD) conducts profit management by reducing the highest profit rate compared to other companies. The best profit management value is *discretionary accruals* that are close to 0 that occur in PT. Dharma Satya Nusantara Tbk. (DSNG) in 2022 amounted to 0.003. In addition, the variable disclosure of financial statement fraud has a standard deviation value of 0.779.

Audit committee variables are measured using the number of audit committees. The audit committee variable has a *mean* of 3.057. The largest value is owned by PT. Malindo Feedmill Tbk. (MAIN) in 2018 to 2022 amounted to 5.00. Meanwhile, the smallest value is owned by most manufacturing companies in the goods and consumer industry sector during 2018-2022 of 3,000. Based on the Financial Services Authority Regulation Number 55 / POJK.04 / 2015 concerning the Establishment and Work Guidelines of the Audit Committee article 4, the number of audit committees consists of at least 3 (three) members who come from independent commissioners and parties from outside issuers or public companies. In addition, the audit committee variable has a standard deviation value of 0.300.

Internal audit variables are measured by the financial expertise of the head of the internal audit unit. To measure internal audit, internal audit variables will be measured using *dummy variables*. Give a value of "1" if the head of the internal auditor division has a financial expert background and a value of "0" if not. The internal audit variable has a *mean* value of 0.911. Value 1 is owned by most manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022 as many as 255 sample companies. Meanwhile, the remaining 25 sample companies, the head of the company's internal audit unit, do not have a financial expert background. In addition, the internal audit variable has a standard deviation value of 0.286.

The *whistleblowing system* variable is measured using *dummy variables*, namely a value of 1 for companies that disclose the application of *a whistleblowing system* and a value of 0 for companies that do not disclose the application of *a whistleblowing system*. The *whistleblowing system variable* has a *mean value* of 0.896. Value 1 is owned by most manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022 as many as 251 samples. Meanwhile, the remaining 29 samples have not revealed the application of *the whistleblowing system*. In addition, the *whistleblowing system variable* has a standard deviation value of 0.305.

The variable size of the company is measured by the use of the natural logarithm of total assets, there is no clear limit to classify a company as a small, medium, or large company. However, in general, it can be said that the size of manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022 is relatively very diverse. The company size variable has a *mean* value of 29.254. The largest value is owned by PT. Indofood Sukses Makmur Tbk. (INDF) amounted to 32,826 in 2022. Meanwhile, the smallest value is owned by PT. Wicaksana Overseas International Tbk. (WICO) amounted to 26,679 in 2018. In addition, the company size variable has a standard deviation value of 1.349.

Chow Test Results

The *Chow* test is used to choose between *Common Effect Model* (CEM) and *Fixed Effect Model* (FEM) methods in estimating a good approach to panel data.

Based on the table shows the probability value (Prob.) for *Cross-section F* of $0.00 < 0.05$. These results show that the model chosen based on the *Chow test* is the *Fixed Effect Model*.

Output Uji Chow

<i>Effects Test</i>	<i>Statistic</i>	<i>d.f.</i>	<i>Prob.</i>
<i>Cross-section F</i>	46,410725	(55,220)	0,0000
<i>Cross-section Chi-square</i>	709,494686	55	0,0000

Hausman Test Results

The *Hausman* test is used to choose between *Fixed Effect Model* (FEM) and *Random Effect Model* (REM) methods in estimating a good approach to panel data.

Output Uji Hausman

<i>Test Summary</i>	<i>Chi-Sq. Statistic</i>	<i>Chi-Sq. d.f.</i>	<i>Prob.</i>
<i>Cross-section random</i>	15,779799	4	0,0033

Based on the table shows the probability value of *random cross-section* of $0.0033 < 0.05$. These results show that the model chosen based on the *Hausman test* is the *Fixed Effect Model*.

Based on the *Chow test* and the *Hausman test*, it shows that the model chosen is the *Fixed Effect Model*. Therefore, the *Lagrange Multiplier test* was not continued because the two previous tests showed the same result, namely the *Fixed Effect Model*. This shows that the best panel data regression model used in research is the *Fixed Effect Model*.

Multicollinearity Test Results

Output Uji Multikolinearitas

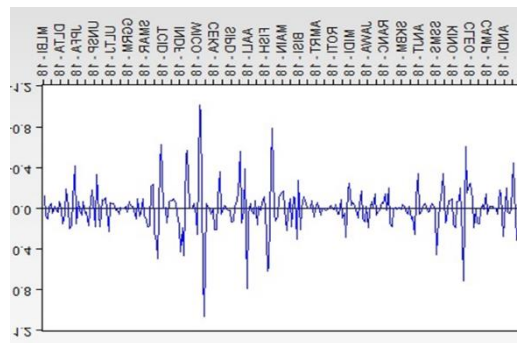
Keterangan	X1	X2	X3	Z
X1	1,000000	0,017933	0,064892	0,016477
X2	0,017933	1,000000	-0,024222	0,141267
X3	0,064892	-0,024222	1,000000	0,143671
Z	0,016477	0,141267	0,143671	1,000000

Output Uji Regresi Data Panel

Variable	Coefficient
C	6,238
X1	-0,120
X2	0,076
X3	0,088
Z	-0,206

Based on the output table of the multicollinearity test shows that the correlation between variables is less than (<) 0.85. These results show that the regression model does not occur symptoms of multicollinearity.

Heteroscedasticity Test



Based on the output image of the heteroscedasticity test, it shows that the residual graph does not cross the limit (500 and -500). These results show that the regression model does not have heteroscedasticity.

Panel Data Regression Test

Based on the table of panel data regression test results, it can be concluded that the panel data regression equation is as follows.

$$Y = 6.238 - 0.120KA + 0.076AI + 0.088WBS - 0.206Size$$

Based on the regression model, the panel data above can be explained as follows.

- 1) The *constant value* of the financial statement fraud disclosure variable (Y) has a positive value of 6.238. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent

variables including the audit committee (X1), internal audit (X2) and *whistleblowing system* (X3) are 0 percent or unchanged, then the value of financial statement fraud disclosure (Y) is 6.238.

- 2) The regression coefficient value for the audit committee variable (X1) has a negative value of -0.120. The value shows the negative (opposite-directional) influence between the audit committee variable and the disclosure of financial statement fraud (Y). This means that if the audit committee variable increases by 1%, then on the contrary, the financial statement fraud disclosure variable (Y) will decrease by -0.120. Assuming that the other variables remain constant.
- 3) The regression coefficient value for the internal audit variable (X2) has a positive value of 0.076. This shows that if internal audit (X2) increases by 1%, then financial statement fraud disclosure (Y) will increase by 0.076 assuming other independent variables are considered constant. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable.
- 4) The regression coefficient value for the *whistleblowing system* variable (X3) has a positive value of 0.088. This shows that if the *whistleblowing system* (X3) increases by 1%, then the disclosure of financial statement fraud (Y) will increase by 0.088 assuming other independent variables are considered constant. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable.
- 5) The value of the regression coefficient for the company size variable is -0.206. The value shows a negative (opposite-directional) influence between the company size variable and the disclosure of financial statement fraud (Y). This means that if the company size variable increases by 1%, then on the contrary, the financial statement fraud disclosure variable (Y) will decrease by -0.206. Assuming that the other variables remain constant.

T Test Results

Output Uji T

<i>Variable</i>	<i>t-Statistic</i>	<i>t-Tabel</i>	<i>Prob.</i>
C	4,892	1,969	0,000
X1	-2,300		0,022
X2	0,830		0,408
X3	2,940		0,004
Z	-4,746		0,000

Based on the table of t test results, it can be explained as follows.

Based on the results of multiple linear regression testing, a calculated t value of 2.300 > 1.969 was obtained with a significance value of 0.022 < 0.05 and had a negative coefficient

value of -0.120. These results show that the audit committee negatively affects the disclosure of financial statement fraud, meaning that when the number of audit committees increases, the disclosure of financial statement fraud will decrease and vice versa. Based on these results, hypothesis one is rejected.

Based on the results of multiple linear regression testing, a calculated t value of $0.830 < 1.969$ was obtained with a significance value of $0.408 > 0.05$ and had a positive coefficient value of 0.076. These results show that internal audit has no effect on the disclosure of financial statement fraud. Based on these results, hypothesis two was rejected.

Based on the results of multiple linear regression testing, a calculated t value of $2.941 > 1.969$ was obtained with a significance value of $0.004 < 0.05$ and had a positive coefficient value of 0.088. These results show that the *whistleblowing system* has a positive effect on the disclosure of financial statement fraud, meaning that by implementing a *whistleblowing system*, the disclosure of financial statement fraud will increase and vice versa. Based on these results, hypothesis three is accepted.

Test F

Output Uji F

Keterangan	Nilai
<i>R-squared</i>	0,993
<i>Adjusted R-squared</i>	0,992
<i>S.E. of regression</i>	0,228
<i>F-statistic</i>	561,632
<i>Prob(F-statistic)</i>	0,000

Based on the table of F test results, the regression model has a calculated f value of 561.632 > 2.404 and a significance value of $0.000 < 0.05$. These results show that the variables of the audit committee, internal audit and *whistleblowing system* simultaneously have a significant effect on the variables of financial statement fraud disclosure.

Determinant Coefficient Test

Output Uji Koefisien Determinan

Keterangan	Nilai
<i>R-squared</i>	0,993
<i>Adjusted R-squared</i>	0,992
<i>S.E. of regression</i>	0,228
<i>F-statistic</i>	561,632
<i>Prob(F-statistic)</i>	0,000

The results of the determinant coefficient test show that the regression model has an *Adjusted R Square value* of 0.992. The results show that the variables of the audit committee, internal audit and *whistleblowing system* are able to influence the variable of disclosure of financial statement fraud by 99.2%. Meanwhile, 0.8% was influenced by other variables that were not studied in this study.

5. CONCLUSION

Ringkasan Hasil Analisis

Hipotesis	Koefisien	T- Statistik	Sig.	Hasil	Kesimpulan
H1	-0,120	-2,300	0,022	Berpengaruh Negatif	Ditolak
H2	0,076	0,830	0,408	Tidak Berpengaruh	Ditolak
H3	0,088	2,941	0,004	Berpengaruh Positif	Diterima

Based on the summary table of the results of the analysis can be explained, as follows.

a) The Effect of the Audit Committee on the Disclosure of Financial Statement Fraud

Based on the results of hypothesis testing, a calculated t value of $2.300 > 1.969$ was obtained with a significance value of $0.00 < 0.05$ and had a negative coefficient value of -0.120 . The results show that the audit committee negatively affects the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022. This result is not in line with previous literature by Mardani et al. (2020) and Siregar (2020) which stated that the audit committee has a positive effect on the disclosure of financial statement fraud. This shows that the existence of an audit committee in the company should be one of the efforts and reduce fraud in the presentation of financial statements, the greater the audit committee will increase the disclosure of financial statement fraud and vice versa.

This can happen because descriptive statistics show that the number of audit committees is relatively low. Companies that have an audit committee in accordance with the minimum amount required under the Financial Services Authority Regulation Number 55 / POJK.04 / 2015 concerning the Establishment and Work Guidelines of the Audit Committee article 4, as many as 3 (three) members, will be able to increase the disclosure of financial statement fraud. This shows the efficiency of the audit committee in carrying out its role, especially in external supervision and communication. This means that the more audit committees, the lower the level of effectiveness against financial statement fraud disclosure.

This result is in line with research by Aisyah & Rahmawati (2022) which shows that a larger number of audit committee members will only reduce their effectiveness in overseeing financial reporting because they have diverse opinions, leading to unnecessary and unnecessary debates and poor communication that slows down decision making. Another study by Chandra (2020) shows that excessive audit committee members will make supervision ineffective so that there are negligence that is not monitored. These results show that the more audit committees, the lower the disclosure of financial statement fraud and vice versa.

b) The Effect of Internal Audit on Financial Statement Fraud Disclosure

Based on the results of hypothesis testing, a calculated t value of $0.830 < 1.969$ was obtained with a significance value of $0.408 > 0.05$ and had a positive coefficient value of 0.076 . The

results show that the internal audit has no effect on the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022. This result is not in line with previous literature by Superliyansah (2022) and Mahyuda et al. (2024) which showed that internal audit has a positive and significant effect on disclosure. This shows that the expertise of the head of the internal audit unit should be able to increase the disclosure of financial statement fraud.

This result explains that the expertise in accounting or auditing possessed by the head of the internal auditor division will not affect the company in disclosing financial statement fraud. The company will continue to disclose good financial statement fraud in the company even though the head of the internal auditor division does not have a financial expert background. This proves that the head of the internal audit division who has expertise and ability in finance and accounting has not been able to increase the disclosure of fraud that occurs in a company. These results align with research by Mardani *et al.* (2020) and Siregar (2022) show that there is no influence of internal audit on the disclosure of financial statement fraud.

c) The Effect of *Whistleblowing System* on Financial Statement Fraud Disclosure

Based on the results of hypothesis testing, a calculated t value of $2.941 > 1.969$ was obtained with a significance value of $0.004 < 0.05$ and had a positive coefficient value of 0.088. These results show that the *whistleblowing system* has a positive effect on the disclosure of financial statement fraud in manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange during 2018-2022. This result shows that with the implementation of a *whistleblowing system* in the company, it will increase the act of disclosing financial statement fraud.

Whistleblowing system is a violation reporting system that aims to prevent *fraud* and as an internal control (Lay, 2021). With the *whistleblowing system*, complaints can be disclosed anonymously or companies that give permission to whistleblowers not to disclose their identities, so that companies provide support for the implementation of a *whistleblowing system* and this can provide increased fraud disclosure (Ramadhany, 2017).

This result is in line with previous literature by Puspita (2021) and Miranda (2023) which states that *the whistleblowing system* has a positive effect on the disclosure of financial statement fraud. These results show that the better the application of the *whistleblowing system* will increase the probability of disclosure of financial statement fraud by *whistleblowers*. This fraud disclosure can have a positive impact on the company's reputation, because the company will be considered able to detect fraud quickly. This result is also supported by research by Utami (2018); Puspita (2021); Angela (2021); Arini et al. (2023); Handajani et al. (2023); Makmuro and Nurcahya (2023); and Virani (2023) which shows that *the whistleblowing system* affects the disclosure of financial statement fraud.

Limitations

Based on the research that has been done, the limitations in this study are as follows.

1. Further research is still needed regarding the influence of the audit committee, internal audit and *whistleblowing system* on the disclosure of financial statement fraud because there are still some inconsistencies in research results with previous literature.
2. This study only used a period of 5 years, namely from 2018-2022.
3. This research only covers one sector on the IDX, namely only manufacturing companies in the goods and consumer industry sector listed on the Indonesia Stock Exchange for the 2018-2022 period.

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