



Literature Review: The Influence of Forensic Audit, Investigative Audit, and Auditor Independence on Fraud Disclosure

Atikah Zuhra Sitorus*, Dini Rahma Aliyah, Mudtiani Hakim Br. Bangun, Nurmala Sari Lubis, An Suci Azzahra

University Pembangunan Panca Budi Medan, Indonesia

DOI:

<https://doi.org/10.47134/jampk.v2i4.694>

*Correspondence: Atikah Zuhra Sitorus

Email: atikahzuhra20@gmail.com

Received: 14-04-2025

Accepted: 23-05-2025

Published: 04-06-2025



Copyright: © 2025 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Abstract: This study aims to analyze the effect of Good Corporate Governance (GCG) on company financial performance. GCG functions as a system that regulates and manages companies to create added value for all stakeholders. The method used is qualitative with a literature study approach, collecting and analyzing various academic sources and related publications. The results of the study indicate that the board of directors has a positive and significant influence on the financial performance of companies. Meanwhile, the influence of independent commissioners and managerial ownership shows mixed results, and the influence of the audit committee on financial performance tends to be inconsistent, with some studies finding no significant influence. Overall, the effective implementation of GCG is crucial for improving a company's financial performance and attracting investor attention. The conclusion of this study emphasizes that the optimal application of GCG principles can be a key factor in strengthening a company's financial performance and competitiveness in the market

Keywords: Forensic Audit, Investigative Audit, Auditor Independence, and Fraud Disclosure

Introduction

Rapid developments in accounting and technology have had a significant impact on society, as well as producing various benefits, both physical and non-physical. "However, these conditions and phenomena have also created increasingly fierce business competition, where many parties strive to achieve maximum profits at the expense of the smallest possible things to avoid losses. This competition encourages behavior in business that leads to unfair competition which can become a form of economic crime. This condition allows it to encourage many irregularities and violations that can have major consequences due to very complex fraud problems" (Ma'rifah and Setiawan 2022).

"Fraud or fraud is the main focus in forensic accounting and investigative auditing. The main factors that encourage someone to commit fraud are often related to the pressure experienced by the individual, the rationalization process, or the opportunity. Individuals who are under pressure or who have rationalized their actions are more likely to commit

fraud if they find an opportunity. However, the possibility of fraud can be minimized by an effective internal control system" (Moch Deny Setiawan and Tri Ratnawati 2023).

One of the biggest fraud cases in world history is the Enron company case which occurred in October 2001. "The world economy at that time was also affected by the fraud case" (Setiani et al. 2022). "This case caused losses for shareholders of up to USD 74 billion or the equivalent of IDR 1,142,970,700,000,000, - at an exchange rate of IDR 15,445, - as of March 16, 2023" (Esnawati and Primasari 2022). "Thousands of Enron employees had to lose their jobs and pension funds" (Adinugraha 2022). "One of the public accounting firms, Arthur Andersen, was also involved in this scandal. As external auditors, Arthur Andersen obstructed the judicial process by destroying documents related to the audits they had conducted" (Hutabarat 2012).

"Forensic auditing as a systematic approach to collecting, analyzing, and evaluating evidence has developed into an important instrument in uncovering fraud. In examinations, it is related to forensic audits conducted to detect fraud and their implementation is more complex" (Alexandar Thian 2021). "In revealing fraud, forensic auditing is a special approach that can be used in the litigation process which aims to prove and see whether there is an act of fraud. The auditor's capability in the field of forensic auditing to prove and reveal cases to completion is needed, including traceability and recovering assets or the amount of losses caused by fraud" (Ma'rifah and Setiawan 2022). According to (Enofe et al. 2015), (J. Inyada et al. 2019), and (Syahputra and Urumsah 2019). in his research revealed that "forensic audit has a significant and positive effect on fraud detection. This proves that the effective implementation of forensic audits that can be applied in order to detect and disclose fraud and also the need for supporting resources as experts to prepare and carry out this audit process". The same research results were also shown by Madzivire (Madzivire et al. 2020) "which revealed that forensic auditing has a significant and positive effect on fraud detection".

An investigative audit is an "audit conducted to collect evidence and information to expose fraud that occurs in the company" (Khofidah Pujilestari and Nera Marinda Machdar 2024). According to (Arisendy and Tri Ratnawati 2024), "Investigative audits are audits of calculations of State financial losses, audits of obstacles to progress, escalation audits, and claims audits". Meanwhile, according to (Widya Novita Sari et al. 2023), "investigative audits are inspections that aim to recognize and reveal fraud by carrying out strategies, steps, and mechanisms commonly used during investigations".

"The success of fraud disclosure depends not only on the audit methodology used, but also on the independence of the auditors who carry it out. Fraud problems can occur in the government sector and the private sector. An investigation can be carried out by the auditor in an effort to detect and disclose fraud. Therefore, it takes someone who has the skills and expertise to be able to uncover fraud that occurs" (Ma'rifah and Setiawan 2022). "Auditors need to understand how to detect or find fraud that may occur. Each type of fraud has its own characteristics, so these detection steps cannot be generalized for all fraud" (Ahmad Fauzi 2020).

Auditor independence is an important attitude and needs to be possessed by every auditor. Independence is an attitude that requires that auditors must be free from the interests of certain parties or organizations "(Khofidah Pujilestari and Nera Marinda Machdar 2024). According to (Arisendy and Tri Ratnawati 2024), "Independence is a principle not to be intertwined with any party, not to raise the needs of any party. Independence reflects honest, unaffected and impartial behavior" (Najmuddin and Pamungkas 2021).

Problem Formulation

Based on this background, the problems that will be discussed in this literature review article are formulated so that it is more focused on the literature review and the results and discussion later:

1. Does forensic audit affect fraud disclosure?
2. Does investigative audit affect fraud disclosure?
3. Does auditor independence affect fraud disclosure?

Theoretical Study

Forensic Auditing

"Forensics is a process that involves identifying, collecting, and analyzing relevant evidence for use in court. A forensic audit is an examination of financial statements and other documents to gather evidence that can be used in legal proceedings related to fraud. Forensic auditors need to be well-skilled and specially trained to deal with various fraud situations and understand the opportunities and motivations behind such acts. Evidence obtained through forensic audits must comply with applicable laws and legal practices relevant to civil or criminal proceedings" (Ma'rifah and Setiawan 2022). Inyada revealed that "Reactive forensic audits are carried out to investigate any suspicion of fraud. If the suspicion is proven true, then the individuals involved will be identified, and the findings will be supported by strong evidence for disciplinary action or legal proceedings". On the other hand, "proactive forensic auditing aims to detect errors and improper financial transactions before they develop into fraud. This approach focuses on looking for signs of fraud with the philosophy of "catch the fraud before the fraud catches you". "Proactive forensic auditing may include legal audits, use of diagnostic tools, and ensuring compliance with applicable regulations" (J. Inyada et al. 2019).

Auditor Independence

The independence referred to in this study refers to "the attitude of investigative auditors who are not affected by the influence or control of other parties and do not depend on others. In addition, independence also includes the auditor's honesty in assessing facts and considering matters objectively and without bias when formulating and expressing his opinion" (Andini et al. 2021). "Auditor independence is the principle of not being intertwined with any group, not prioritizing the needs of certain groups or organizations" (Pamungkas and Jaeni 2022).

Fraud Disclosure

Fraud or fraud is the main focus that is combated in forensic accounting. "Fraud is a general term that covers a variety of methods that can be used by human ingenuity, in which someone tries to gain advantage over others through dishonest actions" (Ziah and Kuntadi 2023). Fraud disclosure referred to in this study is "an audit process carried out by an investigative auditor to find an act committed intentionally and unlawfully in order to obtain a profit, which is carried out by deception and lies" (Andini et al. 2021).

Table 1. Literature Review of Previous Research Results

No.	Author (Year)	Previous Research Results
1	(Ma'rifah and Setiawan 2022)	"Forensic audit and auditor professionalism have a significant effect on fraud detection and organizational commitment does not have a significant effect on fraud detection".
2	(Andini et al. 2021)	The results showed that "competence, independence, and time pressure of investigative auditors affect fraud disclosure at the South Sulawesi BPKP".
3	(Lutfi, Mas'ud, and Rahim 2023)	The results showed that "Forensic Audit, Investigative Audit, and Professional Judgment had a positive and significant effect on Fraud Disclosure".
4	(Firmansyah and Trisnarningsih 2023)	The results of regression analysis show that "the professional skepticism of forensic auditors, the ability of investigative auditors, and the experience of investigative auditors have a significant positive effect on the effectiveness of the implementation of audit procedures in disclosing fraud".
5	(Rohmah et al. 2023)	The test results showed "that forensic accounting and whistleblowing system have no significant effect on disclosing fraud. Meanwhile, investigative audits have a significant effect on disclosing fraud".
6	(Sandoria and Pangaribuan 2020)	The results showed that "auditor experience has a positive effect on the ability to disclose fraud, auditor fees have a positive effect on the ability to disclose fraud. auditor professionalism has no positive effect on the ability to disclose fraud and auditor independence has no positive effect on the ability to disclose fraud".
7	(Mulyadi and Nawawi 2020)	The results of this study indicate that "the variables of Forensic Audit, Investigative Audit Procedures and Professionalism have a proven effect on Fraud Prevention".
8	(Cintya Nari Ratih and Sisdyani 2023)	The results showed that "forensic audit has no effect on fraud disclosure, while investigative audit and professionalism have a positive effect on fraud disclosure".

Research Method

The method used in this research is a qualitative approach with a type of study in the form of a literature review that utilizes secondary data collection techniques that have been collected and published by other parties. In this study, an analysis of the theory and the relationship or influence between variables contained in online journals accessed from Google Scholar, Publish Or Perish, with a focus on publications published between 2020 and 2023.

Research Hypothesis

Based on the background of the problems that have been stated, the theoretical basis. As well as the results of previous research, the following hypothesis is generated:

H1: Forensic Audit has a positive effect on fraud disclosure

H2: Investigative Audit has a positive effect on fraud disclosure

H3: Auditor Independence has a positive effect on fraud disclosure

The endogenous variable in this literature article is fraud disclosure while the exogenous variables in this study are forensic audit, investigative audit, and auditor independence. Apart from these three exogenous variables of fraud disclosure, there are still many other variables that influence it including:

1. Forensic Accounting (Khofidah Pujilestari and Nera Marinda Machdar 2024)
2. Professional Judgment (Lutfi et al. 2023)
3. Whistleblowing System (Rohmah et al. 2023)
4. Experience and Professionalism (Moch Deny Setiawan and Tri Ratnawati 2023)
5. Organizational Commitment (Ma'rifah and Setiawan 2022)
6. Professional Skepticism (Noviyani 2023)

Result and Discussion

The Effect of Forensic Audit on Fraud Disclosure

According to the results of research conducted (Ma'rifah and Setiawan 2022) "using auditors at the Main Auditorate of Investigation at the Supreme Audit Agency of the Republic of Indonesia (BPK RI) as a sample using primary data through a questionnaire that obtained a total of 37 auditors, proving that forensic audit and auditor professionalism have a significant effect on fraud detection and organizational commitment has no significant effect on fraud detection". and research by (Lutfi et al. 2023) also "shows that Forensic Audit, Investigative Audit, and Professional Judgment have a positive and significant effect on Fraud Disclosure. while research conducted by (Cintya Nari Ratih and Sisdyani 2023) shows that forensic audit has no effect on fraud disclosure".

The Effect of Investigative Audits on Fraud Disclosure

The results of research (Rohmah et al. 2023) "state that investigative audits have a significant effect on disclosing fraud, from distributing questionnaires to auditors who work at the Regional Inspectorate of East Kalimantan Province and Samarinda City". And research conducted by (Firmansyah and Trisnarningsih 2023) "says investigative auditors have a significant positive effect on the effectiveness of the implementation of audit

procedures in disclosing fraud. Similarly, research by (Mulyadi and Nawawi 2020) also shows that the Investigative Audit variable has a proven effect on Fraud Prevention”.

The effect of Auditor Independence on Fraud Disclosure

The results of research from (Andini et al. 2021) “show that the competence, independence of auditors, and time pressure of investigative auditors affect fraud disclosure at the South Sulawesi BPKP”. And the results of research conducted by (Sandoria and Pangaribuan 2020) “reveal that auditor independence does not have a positive effect on the ability to disclose fraud but auditor experience has a positive effect on the ability to disclose fraud, auditor fees have a positive effect on the ability to disclose fraud, and auditor professionalism has no positive effect on the ability to disclose fraud”.

Conclusion

This journal concludes that forensic audits and investigative audits have a significant effect on fraud disclosure. Forensic audits have proven effective in detecting fraud, while investigative audits focus on gathering evidence to identify and expose fraud. In addition, auditor independence is also an important factor in the fraud disclosure process, although it does not always have a positive effect. Research shows that auditor competence and experience contribute to the effectiveness of fraud disclosure. Therefore, increased training and resources for auditors are necessary to improve their ability to detect and expose fraud.

References

- Adinugraha, Hendri Hermawan. 2022. "Santripreneur at Al-Ustmani: Efforts to Realize Sharia-Based Entrepreneurship in Islamic Boarding Schools." *Al-Masharif: Jurnal Ilmu Ekonomi dan Keislaman*, 10(2), pp. 172–194. doi:10.24952/masharif.v10i2.6517.
- Ahmad Fauzi. 2020. *Super Auditor: Menumpas Korupsi dan Mengungkap Fraud yang Tak Biasa*. Batam: Batam Publisher.
- Alexandar Thian. 2021. *Dasar-Dasar Audit, Integrated and Comprehensive Edition*, edited by Lidya Mayangsari. Yogyakarta: Andi.
- Andini, Sarah, Amiruddin, and Grace T. Pontoh. 2021. "Pengaruh Kompetensi, Independensi, dan Tekanan Waktu Auditor Investigatif Terhadap Pengungkapan Fraud." *Akrual: Jurnal Bisnis dan Akuntansi Kontemporer*, 14(2), 151–162. doi:10.26487/akrual.v14i2.14812.
- Arisendy, Avilla Anggun, and Tri Ratnawati. 2024. "Pengaruh Akuntansi Forensik, Audit Investigatif, dan Independensi Terhadap Pengungkapan Fraud." *Jurnal Akuntansi Neraca* 1(2): 11–23. doi:10.59837/jan.v1i2.7.
- Cintya Nari Ratih, I. Dewa Ayu, and Eka Ardhani Sisdyani. 2023. "Audit Forensik, Audit

- Investigasi, dan Profesionalisme Terhadap Pengungkapan Kecurangan di BPKP." *E-Jurnal Akuntansi* 33(1): 145. doi:10.24843/eja.2023.v33.i01.p11.
- Enofe, A., P. Magbon, and F. Ehigiator. 2015. "Forensic Audit and Corporate Fraud." *Department of Accounting, Faculty of Management Sciences*, 8(1):55–73.
- Esnawati, Mishola, and Dona Primasari. 2022. "Akuntansi Forensik dan Audit Investigasi dalam Mengidentifikasi Fraud." *Students' Conference on Accounting and Business (ScoAB)*, 2001: 1–14.
- Firmansyah, Riski, and Sri Trisnarningsih. 2023. "Influences of Auditor Forensic Attitudes, Investigative Auditor Capabilities, and Experience on the Effectiveness of Audit Procedures in Fraud Detection." *Jurnal Ilmiah Universitas Batanghari Jambi* 23(1): 41. doi:10.33087/jiubj.v23i1.2599.
- Hutabarat, Goodman. 2012. "The Effect of Audit Experience, Time Budget Pressure, and Auditors' Ethics on Audit Quality." *Jurnal Ilmiah ESAI* 6(1): 1978–6034.
- J. Inyada, S., D. O. Olopade, and John Ugbede. 2019. "Effect of Forensic Audit on Bank Fraud in Nigeria." *American International Journal of Contemporary Research*, 9(2), \40–45. doi:10.30845/aijcr.v9n2p5.
- Khofidah Pujilestari and Nera Marinda Machdar. 2024. "Pengaruh Akuntansi Forensik, Audit Investigatif, dan Independensi Auditor Terhadap Pengungkapan Fraud." *Muqaddimah: Jurnal Ekonomi, Manajemen, Akuntansi dan Bisnis*, 2(3), pp. 18–27. doi:10.59246/muqaddimah.v2i3.849.
- Lutfi, M., M. Mas'ud, and S. Rahim. 2023. "Pengaruh Audit Forensik, Audit Investigatif, dan Professional Judgment Terhadap Pengungkapan Fraud pada Kantor BPKP Perwakilan Sulawesi Selatan." *SEIKO: Journal of ...* 6(2): 459–78.
- Ma'rifah, Nur, and Andy Setiawan. 2022. "Pengaruh Audit Forensik, Profesionalisme Auditor, dan Komitmen Organisasi Terhadap Pendeteksian Fraud." *Veteran Economics, Management & Accounting Review* 1(1): 1–18. doi:10.59664/vemar.v1i1.4825.
- Madzivire, E. T., L. Nyamwanza, W. Mushonga, and D. Mulonda. 2020. "An Investigation on the Effectiveness of Forensic Audit as a Tool for Fraud Detection and Prevention." *Journal of Accounting, Business and Finance Research* 10(2): 49–67.
- Moch. Deny Setiawan and Tri Ratnawati. 2023. "Literature Review: "Pengaruh Teknik Audit Investigatif, Pengalaman, dan Profesionalisme Auditor Investigatif dalam Pengungkapan Fraud." *Jurnal Riset Akuntansi* 2(1): 264–273. doi:10.54066/jura-itb.v2i1.1366.

- Mulyadi, Roza, and Muhammad Nawawi. 2020. "Pengaruh Audit Forensik, Audit Investigasi, dan Profesionalisme Terhadap Pencegahan Kecurangan (Studi Empiris pada BPKP Provinsi Banten)." *Jurnal Riset Akuntansi Terpadu* 13(2): 272. doi:10.35448/JRAT.V13I2.9048.
- Najmuddin, Ahmad Bebin, and Imam Dapit Pamungkas. 2021. "Influences of Independence, Experience, and Application of Forensic Accounting and Computer-Assisted Audit Techniques (CAATs) on the Effectiveness of Investigative Audits in Detecting Fraud (Case Study of BPKP Central Java)." *Proceedings of SENDIU*, 220–28.
- Noviyani, Pipih Syaripah, Rindu, and Ernita Prima. 2023. "SENTRI: Jurnal Riset Ilmiah." *SENTRI: Jurnal Riset Ilmiah* 2(4): 1275–1289.
- Pamungkas, Wahyuadi, and Jaeni. 2022. "Pengaruh Akuntansi Forensik, Audit Investigatif, Independensi, dan Skeptisisme Profesional Terhadap Pengungkapan Fraud." *SENTRI: Jurnal Riset Ilmiah*, 2(1), 250–259. doi:10.55681/sentri.v2i1.465.
- Siti Rohmah, Erni Setiawati, Sugeng Chairuddin, and Risma Aditama. 2023. "Pengungkapan Fraud dan Pengaruhnya Terhadap Pengungkapan Fraud." 2023. "Pengaruh Akuntansi Forensik, Whistleblowing System, dan Audit Investigasi dalam Pengungkapan Fraud (Studi Kasus pada Inspektorat Daerah Provinsi Kalimantan Timur dan Inspektorat Daerah Kota Samarinda)." *Nusantara Innovation Journal* 2(2): 65–74.
- Sandoria, Febby Wella, and Leonard Pangaribuan. 2020. "The Influence of Experience, Auditor Costs, Professionalism, and Auditor Independence on the Ability to Reveal Fraud in Jakarta Public Accounting Firms." *Jurnal Akuntansi* 9(2): 93–111. doi:10.46806/ja.v9i2.763.
- Dela Setiani, Sarmini Sarmini, Sakinah Sakinah, Hendri Hermawan Adinugraha, and Ade Gunawan. 2022. "Buying Behavior Patterns Between Traders and Buyers Reviewed from Islamic Business Ethics (Case Study in Wiradesa Market, Pekalongan Regency)." *Ekobis Syariah* 6(1):7. doi:10.22373/ekobis.v6i1.13622.
- Briyan Efflin Syahputra and Dekar Urumsah. 2019. "Detecting Fraud Through Effective Government Audits: Analisis Multigrup Gender dan Pengalaman." *Jurnal Akuntansi dan Bisnis* 19(1): 31. doi:10.20961/jab.v19i1.319.
- Widya Novita Sari, Dita Fitriani, Indri Widya Wulandari, Reza Mutiara Nur Fitriandinni, and Tri Ratnawati. 2023. "Literature Review: Audit Investigasi." *Jurnal Riset Akuntansi* 1(3): 1–13. doi:10.54066/jura-itb.v1i3.382.
- Ziah, Sifa Ulfa, and Cris Kuntadi. 2023. "The Influence of Forensic Accounting, Audit

Investigation Capabilities, and Internal Control on Fraud Disclosure (A Study of the BPKP Office in Makassar). " Jurnal Economina 2(2): 622–629. doi:10.55681/economina.v2i2.341.