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The Effect of Audit Quality on Financial Statement Fraud Moderated by Audit Partner Gender

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ABSTRACT

This study examines the effect of audit quality on financial statement fraud and the moderating role of audit partner gender. Audit quality is proxied by audit tenure, public accounting firm classification, and audit fees, while financial statement fraud is measured using the Fraud Score. This study applies a quantitative approach using secondary data from audited financial statements and annual reports of non-financial companies listed on the Indonesia Stock Exchange during 2021-2025. Based on purposive sampling criteria, 452 companies were selected, resulting in 2,260 firm-year observations. The data were analyzed using panel data regression and Moderated Regression Analysis. The results show that audit tenure has a significant negative effect on financial statement fraud, indicating that longer audit engagement may improve auditors' understanding of client characteristics and reduce fraud indications. In contrast, public accounting firm classification and audit fees do not significantly affect financial statement fraud. The findings also show that audit partner gender does not moderate the effect of audit tenure, public accounting firm classification, or audit fees on financial statement fraud. In addition, firm size has a significant positive effect, whereas return on assets has no significant effect. These results suggest that audit quality is not determined solely by audit firm reputation or audit fees, but also by auditors' understanding of clients and the effective implementation of audit procedures.

INTRODUCTION

Financial statement fraud remains a major concern in financial reporting because it reduces the reliability of accounting information and undermines public confidence in capital markets. Financial statements are expected to fairly represent a company's financial position and performance; however, management may misuse financial reporting discretion to present manipulated financial information. The Association of Certified Fraud Examiners reports that although financial statement fraud represents a smaller proportion of overall fraud cases, it

causes the highest median loss, reaching more than US$766,000 per case (ACFE, 2024). This indicates that financial statement fraud has serious consequences for investors, creditors, regulators, and other stakeholders who rely on financial statements for economic decision-making.

External audit serves as an important monitoring mechanism to provide reasonable assurance that financial statements are free from material misstatement, whether caused by fraud or error. Nevertheless, the existence of an external audit does not automatically guarantee that financial statement fraud can be prevented or detected. Several corporate scandals, such as Wirecard in Germany and Toshiba in Japan, show that fraud may still occur even when companies are audited by reputable public accounting firms. These cases suggest that the effectiveness of external audit depends not only on the presence of auditors, but also on the quality of the audit process. Audit quality is therefore essential in strengthening the credibility of financial reporting and reducing the opportunity for management to engage in fraudulent reporting.

In Indonesia, the issue of financial statement fraud is increasingly relevant due to the growing complexity of business transactions and capital market activities. The case of

PT Indofarma Tbk, for instance, indicates that material irregularities may remain undetected at an earlier stage despite the existence of audit and monitoring mechanisms. Based on the investigative audit report of the Audit Board of the Republic of Indonesia, PT Indofarma Tbk and its subsidiary were suspected of irregularities that caused potential state financial losses of approximately Rp371.8 billion (Badan Pemeriksa Keuangan Republik Indonesia, 2024; Tempo, 2024). Another case involving PT Garuda Indonesia (Persero) Tbk also demonstrates that audited financial statements may still contain misleading information, particularly regarding revenue recognition, which led to sanctions from the Financial Services Authority and the Ministry of Finance (Kementerian Keuangan Republik Indonesia, 2019; Otoritas Jasa Keuangan, 2019). These cases highlight the importance of examining audit quality as a factor that may reduce the risk of financial statement fraud.

Audit quality in this study is represented by audit tenure, public accounting firm classification, and audit fees. Audit tenure reflects the length of the audit engagement between the auditor and the client. A longer tenure may improve the auditor's understanding of the client's business, internal control system, and financial reporting patterns, but it may also create concerns regarding auditor independence. Public accounting firm classification, particularly the distinction between Big Four and non-Big Four firms, is commonly associated with audit firm reputation, resources, and quality control systems. Audit fees may reflect the level of audit effort and the complexity of audit procedures performed during the engagement. These audit quality indicators have been widely used in previous studies examining audit quality and financial statement fraud (Yousefi Nejad, Khan, & Othman, 2024).

Although audit quality is theoretically expected to reduce financial statement fraud, previous empirical findings remain inconsistent. Yousefi Nejad et al. (2024) find that higher

audit quality can reduce financial statement fraud, while other studies report insignificant effects or results that depend on institutional conditions and firm characteristics (Fitri & Sulistyowati, 2024). More specifically, Clalissa (2025), Payamta, Dwianto, and Saif (2025), and Yousefi Nejad et al. (2024) find that audit tenure has a significant negative effect on financial statement fraud, whereas Suryani et al. (2023) find no significant effect. The findings on public accounting firm classification are also mixed. Fitri and Sulistyowati (2024) and Payamta et al. (2025) report a negative effect, while Darmawan and Oktoria (2017) and Suryani et al. (2023) find a positive effect. Other studies find no significant relationship between public accounting firm classification and fraud (Clalissa, 2025; Honesty, Honesty, & Setiawan 2024; Riyanti et al., 2019; Yousefi Nejad et al., 2024). Similar inconsistencies are found in audit fees, as Badriyyah (2025) and Yousefi Nejad et al. (2024) find a positive effect, while Prasetya (2021) reports no significant effect. These inconsistent findings indicate that the relationship between audit quality and financial statement fraud may be influenced by other contextual factors.

One factor that may explain this relationship is audit partner gender. Prior studies suggest that individual auditor characteristics, including gender, may influence professional judgment, ethical sensitivity, risk preference, and professional scepticism. Female auditors are often associated with higher conservatism and stronger compliance with professional standards, which may improve audit quality. Putri, Su'un, and Abduh (2023) find that gender strengthens the effect of audit tenure and audit experience on audit quality. However, Riswandi, Yuniarti, and Junaidi (2023) find that gender does not moderate the effect of competence and independence on audit quality. These mixed findings suggest that the role of gender in the audit process remains inconclusive. Moreover, prior studies have mostly examined gender in relation to audit quality in general, while limited attention has been given to audit partner gender as a moderating variable in the relationship between audit quality and financial statement fraud.

Based on these issues, this study aims to examine the effect of audit quality on financial statement fraud and to analyze whether audit partner gender moderates this relationship. Financial statement fraud is measured using the F-Score model developed by

Dechow et al. (2011), while audit quality is proxied by audit tenure, public accounting firm classification, and audit fees. This study uses a quantitative approach based on secondary data from non-financial companies listed on the Indonesia Stock Exchange during the 2021-2025 period. The data are analyzed using panel data regression with a Moderated Regression Analysis approach.

This study contributes to the audit and financial reporting literature by providing empirical evidence on the relationship between audit quality and financial statement fraud in the Indonesian capital market. It also extends previous research by positioning audit partner gender as a moderating variable, rather than merely as a determinant of audit quality. The findings show that audit tenure has a significant negative effect on financial statement fraud,

while public accounting firm classification and audit fees have no significant effect. In addition, audit partner gender does not moderate the relationship between audit quality indicators and financial statement fraud. These findings provide practical implications for regulators, public accounting firms, and companies in strengthening audit effectiveness and improving financial reporting governance.

METHODS

Research Design

This study uses a quantitative research design to examine the effect of audit quality on financial statement fraud and the moderating role of audit partner gender. The study relies on secondary data obtained from audited financial statements and annual reports of non-financial companies listed on the Indonesia Stock Exchange during the 2021-2025 period. The data are structured as panel data because they combine cross-sectional data across companies and time-series data across the observation period. This design is considered appropriate because the study aims to test the relationship among variables empirically using panel data regression and Moderated Regression Analysis.

Population and Sample

The population of this study consists of all companies listed on the Indonesia Stock Exchange during the 2021-2025 period. The study uses secondary data obtained from audited financial statements and annual reports published by the companies. The sample was selected using purposive sampling, in which the observations were determined based on specific criteria relevant to the research objectives and data requirements.

This study focuses on non-financial companies because financial sector companies have different reporting structures, regulatory requirements, and account characteristics compared with non-financial companies. The exclusion of financial sector companies is also intended to ensure the relevance and comparability of the F-Score measurement, as several components of the model, such as inventories, receivables, operating assets, and changes in operating activities, are more applicable to non-financial companies. Companies listed after 2021 were also excluded because they did not provide complete data for the five-year observation period. In addition, companies with incomplete data required for variable measurement, particularly unavailable audit fee information and audited financial statements not published by the data collection cut-off date of May 19, 2026, were excluded from the sample.

Based on the sample selection process, 452 non-financial companies met the criteria and were included in the final sample. Since the study covers a five-year period, the final sample consists of 2,260 firm-year observations. The sample selection process is presented in Table 1.

TABLE 1. Sample Selection Process

No.	Description	Number of Company	Number of Data
1	Companies listed on the Indonesia Stock Exchange	958	4,790
2	Companies listed after 2021	(204)	(1,020)
3	Financial sector companies excluded from the sample	(102)	(510)
4	Non-financial companies with incomplete data	(200)	(1,000)
	Final observations	**452**	**2,260**

Source: Processed data from IDX and annual reports (2026)

Variables and Measurement

Financial Statement Fraud

The dependent variable in this study is financial statement fraud. Financial statement fraud is measured using the F-Score model developed by Dechow et al. (2011). This model is used to estimate the likelihood of financial statement manipulation by combining accrual-based and performance-based indicators. In this study, the F-Score is used as a quantitative proxy for the risk of financial statement fraud. A higher F-Score indicates a higher likelihood of financial statement fraud. The F-Score is calculated by first estimating the predicted value using the following model:

$$\text{Predicted Value} = -7.893 + 0.790\times\text{rsst\_acc} + 2.518\times\text{ch\_rec} + 1.191\times\text{ch\_inv} + 1.979\times\text{soft\_assets} + 0.171\times\text{ch\_cs} + (-0.932)\times\text{ch\_roa} + 1.029\times\text{issue}$$

(Dechow et al., 2011)

The predicted value is then transformed into probability using the logistic function:

$$Probability = \frac{e^{(Predicted\ Value)}}{(1 + e^{(Predicted\ Value)})}$$

(Dechow et al., 2011)

Finally, the F-Score is calculated by dividing the probability by the unconditional probability of 0.0037, as follows:

$$F - Score = \frac{Probability}{Unconditional\ Probability}$$

(Dechow et al., 2011)

The components used in calculating the F-Score are presented in Table 2.

TABLE 2. Measurement of F-Score Components

Component	Abbreviation	Measurement
Richardson, Sloan, Soliman, and Tuna Accruals	rsst_acc	$\text{rsst\_acc} = \frac{\Delta\text{WC} + \Delta\text{NCO} + \Delta\text{FIN}}{\text{Average Total Assets}}$
Working Capital	WC	WC = (Current Assets - Cash and Short-Term Investments) - (Current Liabilities - Short-Term Debt)
Non-Current Operating Accruals	NCO	NCO = (Total Assets - Current Assets - Investments and Advances) - (Total Liabilities - Current Liabilities - Long-Term Debt)
Financial Accruals	FIN	FIN = Investments - Debt
Change in Receivables	ch_rec	$\text{ch\_rec} = \Delta\frac{\text{Trade Receivables}}{\text{Average Total Assets}}$
Change in Inventories	ch_inv	$\text{ch\_inv} = \Delta\frac{\text{Inventories}}{\text{Average Total Assets}}$
Soft Assets	soft_assets	$\text{soft\_assets} = \frac{\text{Total Assets} - \text{Fixed Assets} - \text{Cash}}{\text{Total Assets}}$
Change in Cash Sales	ch_cs	$\text{ch\_cs} = \%\Delta\ (\text{Sales} - \Delta\text{Trade Receivables})$
Change in Return on Assets	ch_roa	$\text{ch\_roa} = \Delta\frac{\text{Net Profit After Tax}}{\text{Average Total Assets}}$
Securities Issuance	issue	1 = The company has or issues securities; 0 = The company does not have or issue securities

(Dechow et al., 2011)

Audit Tenure

Audit tenure refers to the length of the continuous audit engagement between the auditor and the same client. This variable reflects the auditor's accumulated understanding of the client's business, accounting system, and financial reporting risks. Following Yousefi Nejad et al. (2024), audit tenure is measured by the number of consecutive years in which the same auditor audits the same company during the observation period. This variable is measured on an annual scale, ranging from one to five years in this study.

AT = Number of consecutive years the same auditor audits the same company, (Yousefi Nejad et al., 2024).

Public Accounting Firm Classification

Public accounting firm classification refers to the grouping of audit firms based on their size and reputation. In this study, public accounting firms are classified into Big Four and non-Big Four audit firms. Following Yousefi Nejad et al. (2024), this variable is

measured using a dummy variable, where a value of 1 is assigned to companies audited by Big Four audit firms, namely Deloitte, PricewaterhouseCoopers, Ernst & Young, and KPMG, and a value of 0 is assigned to companies audited by non-Big Four audit firms.

PAFC = 1 if the company is audited by a Big Four audit firm; 0 otherwise, (Yousefi Nejad et al., 2024).

Audit Fees

Audit fees refer to the compensation paid by a company to its external auditor for the annual financial statement audit. This variable reflects the audit engagement cost and may indicate audit complexity, audit effort, and the resources allocated to the audit process. Audit fee data were obtained from annual reports published by each company through the Indonesia Stock Exchange or other reliable sources. Following Yousefi Nejad et al. (2024), audit fees are measured using the natural logarithm of total audit fees.

AF = ln (Total Audit Fees), (Yousefi Nejad et al., 2024).

Audit Partner Gender

Audit partner gender is the moderating variable in this study. It refers to the gender of the audit partner who leads the audit engagement and signs the independent auditor's report. This variable is used to capture differences in professional judgment, caution, and ethical orientation between male and female audit partners. Following Ittonen et al. (2013), audit partner gender is measured using a dummy variable, where a value of 1 is assigned if the audit partner is female and 0 if the audit partner is male.

APG = 1 if the audit partner is female; 0 otherwise, (Ittonen et al., 2013).

Firm Size

Firm size is used as a control variable to capture differences in company scale and resources. Larger firms generally have more complex operations and are subject to greater public and regulatory scrutiny, which may influence the risk of financial statement fraud. Following Yousefi Nejad et al. (2024), firm size is measured using the natural logarithm of total assets at the end of the reporting period.

SIZE = ln (Total Assets), (Yousefi Nejad et al., 2024).

Return on Assets

Return on assets is used as a control variable to capture the company's profitability. ROA reflects the ability of a company to generate net income from its total assets. This variable is included because profitability may influence management's incentives and pressure in relation to financial statement fraud. Following Yousefi Nejad et al. (2024), ROA is measured by dividing net income after tax by total assets.

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Average Total Assets}}$$

(Yousefi Nejad et al., 2024)

Data Analysis Technique

This study uses panel data regression to examine the effect of audit quality on financial statement fraud. Panel data are used because the data consist of cross-sectional observations across companies and time-series observations during the 2021-2025 period. To examine the moderating role of audit partner gender, this study applies Moderated Regression Analysis (MRA) by including interaction terms between audit partner gender and each audit quality proxy. The regression model used in this study is formulated as follows:

$$FSit = \beta0 + \beta1ATit + \beta2B4it + \beta3AFit + \beta4GENDit + \beta5(ATit \times GENDit) + \beta6(B4it \times GENDit) + \beta7(AFit \times GENDit) + \beta8Sizeit + \beta9ROAit + \varepsilon it$$

Where;

FS	=	Financial Statements Fraud
AT	=	Audit Tenure
B4	=	Public Accounting Firm Classification
AF	=	Audit Fees
Gend	=	Audit Partner Gender
Size	=	Firm Size
ROA	=	Return on Assets
ε	=	Epsilon

RESULTS

Descriptive Statistics

Descriptive statistics are used to provide an overview of the characteristics of the variables examined in this study. The variables consist of financial statement fraud measured by F-Score, audit quality proxies consisting of audit tenure, public accounting firm classification, and audit fees, audit partner gender as the moderating variable, and firm size and return on assets as control variables. The results of the descriptive statistics are presented in Table 3.

TABLE 3. Descriptive Statistics

Variable	N	Minimum	Maximun	Mean	Std. deviation
FS	2,260	0.0016	3.8334	0.5229	0.4502
AT	2,260	1.0000	5.0000	2.4730	1.3640
B4	2,260	0.0000	1.0000	0.3088	0.4621
AF	2,260	17.6603	27.8133	20.2906	1.3424
GEND	2,260	0.0000	1.0000	0.1650	0.3713
SIZE	2,260	21.9843	33.8602	28.6259	1.8755
ROA	2,260	-1.3204	1.1282	0.0368	0.1192

Source: Processed data from EViews output (2026)

Based on Table 3, the study uses 2,260 firm-year observations from non-financial companies listed on the Indonesia Stock Exchange during the 2021-2025 period. Financial statement fraud, measured by F-Score, has a mean value of 0.5229, with a minimum value of 0.0016 and a maximum value of 3.8334. This indicates that, on average, the level of financial statement fraud risk among the sample companies is relatively low, although some observations show higher fraud risk.

Audit tenure has a mean value of 2.4730, indicating that the companies in the sample were audited by the same auditor for approximately two to three consecutive years on average. The mean value of B4 is 0.3088, showing that 30.88% of the observations were audited by Big Four public accounting firms, while the remaining observations were audited by non-Big Four firms. Audit fees, measured using the natural logarithm of total audit fees, have a mean value of 20.2906, indicating variation in audit fees across sample companies.

The mean value of audit partner gender is 0.1650, which indicates that 16.50% of the observations were audited by female audit partners. Firm size has a mean value of 28.6259, suggesting that the sample consists of listed companies with relatively large asset scales. Meanwhile, ROA has a mean value of 0.0368, indicating that, on average, the sample companies generated net income of approximately 3.68% of total assets.

Panel Data Model Selection

Panel data model selection was conducted to determine the most appropriate estimation model for hypothesis testing. The Chow test was used to compare the Common Effect Model and Fixed Effect Model, while the Hausman test was used to compare the Fixed Effect Model and Random Effect Model. The results of the model selection tests are presented in Table 4.

TABLE 4. Panel Data Model Selection Results

Test	Statistic	Probability	Decision
Chow Test (Cross-section F)	9.9109	0.0000	Fixed Effect Model
Hausman Test (Cross-section Random)	25.7620	0.0022	Fixed Effect Model

Source: Processed data from EViews output (2026)

Based on Table 4, the Chow test shows a probability value of 0.0000, which is lower than the significance level of 0.05. This result indicates that the Fixed Effect Model is more appropriate than the Common Effect Model. Furthermore, the Hausman test shows a probability value of 0.0022, which is also lower than 0.05. This result indicates that the Fixed Effect Model is more appropriate than the Random Effect Model. Therefore, the Fixed Effect Model is used as the estimation model for hypothesis testing in this study.

Diagnostic Test Results

Diagnostic tests were conducted to ensure that the selected regression model met the required estimation assumptions. The multicollinearity test was assessed using the Centered

Variance Inflation Factor (VIF), while the heteroscedasticity test was assessed using the probability values from the regression of absolute residuals. The results are presented in Table 5.

Based on Table 5, all variables have Centered VIF values below 10, indicating that the regression model does not have a serious multicollinearity problem. The highest VIF value is found in GEND at 2.9748, which remains below the accepted threshold. In addition, all heteroscedasticity probability values are greater than 0.05, indicating that the model does not show heteroscedasticity problems. The Durbin-Watson statistic obtained from the Fixed Effect Model is 2.3044, which is close to 2, suggesting that there is no serious autocorrelation problem in the model.

TABLE 5. Diagnostic Test Results

Variable	Centered VIF	Heteroscedasticity Prob.	Conclusion
AT	1.3537	0.7630	No multicollinearity and heteroscedasticity problem
B4	1.0898	0.9137	No multicollinearity and heteroscedasticity problem
AF	1.1598	0.8605	No multicollinearity and heteroscedasticity problem
GEND	2.9748	0.1599	No multicollinearity and heteroscedasticity problem
AT x GEND	2.6738	0.4948	No multicollinearity and heteroscedasticity problem
B4 x GEND	2.0899	0.2387	No multicollinearity and heteroscedasticity problem
AF x GEND	1.4044	0.2044	No multicollinearity and heteroscedasticity problem
SIZE	1.1208	0.5033	No multicollinearity and heteroscedasticity problem
ROA	1.0460	0.6929	No multicollinearity and heteroscedasticity problem

Source: Processed data from EViews output (2026)

Hypothesis Testing Results

Hypothesis testing was conducted using the Fixed Effect Model, as this model was selected based on the panel data model selection tests. The regression model examines the effect of audit quality on financial statement fraud and the moderating role of audit partner gender. The results of the hypothesis testing are presented in Table 6.

TABLE 6. Panel Regression and Hypothesis Testing Results

Variable	Coefficient	Prob.	Conclusion	Hypothesis Results
AT	-0.0118	0.0219	Significant	H^1: Supported
B4	-0.0251	0.6071	Not significant	H^2: Not supported
AF	-0.0122	0.4781	Not significant	H^3: Not supported
GEND	0.0198	0.6290	Not significant	Moderating variable
AT x GEND	0.0056	0.6277	Not significant	H^4: Not supported
B4 x GEND	-0.0957	0.1035	Not significant	H^5: Not supported
AF x GEND	-0.0101	0.6112	Not significant	H^6: Not supported
SIZE	0.1353	0.0000	Significant	Control variable
ROA	-0.0489	0.4681	Not significant	Control variable

Source: Processed data from EViews output (2026)

Model statistics:

R-squared	=	0.7483
Adjusted R-squared	=	0.6840
F-statistic	=	11.6287
Prob (F-statistic)	=	0.0000

Based on Table 6, the probability value of the F-statistic is 0.0000, indicating that the regression model is statistically significant. The adjusted R-squared value is 0.6840, which means that the independent variables, moderating variable, interaction variables, and control variables explain 68.40% of the variation in financial statement fraud, while the remaining 31.60% is explained by other factors outside the model.

The partial test results show that audit tenure has a negative and significant effect on financial statement fraud, with a coefficient of -0.0118 and a probability value of 0.0219. Therefore, H1 is supported. Public accounting firm classification and audit fees have no significant effect on financial statement fraud, with probability values of 0.6071 and 0.4781, respectively. Therefore, H2 and H3 are not supported.

The interaction variables between audit partner gender and audit quality proxies are not significant. The interaction between audit tenure and audit partner gender has a probability value of 0.6277, the interaction between public accounting firm classification and audit partner gender has a probability value of 0.1035, and the interaction between audit fees and audit partner gender has a probability value of 0.6112. These results indicate that audit partner gender does not moderate the effect of audit tenure, public accounting firm classification, or audit fees on financial statement fraud. Therefore, H4, H5, and H6 are not supported.

Regarding the control variables, firm size has a positive and significant effect on financial statement fraud, with a probability value of 0.0000. Meanwhile, return on assets does not have a significant effect on financial statement fraud, with a probability value of 0.4681.

DISCUSSION

This study aims to examine the effect of audit quality on financial statement fraud and to analyze whether audit partner gender moderates this relationship. Audit quality is represented by audit tenure, public accounting firm classification, and audit fees, while financial statement fraud is measured using the F-Score model. By using non-financial companies listed on the Indonesia Stock Exchange during the 2021-2025 period, this study contributes to the audit literature by providing empirical evidence on how audit quality indicators relate to financial statement fraud in the Indonesian capital market. This study also extends prior research by positioning audit partner gender as a moderating variable, rather than only as an individual characteristic associated with audit quality.

The results show that audit tenure has a negative and significant effect on financial statement fraud. This finding indicates that a longer audit engagement may reduce the indication of financial statement fraud. From the perspective of Fraud Triangle Theory, audit tenure can reduce the opportunity for management to manipulate financial statements because auditors who have audited the same client for a longer period tend to have better knowledge of the client's business characteristics, transaction patterns, accounting policies, and internal control weaknesses. This accumulated understanding may improve the auditor's ability to identify unusual changes or potential misstatements in financial reporting. This finding is consistent with Clalissa (2025), Payamta et al. (2025), and Yousefi Nejad et al. (2024), who found that audit tenure is negatively associated with financial statement fraud.

In contrast, public accounting firm classification does not have a significant effect on financial statement fraud. This result suggests that being audited by a Big Four or non-Big Four public accounting firm does not necessarily create a significant difference in the level of financial statement fraud. One possible explanation is that audit quality is not determined solely by the size or reputation of the audit firm, but also by the actual implementation of audit procedures, auditor competence, independence, professional scepticism, and compliance with auditing standards. In the Indonesian context, both Big Four and non-Big Four audit firms are required to comply with professional standards, which may reduce the difference in audit outcomes based only on firm classification. This finding is in line with Clalissa (2025),

Honesty et al. (2024), Riyanti et al. (2019), and Yousefi Nejad et al. (2024), who also found that audit firm classification does not significantly affect financial statement fraud.

The results also show that audit fees do not have a significant effect on financial statement fraud. This finding indicates that higher audit fees do not necessarily reduce the indication of financial statement fraud. Audit fees may reflect audit complexity, client risk, company size, and the scope of audit work, rather than directly reflecting the effectiveness of auditors in detecting or preventing fraud. Therefore, although higher audit fees may indicate greater audit effort, they do not automatically guarantee lower fraud risk if the audit procedures performed are not sufficiently effective in identifying manipulation. This result

supports Prasetya (2021), who found that audit fees do not significantly affect financial statement fraud.

The moderating role of audit partner gender is not supported in this study. The interaction between audit partner gender and audit tenure, public accounting firm classification, and audit fees does not significantly affect financial statement fraud. These findings indicate that female audit partners do not strengthen the negative effect of audit quality indicators on financial statement fraud. Although Gender Socialization Theory suggests that female auditors may have higher caution, ethical sensitivity, and conservatism, the results of this study imply that the effectiveness of audit quality may be more strongly influenced by audit experience, audit methodology, quality control systems, team competence, client complexity, and compliance with professional standards than by the gender of the audit partner alone. These findings are consistent with Riswandi et al. (2023), who found that gender does not moderate the relationship between auditor characteristics and audit quality.

Regarding the control variables, firm size has a positive and significant effect on financial statement fraud. This finding suggests that larger companies tend to have higher F-Score values. One possible explanation is that larger companies usually have more complex transactions, broader organizational structures, and more diverse business activities, which may increase the possibility of misstatement or fraud risk in financial reporting. Meanwhile, return on assets does not significantly affect financial statement fraud, indicating that profitability, as measured by ROA, is not sufficient to explain differences in fraud risk among the sample companies.

The findings provide several practical implications. For regulators, the results highlight the importance of strengthening audit quality supervision beyond formal indicators such as audit firm classification or audit fees. Regulators and professional bodies should continue to encourage consistent disclosure of audit fee information in annual reports, as transparency in audit-related information can help users of financial statements assess the audit process more effectively. For public accounting firms, the findings suggest that audit quality should be strengthened through auditor competence, professional scepticism, quality control, and consistent application of audit procedures. The results also imply that gender diversity remains important in the audit profession, but audit effectiveness should be supported by equal professional development, technical competence, and adherence to auditing standards for both male and female auditors.

This study has several limitations. First, the proportion of female audit partners in the sample is relatively low, representing only 16.50% of total observations. This condition may limit the statistical power of the moderation test involving audit partner gender. Second, some companies were excluded because their audited financial statements or annual reports for 2025 had not been published by the data collection cut-off date. Third, several companies did not disclose audit fee information consistently during the observation period, which reduced

the number of usable observations. Fourth, this study uses the F-Score as a proxy for financial statement fraud. Since the F-Score is an indicative measure based on financial statement characteristics, the results should not be interpreted as legal evidence of fraud or as a formal regulatory finding.

Future research may extend this study by using a longer observation period to obtain more stable results. Future studies may also consider alternative proxies for financial statement fraud, such as the Beneish M-Score, discretionary accruals, restatements, or enforcement-based fraud indicators. In addition, future research may examine other moderating variables, such as audit partner experience, auditor industry specialization, audit committee effectiveness, or corporate governance mechanisms, to provide a broader understanding of the factors that influence the relationship between audit quality and financial statement fraud.

CONCLUSIONS

This study examines the effect of audit quality on financial statement fraud and the moderating role of audit partner gender in non-financial companies listed on the Indonesia Stock Exchange during the 2021-2025 period. Audit quality is represented by audit tenure, public accounting firm classification, and audit fees, while financial statement fraud is measured using the F-Score model. The results show that audit tenure has a negative and significant effect on financial statement fraud. This finding indicates that a longer audit engagement may help auditors develop a better understanding of the client's business, accounting policies, and reporting patterns, thereby reducing the indication of financial statement fraud.

However, public accounting firm classification and audit fees do not have a significant effect on financial statement fraud. These findings suggest that audit firm reputation and the amount of audit fees do not automatically determine the effectiveness of audit procedures in reducing fraud risk. In addition, audit partner gender does not moderate the relationship between audit tenure, public accounting firm classification, audit fees, and financial statement fraud. This implies that the effectiveness of audit quality may depend more on audit experience, professional competence, audit methodology, quality control systems, and compliance with auditing standards than on the gender of the audit partner alone.

This study has several limitations. First, the proportion of female audit partners in the sample is relatively low, which may affect the strength of the moderation analysis. Second, some companies were excluded due to incomplete annual reports, audited financial statements, or audit fee disclosures during the observation period. Third, financial statement fraud is measured using the F-Score model, which serves as an indicative measure of fraud risk and should not be interpreted as legal evidence of fraud. Future research may extend the observation period, use alternative fraud proxies such as the Beneish M-Score, discretionary accruals, restatements, or regulatory enforcement indicators, and consider other moderating

variables such as audit partner experience, auditor industry specialization, audit committee effectiveness, or corporate governance mechanisms.

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