

ABSTRACT

The Influence of Financial Stability, Ineffective Monitoring, and Audit Switching on Fraudulent Financial Statements with Earnings Management as a Moderating Variable (Empirical Study of the Financial Sector Listed on the Indonesian Stock Exchange 2019-2023)

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This research aims to determine and provide empirical evidence of the influence of financial stability, ineffective monitoring, and audit switching on fraudulent financial statements with earnings management as a moderating variable. The population of this research uses financial sector companies listed on the Indonesia Stock Exchange in 2019 - 2023. The sample used in this research is in accordance with the research criteria using a purposive sampling technique. The research method used was a quantitative method and used Eviews 12 software. The results of this research were that financial stability and ineffective monitoring influenced financial report fraud, while audit switching had no effect on financial report fraud. Financial stability, ineffective monitoring, and audit switching simultaneously influence financial statement fraud. Earnings management as a moderator can moderate financial stability and ineffective monitoring. However, it does not moderate audit switching.

Keywords: *Financial Stability, Ineffective Monitoring, Audit Switching, Fraudulent Financial Statement, Earnings management*