

Red Flag And Auditor Experience Toward Criminal Detection Trough Profesional Skepticism

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Abstract: This research was conducted to examine the influence of red flags variables, auditor work experience and professional auditor skepticism on fraud detection. The test is to seek the influence of red flags variables and work experience on professional auditor skepticism. And the test of the red flag variables and auditor work experience on fraud detection through professional auditor skepticism. The number of samples used was 40 people from 8 Public Accountant offices in Makassar City using the census method. Data collection research uses questionnaires in the form of questionnaires. The data analysis technique used is the Partial Least Square (PLS) Method. The results showed that the red flags and professional skepticism had a positive and significant influence on fraud detection, while the auditor's work experience had a positive but not significant influence on fraud detection. Red flag and auditor work experience have a positive and significant influence on professional skepticism. Professional skepticism is able to mediate the significant influence between red flags and auditor work experience on fraud detection.

Keywords: Red Flags, auditor experience, professional skepticism, fraud detection

INTRODUCTION

Economic development in Indonesia has its own consequences for economic actors (companies). The company must try to explore all its potential in order to survive and meet the needs of its customers (Ratnawati Salean and Maqsudi, 2016). However, it must be understood that every economic development will be accompanied by the emergence of various tricks and new forms of accounting crime that not only bring harm to the owners of the company and investors but also to employees, credit institutions, the state, even the audit company itself.

The rise of news about fraud cases and involving public accounting firms has become a phenomenon in the world of auditing like a scandal that occurred at the Arthur Andersen Public Accountant Office (PAO) in the United States that issued a Fair Without Exception (FWE) opinion on the financial statements of PT. Enron Corporation. Sometime after the WTP opinion was issued, it was proven that Enron Corporation's financial reporting was a form of fraud (Hegazy and Kessem, 2010). An example of the failure of FWE Arthur Andersen, certainly makes many parties question the auditor's responsibility in detecting fraud, and indirectly will have an impact on the level of stakeholder confidence to be declining (Sanjaya, 2018).

Various fraud cases will even become serious attention if most fraud incidents are revealed after the financial statements are audited (Hussin and Iskandar, 2013). (Minaryanti, 2015) explained that the profession of public accounting as a professional job must be accountable to clients and all stakeholders. Referring to the case of financial reporting manipulation, (Suryanto *et al.*, 2017) stated that such a thing can not only occur because of the bad cooperation between auditors and auditing, but also because of the failure of auditors to detect fraud.

Stakeholders assume that the financial statements have been audited is information that is quality and free of misstatement or fraud. Some cases of failure in auditing companies because a public accountant is sometimes unable to detect fraud in the examination of financial statements that cause losses to various parties concerned with financial statements and audit reports produced (Biksa and Wiratmaja, 2016). Fraud is an action that is deliberately carried out in various ways that continue to develop. This certainly has an impact on the demand for an increase in the auditor's ability to detect fraud. The level of the auditor's ability to detect fraud is different; this is influenced by internal factors and external factors. However, the more dominant factors affecting are internal factors, which are factors that originate within the auditor, such as professional skepticism and auditor experience, therefore fraud that is not able to be detected in an auditing process is a form of a description of the auditor's weak ability to detect fraud and illustrates the increasing number of modes carried out by fraudsters to hide fraud. This will have an impact on the emergence of large losses for the company due to procedural defects in the process of presenting financial statements (Jefri and Mediaty, 2014).

The task of detecting fraud carried out by external auditors is not an easy task because the auditor must have comprehensive knowledge about the characteristics and ways to commit fraud (Rustiarini and Novitasari, 2014). Fraud detection also does not always get a bright spot because of the underlying motivations, and the many methods of cheating (Kassem and Higson 2012). Companies with an ineffective internal control system will have an impact on poor corporate governance so that fraud and manipulation can occur easily. As a result, these red flags will look more effective in preventing fraudulent reporting of auditors' knowledge to detect fraud (Yucel, 2013). These flag flags are alarms or signals for the auditor in a follow-up investigation to obtain accurate audit results and reduce the risk of fraud detection not being detected (Rustiarini and Novitasari, 2014b). Explanation of red flags from various works of literature is generally explained as an indication of something unusual in the presentation of financial statements and requires a more in-depth investigation. The presence of red flags is considered an important and effective factor for detecting fraud and is a finding for auditors. According to (Tedjasukma, 2012; Hanifa and Laksito, 2015) "the use of the theory of fraud triangle will help the auditor's next steps to obtain initial evidence in detecting fraud, whether the signal arises because of high pressure, the amount of opportunity, or the existence of rationalization, so later it will help auditors to focus on points that have higher fraud risk so that they get a higher priority for auditing."

In carrying out auditing work, a public accountant needs experience (Anism, Abidin, and Cristina, 2011). The auditor has the responsibility to avoid audit failure due to the inability of the auditor to detect fraud that occurred. The auditor's ability to detect fraud is highly dependent on the level of experience and knowledge he has (Minaryanti, 2015). The responsibility held by the auditor to detect fraud that occurs will raise a

cautious and critical attitude towards the collection and evaluation of the evidence presented by the management of the company.

This professional skepticism will always question and evaluate audit evidence critically from the auditor in order to be able to obtain accurate and relevant information to issue and determine opinions about the fairness of financial statements (Adnyani *et al.*, 2014). The low professional skepticism of the auditor will cause the auditor's inability to detect the possibility of fraud because the auditor will easily trust the assertions provided by management without sufficient evidence to support the assertion (Anggriawan, 2014). Professional skepticism is a significant factor in the process of carrying out audit work (Kurniawan, 2018). The client's explanation will not be immediately accepted by the auditor who uses his professional skepticism. Many questions will be given to the evidence that has been collected to obtain reasons and confirmation of the object of examination. (Trinanda, 2016) explained that if the auditor's professional attitude is not applied in carrying out his professional work, then the auditor may only find errors and errors in finding fraud. The fraud referred to is fraud caused by improper use of company resources such as lying, cheating, embezzling and even stealing for the personal interests of the perpetrators (Sofia, 2014).

Fraud is basically done because of intentions carried out by individuals for personal interests and has an impact on losses to certain parties or agencies. The number of parties who will feel the loss from fraud acts is the basis and the reason why this research is considered important, the increase in fraud detection by auditors by increasing understanding of the red flags, experience and professional skepticism in carrying out professional work is expected to be able to be minimized fraud. The level of the auditor's ability to detect fraud needs serious attention because the auditor has a large responsibility to various parties with an interest in the results of his work.

This research refers to (Simanjuntak, 2012) research which the tested of independence, competence, professional skepticism and professionalism towards the ability to detect fraud. The difference between this research and research (Simanjuntak, 2012) is the use of red flags variables as independent variables to see their effect on auditor ability in detecting fraud and using the skepticism variable as an intervening variable.

THEORETICAL REVIEW

Attribution theory is related to behavior, this theory suggested that observing the behavior of an individual to determine whether the behavior is caused by internal or external factors. Behavior caused by internal factors is influenced by an individual's personal control. While external behavior is caused by external factors due to certain situations (Robbins and Timothy, 2008). The essence of human beings tends to be consistent to take attitudes that do not conflict with each other and avoid actions that are not in accordance with his attitude. As for humans who commit deviant actions are often forced to do so because of the factors that become the trigger (Noviyanti, 2008). (Kushasyandita and Januarti, 2012) stated that dissonance is a psychological feeling of dislike and discomfort experienced by individuals so that it becomes a trigger for an action to avoid discomfort. Cognitive dissonance is specifically interpreted as the existence of inconsistencies between behavior and attitudes so that this theory can make it easier to

make predictions about individual behavior changes from his attitude. (Rahim, 2016) explained that the agent as the manager of the company will make various efforts to avoid the risk of dismissals relating to the picture of financial statements that are worse.

The cognitive dissonance theory in this study is used to explain the interaction effect between auditor professional skepticism and the factors that influence it to fraud detection. This theory is used in this study in order to explain the auditor's professional skepticism and its influence on fraud detection seen from the factors of red flags and experience. Fraud action is a condition that is difficult to predict, because sometimes someone we view as honest, obedient, educated, from a respected social environment, even from among those who are, is unexpectedly involved in or participating in fraudulent actions. This happens because of an impulse to commit fraud called the Fraud triangle theory (Cressey, 1953).

Business development cannot be separated from fraud issues (Rustiarini *et al.*, 2016). There has been a lot of previous research in discussing fraud and referring to the use of red flags so that auditors try their utmost to focus performance in assessing fraud risk. The research from (Sandi, 2015; Arsendy, 2017; Purwanti and Astika, 2017) stated that there is a significant positive relationship between red flags and the auditor's ability to detect fraud. Cheating that occurs is something that must get the attention of the external auditor because the results of his work are the expectations of the community, especially stakeholders who have different interests. The need to find fraud is an obligation for the auditor. Therefore, auditors need a good understanding of the symptoms of fraud that occur to prevent and detect conditions that have the potential to cause fraud with various techniques.

H1: Red flags have a significant positive influence on the detection of fraud financial statement.

The higher level of auditor experience will help the auditor to detect fraud. Sufficient and explicit experience will shape the auditor's competence in conducting audits objectively, carefully and thoroughly. Understanding of characteristics, types, and ways to detect fraud will support the auditor's performance in detecting fraud (Sanjaya, 2018). The auditor's experience will have an impact on the existence of a better understanding so that the auditor can provide a logical explanation for the misstatement of financial statements; classify errors based on audit objectives and the underlying accounting structure (Agoes, 2012). Research (Rahmawati and Usman, 2014; Adnyani *et al.*, 2014; Muchlis, 2015; Biksa and Wiratmaja, 2016; Arsendy, 2017; Yusrianti, 2015; Suryanto *et al.*, 2017; Putra, 2017; Mokoagouw *et al.*, 2018) found that auditor work experience had a significant positive impact on fraud detection.

While the research of (Ulfa *et al.*, 2015) found that auditor work experience had a positive but not significant impact on fraud detection. The inconsistency of the relationship between the auditor's experience and fraud detection due to fraudulent actions that continues to develop with various motives requires the auditor to continue to hone his ability to detect fraud. The fraud that is capable of being detected by the auditor must be explained logically and fundamentally about the errors presented in the financial statements. Therefore, internal factors within the auditor such as experience are one of the factors that are considered important for detecting fraud that occurs.

H2: The auditor's work experience has a significant positive influence on fraud detection.

An auditor must be skeptical but within professional limits. The process of examining client financial statements is done by evaluating audit evidence, conducting critical assessments of the validity of audit evidence, questioning and critically evaluating audit evidence so that the information obtained can be useful in detecting fraud. Research (Simanjuntak, 2012; Anggriawan, 2014; Ulfa *et al.*, 2015; Wiguna, 2015; Trinanda, 2016; Biksa & Wiratmaja, 2016; Mokoagouw *et al.*, 2018) found that professional skepticism had a significant impact on fraud detection. Research (Suryanto *et al.*, 2017) found that professional skepticism did not have a significant effect on the auditor's ability to detect fraud. Some of the explanations put forward show the inconsistency of the relationship between professional skepticism and fraud detection. To detect fraud and material misstatement, the use of a skeptical mindset will direct more conservative actions and develop a search for additional information related to the symptoms of fraud that occur. Therefore, the professional skepticism of an auditor is expected to assist the auditor in detecting fraud.

H3: Auditors' professional skepticism has a significant positive influence on fraud detection.

If there are red flags in the audit assignment, an auditor must be more skeptical in finding the evidence. (Moyes *et al.*, 2006) explained that in the financial audit report (SAS No. 99) stated that the effectiveness of red flags is used to detect fraud. Red flags for fraud will make it easier for auditors to focus their checks on fraud risk assessments (Tedjasukma, 2012). The emergence of suspicious symptoms such as employee complaints and suspicion of coworkers are signs of fraud (Anggriawan, 2014). (Arsendy, 2017) stated that strange and unusual conditions will be the instructions of the auditor to conduct further investigations to detect fraud that has been or has occurred. Understanding and further analysis of red flags can help the next step for the auditor to obtain initial evidence to detect fraud with an attitude (Sandi, 2015).

H4: Red flags have a significant positive influence on professional skepticism.

One of the professional requirements for auditors is the attitude of skepticism so that the auditor can collect sufficient audit evidence as a basis for giving the appropriate audit opinion in the financial statements. This study uses cognitive dissonance theory to explain the interaction effect between auditor professional skepticism and the factors that influence it to the quality of the audit it performs. The repeated audit process will enhance the experience owned by Auditor. Many experiences will improve the ability to deepen the skills of an auditor doing his work (Rahmawati and Usman, 2014). The auditor's experience will improve the accuracy of the inspection process to realize a professional attitude by prioritizing skepticism during the inspection process (Mokoagouw *et al.*, 2018). Research (Anism *et al.*, 2011; Silalahi, 2013; Putra, 2017) found that auditor work experience has a significant positive effect on the skepticism of professional auditors.

H5: The auditor's work experience has a significant positive influence on professional skepticism

Red flags are the appearance of signs or symptoms that are less reasonable that occur in the surrounding environment and the attitude of someone who indicates the possibility of fraud so further investigation is needed. A careful and critical attitude towards the evidence presented by management is an auditor's professional skepticism at work. This professional skepticism will question and evaluate audit evidence critically in order to be able to obtain accurate and relevant information. Research from (Sandi, 2015; Arsendy, 2017; Purwanti and Astika, 2017) stated that there is a significant positive relationship between red flags and the auditor's ability to detect fraud. The fraud that cannot be detected in auditing will have a detrimental effect on the stakeholders and the auditor itself. Therefore, in order to properly assess fraud risk, auditors need red flags to detect fraud (Rustiarini and Novitasari, 2014b).

H6: There is significant positive influence between the red flag and fraud detection through professional skepticism.

Increasing the audit experience of auditors will have an impact on the auditor's tendency to detect fraud will also increase and vice versa if an auditor who has a minimal audit experience, the tendency to detect fraud is reduced (Arsendy, 2017). Professional skepticism in collecting audit evidence is the basis for giving the right audit opinion in the financial statements. Experience will be formed due to repeated audit assignments so that the auditor has the opportunity to continue to learn and hone his ability to detect fraud. The implementation of an audit by an inexperienced auditor will have an impact on the skepticism of professionals who will be at a low level to seek and evaluate audit evidence so that it will affect the inability of auditors to detect fraud or vice versa.

H7: There is a significant positive influence between auditor work experience and fraud detection through professional skepticism

METHODOLOGY

This study uses a quantitative approach, to examine the population or sample and analyze data and test the hypothesis set. The object of research that was done in this research were red flags, auditor work experience, professional skepticism, and fraud detection. The type of data used is descriptive quantitative data on answers from respondents then given value or score. The data of this research is primary data that is directly obtained from the location of the research with questionnaire distribution techniques. The research population was all auditors of the Public Accountant Office in Makassar City registered in IAPI Makassar in 2017 as many as 47 auditors from 9 public accounting firms operating in Makassar City. Withdrawal of research samples using saturated sampling techniques because the population is relatively small.

The research data was analyzed using the Partial Least Square (PLS) approach. PLS is a structural equation model (SEM) based on variance or component. The steps taken in the use of PLS analysis are to first design the structural model, second is to measure the Outer Model with three criteria all loading indicators must be above 0.65; composite reliability above 0.80 and average variance extracted for each construct must exceed 0.5. Next third is testing the structural model or Inner Model (Ghozali and Latan, 2015).

The research hypothesis is tested by the t-test (t-test) on each path of influence between the independent and dependent variables and between the independent variables and the dependent variable through the intervening variable. The results of the calculation of the path as a whole can be seen in the path coefficient and total influences. Testing the hypothesis in this research uses the Smart PLS structural equation model. The results of testing this hypothesis are then shown on the results of the decision to accept or reject the hypothesis proposed in this research by comparing between t-tables with t-statistics, and p values at the five percent significance level.

RESULT AND DISCUSSION

In this research, 47 questionnaires were distributed to respondents and only succeeded in collecting 40 questionnaires. The data collected was found that the research respondents were dominated by men as many as 26 auditors (65 percent) while the female was 14 auditors (35 percent). Meanwhile, judging from the education, it is known that the majority of S1 degree or bachelorette degree are 34 auditors (85 percent) followed by S2 degree or master degree (15 percent). Having seen from the working period, it can be seen that the auditor's position is dominated by senior auditors by 23 auditors (57.5 percent), junior auditors as many as 14 auditors (35 percent) and partners as many as 3 auditors (7.5 percent). Having seen from the working period is dominated by 1-3 years work period as many as 17 auditors (42.5 percent), work period > 3 years as many as 14 auditors (35 percent) and work period < 1 year as many as 9 auditors (22.5 percent).

Test Outer Model

Table 1. Test results of the outer model

Construct	Indicator	Outer Loading	Composite Reliability	Average Variance Extracted (AVE)
Red Flags (RF)	RF1	0,953	0,983	0,907
	RF2	0,938		
	RF3	0,966		
	RF4	0,965		
	RF5	0,926		
	RF6	0,965		
Auditor Work Experience (AWK)	PKA1	0,945	0,983	0,877
	PKA2	0,986		
	PKA3	0,961		
	PKA4	0,848		
	PKA5	0,922		
	PKA6	0,924		
	PKA7	0,947		
	PKA8	0,952		
Skepticism Professional Auditors (S)	S1	0,912	0,970	0,844
	S2	0,928		
	S3	0,896		
	S4	0,970		
	S5	0,942		
	S6	0,922		

Fraud Detection (FD)	PDK1	0,877	0,963	0,767
	PDK2	0,848		
	PDK3	0,886		
	PDK4	0,903		
	PDK5	0,809		
	PDK6	0,934		
	PDK7	0,890		
	PDK8	0,853		

Source: Output PLS, 2018

On table 1 is shown that all indicators loading above 0.65, composite reliability values above 0.80 and average variance extracted exceeds 0.5.

Test Structural Model or Inner Model

Table 2. Determination Coefficient (R-Square)

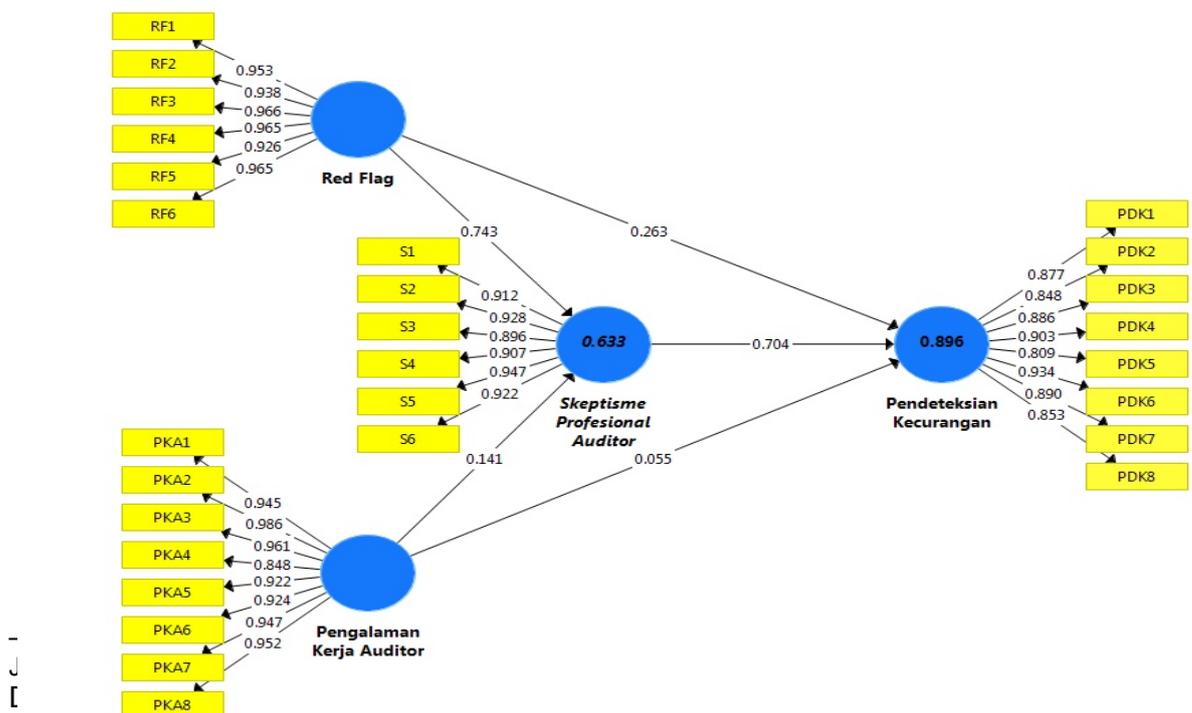
Construct	R Square
Fraud Detection	0.896
Skepticism Professional Auditor	0.633

Source: Output PLS, 2018

The test result of the coefficient of determination from table 2 is shown that the R-Square value of the auditor's professional skepticism is 0.633 (63.3%). This data showed that 63.3% of professional auditors can be explained by red variables and work experience and the remaining flags. The R-square value of fraud detection is 0.896 (89.6%). This data shows that the fraud detection variable of 89.6% can be explained by the variable red flags, auditor work experience, and professional skepticism while auditors. 10.4%.

Data analysis in the research used the Structural Equation Model (SEM) model with the help of the Smart PLS program.

Figure 1.
Full Model SEM Test Using Smart PLS



Source: PLS Output, 2018

Note: Red Flag
 Skepticism Profesional Auditor: Auditor Professional Skepticism:
 Pendeteksian kecurangan: Fraud detection
 Pengalaman Kerja Auditor: Auditor Work Experience

Hypothesis test purposing is done by having a test of the structural model (inner model) by having seen at the path coefficients that is shown in the parameter coefficients and the significance values of t statistics which can be seen in the table as follows:

Table 3. Path coefficient and hypothesis test

Inter-Variable Correlation	Path Coefficient	t-Statistic	p-Values	Note
Direct Effect				
Red Flag → Fraud Detection	0.263	2.972	0.002	Accepted
Auditor Work Experience → Fraud Detection	0.055	1.307	0.096	Rejected
Auditor Professional Skepticism → Fraud Detection	0.704	9.025	0.000	Accepted
Red Flag → Auditor Work Experience	0.743	8.212	0.000	Accepted
Auditor Work Experience → Auditor Professional Skepticism	0.141	1.765	0.039	Accepted
Indirect Effect				
Red Flag → Fraud Detection	0,523	6.079	0.000	Accepted
Auditor Work Experience → Fraud Detection	0.099	1.723	0.043	Accepted

Source: (Output PLS, 2018)

From the analysis of the path coefficient in table 3, it can be seen that the significant level of the red flag variable is 0.002 and smaller than 0.05 It means (H1) is accepted. This result stated that red flags have a positive and significant influence on fraud detection.

A significant level of auditor's work experience variable is 0.096 and greater than 0.05 It means (H2) is rejected. This result stated that the auditor's work experience has a positive and not significant influence on fraud detection.

The significant level of professional skepticism is 0,000 and less than 0.05. It means that (H3) is accepted. This result stated that professional auditor skepticism has a positive and significant influence on fraud detection.

The significant level of the Red flag variable is 0,000 and smaller than 0.05 It means (H4) is accepted. This result stated that the red flag has a positive and significant influence on the skepticism of professional auditors.

The significant level of auditor work experience variable is 0.039 and smaller than 0.05. It means (H5) is accepted. This result stated that auditor work experience has a positive and significant influence on professional skepticism.

The role of mediation, namely the red flag variable has a significant value of 0,000 and smaller than 0.05. It means that (H6) is accepted. This result stated that red flags have a positive and significant influence on fraud detection through professional auditor skepticism. This indicates that the auditor's professional skepticism variable is an intervening variable between the red flag against fraud detection. The higher the red flags, the more fraudulent detection will be made through the professional skepticism it has.

The role of mediating auditor work experience has a significant value of 0,000 and less than 0.05. It means (H7) is accepted. This result stated that the auditor's work experience has a positive and significant influence on fraud detection through professional auditor skepticism.

This indicates that the auditor's professional skepticism variable is an intervening variable between the auditor's work experience and fraud detection. The higher the auditor's work experience, the more fraudulent detection will be increased through professional auditor skepticism.

DISCUSSION

The result of the test in the first hypothesis (H1) is ACCEPTED. This result stated that the Red Flags variable has a significant positive effect on fraud detection. This research is supported by research (Arsendy, 2017; Purwanti and Astika, 2017) which found that Red Flags had a significant positive effect on the auditor's ability to detect fraud. The result of this study illustrates that the existence of understanding and knowledge of the existence of the red flags will make it easier for the auditor to regulate the steps that will be carried out in carrying out the inspection in detecting fraud and can immediately take preventive action (Sandi, 2015). Suspicion arising from the existence of signs of fraud is one indication that will make it easier for the auditor to focus more on his performance to obtain accurate and relevant information on the fraud that occurred. Increased awareness of the appearance of the red flags will make the auditor conduct a more in-depth search or investigation of the audit evidence, this can make the ability of auditors to detect fraud even higher (Purwanti and Astika, 2017). These results support the statement of (Kassem and Higson, 2012) which explains that in carrying out its work, external auditors need a good understanding of the opportunities for fraud is needed so that external auditors can be helped to process the identification of various fraud schemes that can be done and how to risk fraud.

The result of testing the second hypothesis state that (H2) is REJECTED. This result states that the auditor's work experience variable has a positive but not significant effect on fraud detection. The auditor's work experience which has no significant direct effect on fraud detection, because the auditor must first look for audit evidence and evaluate it critically. The implications of this study illustrate that the competence of an auditor does not fully guarantee the ability to detect fraud. This result illustrates that at present the fraud mode is increasingly complex and sophisticated so that it demands an increase in auditor capabilities and is more specific in detecting the development of the current fraud mode. When an auditor has high experience, he will find it easier to find out where the opportunity for fraud occurs. The auditor's experience will be formed from the amount of time that has passed in carrying out the audit work, the intensity of the inspection task and the variety of types of companies audited. If the auditor has little work

experience, there will be little ability to detect fraud. The result of this study supports the study of (Ulfa *et al.*, 2015; Sanjaya, 2018) which found that experience had no effect on the auditor's ability to detect fraud. The result of this study does not support research (Anggriawan, 2014) (Adnyani *et al.*, 2014) (Putra, 2017) (Mokoagouw *et al.*, 2018) who found that auditor experience influences the auditor's ability to detect fraud.

The result of the test in the third hypothesis state that (H3) is ACCEPTED. This result stated that professional auditor skepticism has a positive and significant effect on fraud detection. The higher the auditor's professional skepticism, it will be the better the detection of fraud. The result of this study illustrated of the implication that in the process of examining financial statements of financial statements presented by clients not yet supported by assertions in the form of statements and documents adequately, and still found the recording and reporting of assets that are not in accordance with financial accounting standards. This condition has certainly impacted on the existence of a critical attitude in which the auditor in evaluating audit evidence, which critical assessment of the validity of audit evidence, and tend to be wary of audit evidence. The skepticism that is owned by the auditor who works in FWE in Makassar is so high, the auditor always questions and evaluates critically on the audit evidence he gets so that the information he obtains is useful in detecting fraud. The result of this study supports the research of (Biksa and Wiratmaja, 2016; Trinanda, 2016; Arsendy, 2017; Simanjuntak, 2012; Adnyani *et al.*, 2014) who found that attitudes of professional skepticism had a significant effect on the ability to detect fraud. The result of this study does not support the research conducted by (Sanjaya, 2018) which found that the auditor's professional skepticism did not affect the auditor's ability to detect fraud.

The result of the test of the fourth hypothesis stated that H4 is ACCEPTED. This result stated that red flags have a positive and significant effect on professional skepticism of auditors. The higher the red flag will make the auditor's professional skepticism increase. This research is in line with research conducted by (Moyes *et al.*, 2006) which stated that the use of red flags is very effective in detecting fraud which is an audit finding so that external auditors should use red flags when detecting fraud. The result of this study stated that the red flags will make it easier for auditors to carry out auditing tasks. A suspicious and critical attitude will make the auditor more critically evaluate audit evidence. The result of this study illustrated that the use of red flags will help auditors to more specifically assess the risks that are within the scope of the auditee entity, inherent risk, and greater control risk will have an impact on the auditor's tendency to be more skeptical in his examination by expanding materiality limits.

The result of the fifth hypothesis test stated that (H5) is ACCEPTED, which stated that auditor work experience has a positive and significant effect on the skepticism of professional auditors. The more experienced the auditor, the more professional skepticism will increase. The result of this study illustrated that the auditor's increasing experience will have an impact on increasing the skepticism of the auditor in seeking audit evidence by always questioning and evaluating critically the audit evidence he obtained. Past events related to the intricacies of audits or audits carried out will enhance the experience possessed by the auditor so that in collecting and evaluating audit evidence obtained will always be critically evaluated and look for new evidence when the evidence obtained is not sufficient or less valid. These results illustrated that the auditor's experience must

always be improved because finding a bright spot about fraud is not an easy task. This is due to the development of motives and methods used to commit fraud.

The results of the sixth hypothesis test stated that (H6) is ACCEPTED, it is indicated that red flags have a positive and significant effect on fraud detection through professional auditor skepticism. The higher the red flag will make fraud detection increase through the professional skepticism it has. When in carrying out audit duties, the auditor finds something suspected and set as one indication (red flags), then this indication can help auditors to focus more on their performance in finding audit evidence, and always question and evaluate critically the audit evidence obtained so that the auditor can assess fraud risk. This result illustrated that knowledge related to the characteristics and techniques of committing fraud is in dire need of holistic knowledge and understanding of the existence of red flags so that symptoms and signals related to the appearance of abnormal signs or symptoms can be detected immediately and become a reference for further investigation through professional skepticism. Symptoms of the appearance of fraud detection that are known early on by the auditor will increase caution in collecting evidence and evaluating audit evidence. The auditor is responsible for maintaining the professional level inherent in his professional work by increasing adequate knowledge that will help the auditor to identify various indicators of fraud that have occurred. This will increase the level of alertness and caution of the auditor towards the audit process in order to be able to minimize opportunities that can allow fraud, evaluate the need for additional investigations, and notify appropriate authorities.

The result of the test in the seventh hypothesis stated that (H7) is ACCEPTED, the result of the study indicated that the auditor's work experience has a positive and significant effect on fraud detection through the auditor's professional skepticism. The higher the auditor's work experience will make the ability to detect fraud increases through professional auditor skepticism. This can be a cause of more experienced auditors who will increase auditor skepticism in finding audit evidence so that they can detect frauds that occur. The experience will lead the auditor to learn from past events related to the intricacies of the audit or examination so that the audit evidence obtained is always evaluated critically and looks for new evidence when the evidence obtained is not sufficient or lacking valid. This result illustrated that with the increasing competency it will create more curiosity. This is very necessary because in carrying out its work the auditor must be able to handle the uncertainty that occurs by conducting an analytical review of financial statements carefully so that the auditor is able to provide professional service guarantees to clients and other information users. The increasing number of types of work carried out by auditors has an impact on the increase of experience owned so that with increased experience the knowledge of types and how to commit fraud will be increasingly easy to detect. This fraud detection will be carried out more carefully so that the opinions generated about the fairness of the financial statements presented by the audited are objective.

CONCLUSION

The result of this study found that the result of direct testing of red flags variables, and professional auditor skepticism had a positive and significant effect on fraud detection. The auditor experience variables have no significant positive effect on the detection of

fraudulent auditor work experience. Furthermore, the red flag variable and auditor work experience have a positive and significant effect on the auditor's professional skepticism. From the test results indirectly found that the variable red flags and auditor work experience have a positive and significant effect on fraud detection through professional skepticism of the auditor.

The sample in this study is still relatively small and is only limited to auditors working in public accounting firms in Makassar, so this study suggests for further research to add to and expand the area, the number of samples and use new variables other than the variables in this study to better what factors can affect fraud detection. The results of this study also expect that it can be taken into consideration for related FWEs to further improve fraud detection.

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