ABSTRACT

This study aims to analyze the effect of whistleblowing system, internal control system, and corporate governance on financial statement fraud with fraud awareness as a moderating variable. This study employed a quantitative method with an explanatory survey design. The population consisted of auditors working at Public Accounting Firms (KAP) in Semarang City. The sampling technique used was purposive sampling, with a total sample of 55 auditors from 16 Public Accounting Firms. Data were collected through questionnaires measuring auditors' perceptions of the whistleblowing system, internal control system, corporate governance, fraud awareness, and financial statement fraud in the audited client companies. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with the assistance of SmartPLS 4.1.18.

The results showed that the whistleblowing system had a negative and significant effect on financial statement fraud. The internal control system also had a negative and significant effect on financial statement fraud. Furthermore, corporate governance had a negative and significant effect on financial statement fraud. The moderation analysis showed that fraud awareness moderated the effect of the whistleblowing system on financial statement fraud, with a negative interaction coefficient. However, fraud awareness did not moderate the effects of the internal control system or corporate governance on financial statement fraud. Thus, the effective implementation of the whistleblowing system, internal control system, and corporate governance can contribute to reducing the occurrence of financial statement fraud, while the moderating role of fraud awareness was only supported in the relationship between the whistleblowing system and financial statement fraud.

Keywords: *Whistleblowing System, Internal control system, Corporate governance, Fraud Awareness, Financial statement fraud.*